

## STRENGTHENING ISLAMIC PHILANTHROPY THROUGH NEW PRODUCTIVE WAQF MOVEMENT IN INDONESIA: Case studies in Waqf Pro 99 Sinergi Foundation

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### ABSTRACT

In Indonesia, Islamic philanthropy is currently underutilized. Many studies show that, if the Productive Waqf Movement is well developed, it can strengthen community resilience, particularly during the Covid-19 pandemic crisis. This sociological research aims to explore the social practice scheme of productive waqf-based culinary business during the Covid-19 pandemic located at Ampora Restaurant, Haii Coffee Shop, and Cuankie and Batagor Serayu in collaboration with Waqf Pro 99 Sinergi Foundation. This research was carried out through qualitative methods with purposively selected informants, including the CEO of Waqf Pro 99 Sinergi Foundation, managers, and employees of the culinary business. Data collection techniques through observation, interviews, literature studies, and documentation. Meanwhile, descriptive analysis with a sociological approach to development and religion reveals the phenomenon of productive Waqf in the Islamic frame. The results showed the complexity of the culinary business social practice scheme within the framework of the Faith-Based Organization, where the culinary business is a new institutional trend in the parameters of social practice. So that this study also produces several strategies for strengthening the economic activity of the culinary business through productive waqf management.

**Keywords:** islamic philanthropy; social practices; culinary business; productive waqf

## MEMPERKUAT FILANTROPI ISLAM MELALUI GERAKAN BARU WAKAF PRODUKTIF DI INDONESIA: Studi Kasus di Waqf Pro 99 Sinergi Foundation

### ABSTRAK

Saat ini, filantropi Islam di Indonesia masih belum dimanfaatkan secara optimal. Berbagai studi menunjukkan bahwa jika Gerakan Wakaf Produktif dikembangkan dengan baik, maka dapat memperkuat ketahanan masyarakat, khususnya selama krisis pandemi Covid-19. Penelitian sosiologis ini bertujuan untuk mengeksplorasi skema praktik sosial dari bisnis kuliner berbasis wakaf produktif selama masa pandemi Covid-19 yang berlokasi di Restoran Ampora, Haii Coffee Shop, serta Cuankie dan Batagor Serayu yang bekerja sama dengan Waqf Pro 99 Sinergi Foundation. Penelitian ini dilakukan melalui metode kualitatif dengan informan yang dipilih secara purposif, termasuk CEO Waqf Pro 99 Sinergi Foundation, manajer, dan karyawan dari bisnis kuliner tersebut. Teknik pengumpulan data dilakukan melalui observasi, wawancara, studi pustaka, dan dokumentasi. Sementara itu, analisis deskriptif dengan pendekatan sosiologi pembangunan dan agama mengungkap fenomena wakaf produktif dalam bingkai Islam. Hasil penelitian menunjukkan kompleksitas skema praktik sosial bisnis kuliner dalam kerangka Organisasi Berbasis Agama (Faith-Based Organization), di mana bisnis kuliner menjadi tren kelembagaan baru dalam parameter praktik sosial. Oleh karena itu, studi ini juga menghasilkan beberapa strategi untuk memperkuat aktivitas ekonomi bisnis kuliner melalui pengelolaan wakaf produktif.

**Kata kunci:** filantropi Islam; praktik sosial; bisnis kuliner; wakaf produktif

### INTRODUCTION

The Covid-19 pandemic has brought profound disruptions to both the global and national economy, with Micro, Small, and Medium Enterprises (MSMEs) among the most vulnerable sectors. In Indonesia, the culinary industry, a critical component of the MSME landscape, was severely affected due to its high dependency on consumer

mobility and daily transactions. This sector is particularly important because of its ability to absorb labor, support household consumption, and contribute significantly to GDP.

During the height of the pandemic, large-scale social distancing measures (PSBB) and regional lockdowns drastically reduced consumer footfall and business turnover. According to Bank Indonesia, around 72.6% of MSMEs experienced

severe operational disruptions. A joint survey by Paper.id, SMESCO, the Ministry of Cooperatives and SMEs, and OK-OCE further revealed that the culinary sector endured the largest revenue decline, averaging 43.09%, followed by services (26.02%) and fashion (13.01%) (Baskoro, 2020).

