

Optimising Cash Waqf As An Instrument For Financial Technology Based Economic Empowerment In The Face Of Global Uncertainty

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ABSTRACT

Waqf is an instrument of Islamic philanthropy with enormous potential to support socio-economic development, poverty alleviation, and strengthening community resilience. However, amidst global uncertainty characterised by economic crises, climate change, geopolitical instability, and technological disruption, managing waqf requires a strategic approach to remain relevant and sustainable. This research aims to analyse adaptive, innovative, and long-term cash waqf management strategies so that their benefits align with a just, inclusive, and resilient future vision. The research method uses a qualitative approach with in-depth literature studies and comparative analysis of cash waqf management practices in various global contexts. The research findings indicate that the sustainability of cash waqf can be achieved through three main strategies: first, integrating good governance principles into waqf management to ensure efficiency and effectiveness, transparency, accountability, and public trust; second, utilising digital technology and social finance innovations, such as blockchain-based waqf and green waqf, to expand participation and improve efficiency; and third, strengthening multi-stakeholder collaboration between the government, Islamic financial institutions, civil society, and the private sector to broaden socio-economic impact. With this strategy, cash waqf becomes not only a ritual act of worship but also an instrument for sustainable development capable of bringing about social justice, economic inclusion, and community resilience in the face of global challenges. This research recommends the development of an adaptive policy framework that supports innovation while upholding Sharia principles so that cash waqf can become an important pillar in building a more just, inclusive, and sustainable future.

Keywords: cash waqf, global uncertainty, social justice, Islamic philanthropy, economic empowerment

INTRODUCTION

Sharia economics appears to be a solution to inflation, food price volatility, war, and climate change amidst global turmoil. The current global crisis is more than just economic; it is also a crisis of values, governance, and justice. In situations like this, the values of Islamic economics, which include social justice, ethical finance, wealth distribution, and environmental sustainability, become extremely important. According to the latest Dinar Standard report on the State of the Global Islamic Economy (SGIE) 2025, values of sustainability, justice, and ethics will drive global economic transformation. As the country with the largest Muslim population in the world, Indonesia plays a significant role in this transformation process. It is impossible to carry out sharia economic transformation sectorally and in a piecemeal manner. Conversely, an integrated ecosystem approach is needed where all sectors, from finance, food, education, digital, and creative industries, mutually support and strengthen each other. (Kunichetty, 2021; Solehudin, 2023). The transformation of Islamic economic governance in Indonesia includes significant changes in the governance of Islamic social finance. By leveraging digital technology for the optimisation of cash waqf, waqf management can play a strategic role. This can be one of the most important transformation points. Through digitalisation and the inclusion of Islamic economic principles, Islamic financial institutions must focus more on the consumer sector. (Agriana & Taufiqur Rahman, 2025a; Putri, 2025). To support and develop the halal digital ecosystem nationwide, it is necessary to establish a Halal Innovation Hub, a Waqf Technopark, and community-based sharia financing platforms. Villages, traditional markets, and santri (religious student) communities must experience the benefits of sharia economics. Thus, Islamic economics can be seen outside the city centre and international conferences. Waqf is one of the instruments of Islamic philanthropy that has long contributed to financing the social, educational, health, and infrastructure development of the community. However, the complexities of the modern world, characterised by global uncertainties such as financial crises, pandemics, climate change, and technological disruptions, pose significant challenges to the sustainability of cash waqf management. (Putri, 2025). This challenge underscores the need for new strategies that not only ensure the sustainability of waqf assets but also ensure their benefits align with a future vision that is just, inclusive, and resilient. (misbach & Mardianto, 2025) . According to a survey conducted by BWI and Bank Indonesia in 2020, cash waqf has the potential to reach Rp180 trillion per year. However, the current potential is far below the realisation, which is only in the billions of rupiah. Due to these limitations, waqf must be optimised by using new tools that can connect Islamic philanthropy with contemporary financial systems. In this context, waqf management cannot be done traditionally alone, but requires a strategic, innovative, and adaptive approach based on digital technology, so that cash waqf can become an optimal and sustainable part of the Islamic economic development instrument. (Rodoni et al., 2022). This article aims to discuss the optimisation of cash waqf management through the application of digital technology to empower the Islamic economy in facing global uncertainty by analysing literature and global practices in modern waqf management.

