

## Maqashid Syariah-Based Optimization of Cash Waqf: A Governance Analysis of Structural Constraints and Productive Economic Empowerment Strategies in Indonesia

*(Optimalisasi Wakaf Uang Berbasis Maqashid Syariah: Analisis Tata Kelola, Kendala Struktural, dan Strategi Pemberdayaan Ekonomi Produktif di Indonesia)*



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**Abstract:** Cash waqf (wakaf uang) represents a significant Islamic philanthropic instrument with considerable potential for productive economic empowerment and poverty alleviation. Despite an estimated national potential exceeding IDR 180 trillion annually, actual realization remains below 1% due to complex structural barriers. This study aims to analyze the strategic role of cash waqf in productive economic empowerment while identifying key constraints and optimization strategies within a maqashid syariah framework. Employing a qualitative descriptive-analytical systematic literature review, the research reviewed legislation, fatwas, institutional reports, and peer-reviewed articles published between 2015–2025. Findings reveal three principal results: (1) cash waqf possesses a robust legal foundation through Law No. 41 of 2004 and MUI Fatwa No. 2 of 2002, yet a significant implementation gap persists between legal norms and field practice; (2) primary constraints are systemic and interrelated, encompassing low public literacy, weak nadzir capacity, insufficient fiscal incentives, and digitalization deficits; and (3) effective optimization requires an integrated ecosystem approach comprising governance strengthening, digital platform development, and cross-sectoral institutional synergy. The novelty of this study lies in its integration of legal, institutional, technological, and literacy dimensions within a single unified analytical framework grounded in maqashid syariah — an approach not yet comprehensively undertaken in prior literature. The principal contribution is the formulation of an operational maqashid syariah-based cash waqf governance model relevant to the Indonesian context, alongside systemic policy recommendations actionable by key stakeholders.

**Keywords:** cash waqf; economic empowerment; productive economy; Islamic philanthropy; nadzir; governance.

**Abstrak:** Wakaf uang merupakan instrumen filantropi Islam yang memiliki potensi signifikan dalam mendukung pemberdayaan ekonomi produktif dan pengentasan kemiskinan. Meskipun potensinya diperkirakan mencapai lebih dari Rp180 triliun per tahun secara nasional, realisasinya masih di bawah 1% akibat hambatan struktural yang kompleks. Penelitian ini bertujuan menganalisis peran strategis wakaf uang dalam pemberdayaan ekonomi produktif serta mengidentifikasi kendala dan strategi optimalisasinya dalam kerangka maqashid syariah. Metode yang digunakan adalah studi literatur kualitatif dengan pendekatan deskriptif-analitis, melalui kajian sistematis terhadap peraturan perundang-undangan, fatwa, laporan lembaga, dan artikel ilmiah relevan yang diterbitkan antara tahun 2015–2025. Hasil kajian menunjukkan tiga temuan utama: (1) wakaf uang memiliki landasan hukum yang kuat melalui UU No. 41 Tahun 2004 dan Fatwa MUI No. 2 Tahun 2002, namun terdapat kesenjangan



*implementasi yang signifikan antara norma hukum dan praktik lapangan; (2) kendala utama bersifat sistemik dan saling terkait, meliputi rendahnya literasi masyarakat, lemahnya kapasitas nadzir, minimnya insentif fiskal, dan defisiensi digitalisasi; serta (3) strategi optimalisasi yang efektif mensyaratkan pendekatan ekosistem terpadu yang mencakup penguatan tata kelola, digitalisasi platform wakaf, dan sinergi kelembagaan lintas sektor. Kebaruan penelitian ini terletak pada pengintegrasian dimensi hukum, kelembagaan, teknologi, dan literasi dalam satu kerangka analisis terpadu berbasis maqashid syariah, yang belum dilakukan secara komprehensif dalam literatur sebelumnya. Kontribusi utama penelitian ini adalah tersusunnya model tata kelola wakaf uang berbasis maqashid syariah yang operasional dan relevan bagi konteks Indonesia, sekaligus memberikan rekomendasi kebijakan yang bersifat sistemik dan dapat diimplementasikan oleh pemangku kepentingan.*

