

Implementation of Waqf Digitalization to Increase Public Interest in Waqf

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Abstract

The development of Islamic economy and finance in recent decades has experienced rapid development. One of the instruments to improve community welfare and overcome poverty problems is waqf. Waqf is also an activity that has two components, namely the spiritual component and the social component in the economic field of the Muslim community. The use of technology to manage waqf assets can provide better benefits for parties involved in waqf management. Digitalization as one of the resources that can be used to improve performance and expand the range of institutional management. Indonesia is one of the countries with a majority Muslim population that has a great potential of sharia social finance (zakat, Infaq, Shadaqah and waqf). In line with the enormous potential, it is necessary to optimize ziswaf to achieve national economic recovery. The application of waqf digitalization in Indonesian waqf institutions has been carried out in collaboration with Islamic financial institutions in the provision of digitalization services, increasing public understanding and interest is carried out by the socialization of the cash waqf program through the QRIS digitization service carried out by the Indonesian Waqf Board.

Keywords: Digitalization, Waqf, Financial Potential, Welfare.

INTRODUCTION

In recent years, Islamic economics and finance have grown rapidly, leading many Muslim-majority countries to optimize religious-based instruments to promote public welfare (Aldeen, 2021). Among these, waqf stands out as a unique financial mechanism that integrates social, spiritual, and economic dimensions to support poverty alleviation and sustainable development (Sudrajat et al., 2023; Rokhim & Suratman, 2021). As both a spiritual act and a socioeconomic tool, waqf enables wealth redistribution and strengthens social solidarity (Hafandi & Handayati, 2021; Azrai Azaimi Ambrose & Abdullah Asuhaimi, 2021).

Waqf has played an essential role in supporting the establishment of public infrastructure, including educational institutions and healthcare services, across numerous Muslim communities (Huda & Santoso, 2022; Kachkar et al., 2021). Its relevance persists in modern

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times, particularly as a strategic tool to address pressing socioeconomic issues (Saad et al., 2022). Moreover, waqf is closely aligned with the principles of the Sustainable Development Goals (SDGs), especially in fostering inclusive and sustainable economic development (Almomani et al., 2024).

The advancement of digital technologies has significantly accelerated the transformation and modernization of waqf practices. Digital waqf platforms offer greater accessibility, transparency, and efficiency in managing endowments, especially through mobile apps, e-wallets, and QR code systems (Nasir et al., 2023; Aysan & Al-Saudi, 2023). For example, in Malaysia, digital crowdfunding has raised over RM 739 million from thousands of campaigns, demonstrating the scalability of digitalized Islamic social finance (Khairuddin & Ishak, 2023). In Indonesia, QR-based waqf payments and mobile banking services have been actively promoted by the Indonesian Waqf Board (BWI) in collaboration with national financial institutions (Sudrajat et al., 2023).

Although waqf holds substantial potential, its governance in Indonesia continues to encounter numerous challenges, including traditional legal interpretations, low public awareness, and lack of integrated data (Huda & Santoso, 2022; Hassama & Ismail, 2023; Wijaya, 2023). While the estimated national waqf potential exceeds IDR 10 trillion annually, collection and utilization remain suboptimal (Musthafa et al., 2022). This reflects broader institutional weaknesses and highlights the urgent need for reform and digital transformation (Widiastuti et al., 2022; Nurdin et al., 2023).

Waqf has yet to be fully integrated into Indonesia's national economic strategy. Its impact on poverty reduction, public service delivery, and regional development remains underutilized, in part due to limited digital competencies and weak institutional capacity (Lita, 2020; Raja Adnan et al., 2022; Tan et al., 2024). Strengthening waqf's role in economic development thus requires leveraging digital innovation to enhance transparency, participation, and accountability (Skvarciany & Jurevičienė, 2024).

This study aims to explore how digitalization enhances waqf collection, governance, and public participation. Grounded in Indonesia's experience, it investigates the role of digital platforms in transforming traditional waqf mechanisms into agile, inclusive, and impactful instruments of social finance.

METHOD

This study uses quantitative research. The sample in this study is 301 consisting of three provinces, namely West Sumatra, Bali and Bangka Belitung. Data collection in this study uses observations, interviews and questionnaires. The data analysis in this study used multiple liner regression, data processing was carried out with SPSS.