In response, the Indonesian government introduced various stimulus programs such as the Productive Presidential Assistance for Micro Businesses (BPUM), tax relief, and loan restructuring schemes. However, these initiatives have been criticized for their limited reach, bureaucratic inefficiencies, and short-term impact, failing to ensure long-term recovery and sustainability for many small enterprises (Fitriasari, 2020).

Amid these challenges, digital transformation emerged as a key strategy to maintain market connectivity. The government launched the “Go Digital” program, targeting 8 million MSMEs to adopt e-commerce and digital payment systems. However, by 2021, only about 13% of Indonesia’s 64.19 million MSMEs had successfully transitioned to digital platforms, highlighting gaps in digital literacy, infrastructure, and business readiness (Setianti & Supriyadi, 2020). Of 1,700 MSMEs that began online marketing during the pandemic, only 68 businesses saw significant performance improvements, emphasizing that mere digital presence is insufficient without strategic guidance and technical support.

Interestingly, not all MSMEs succumbed to economic downturns. A notable case of resilience was observed in a group of culinary businesses managed under the Sinergi Foundation’s Waqf Pro 99 initiative. Businesses such as Ampara Restaurant, Haii Coffee Shop, Cuanki & Batagor Serayu, and Soerabi Enhaii demonstrated economic endurance and even modest growth. From IDR 1.5 billion in profits in 2019, these businesses managed to increase their earnings to IDR 1.8 billion in 2020, during the peak of the pandemic (Kilas Bandung News, 2021).

This case illustrates the untapped potential of Islamic philanthropy, particularly productive waqf, as a mechanism for building economic resilience. Productive waqf involves using endowed assets for income-generating purposes, with the profits reinvested into social welfare programs, including business development, education, and healthcare. Historically, waqf has played a significant role in funding public infrastructure, education, and healthcare services in the Islamic world (Cizakca, 2000).

Despite this rich legacy, productive waqf in Indonesia remains underutilized. Many waqf assets are idle, underdeveloped, or poorly managed due to

a lack of professional expertise, weak governance, and unclear legal frameworks (Ismail & Possumah, 2021). The Sinergi Foundation’s initiative represents a modern application of productive waqf, showcasing how waqf can be integrated with business incubation and community empowerment, particularly during crisis situations.

Prominent scholars such as Mannan (2018) and Chapra (2008) have advocated for the transformation of waqf into a financial instrument within the broader framework of Islamic social finance, including zakat, microfinance, and Islamic banking. The concept of cash waqf, where individuals donate money instead of land or buildings, has made it easier for communities to mobilize collective capital for entrepreneurial ventures.

To realize the full potential of productive waqf in Indonesia, several steps must be taken:

1. Professionalization of nazhir institutions to ensure transparency and accountability.
2. Policy support to provide legal clarity and incentives for waqf-based businesses.
3. Capacity-building programs to train waqf managers in business development and digital marketing.
4. Community engagement to build trust and encourage broader participation in waqf initiatives.

In conclusion, the success of culinary MSMEs under the Waqf Pro 99 program during the pandemic offers a promising model for integrating Islamic philanthropy with economic resilience strategies. With the right institutional support, productive waqf can become a transformative force in sustaining MSMEs and promoting inclusive, faith-driven economic development in Indonesia.

### **Preliminary Literature Review and Research Gap**

The potential of productive waqf in promoting social and economic development has attracted increasing attention among scholars and practitioners in the field of Islamic economics and philanthropy. Various studies have analyzed the institutional, financial, and governance dimensions of waqf-based models. For instance, Fadilah (2015) and Abdul Shukor et al. (2018) examined the role of credibility and transparency in fostering public trust in waqf institutions. Their findings suggest that enhancing institutional governance and communication mechanisms is crucial to encouraging public participation in waqf endowments.

In another vein, Kusumaningtias (2019) positioned productive waqf as an alternative financing mechanism for achieving the Sustainable

Development Goals (SDGs) in Indonesia. This view aligns with global efforts to integrate Islamic social finance into development financing strategies. Similarly, Mahat et al. (2015) highlighted the importance of grassroots community participation in raising awareness about the urgency and benefits of productive waqf.

Focusing more on financial tools, Allah Pitchay et al. (2018) and Mohd Thas Thaker (2018) investigated how cash waqf could be used to finance micro-enterprises and infrastructure projects, emphasizing its potential to bridge financial gaps for underserved communities. These studies underscore the adaptability of waqf to modern economic contexts through financial innovation and integration with the Islamic finance system.

