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## MULTI-STAKEHOLDER COLLABORATION IN OPTIMIZING PRODUCTIVE WAQF: An Islamic Philanthropy Perspective at BWI Lumajang

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**Abstract:** *The revitalization of productive waqf assets remains a significant challenge in management of waqf at local level. This challenge is attributable to three: limited managerial capacity, low waqf literacy, and inadequate coordination among stakeholders. The objective of this study is to propose a multi-stakeholder synergy model for revitalizing productive waqf at the Indonesian Waqf Board (BWI) in Lumajang Regency. A qualitative approach, employing a case study design, was utilized. Data were collected through in-depth interviews, observation, and document analysis involving BWI, the Ministry of Religious Affairs, waqf trustees (nazhir), Islamic financial institutions, and academics. The thematic analysis was guided by the model proposed by Miles, Huberman, and Saldana. The findings indicate that the regulatory and administrative foundations are relatively robust. However, they are not supported by sufficient technical capacity on the part of the nazhir to manage productive waqf. Islamic financial institutions play a pivotal role in financing innovation, particularly cash waqf, while academics contribute to strengthening literacy and management models. However, stakeholder collaboration remains limited and not yet systematically integrated into a collaborative framework. This study proposes an integrated multi-stakeholder synergy model at the local level to strengthen waqf governance and optimize waqf assets for community economic empowerment. The proposed model makes a significant contribution to the existing body of literature on waqf governance, offering a practical framework that can be adapted by other regional waqf institutions.*

**Keywords:** *Productive Waqf; Multi-Stakeholder Collaboration; Waqf Governance; Islamic Philanthropy; Community Economic Empowerment.*

## INTRODUCTION

The revitalizing of the management of unproductive waqf assets poses a significant challenge in the realm of asset management (Priyadi et al., 2023 & Sati, 2025). A substantial proportion of these assets are not being utilized to their full potential due to inadequate management, constrained financial resources, and a paucity of inter-organizational synergy (Asad et al., 2023). The intricacies of this issue are multifaceted, encompassing legal, social, economic, and institutional dimensions, thereby necessitating a collaborative approach to resolution (Muneer, 2023). Consequently, a multistakeholder synergy model is required, encompassing various components such as the Ministry of Religious Affairs, nazhir, Islamic financial institutions, and academics (Takhim et al., 2023). The aforementioned synergy presents a range of opportunities, including the optimization of waqf as a productive resource. This, in turn, has the potential to drive community economic empowerment and improve social welfare on a broader scale (Ayu et al., 2023). Despite these potentials, previous studies have primarily focused conceptual collaboration frameworks, neglecting to adequately address the practical implementation of synergy models at the local institutional level (Velander, 2025).

Despite the oversight of official institutions, waqf assets have not been managed optimally (Sanusi et al., 2023). The primary impediments to effective management include inadequate oversight, deficient documentation, and regulatory challenges (Xu, 2024). The proposed solutions encompass capacity building, public private partnerships, legal reforms, and creative financing schemes to mobilize unproductive waqf (Auni et al., 2025). Waqf in the health sector has been shown to present a variety of obstacles, including but not limited to limited human resources, funds, inter agency coordination, and inadequate infrastructure (Raja Adnan et al., 2022). A collaborative approach through hybrid waqf schemes, the use of big data, institutional capacity building, and a more specific legal framework are offered as strategic solutions in promoting productive waqf (Sulistyowati et al., 2022). An analysis of nine waqf institutions in Indonesia reveals that regional institutions exhibit greater efficiency compared to national and mass organizations (Dwi et al., 2023). While not centered on inactive waqf, these findings underscore the significance of the role of local institutions in fostering multistakeholder synergy for waqf optimization (Rusydia et al., 2022). However, there is a paucity of empirical research that has developed a comprehensive and context-appropriate collaboration model capable of transforming underutilized waqf assets into productive resources at the regional level (Raja Adnan et al., 2022 & Rusydia et al., 2022).