**Kata kunci:** wakaf uang; pemberdayaan ekonomi; ekonomi produktif; filantropi Islam; nadzir; tata Kelola.

## Introduction

Indonesia, home to the world's largest Muslim population of over 231 million people, possesses extraordinary social and spiritual capital for developing Islamic financial instruments (Randeree, 2020). Among these instruments, waqf stands out for its enduring productive dimension, distinguishing it from other philanthropic tools (Hutagalung et al., 2023). Historically, waqf served as the primary financing mechanism for major public institutions in Islamic civilization, from Al-Azhar University in Egypt to the Nizamiyah in Baghdad, demonstrating that waqf is not merely a religious instrument but a foundational driver of socio-economic advancement (Kasdi et al., 2022).

Contemporary innovation has given rise to the concept of cash waqf, which fundamentally transforms the accessibility of waqf participation. Unlike land or building waqf that historically favored the wealthy, cash waqf enables broad societal participation with a minimum contribution as low as IDR 10,000. Its potential is substantial: the Indonesian Waqf Board (BWI) projects that national cash waqf collection could exceed IDR 180 trillion annually if all Muslim community segments participate (Aldeen et al., 2022). Yet actual realization remains well below 1% of this potential (Kabiru et al., 2023). This enormous gap is not merely a technical problem but a manifestation of complex and interrelated structural barriers that demand systematic analysis.

International experience demonstrates that cash waqf optimization is entirely achievable with the right approach. Turkey through its Directorate of Religious Affairs (Diyanet), Malaysia through the State Islamic Religious Council (MAIN) which integrates waqf with sukuk instruments, and Bangladesh through the Social Investment Bank Limited (SIBL) with its innovative cash waqf certificate model, have each demonstrated that professional and structured waqf management can generate significant socio-economic impact (Chowdhury, 2011). Indonesia, with a far greater scale of potential, should be positioned to surpass these achievements. Academic scholarship on cash waqf in Indonesia has grown considerably over the past decade, addressing aspects ranging from fiqh foundations and institutional governance to technological innovation and community welfare (Saprida et al., 2025; Zafar & Jafar, 2026). Nevertheless, a significant research gap persists: the majority of existing studies remain partial in scope, analyzing only one or two dimensions in isolation without integrating them within a comprehensive normative framework. Studies that simultaneously examine the legal, institutional, technological, and literacy dimensions within a single unified analytical framework remain scarce, particularly those grounded in maqashid syariah as an integrative normative foundation. This fragmentation has produced policy recommendations that are often narrow in scope and difficult to implement systematically.

The maqashid syariah framework, developed by eminent scholars including Al-Ghazali, Al-Juwaini, and Imam Al-Syathibi, offers a holistic perspective for understanding cash waqf not merely as a philanthropic instrument, but as a mechanism for achieving multidimensional public welfare. Within this framework, the optimization of cash waqf directly contributes to the protection of life (*hifz al-nafs*) through healthcare services, the protection of intellect (*hifz al-*

'*aqil*) through education, and the protection of wealth (*hifz al-mal*) through productive economic empowerment. This normative grounding elevates cash waqf from a charitable act to a strategic instrument of Islamic social finance. This study pursues three specific objectives: (1) to analyze the legal foundation and Sharia legitimacy of cash waqf in Indonesia; (2) to identify the structural constraints impeding its optimization; and (3) to formulate optimization strategies grounded in an integrated ecosystem approach within the *maqashid syariah* framework. In doing so, this study contributes to the development of an operational, systemic, and contextually relevant cash waqf governance model for Indonesia.