Despite these important contributions, much of the existing literature tends to focus on institutional frameworks, policy implications, and financial instruments in abstract or national terms. There remains a notable gap in understanding how productive waqf is practically implemented to support MSMEs, particularly in sector-specific and crisis-specific contexts, such as the culinary industry during the Covid-19 pandemic.

More specifically, little attention has been given to a sociological analysis that captures the interplay between structure and agency, that is, the interaction between formal institutions, community norms, and government policies (structure), and individual actors such as entrepreneurs, nazhir, and social leaders (agency) in shaping the success of waqf-based entrepreneurial ventures.

This study aims to address this gap by analyzing the operationalization of productive waqf in supporting the resilience of culinary MSMEs during the pandemic, with a focus on the Sinergi Foundation's Waqf Pro 99 initiative. It applies a sociological lens, particularly from the perspectives of development sociology and organizational sociology, to examine the embedded social practices, values, and relationships that enable or constrain business sustainability.

From a development sociology standpoint, this study explores how productive waqf becomes embedded in community development processes, where religious philanthropy, economic survival, and social solidarity intersect. The role of waqf is not merely financial but also cultural and normative, as it involves collective participation, trust-building, and shared spiritual values. This perspective highlights the bottom-up dynamics of resilience, where communities, rather than just formal institutions, become agents of recovery and innovation during crisis.

Meanwhile, the organizational sociology approach allows for an in-depth look at how Islamic

philanthropic organizations, such as Sinergi Foundation, design, structure, and manage their waqf-based programs. It considers how bureaucratic practices, leadership decisions, and inter-organizational partnerships influence the governance of waqf resources. For example, the transformation of Sinergi Foundation from a branch of Dompot Dhuafa into a standalone waqf institution reflects strategic organizational shifts aimed at increasing flexibility and local empowerment.

This approach also examines how profit-sharing schemes, such as those between the Foundation and culinary units (e.g., Ampera Restaurant), are formalized to balance sustainability and fairness. Furthermore, training programs like "Waqf Preneur" reflect attempts to build entrepreneurial agency among micro-entrepreneurs, aligning spiritual commitment with business skills.

The Covid-19 pandemic provides a compelling backdrop for this analysis, as it created structural constraints (e.g., lockdowns, supply chain disruptions) that challenged business continuity, while also stimulating individual and collective innovations in survival strategies. The resilience shown by Sinergi Foundation's culinary units, evidenced by a profit increase from IDR 1.5 billion in 2019 to IDR 1.8 billion in 2020 (Kilas Bandung News, 2021) demonstrates the real-world applicability of productive waqf when guided by effective institutional design and empowered actors.

In conclusion, by applying a sociological framework to the case of productive waqf in Indonesia's culinary MSME sector, this study contributes a nuanced understanding of how Islamic philanthropic models function not only as financial mechanisms but also as social systems. It underscores the need for integrated development strategies that align institutional structures, community participation, and entrepreneurial agency, particularly in times of economic crisis.

### Research Novelty

The novelty of this research lies in its integration of productive waqf with sociological analysis, offering a fresh perspective on how Islamic philanthropy can be practically applied to strengthen MSME resilience in times of crisis. From a theoretical standpoint, it contributes to the limited body of knowledge on waqf's role in microeconomic resilience. Practically, it provides valuable insights for policymakers, waqf institutions, and MSME stakeholders in designing more inclusive, faith-driven, and sustainable post-pandemic recovery programs.

## Research Objective

Accordingly, this study aims to analyze the practice of productive waqf-based culinary businesses in sustaining the economic resilience of MSMEs during the Covid-19 pandemic through a sociological perspective, specifically, development sociology and organizational sociology, while identifying the synergistic roles of structure and agency in shaping productive Islamic philanthropic practices.

## METHOD

This study uses a qualitative approach with a case study method to explore in depth the social practice of productive waqf in the culinary business sector based on religious organizations (Faith-Based Organizations). The case study focused on three culinary business units, namely Ampera Restaurant, Haii Coffee Shop, and Cuankie and Batagor Serayu which were managed in collaboration with Waqf Pro 99 Sinergi Foundation.