The investment funds of the waqf have been demonstrated to have the capacity to enhance community welfare through the medium of increased income, health services, and education (Asmy et al., 2021). Nevertheless, their administration continues to encounter challenges, including a paucity of investment diversification and inadequate governance, despite their considerable capacity to promote sustainable development (Elmahgop et al., 2025). In accordance with the aforementioned point, the historical dynamics and prospects for reform of the wakf system merit consideration (Salim Kassim, 2021). Since its inception, the wakf system has played a role in providing social services, such as education

and health (Kasdi et al., 2022). However, the decline during the colonial period necessitated reforms so that the socio-economic function of waqf could be revived and adapted to modern needs (Khafagy, 2025). In the context of local development based on the Madani City Concept, public awareness regarding the utilization of waqf remains limited, particularly among younger demographics and vulnerable populations (Ranii, 2025). This underscores the necessity for an educational approach and community involvement in the future development of waqf (Priyadi et al., 2023). These conditions indicate that enhancement of governance, public awareness, and stakeholder coordination is imperative to ensure that waqf assets can function as sustainable instruments for socio-economic development (Elmahgop et al., 2025).

Preliminary data from the Indonesia Waqf Board (BWI) of Lumajang indicates that a number of waqf assets remain unproductive and underutilised, with several land parcels still in idle condition and not yet contributing to local socio-economic development. Preliminary findings from BWI Lumajang suggest that a number of waqf assets have not yet been utilised productively and continue to be limited to traditional religious functions. It is evident that a number of waqf lands continue to be underdeveloped. This is primarily due to inadequate managerial capacity, limited funding, and weak coordination among the relevant stakeholders. Consequently, the economic and social potential of these assets has not been fully realised in order to support community empowerment and local development. It is evident that these conditions necessitate the implementation of a more integrated governance and collaboration model in order to transform waqf assets into sustainable, productive resources.

As indicated by earlier studies, the importance of collaboration among stakeholders in the administration of productive waqf has been emphasised in various contexts. However, the situation in Lumajang Regency indicates that the potential of waqf assets has not yet been fully realised. Preliminary observations conducted at the Indonesian Waqf Board (BWI) of Lumajang reveal that efforts to improve waqf governance remain a strategic priority, particularly in relation to asset administration, data integration, and institutional coordination. It is evident that governance of waqf assets is still encumbered by managerial and institutional challenges. This is evidenced by various initiatives, including the waqf data verification and updating programme, the acceleration of waqf land certification, and the strengthening of nazhir development programmes. This observation suggests that the transition from administrative compliance to productive waqf management has not yet been fully achieved.

Moreover, field observations indicated that numerous waqf assets have not yielded optimal socio-economic benefits due to inadequate management capacity, constrained financial resources, fragmented stakeholder coordination, and the absence of a systematic collaboration mechanism among the Ministry of Religious Affairs, nazhir, Islamic financial institutions, and academics. This condition highlights a discrepancy between the ideal concept of multi-stakeholder synergy proposed in previous studies and its practical implementation at the local level. Whilst extant research has comprehensively examined governance reform, institutional efficiency, and collaborative frameworks, there has been

limited empirical attention devoted to the development of a context-specific synergy model that reflects the social, economic, and institutional characteristics of Lumajang Regency. This is required in order to strengthen waqf governance and transform waqf assets into productive resources that contribute to community welfare and sustainable socio-economic development. The following discourse aims to address the aforementioned gap.

The novelty of this research lies in its attempt to formulate a multi-stakeholder synergy model rooted in the actual conditions of waqf management at the Indonesian Waqf Board (BWI) in Lumajang Regency. There, many waqf assets remain unproductive due to limited funds, weak coordination between parties, and the absence of a systematic collaboration mechanism. This research presents a novel approach by integrating the roles of the Ministry of Religious Affairs, nazhir, Islamic financial institutions, and academics into a synergy model designed in accordance with the social, economic, and institutional context in Lumajang. This study makes a theoretical contribution to the development of the concept of collaborative productive waqf management. In addition, it produces a practical model that is relevant and applicable to strengthen the role of the BWI Lumajang in revitalizing productive waqf assets into economic resources that benefit the welfare of the community.