## Methods

This study employs a qualitative methodology utilizing a Systematic Literature Review (SLR) framework. This approach was selected given the normative-conceptual nature of the research questions, which necessitate a thorough and transparent synthesis of primary, secondary, and tertiary sources to construct a comprehensive knowledge map on cash waqf optimization in Indonesia. The SLR framework enables researchers to systematically locate, evaluate, and synthesize findings from diverse relevant studies, yielding more robust and dependable conclusions than conventional narrative or unstructured literature reviews (Parums, 2021). Data were gathered from three complementary categories of sources. Primary sources include legislation directly pertaining to waqf, specifically Law Number 41 of 2004 on Waqf, Government Regulation Number 42 of 2006 on the Implementation of the Waqf Law, the Compilation of Islamic Law, and the Indonesian Ulema Council (MUI) Fatwa Number 2 of 2002 on Cash Waqf. Official institutional reports from the Indonesian Waqf Board (BWI), Bank Indonesia, the Financial Services Authority (OJK), and the Ministry of Religious Affairs are similarly classified as primary sources, given their inclusion of authoritative data and official policy directives. Secondary sources comprise peer-reviewed scientific articles indexed in reputable databases including Scopus, Web of Science, Google Scholar, and SINTA, published between 2015 and 2025. This ten-year span was selected to ensure that the reviewed literature captures the most recent developments in cash waqf research while remaining sufficiently broad to identify significant trends and transformations. Seminal works published prior to 2015 are additionally incorporated as historical and theoretical foundations, particularly those concerning waqf doctrine in Islamic jurisprudence and the *maqashid syariah* framework.

The literature selection procedure adheres to the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol, the internationally recognized standard for conducting systematic literature reviews (Parums, 2021). The selection process comprises four sequential phases: identification, screening, eligibility assessment, and inclusion. Search terms employed include: *cash waqf*, *productive waqf*, *waqf governance*, *Islamic philanthropy*, *economic empowerment*, *'nadzir'*, *'waqf institution'*, and *'maqashid syariah'*. Of 187 sources identified during the initial search, 42 were ultimately selected based on stringent inclusion criteria encompassing topical relevance, publication quality, methodological rigor, and source distinctiveness.

Data analysis was executed through three consecutive and interrelated stages (Atkinson, 2002). The first stage involves data reduction, which entails organizing, concentrating, and simplifying raw data into core themes pertinent to the research objectives. At this stage, each literary source was systematically examined to identify principal arguments, relevant empirical evidence, and proposed policy recommendations. The second stage involves data display, which entails presenting condensed data in a structured descriptive-analytical narrative organized around identified themes. The third stage involves verification and conclusion drawing, which entails formulating final findings based on patterns consistently observed across multiple sources and correlating them with the *maqashid syariah* analytical framework employed as the primary interpretive instrument in this study.

It is important to explicitly acknowledge the inherent limitations of this methodological

approach. As a study grounded entirely in documentary and literature-based sources, this research does not incorporate primary empirical data collected through fieldwork, such as interviews, surveys, or direct institutional observation. Consequently, findings reflect synthesized scholarly and regulatory perspectives rather than ground-level realities experienced by *nadzir* institutions, waqf contributors, or beneficiary communities. The absence of field validation means that certain contextual nuances particularly those pertaining to local institutional dynamics, community behavioral patterns, and the practical implementation challenges faced by *nadzir* at the grassroots level may not be fully captured. Furthermore, the study's reliance on published literature introduces the possibility of publication bias, whereby studies reporting positive or significant findings may be disproportionately represented in academic databases relative to those documenting failures or negative outcomes in cash waqf management. These limitations notwithstanding, the SLR approach remains appropriate and methodologically justified for the normative-analytical objectives of this study, which prioritizes the construction of a comprehensive conceptual framework over the generation of new empirical data. Future research is strongly encouraged to complement these findings through mixed-methods or empirical approaches that incorporate direct field investigation.

## Results

### Legal Foundation of Cash Waqf in Indonesia

A thorough examination of statutory law and Sharia principles confirms that cash waqf in Indonesia possesses a complete, multi-tiered, and mutually reinforcing legal foundation an achievement not shared by all Islamic financial products in the country (Shohibuddin & Luthfi, 2026). This foundation spans three complementary dimensions: the Sharia dimension derived from the Qur'an, Hadith, and scholarly fatwas; the positive law dimension comprising national legislation and government regulations; and the institutional dimension established through an independent regulatory body. From the Sharia perspective, several Qur'anic verses provide robust theological justification for cash waqf, including Surah Al-Hadid verse 18, Surah Ali 'Imran verse 92, and Surah Al-Baqarah verse 267, each of which encourages believers to contribute their most valued possessions for the benefit of others. The Hadith narrated by Imam Muslim from Abu Hurairah in which the Prophet Muhammad identified continuous charity as one of three deeds whose rewards persist after death is widely accepted by scholars as a direct reference to waqf.