## Research Approach

This study adopts an integrative sociological approach, drawing specifically from the sociology of development and sociology of religion to examine how religious organizations manage waqf funds to strengthen community economic resilience during crises (Nasr, 2001; Ritzer & Stepnisky, 2018). Rather than using these frameworks as abstract theories, they are operationalized as analytical tools to investigate concrete institutional practices and social interactions within faith-based philanthropic organizations.

### 1. Role of Religious Organizations in Waqf Fund Management

From a development sociology perspective, religious organizations, particularly Islamic philanthropic institutions such as the LAZ or Nazhir, are conceptualized as intermediary development actors that bridge state efforts and grassroots needs. Their role extends beyond religious rituals; they function as economic agents who mobilize, manage, and allocate religious social funds (such as zakat, infaq, and waqf) in ways that impact local livelihoods.

In this context, religious organizations are not passive custodians but active institutional actors who: (a) Identify economic vulnerabilities within the community; (b) Mobilize productive waqf schemes as sustainable financing mechanisms; (c) Reinvest returns from waqf assets (e.g., culinary businesses) to empower communities; (d) Cultivate trust and legitimacy through transparent, sharia-compliant governance.

The sociological relevance lies in how these organizations shape collective economic behavior, create institutional trust, and redistribute resources during times of crisis.

### 2. Strategic Practices in Managing Waqf during Crises

Using an organizational sociology lens, the study explores the internal strategies adopted by religious organizations to make waqf funds productive and responsive to economic disruptions, such as those caused by the Covid-19 pandemic. These strategies include: (a) Institutional diversification, such as establishing income-generating culinary units (e.g., Ampera Restaurant, Haii Coffee, Cuankie-Batagor, Soerabi Enhaii); (a) Risk-sharing mechanisms through the reinvestment of profits into community resilience projects; (b) Adaptive governance models, such as decentralized decision-making and participatory management that involve the community as stakeholders; (c) Social capital mobilization, leveraging religious networks and communal trust to scale impact; (d) Digital integration, including online marketing, e-commerce adoption, and promotion through faith-based communication channels.

These strategic responses are not merely managerial but are embedded in religious values, collective responsibility, and institutionalized altruism, which differentiate them from secular economic interventions.

By using this two-pronged sociological approach, the study not only examines how religious institutions act during crises but also offers insights into why their faith-based organizational logic may enhance resilience in ways that are sustainable, participatory, and culturally legitimate.

### Informant Selection Techniques

The informants in this study were selected using a purposive sampling technique, which is commonly employed in qualitative research to ensure the relevance, depth, and richness of the data collected. This technique allows researchers to deliberately choose individuals who possess specific characteristics, experiences, or roles directly related to the focus of the study—in this case, the implementation and management of waqf-based business practices. The selection criteria emphasized first-hand involvement, practical experience, and insight into the operational and social dynamics of waqf-funded programs. Key informants included:

1. The CEO of Waqf Pro 99 at the Sinergi Foundation, who provides a strategic leadership perspective and oversees the overall development of productive waqf initiatives;

2. The Manager of the Kitchen Unit, who represents mid-level management and is responsible for operational planning, resource allocation, and staff coordination;
3. Employees and micro-entrepreneurs working within waqf-supported culinary business units, who offer ground-level insights on day-to-day operations and challenges;
4. Community leaders, such as local religious figures and social influencers, who observe the societal impacts and contribute to the public perception and legitimacy of waqf activities.

This diverse set of informants enables a comprehensive, multi-dimensional understanding of how religious organizations manage productive waqf, especially under crisis-sensitive socio-economic conditions.

#### Data Collection Techniques

Data collection is carried out using several techniques, namely: Direct observation of operational activities and management of waqf-based culinary businesses (Spradley, 1980); In-depth interviews with key informants; Literature study of theories about productive waqf, sociology of religion, and Islamic economics (Kahf, 2003; Antonio, 2010); Documentation of organizational archives, financial reports, and publication media.

#### Data Analysis Techniques

This study employed a qualitative descriptive analysis based on Miles, Huberman, and Saldaña (2014), involving three stages: data reduction, data display, and conclusion drawing. In the reduction phase, data were coded openly from interviews, observations, and documents. Codes were then grouped into categories and synthesized into themes relevant to waqf management practices.

To support the analysis, Bourdieu's theory of social practice (1990) was used. His concepts, habitus, capital, and field, guided interpretation: habitus explained actors' values and dispositions; capital (economic, social, cultural) helped understand resource mobilization; and field illustrated the structured interactions between waqf institutions and stakeholders.