The objective of this study is to propose a multi-stakeholder synergy model to revitalize underutilized waqf assets under the auspices of the Indonesian Waqf Board (BWI) in Lumajang Regency. The objective of this study is to ascertain the underlying factors that contribute to the suboptimal utilization of waqf assets. To this end, the study will: first, identify and analyze the roles and contributions of various parties, including the Ministry of Religious Affairs, nazhir, Islamic financial institutions, and academics in waqf management. Second, formulate an effective and contextual collaborative model to optimize the management of unproductive waqf at the regional level. Furthermore, the objective of this study is to furnish strategic recommendations for the enhancement of institutional and policy frameworks for sustainable productive waqf management. This will contribute to the improvement of community welfare and economic empowerment.

## **RESEARCH METHOD**

The present study employs a qualitative approach with a case study design, as proposed by Yin (2018), which enables researchers to comprehend phenomena in depth within a real-life context through multiple sources of evidence. This approach has also been adopted in recent studies by Bashith et al., (2025) at the Indonesia Waqf Board (BWI) in Lumajang Regency. The unit of analysis focuses on the management of non-productive waqf, including policies, management practices, coordination mechanisms, and the roles of the Ministry of Religious Affairs, nazhir, Islamic financial institutions, and academics. The case study approach was selected to facilitate researchers in attaining an in-depth comprehension of the dynamics of multi-stakeholder synergy in the revitalisation of productive waqf in the authentic context of the field.

A range of key informants was consulted for this study, including BWI administrators, officials from the Ministry of Religious Affairs officials, nazhir, representatives of Islamic financial institutions, and academics. The data was also reinforced through official documents such as regulations, waqf management reports, meeting minutes, and related archives, accompanied by supporting data in the form of observation results and field notes. The data collection process entailed the implementation of in-depth interviews, direct observation, and documentation studies in successive stages, continuing until the accumulation of data was deemed to have reached a state of saturation (Naeem et al., 2024).

The thematic analysis employed in this study is a methodological framework that facilitates the systematic identification, organization, and interpretation of themes within the data (Sabharwal & Miah, 2021). The analysis process was informed by the qualitative data analysis model proposed by Miles, Huberman, & Saldaña (2014), which consists of three primary stages: data reduction, data presentation, and conclusion drawing or verification. In the subsequent stage of data reduction, the researcher methodically sorted and concentrated on data relevant to the research objectives. Subsequently, the data was systematically presented to facilitate comprehension of the patterns and relationship between themes. The final stage of the research process entailed the formulation of conclusions based on inductive reasoning, derived from the findings that emerged from the field data (Hassad & College, 2020).

To further bolster the implementation of thematic analysis terminology and methodologies, this study makes reference to the framework developed by Byrne (2022). This framework underscores the systematic process of identifying, coding, and grouping key themes from qualitative data (Braun & Clarke, 2006). This methodological framework enables researchers to elucidate the semantics, patterns, and dynamics of multi-stakeholder synergy in the revitalization of productive waqf in a profound and contextual manner.

The credibility and trustworthiness of the findings were enhanced through data triangulation, source triangulation, and member checking. Information obtained from interviews was cross-checked with documentary evidence and field observations to ensure consistency. Furthermore, several key informants were consulted during the verification stage in order to confirm the accuracy of the interpretations. The implementation of these procedures was driven by the objective of enhancing the credibility, dependability, and confirmability of the research findings.

## **RESULT AND DISCUSSION**

### **Synergy Between the Ministry of Religious Affairs and the BWI as the Regulatory Foundation for the Revitalization**

The extant research findings indicate that the Ministry of Religious Affairs and the Indonesian Waqf Board (BWI) of Lumajang Regency serve as the primary institutions in establishing the regulatory framework for waqf management. The Ministry of Religious Affairs, in its institutional capacity, serves as the regulatory authority through the Zakat and Waqf Administration Section. This section is entrusted with the responsibility of

conducting oversight, data collection, and administrative guidance regarding waqf. Furthermore, the Office of Religious Affairs (KUA), operating as a technical unit under the auspices of the Ministry of Religion, fulfills a pivotal strategic function in its capacity as the designated Official in Charge of Issuing Waqf Declaration Deeds (PPAIW). The Ministry of Religion emphasizes that the KUA's function as PPAIW operates under the coordination of the Zakat and Waqf Administration Section, with a focus on recording, legalizing, and ensuring the legal certainty of waqf assets. The institutional framework and procedures for WAQF administration at the regional level are regarded as functioning adequately.