The historical precedent established by Umar bin Khattab, who dedicated land in *Khaibar* upon the Prophet's guidance, further anchors the legitimacy of waqf in Islamic tradition. Within the positive law framework, Law Number 41 of 2004 on Waqf constitutes the most pivotal legislative achievement in the development of contemporary waqf in Indonesia (Rimanto et al., 2021). This law explicitly recognizes cash waqf as a legally valid waqf form, establishes the collection mechanism through Islamic Financial Institutions Receiving Cash Waqf (LKS-PWU), and most significantly, creates the Indonesian Waqf Board (BWI) as an autonomous regulatory and supervisory authority independent of direct government control. Government Regulation Number 42 of 2006 further operationalizes these provisions by governing declaration procedures, the responsibilities of Waqf Deed Making Officials (PPAIW), asset registration mechanisms, fund development protocols, and reporting requirements to BWI.

Preceding these legislative instruments, the MUI Fatwa Number 2 of 2002 on Cash Waqf resolved longstanding fiqh debates regarding the permissibility of monetary waqf, providing the theological foundation upon which the 2004 law was subsequently constructed. Notwithstanding the comprehensiveness of this legal architecture, a critical finding emerges: the primary impediment to cash waqf advancement in Indonesia is not regulatory insufficiency but a substantial implementation gap between established legal norms and actual practice. This gap manifests across multiple levels — inadequate socialization of existing regulations, limited

institutional capacity among implementing actors, ineffective monitoring and enforcement mechanisms, and suboptimal inter-agency coordination. A comparative perspective further reinforces this finding: Indonesia's legal framework for cash waqf is relatively robust by international standards, yet its practical outcomes lag considerably behind countries such as Malaysia and Turkey, whose regulatory frameworks may be less comprehensive but whose implementation systems are more effective. This disparity underscores that legal reform alone is insufficient; sustained efforts in enforcement, capacity building, and institutional accountability are equally imperative.

### The Potential of Cash Waqf as a Mechanism for Productive Economic Empowerment

Cash waqf holds substantial and multidimensional potential as an instrument of productive economic empowerment, operating through several distinct yet complementary channels. The first and most direct channel is waqf-based financing for micro and small enterprises. Unlike conventional bank loans, waqf financing imposes no interest obligations on beneficiaries, preventing the risk of debt accumulation during periods of business difficulty. Unlike consumptive government social assistance, waqf financing is fundamentally empowerment-oriented, targeting the enhancement of productive capacity. The cyclical nature of well-managed waqf funds further enables an expanding range of beneficiaries to access financing over time, generating a sustained multiplier effect on community economic welfare.

The second channel involves the development of socially beneficial infrastructure with enduring impact. Waqf funds allocated to productive assets — vocational training centers, waqf-based clinics and hospitals, and MSME development centers — generate continuous benefits across multiple programme cycles and successive generations, fundamentally distinguishing waqf from conventional one-time charitable donations. The third and particularly significant channel is the integration of cash waqf with contemporary Islamic financial instruments through Cash Waqf Linked Sukuk (CWLS). This hybrid instrument combines the humanitarian foundation of cash waqf with the large-scale fund mobilization capacity of the Islamic capital market. Since its first issuance in 2020, CWLS in Indonesia has been deployed to fund the construction and renovation of health clinics, sanitation facilities, scholarship programmes, and social infrastructure in underserved areas, providing concrete evidence that the convergence of waqf and Islamic capital market instruments is both viable and impactful (Budimansyah et al., 2025).