RESULTS AND DISCUSSION

Implementation of Waqf Digitalization

The findings of this study indicate that the digitization of waqf in Indonesia has been implemented through a strategic collaboration between the Indonesian Waqf Board (BWI) and Bank Syariah Indonesia (BSI). This collaboration includes the establishment of a dedicated waqf fund account and the integration of QR code-based donation features within mobile banking applications, allowing users to contribute without requiring physical cash deposits (Bank Syariah Indonesia, 2024). The application of QR-based mobile waqf technology has also been supported by studies highlighting its role in increasing accessibility and convenience for younger and tech-savvy donors (Laila et al., 2023).

Digital platforms are widely adopted as effective alternatives in both business and community-driven projects. In Malaysia, for instance, digital crowdfunding has mobilized over RM 739 million through nearly 10,000 campaigns, showcasing the power of online platforms in scaling Islamic philanthropic models (Khairuddin & Ishak, 2023). The use of technology is not limited to almsgiving but also extends to zakat and waqf (Hassan et al., 2023), and recent studies argue that digitalization positively affects financial transparency and governance in Islamic social finance (Nurdin et al., 2024).

The Indonesian Waqf Board has carried out extensive promotion of cash waqf programs through QR codes, involving regional government officials to boost public understanding. Prior studies confirm that user-friendly interfaces and information availability via mobile waqf apps influence public willingness to participate in endowment-based giving (Faturrohman et al., 2020). Additionally, innovation such as the “Waqf for Brides” (Wakaf Catin) program has been developed, requiring prospective newlyweds to make waqf donations prior to receiving their marriage documentation, embedding social values into religious milestones (Bank Syariah Indonesia, 2023).

At the institutional level, cash waqf collection is coordinated through units within the Ministry of Religious Affairs, with Sharia Financial Institutions designated to manage waqf funds. Studies such as those by Sudrajat et al. (2023) underscore the importance of digital recordkeeping and integration systems in strengthening waqf transparency and donor trust.

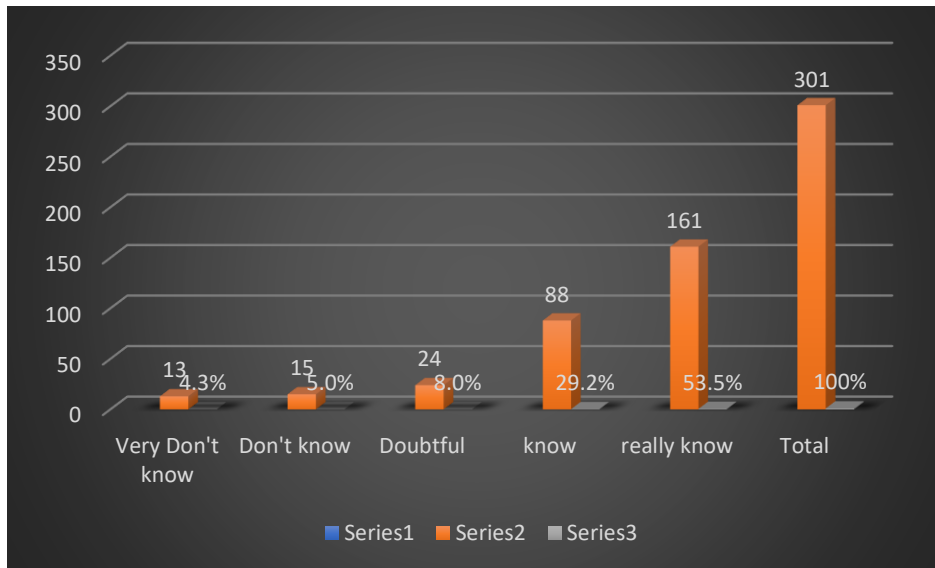


Figure 1 Public Knowledge about Waqf

From the graph above, it can be seen that the level of knowledge of the community about waqf is very good, this can be seen from the graph above showing that there are 53.5% who already know very much about waqf, 29.2% know about waqf, while the lowest value of 4.3% shows that the community is very ignorant of waqf.