These findings indicate that the regulatory and administrative aspects of waqf at the local level are operating in a satisfactory manner. However, the study also found that collaboration between the Ministry of Religious Affairs and the Indonesian Waqf Board (BWI) still places greater emphasis on legal compliance and has not yet been fully directed toward strategies for developing productive waqf. Upon the conclusion of the legalization process, the substantive responsibility for the management and development of waqf assets will fall upon the nazhir and the BWI, who will serve as the primary operational agents. From the perspective of the Indonesian Waqf Board (BWI) of Lumajang Regency as a non-structural government agency, the primary impediment to effective waqf management does not stem from regulatory frameworks. Rather, it is predominantly characterized by the nazhir's capacity to manage and develop waqf assets. From an administrative perspective, the waqf process has been largely concluded. Nevertheless, at the stage of productive utilization, limitations in management capabilities persist.

This finding suggests a discrepancy between a robust regulatory framework and the technical capabilities necessary for the effective management of productive waqf. The Ministry of Religious Affairs has established a legal framework and normative guidance mechanisms, including educational and outreach programs, to facilitate the understanding of the Waqf Law, which governs the rights and obligations of waqf trustees. Despite the regular implementation of training programs for trustees, the educational materials provided continue to prioritize regulatory and the technical capacity of those managing productive waqf enterprises. Consequently, in practice, waqf trustees continue to encounter limitations in translating normative knowledge into productive and results-oriented waqf management.

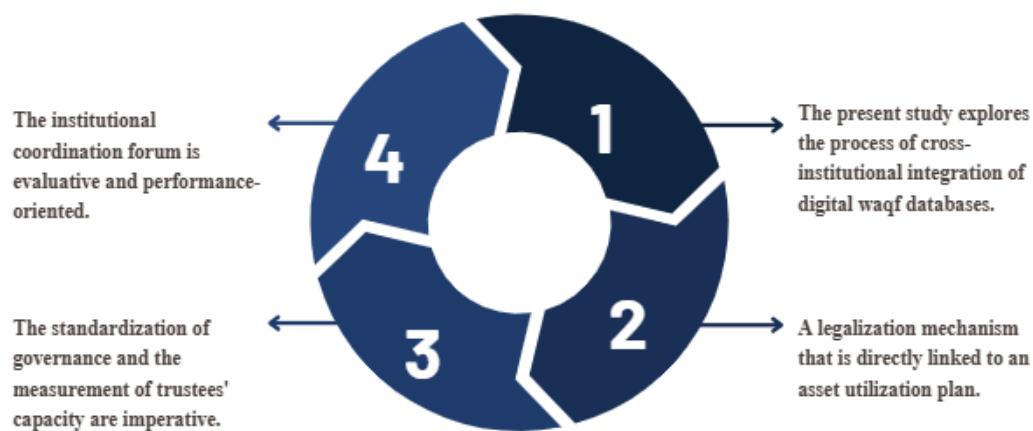
Nonetheless, the study identified the emergence of communicative and collaborative synergies between the Ministry of Religious Affairs and the BWI. A variety of parties have been the certification of waqf land. Additionally, Islamic civil society organizations (Nahdlatul Ulama and Muhammadiyah) have participated in the coordination process, focusing on outreach and training for waqf trustees, with a particular emphasis on monetary waqf (Makhrus, 2025). However, this coordination remains largely administrative and has not yet been institutionalized within the planning and performance evaluation system for productive waqf.

The findings further indicate that the limited transition from administrative coordination to strategic collaboration is influenced by several institutional constraints.

The process of converting waqf assets into valuable resources is often hindered by limitations in resources, particularly with regard to funding, technical expertise, and managerial capacity. Furthermore, the issue of institutional fragmentation remains pertinent, given that the responsibilities for waqf administration, certification, supervision, financing, and asset development are distributed across a range of stakeholders with divergent mandates. This condition frequently results in impaired coordination and diminished integration of planning and implementation processes. Furthermore, stakeholder authority remains predominantly aligned with regulatory compliance as opposed to collaborative planning for productive Waqf development.