The fourth channel is the democratization of philanthropic participation. With a minimum contribution threshold as low as IDR 10,000, cash waqf fundamentally dismantles the exclusivity that historically characterized traditional waqf, enabling participation from all socioeconomic segments. This inclusivity facilitates the aggregation of substantial collective resources from numerous small contributors — a dynamic closely analogous to crowdfunding while simultaneously fostering a deeper sense of community ownership over waqf assets and programmes. Nevertheless, an important evaluative observation must be made: while the potential of cash waqf across these channels is theoretically significant, empirical evidence on the actual scale and depth of its socioeconomic impact in Indonesia remains limited. Available data on CWLS issuance volumes and programme outputs provide encouraging indicators, but rigorous independent impact assessments measuring beneficiary welfare improvements, income changes, or poverty reduction attributable specifically to cash waqf programmes are scarce in the existing literature. This evidential gap represents a critical area requiring systematic empirical investigation, and it tempers the extent to which current projections of cash waqf's transformative potential can be asserted with full analytical confidence.

### Principal Constraints in Cash Waqf Optimisation

The optimisation of cash waqf in Indonesia is impeded by four interconnected clusters of structural constraints. These constraints do not operate independently; rather, they form a

self-reinforcing cycle in which each barrier compounds the others, making isolated interventions insufficient and systemic approaches imperative. The first and most foundational constraint is low public literacy regarding cash waqf. A significant proportion of Indonesian Muslims continue to associate waqf exclusively with immovable assets such as land designated for mosques or cemeteries, rendering the concept of monetary waqf unfamiliar and in some cases theologically suspect. This misconception is perpetuated by the absence of organized and sustained socialization efforts from influential institutions, including major religious organizations such as Nahdlatul Ulama and Muhammadiyah, educational institutions at all levels, and mainstream media platforms. Without adequate public understanding, demand for cash waqf products remains structurally suppressed, constraining the volume of funds available for productive management. This makes low literacy the most upstream and therefore most strategically critical constraint in the entire cash waqf system: no amount of institutional capacity or technological sophistication can compensate for an absence of public participation.

The second constraint is the inadequate capacity and professionalism of nadzir, the central operational actor in the cash waqf ecosystem. The majority of nadzir in Indonesia particularly individual nadzir and small-scale institutional nadzir lack sufficient competence across the multiple domains required for effective waqf management, including Sharia-compliant investment management, waqf accounting under PSAK Syariah standards, portfolio risk management, business planning, digital technology utilization, and stakeholder communication (Sharif et al., 2023). The absence of nationally recognized and legally enforced nadzir competency standards and certification mechanisms exacerbates this problem, as the role can currently be assumed without meeting explicit minimum qualifications. The practical consequence is a systematic tendency toward passive fund management waqf monies held in bank accounts without generating productivity or consumptive allocation that fails to generate sustained economic benefits. Compounding this is the insufficiency of nadzir remuneration, capped at 10% of net results under existing regulations, which renders professional waqf management financially unattractive to highly qualified human resources.

The third constraint is structural and regulatory in nature. Despite a comprehensive legislative framework, several critical regulatory deficiencies persist. Most significantly, cash waqf contributions have not been accorded the same income tax deduction treatment as zakat donations under the Income Tax Law, diminishing the financial attractiveness of cash waqf for moderate-to-high income donors who are sensitive to tax efficiency considerations (Ismon & Hingun, 2020; Zafar & Jafar, 2026). The absence of an integrated national waqf information system further compounds this structural weakness: without a consolidated database of nadzir profiles, waqf asset inventories, financial reports, and supervision outcomes, BWI and other stakeholders are unable to monitor nadzir performance in real time, identify underperforming institutions, or allocate targeted support efficiently (Roslan & Muhamad, 2024). This information fragmentation simultaneously impairs regulatory oversight and academic understanding of the true state of national waqf.