Literature Review

Table 1. Literature Review

Author/Year/Title	Findings	Research GAP
Muchamad Bayu Aldi Pamungkas , 2024, Waqaf Digital Transformation Towards Better Management (Bayu Aldi Pamungkas& An-Najah Indonesia Mandiri Sidoarjo, 2024)	Digital transformation has a positive effect on society and the waqf economy, but it also raises issues such as a lack of digital literacy, technology costs, and the need for supportive regulations.	Transformation in the form of cash waqf sustainability is achieved through the principles of good governance and strengthening of multi-stakeholder collaboration between the government, Islamic financial institutions, civil society, and the private sector.
Rizki Dwi Anggraini ¹ , Nur Diana Dewi ² , Muhammad Rofiq, Optimalisasi Potensi Wakaf di Indonesia: Tantangan dan Peran Digitalisasi dalam Penguatan Manfaat Wakaf bagi Masyarakat, 2024 (Anggraini et al., 2024)	Digitalisation, accelerated by the COVID-19 pandemic, is driving initiatives such as stock endowments, insurance-linked endowments, cash-linked endowments, and electronic banking services, which facilitate participation and enhance the transparency of waqf management. This is also supported by the integration of national waqf data by the National Committee for Islamic Economics and Finance (KNEKS) and the Indonesian Waqf Agency (BWI).	Optimal management of cash waqf can be achieved by integrating good governance principles into waqf governance to ensure efficiency and effectiveness, transparency, accountability, and public trust.

Kukuh Santoso, Transformasi Wakaf Uang Digital, 2025, (Santoso, 2025)	The harmonisation between financial technology in this case, including e-payment and waqf fund collection, has developed rapidly.	Transformation in the form of cash waqf sustainability is achieved through the principles of good governance and strengthening of multi-stakeholder collaboration between the government, Islamic financial institutions, civil society, and the private sector.
Singgih Utomo, Digitalisasi Wakaf Tunai Dalam Perspektif Hukum Ekonomi Syariah: Peluang Dan Tantangan, 2025 (Utomo, 2025)	The digitalisation of cash waqf has great potential to increase sharia financial inclusion and the effectiveness of waqf fund collection. Despite the opportunities, there are major challenges, such as the absence of specific regulations, a lack of knowledge about digital fiqh, and a lack of cooperation	Optimal management of cash waqf can be achieved by integrating good governance principles into waqf governance to ensure efficiency and effectiveness, transparency, accountability, and public trust.
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		effectiveness, transparency, accountability, and public trust.
		The optimisation of cash waqf is achieved through the principles of good governance and the strengthening of multi-stakeholder collaboration between the government, Islamic financial institutions, civil society, and the private sector.
		The optimisation of cash waqf is achieved through

(Agriana & Taufiqur Rahman, 2025b)

Uang Pada PT Edukasi Wkaf Indonesia, 2025,	is supported by digital marketing strategies through social media, educational programs, waqfraisers training, and experienced nazhirs.	the principles of good governance and the strengthening of multi-stakeholder collaboration between the government, Islamic financial institutions, civil society, and the private sector.
Siti Zulaikha and Sylva Arif Rusmita, Blockchain for Waqf Management, 2018, (Zulaikha & Arif Rusmita, 2018)	The findings of this study provide a platform for additional research on Blockchain that could lead to a new waqf management paradigm.	Optimalisasi wakaf tunai dicapai melalui strategi prinsip good governance dan penguatan kolaborasi multi pihak antara pemerintah, lembaga keuangan syariah, masyarakat sipil, dan sektor swasta

Arizqiya Nurfattah ¹ , Royyan Bachtiar ² , Optimizing waqt Management For Social Impact, 2023, (Nurfattah & Bachtiar, 2023)	Clearer and more responsible waqf management is made possible by digital advancements like websites, blockchain, and others. In other words, social activities resulting from waqf support the wellbeing of the state and community.	The optimisation of cash waqf is achieved through the principles of good governance and the strengthening of multi-stakeholder collaboration between the government, Islamic financial institutions, civil society, and the private sector.
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Research Methodology

To answer the research questions outlined above, we conducted a Systematic Literature Review (SLR) using the method of vom Brocke et al., a literature review type, which involves stages of collecting, evaluating, and synthesizing literature related to the topic of study (Sugiono, 1999). In addition, this research is contextualized within the framework of Cooper's taxonomy in order to further define the research's scope. The SLR's focus is on identifying theories (definitions to be found).