The findings also reveal that existing collaboration has produced positive outcomes in administrative aspects, including waqf registration, legal certification, and regulatory compliance. Nevertheless, these achievements have not been accompanied by significant improvements in the productive utilisation of waqf assets. The persistence of underutilized waqf properties and limited managerial capacity among nazhir indicates that current collaborative mechanisms have not fully addressed operational challenges. It is therefore evident that governance transformation is required through the integration of digital waqf databases, the linkage of legalisation processes with asset utilisation planning, the standardisation of nazhir competencies, and the establishment of performance-oriented coordination mechanisms to strengthen the effectiveness of productive waqf revitalisation.

Figure 1 Governance and Transformation of Productive Waqf Revitalization



The governance transformation framework for the revitalization of productive waqf delineates four fundamental interconnected components within a single cycle of productive waqf management. The initial component is the integration of a cross-institutional digital waqf database as a shared information foundation. The purpose of this integration is to support transparency and for waqfs that is directly linked to asset utilization plans. This ensures that the registration and ratification processes for waqfs are aligned with asset management and development planning from the outset. The third component is concerned with standardizing governance and the measurable capacity of waqf trustees. This is achieved through the establishment of competency standards, management systems, and performance evaluations for trustees.

It is anticipated that this transformation will result in the evolution of the synergy between the Ministry of Affairs, in its capacity as the regulatory body, and the BWI, in its capacity as the driving force. This evolution will take the form of a transition from administrative coordination to strategic collaboration. This collaboration will be capable of accelerating the revitalization of non-productive waqf into sustainable productive asset.

### **The Professional Capabilities of the Trustee are a Crucial Factor in the Success of a Revitalization Project**

The research findings indicate that the professionalism and capacity of the nazhir are pivotal factors in determining the success of productive waqf revitalization. The nazhir's role encompasses not only the custodianship of waqf assets but also the function of a strategic actor, entrusted with the management, development, and sustainability of waqf benefits (Syahrani, 2025). Preliminary field findings suggest a significant correlation between the effectiveness of waqf management and the nazhir's level of understanding of the technical aspects of managing productive waqf. These technical aspects include asset management, business planning, and compliance with Sharia principles and applicable regulations.

With regard to capacity building, the Ministry of Religious Affairs and the BWI have undertaken relatively intensive efforts. Training and educational programming for nazhirs is systematically administered at regular intervals of approximately three to four times per year in nearly all subdistricts. The training materials provided to nazhir's encompass various aspects of waqf regulations, institutional governance for nazhirs, and an introduction to the concept of productive waqf. These training sessions are routinely conducted at the sub-district level, with an estimated frequency of three to four times per year. Through these activities, nazhirs are expected to gain a basic understanding of the legal provisions governing waqf, fundamental management techniques, and the importance of certification as a prerequisite for professionalism in waqf management.

However, the study identified a significant impediment: the human resources of the nazhir themselves. The appointment of nazhir is often influenced by organizational structure or social trust, rather than on the basis of personal readiness and willingness. This phenomenon has led to a decline in the motivation of some nazhir to enhance their competencies in the management of waqf. Field findings indicate that the primary obstacle does not lie in the availability of training programs, but rather in the human resources of the nazhir. Such obstacles include a lack of interest in delving deeper into the material, a lack of seriousness in participating in training, and a nazhir appointment process that is not always based on personal readiness and willingness.

This phenomenon has resulted in underutilization of training outcomes in the context of waqf management. Despite the consistent implementation of technical assistance for nazhirs, research findings indicate that not all nazhirs possess the capacity to translate the acquired knowledge into productive waqf management practices. The effectiveness of training implementation at the operational level is influenced by two factors: limited technical understanding and individual capacity.

This discussion underscores that the success of revitalizing productive waqf is determined not only by the intensity of capacity building but also by the quality and relevance of capacity-building efforts for nazhirs. Consequently, a more targeted and performance-based framework for enhancing nazhir capacity is imperative.