The fourth constraint is the inadequacy of digitalization, an increasingly critical deficiency in the context of Indonesia's rapidly evolving digital economy. The vast majority of waqf institutions have not established digital platforms for fundraising, financial reporting, or real-time impact monitoring, continuing to rely on conventional collection methods that cannot match the convenience and speed of digital financial services to which the public is increasingly accustomed. This technological lag renders cash waqf progressively less competitive relative to other social-financial instruments in capturing public attention and resources. The digitalization deficit extends beyond the absence of online fundraising interfaces to encompass the digital certification of waqf assets, the implementation of transparent and auditable blockchain or technology-based reporting systems, and the application of data analytics for waqf portfolio optimization — all of which remain largely underdeveloped across the sector. Taken together, these four constraint clusters operate as a vicious cycle: low literacy

suppresses fundraising volumes, which limits the operational scale of nadzir institutions, which in turn restricts nadzir capacity to invest in technology and professional human resources, which ultimately undermines the productivity and transparency necessary to rebuild public trust and expand literacy. Among these four constraints, low public literacy is identified as the most upstream and strategically decisive barrier, as it determines the volume of resources entering the system upon which all subsequent improvements depend. However, nadzir capacity represents the most immediately actionable priority for institutional intervention, given that governance reforms targeting nadzir professionalization can yield improvements in fund productivity and transparency independent of broader public literacy levels. Disrupting this cycle therefore requires simultaneous and coordinated interventions at multiple critical junctures, informed by a systemic understanding of how these constraints interact and reinforce one another.

## Discussion

This research reveals a complex and multifaceted discourse on the optimisation of the cash waqf environment in Indonesia. This discourse will be structured around several principal complementary themes, commencing with the implications of the legal foundation, followed by the necessity for the professionalisation of nadzir, the function of digitalisation as a catalyst for transformation, the framework for optimisation strategies, and concluding with the significance of the maqashid sharia framework as an integrative normative foundation. The findings concerning the thoroughness of the legal framework for cash waqf in Indonesia possess significant implications that warrant further investigation (Laila et al., 2025). If the failure of optimisation is attributed to an implementation gap rather than insufficient regulation, the enquiry becomes: what factors contribute to this implementation gap and how can it be remedied? From the standpoint of policy implementation theory, the disparity between legal norms and practical application may arise from several factors, including insufficient policy clarity, constrained implementation resources, ineffective monitoring and evaluation systems, and a deficiency of commitment from principal actors tasked with implementation.

Mahadi underscores the necessity for waqf policies that are more responsive to the evolving dynamics of the economy and technology (Mahadi, 2022). This argument is pertinent to the present circumstances in Indonesia, where digital change is occurring at an unprecedented rate. The current waqf restrictions, albeit extensive, were predominantly established prior to the significant advancements of the fintech and digital economy revolutions. Consequently, ongoing efforts are required to amend and enhance these policies to ensure their relevance and efficacy within the digital economy environment. From the standpoint of Islamic legal theory, the legitimacy of cash waqf, validated by the MUI Fatwa and state legislation, has effectively resolved the fiqh disputes that have historically posed a theological impediment among certain community members. Notable contemporary thinkers, such as Sheikh Yusuf Al-Qaradawi in *Fiqh Al-Zakat* and Sheikh Wahbah Al-Zuhaili in *Fiqh Al-Islam wa Adillatuhu*, have unequivocally endorsed the legitimacy of cash waqf within the context of maqashid shariah. The endorsement from such distinguished theological experts should alleviate public doubts and promote wider engagement.

The agency theory approach offers a valuable analytical framework for comprehending the dynamics of the relationship between the wakif (as principal) and the nadzir (as agent). This relationship harbours an intrinsic possibility for a conflict of interest (agency problem): the nadzir may prioritise decisions that serve their own interests—such as evading risks to safeguard their reputation—while the wakif seeks optimal and effective management. Effective strategies to mitigate this agency problem encompass: incentive contract structures that harmonise the interests of the nadzir with those of the wakif, robust monitoring systems, and stringent reporting transparency requirements.

Within the framework of stewardship philosophy, an integrated steward perceives their role not merely through the lens of personal interests, but as a trust that must be diligently upheld and cultivated for the collective good of the community. The Islamic theological viewpoint that designates nadzir as Allah's vicegerent in the administration of waqf assets aligns closely with the principles of stewardship theory, providing a robust intrinsic motivation for nadzir to fulfil their responsibilities with utmost diligence and commitment. The professionalisation of nadzir necessitates a comprehensive approach that addresses multiple dimensions concurrently. A comprehensive standard curriculum must be established, encompassing the management of sharia waqf assets, waqf accounting in accordance with Sharia PSAK standards, information technology and digitalisation, portfolio risk management, business planning, waqf project development strategies, and communication with stakeholders. This curriculum must be established collaboratively among BWI, Islamic higher education institutions, and seasoned professionals in the sharia finance sector.