Objective of this SLR is to combine multiple definitions into one more accurate one. For economic empowerment, this method is used to analyse the optimisation of cash waqf management that is adaptive, innovative, and long-term orientated, so that its benefits can align with a future vision that is just, inclusive, and resilient. Literature Review System information was taken from semantic academics in international journals like Wiley and Springer. In keeping with the primary focus of research and application of the literature to the current theoretical framework, which is 1990–2025, we restrict the publishing period of the literature to ten years, from 2018 to 2025.

Results

1. Good Governance

Waqf has a tremendous capacity to provide long-term benefits through infrastructure development, educational programs, healthcare services, and other social welfare initiatives. As a form of ongoing charity, waqf reflects the values of social care and sharing that are highly valued in Islamic teachings, and can be a major driver in promoting sustainable social progress and development, thereby attracting interest and increasing public trust. To maintain public trust, waqf institutions must prioritise the principles of transparency, accountability, efficiency, and justice. They must also build an open reporting system and use Sharia audits.

Because Indonesian waqf has great potential, it must be managed correctly. To optimise the management of waqf, the government and the professionalism of the nazhir (waqf manager) are crucial. With proper

management and comprehensive support, the waqf sector in Indonesia can become more efficient in achieving waqf goals, both for religious purposes and the broader welfare of society. (Anggraini et al., 2024).

2. Social Technology and Financial Innovation

Sharia financial institutions that rely on waqf must be able to adapt to technological developments, which can help micro-enterprises where people can share resources and use technology more efficiently. By implementing a business model based on Sharia, ethical values will be enhanced in the business. This is very important for Indonesia because the country has a Muslim majority. (Putri, 2025). Significant opportunities for waqf management have emerged as a result of digital transformation.

Because payments can be made faster and from anywhere, cash waqf with the help of technology can increase the participation of millennials. The online cash waqf program in Indonesia is still relatively new and in the early stages of technology adoption. This is possible because the public is still less familiar with cash waqf compared to zakat, which is more common. (Santoso, 2025) Digital waqf, blockchain, Islamic crowdfunding, and green waqf, through the development of methods, scope, and work environment, enable broader community participation and ensure the sustainability of waqf assets. (Abdillah et al., 2024).

3. Multi-stakeholder collaboration

Sustainable waqf management requires cooperation between the government, Islamic financial institutions, the private sector, and civil society. Legal transformation can be crucial for establishing a sustainable digital cash waqf system if regulatory authorities, Islamic financial institutions, technology providers, and the community collaborate. This also enhances the role of social intermediation by Islamic banking as an important part of community economic development based on Islamic values. To overcome obstacles such as low digital literacy and high technology costs, the digital waqf transformation must be supported by government regulations and collaboration with technology providers to realise an innovative, inclusive, and sustainable digital waqf ecosystem. (Yasin, 2021). Public-private collaboration can expand the scope of waqf programs into productive areas such as renewable energy, education, and healthcare.

4. Focus on a Future Vision

Achieving a just, inclusive, and resilient future vision is the goal of sustainable waqf. This vision must include equitable profit sharing, economic inclusion for vulnerable groups, and preparation for global crises through resilient productive endowment assets. Productive waqf is not only a contemporary Islamic economic innovation; it also demonstrates the Islamic vision of social justice, economic empowerment, and sustainable development. The paradigm of waqf has evolved from consumptive waqf to productive waqf. This is the midpoint between religious belief and economic

wisdom. Waqf can be one of the main pillars of community development, along with professional management, adaptive regulation, digitalisation, and institutional synergy.(Abdillah et al., 2024). Therefore, it is crucial for all stakeholders to give serious attention to the potential and challenges of waqf to ensure that its benefits and blessings become part of the history and future of Islamic civilisation.

Conclusion

Amidst the current global chaos, managing waqf requires a strategic approach focused on sustainability. This article identifies three main approaches: first, implementing good governance; second, leveraging social financial innovation and digital technology; and third, fostering multi-stakeholder collaboration. In this way, waqf serves as a tool of worship but also as a pillar of sustainable development that supports social justice, economic inclusion, and community resilience. Therefore, as waqf can make a significant contribution to a fairer, more inclusive, and resilient future, this study suggests the need for an adaptable policy framework that supports innovation in waqf management while upholding Islamic principles.

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