**Table 1.** Synthesis of Findings on Nazhir Capacity Building in Productive Waqf Revitalization

Aspect	Key Findings	Interview Transcript	Academic and Practical Implications
The Strategic Role of the Nazhir	The nazhir plays a pivotal role in determining whether waqf assets remain unproductive or can be developed sustainably	“The nazhir’s role extends beyond mere preservation, he is entrusted with the management and development of these assets.”	It is imperative to fortify the nazhir’s function as an agent of transformation within the framework of productive waqf governance. The nazhir’s role should transcend the confines of mere asset custodianship, thereby becoming a catalyst for positive change
Training and Literacy for Nazhirs	Training for nazhirs has been conducted on a regular basis. However, the curriculum has been primarily focused on regulatory and administrative aspects	“The organization conducts regular training sessions three to four times per year. The primary focus of these sessions is on regulations and fundamental technical subjects.”	This underscores the necessity to transition from normative training to competence-based training and practical training in waqf management
Human Resource Challenges and Nazhir’s Motivation	The primary impediments to the utilization of the outcomes of capacity-building endeavors are the dearth of	“The crux of the issue does not lie in the capacity-building itself, but rather in the human resources of the waqf	This finding serves to substantiate the notion that the personal and social factors exhibited by waqf administrators exert a significant

	motivation and personal preparedness among waqf administrators	administrators. A significant number of these administrators were not selected by their own volition .”	influence on the efficacy of productive waqf management
Gaps in the Implementation of Waqf Management	There is a gap between the knowledge gained from training and the actual practice of managing productive waqfs in the field	The researchers’ synthesis of information from all informants	This highlights the need for selective and ongoing mentoring focused on tangible results
Architectural Requirements and Capacity Building for Nazhir	The revitalization of productive waqf necessitates the implementation of a quantifiable, performance-based capacity-building system	The researcher’s analytical synthesis	This text serves as the foundation for the development of a model that aims to enhance the capacity of waqf trustees. The model is developed through certification, performance monitoring, and the implementation of result-based incentives

From an analytical perspective, these findings suggest that the revitalization of productive waqf cannot depend exclusively on the availability of training and regulations. A more selective and performance-oriented approach is imperative to enhance the capacity of Waqf trustees. The cultivation of the professionalism of waqf trustees is imperative, and this can be achieved through the standardization of minimum competencies, the implementation of mandatory certification, and the establishment of periodic evaluation mechanisms. These mechanisms must link the trustees’ capacity to the performance of waqf asset management. Therefore, capacity building is not merely quantitative (training frequency), it also has not a substantive impact on transforming non-productive waqf into sustainable productive assets.

The implementation of a competency standardisation, mandatory certification, performance monitoring, and result-based incentive system requires strong institutional commitment from both the Ministry of Religious Affairs and the Indonesian Waqf Board (BWI). In practical terms, the Ministry of Religious Affairs is well placed to play a

regulatory and facilitative role through the development of competency standards and training programmes, while the BWI may function as the coordinating institution responsible for certification, monitoring, and evaluation mechanisms. However, the implementation of such a system may encounter several challenges, including limited financial resources, variations in nazhir capacity, and differences in institutional readiness across regions. It is therefore recommended that a phased implementation strategy be employed, commencing with the initiation of pilot project in selected waqf institutions, with subsequent expansion to be undertaken on a gradual basis, based on the results of the evaluations. The utilisation of digital monitoring systems, periodic performance assessments, and stakeholder collaboration have to potential to further enhance transparency and accountability. It is anticipated that the proposed capacity-building model, when implemented within a clearly defined governance framework and with clearly defined responsibilities for stakeholder, will be more feasible and effective in strengthening nazhir professionalism and improving the productive utilisation of waqf assets.

### **The Role of Islamic Financial Institutions and Academics as Agent of Innovation in financing Models for the Management of Productive Waqf**

Research findings indicate that the involvement of Sharia financial institutions receiving monetary waqf (LKSPWU) and academics plays a strategic role in catalyzing innovation in the financing and management of productive waqf, especially monetary waqf. In Lumajang Regency, the Indonesian Waqf Board (BWI) appointed Bank Syariah Indonesia (BSI) as the authorized LKSPWU to collect, manage, distribute, and safeguard cash waqf funds in accordance with applicable regulations. This appointment positions BSI as a key actor in the transformation of waqf from traditional philanthropic practices to a modern, managed, and accountable Islamic financial instrument. BSI plays a role in collecting, distributing, and safeguarding cash waqf funds while issuing cash waqf certificates to provide legal validity and protection for donors.