BWI must promptly establish an organised, quantifiable, and legally enforceable nadzir certification system in accordance with certification and competency requirements. This certification must be distinguished according to the nature and scale of the waqf institution—specifically, between individual nadzir, small institutional nadzir, and national-scale corporate nadzir. The competency requirements for each category may vary, but minimum levels must be maintained to ensure consistent management quality. Nadzir institutions failing to satisfy competency standards within a specified timeframe must endure stringent repercussions. Discoveries concerning the inadequacies in digitalisation initiate a significant discourse on the function of digital transformation as a catalyst capable of radically altering the cash waqf environment. The platform economy, which illustrates how digital technology fosters ecosystems that link many parties (multi-sided platform), is significantly pertinent to the advancement of the digital waqf ecosystem.

An well designed digital waqf platform may link waqif from diverse segments and locations with professional nadzir, incorporating tangible empowerment programmes that provide measurable outcomes, and with people in need. Real-time transparency enabling wakif to directly oversee the development and impact of their waqf will be a crucial determinant of trust and loyalty among wakif. This paper proposes an optimisation strategy grounded in an integrated ecosystem approach, perceiving the development of cash waqf as a complex system comprising several interacting actors and aspects. This method contrasts with the partial approach that concentrates solely on one or two facets. In system theory, sustainable and effective change necessitates the coordination of all system components; addressing a single component in isolation typically fails to yield substantial change, as the system tends to revert to its previous equilibrium through various compensatory mechanisms. The reform of supervisory institutions necessitates modifications that encompass not only technical-administrative aspects but also organisational culture. Establishing a performance-driven, accountable, and innovative work culture at nadzir institutions is a protracted endeavour necessitating robust and unwavering leadership commitment. BWI must establish mentoring and incubation programmes that link novice nadzir with seasoned and accomplished nadzir, facilitating the organic transfer of knowledge and best practices.

## Conclusion

This study has demonstrated that the underperformance of cash waqf in Indonesia relative to its substantial potential is fundamentally a governance problem rather than a regulatory or theological one. The legal and Sharia foundations for cash waqf are robust and comprehensive, established through Law Number 41 of 2004, Government Regulation Number 42 of 2006, and MUI Fatwa Number 2 of 2002. The central challenge lies not in the absence of enabling frameworks but in the persistent implementation gap between established legal norms and institutional practice a gap driven by four systemic and interrelated constraints: low

public literacy, inadequate nadzir capacity, regulatory and fiscal deficiencies, and digitalization inadequacy. These constraints do not operate in isolation. They form a self-reinforcing cycle in which each barrier compounds the others, rendering partial interventions structurally insufficient. Disrupting this cycle requires a simultaneous, coordinated, and ecosystem-wide response organized around five interdependent pillars: literacy and demand generation, nadzir professionalization, regulatory and fiscal reform, digital platform development, and cross-sectoral institutional synergy. The maqashid syariah framework, which orients all five pillars toward the achievement of multidimensional public welfare (maslahah), provides the integrative normative foundation that distinguishes this governance model from purely technocratic approaches.

The principal scientific contribution of this study is the development of a maqashid syariah-based integrated cash waqf governance model that simultaneously addresses legal, institutional, technological, and literacy dimensions within a single unified analytical framework an integration not previously undertaken comprehensively in the existing literature. This model reorients waqf performance evaluation from financial metrics alone toward welfare outcome indicators aligned with maqashid objectives, offering both a conceptual innovation and a practical governance instrument for policymakers, BWI, nadzir institutions, and Islamic financial regulators. Future research should prioritize empirical validation of this governance model through field-based studies examining nadzir institutional performance, beneficiary welfare outcomes, and the measurable impact of specific policy interventions. Mixed-methods approaches incorporating surveys, interviews, and longitudinal impact assessments will be essential for generating the evidence base that this literature-grounded study has identified as critically absent in the current scholarship on cash waqf in Indonesia.

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