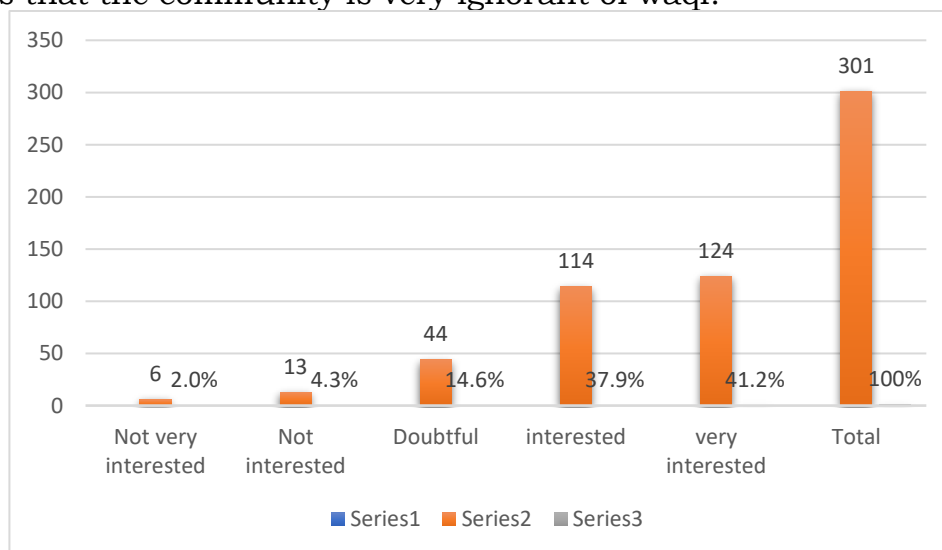


Figure 2 Community Interest in Fulfilling Waqf

The results of the graph show that the interest of the community in waqf, especially in the past, is very good, this can be seen from the graph above showing that there are 41.2% showing very interest, 37.9% expressing interest in waqf, 14.6 hesitant, 4.3% not interested, while the lowest value of 2.0% shows very disinterested in carrying out waqf. These findings are consistent with previous studies, which have demonstrated that both knowledge and attitudes significantly influence individuals' interest in engaging in waqf activities (Laila et al., 2023).

The Effect of Digitalization on Waqf Interest

The t-test was carried out to see if there was an influence between variable X and variable Y. The outcomes of the data analysis revealed the t-test results, which are presented in the table below:

Test Table t
Coefficients^a

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.932	1.332		1.451	.148
	X1	.337	.059	.308	5.675	.000
	X2	.455	.086	.359	5.294	.000
	X3	.389	.063	.294	6.147	.000

a. Dependent Variable: Y

Based on the results of the calculation, a t calculation of 5.675 > t-table 1.967 was obtained. So, H₀ is rejected and H_a is accepted. This means that there is an influence between waqf knowledge and interest in waqf. Meanwhile, if we look at the significant value, which is 0.000 < 0.05 which means that H₀ is rejected and H_a is accepted. This means that there is an influence between waqf knowledge and interest in waqf. Based on the results of the calculation, a t calculation of 5,294 < t-table 1,967 was obtained. Hence, H₀ is rejected and H_a is accepted. This means that there is an influence between the digitalization of promotion and the interest in waqf. Meanwhile, if we look at the significant value, which is 0.000 < 0.05, which means that H₀ is rejected and H_a is accepted, it means that there is an influence between the digitalization of promotion and the interest in waqf. Based on the results of the calculation, a t-count of 6.147 > t-table of 1.967 was obtained. So, H₀ is rejected and H_a is accepted. This means that there is an influence between the digitization of payments and the interest in waqf. Meanwhile, if we look at the significant value, which is 0.000 < 0.05, which means that H₀ is rejected and H_a is accepted. This means that there is an influence between the digitization of payments and the interest in waqf.

CONCLUSION

The application of waqf digitalization in Indonesian waqf institutions has been carried out in collaboration with Islamic financial institutions in the provision of digitalization services, increasing public understanding and interest is carried out by the socialization of the cash waqf program through the QRIS digitization service carried out by the Indonesian Waqf Board. The level of public interest in waqf, especially in West Sumatra, Bali and Bangka Belitung by using digitalization services, is very high, this is seen from the results of the study which shows that there are 41.2% showing great interest, 37.9% expressing interest in waqf, 14.6 hesitant, 4.3% not interested, while the lowest value of 2.0% shows very uninterested in carrying out waqf.

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