In East Java, BSI Lumajang was one of the first branches to officially launch cash waqf services in 2022. This demonstrates institutional in expanding public access to cash waqf through the Islamic banking system. Conceptually, there are two forms of cash waqf: direct cash waqf and waqf through money. The latter involves using money as an instrument to endow specific assets. However, research findings indicate that the public's understanding of these two concepts remains relatively low.

From the Indonesian Waqf Board's institutional perspective, the main obstacle to developing cash waqf is not regulatory aspects or the readiness of Islamic financial institutions, but rather the lack of demand. The public's limited interest in cash waqf is influenced by their lack of financial literacy (Aldeen & Pertiwi, 2022). Particularly when it comes to distinguishing between waqf and charity and understanding the financing and management mechanisms of cash waqf.

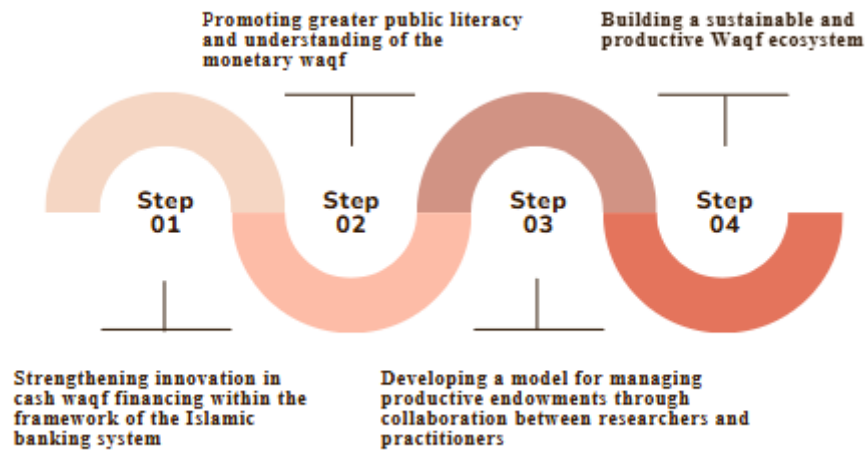
Limited public participation and a weak ecosystem of organizations supporting productive endowments are the result of low levels of financial endowment literacy. A collaborative model has been established between BWI and LKSPWU through the issuance of financial endowment certificates. BWI is responsible for data collection and

oversight, and LKSPWU handles record-keeping and fund management. However, the effectiveness of this model depends on the level of public understanding.

In this context, the role of academics becomes increasingly significant. Higher education institutions contribute to this effort through educational activities, research, and community service focused on strengthening waqf literacy and developing models for managing productive waqf. Academic involvement not only strengthens the public’s conceptual understanding of the difference between waqf and charity. Furthermore, research on productive waqf is crucial for developing practical management models (Kamaruddin et al., 2025).

These findings suggest that the collaboration between LKSPWU, BWI, and academics has not yet been incorporated into a comprehensive framework for waqf financing innovation. Islamic financial institutions dominate operational and administrative aspects. Currently, there is no collaborative mechanism that consistently links academic research finding with waqf management practices.

Figure 2 A Synergy Model Between LKSPWU and Academics for the Development of a Productive Waqf



The Model of Catalytic Synergy Between LKSPWU and Academics in the Development of Productive Waqf illustrates the stages of sustainable synergy between Sharia financial institutions receiving monetary waqf (LKSPWU) and academics to strengthen productive waqf. The first stage focuses on enhancing innovation in monetary waqf financing based on the Sharia banking system to modernize waqf management. The second stage involves promoting increased public literacy and understanding of cash waqf through education, outreach, and knowledge dissemination. The third stage involves developing a productive waqf management model based on collaboration between academic research and on-the-ground management practices to produce an applicable, contextually relevant model. The fourth stage demonstrates how this synergy forms a sustainable productive waqf ecosystem where financing innovations, literacy improvement, and research-practice collaboration reinforce each other to support the sustainability and socioeconomic impact of waqf.

This discussion highlights that developing productive waqf requires a collaborative ecosystem that extends beyond purely regulatory and operational approaches. LKSPWU's involvement must be strengthened by improving waqf financing literacy among the public. Meanwhile, academics must be institutionalized as strategic partners in innovating waqf management models and evaluating performance. Through structured collaboration between BWI, LKSPWU, and universities, cash waqf has the potential to become a sustainable Sharia social financing instrument that will have a significant impact on the economic development of the Muslim community.

The implementation of this collaborative model necessitates a clearly defined institutional framework and a sustainable coordination mechanism among BWI, LKSPWU, and higher education institutions. In practice, BWI may function as the coordinating body responsible for aligning waqf development programs, while LKSPWU provides financial infrastructure and operational support for cash waqf management. Concurrently, academic institutions are able to make a contribution through research, innovation, community engagement, and impact evaluation. However, the implementation of this model may be hindered by several challenges, including differences in institutional priorities, limited funding for collaboration programs, varying levels of waqf literacy, and the absence of formal partnership agreements, joint research programs, integrated literacy campaigns, and periodic evaluation mechanisms is required. Such an approach would serve to strengthen the practicality of the proposed synergy model and enhance its potential contribution to sustainable productive waqf development.

## CONCLUSION

This study concludes that the revitalization of productive waqf at the BWI in Lumajang Regency depends heavily on the effectiveness of collaboration among multiple stakeholders, including the Ministry of Religious Affairs, the BWI, waqf trustees, Islamic financial institution, and academics. The findings suggest that the regulatory and administrative foundations are relatively robust, particularly due to the effort of the Ministry of Religious Affairs and the BWI to ensure legal certainty and institutional oversight. However, transforming waqf assets into productive waqf faces various obstacles, including the waqf trustees limited managerial capacity, low public literacy regarding waqf (particularly cash waqf), and the absence of an integrated collaborative framework linking regulatory, financing, capacity-building, and innovation aspects. Islamic financial institutions, particularly BSI as an LKSPWU, have expanded public access to monetary waqf through formal financial mechanisms. Academics contribute through education and research. Nevertheless, these contributions remain fragmented and have yet to be fully integrated into a systematic synergy model. From a scholarly perspective, this study enriches the literature on waqf governance by offering a contextual, multi-stakeholder synergy model based on local institutional realities. This study confirms that Islamic financial institutions and academics play a catalytic role in driving financing innovation, enhancing waqf literacy, and developing research-and practice-based models for managing productive waqf. Based on the BWI Lumajang case study, the analysis provides practical

implications for strengthening regional waqf institutions and bridging the gap between regulatory compliance and the optimization waqf asset utilization. In order to operationalise the proposed synergy model, a series of strategic actions are required. The Ministry of Religious Affairs and the BWI must collaborate to enhance the governance of integrated waqf entities. This enhancement should be achieved through the establishment of a unified digital waqf database, the implementation of performance-based monitoring systems, and the provision of continuous capacity-building programs for nazhir. Islamic financial institutions should consider expanding innovative cash waqf products and enhancing public literacy campaigns regarding productive waqf. It is anticipated that universities will adopt a more institutionalised approach through collaborative research endeavours, community engagement initiatives, and the evaluation of waqf management practices based on empirical evidence. In addition, formal coordination mechanisms among stakeholders should be established to ensure that planning, implementation, and evaluation processes are conducted collaboratively and sustainably. The effectiveness of the proposed model can be evaluated through a range of measurable indicators, including the increase in the number of productive waqf assets, growth in cash waqf collection, improvement in nazhir competency and certification rates, enhancement of waqf literacy levels among the public, acceleration of waqf land certification, and the establishment of sustainable collaborative programs involving BWI, Islamic financial institutions, and universities. It is suggested that these indicators may serve as practical benchmarks for the assessment of the success of productive waqf revitalisation initiatives in the future. However, this study has limitations due to its reliance on a single case study and qualitative approach, which limits the generalizability of the findings. Further research is recommended to conduct cross-regional comparative analyses, employ quantitative approaches, and perform longitudinal studies to test and refine the proposed synergy model within the broader context of the waqf ecosystem.

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