Data displays, such as matrices and diagrams, were used to visualize patterns. Conclusions were verified through source triangulation, member checks, and peer debriefing, ensuring the credibility of findings. This integrative approach provided a sociological explanation of how religious organizations navigate institutional dynamics in managing productive waqf systems during crises.

## RESULTS AND DISCUSSION

### 1. Institutional Profile and Productive Waqf-Based Culinary Business

#### a. Waqf Pro 99 Synergy Foundation

The Sinergi Foundation was originally part of the Dompot Dhuafa Multi-Corridor Network (JMK) initiated by Erie Sudewo in 2002. Its model empowered local foundations to autonomously manage and distribute funds based on consolidation principles. In 2011, due to differing strategies and philosophies, the Dompot Dhuafa Bandung Foundation transitioned into an independent entity, formally known as Yayasan Semai Sinergi Umat (Sinergi Foundation), in collaboration with Dompot Dhuafa Jakarta. That same year, the Waqf Pro 99 unit was established to focus on waqf asset management. By April 2015, the collaboration ended entirely, with the Sinergi Foundation prohibited from using the Dompot Dhuafa brand.

Waqf Pro 99 initiated its activities as early as Ramadan 2008 through donor engagement programs at Sindang Reret Restaurant. This initiative introduced the one million rupiah productive waqf program and gained momentum with business owners like Sigit Winanto of Ampera Restaurant joining in 2008. By May 2009, Waqf Pro 99 had received a dispensary business valued at 1 billion rupiah, generating annual turnover of 200–250 million rupiah and monthly profits of 20–25 million rupiah. In 2016, the first productive waqf-based restaurant, Ampera Pasteur, was established.

Sinergi Foundation promotes a hybrid waqf model combining property and social waqf into a 9-in-1 program, supporting nine areas including education, healthcare, religious infrastructure, and productive business ventures. Education initiatives like Kuttab Al-Fattih in Cileunyi are free and accessible to all. Health services such as the Free Maternity Home have facilitated over 10,000 births. Muslim burial services are also provided without cost, though wealthier families are encouraged to contribute.

#### b. Ampera Restaurant

Ampera Restaurant serves as a strategic partner in the Sinergi Foundation's waqf-based culinary business initiative. Known for its wide customer base and multiple branches across West Java, Ampera experienced a significant decline in revenue during the Covid-19 pandemic, particularly due to government-enforced restrictions such as Pemberlakuan Pembatasan Kegiatan Masyarakat (PPKM). The crisis forced the restaurant to cut over 50% of its workforce and pivot to takeaway and online delivery services through platforms like GoFood and GrabFood. These operational changes

were accompanied by decreased working capital and disruptions in food supply chains (Kusnandar & Dewi, 2021).

#### c. Haii Coffee Shop

Haii Coffee Shop is a small-scale culinary business operating with only two employees and generating an average monthly income of approximately 2 million rupiah. The shop collaborates with the Sinergi Foundation under a 40:60 profit-sharing scheme, where 40% goes to the shop and 60% to the waqf fund. During the Covid-19 pandemic, Haii Coffee experienced a rise in demand for its bottled coffee products, prompting the business to focus on product innovation, quality assurance, and strict hygiene protocols. Its marketing strategies shifted toward digital platforms, utilizing GoFood, GrabFood, and various social media channels to increase visibility and reach (Suryani & Nugraha, 2021).

#### d. Cuankie Meatballs and Batagor Serayu

This culinary business branch, strategically located near the Waqf Building 99, is one of the business units supported by the Sinergi Foundation as part of its productive waqf program. Before the Covid-19 pandemic, the branch earned an average of 80 million rupiah per month; however, due to mobility restrictions and changing consumer behavior, monthly income declined to approximately 50 million rupiah. The business has since relied heavily on digital sales platforms such as GoFood and GrabFood to sustain operations. The Sinergi Foundation facilitates this venture by providing the business location and infrastructure. In return, a cooperative agreement stipulates that 25% of monthly revenue is allocated to the Foundation (Fitriani & Wibowo, 2021).

### 2. The Role of Religious Organizations in Strengthening Productive Waqf Management in Culinary Business

While the Sinergi Foundation plays a central and well-documented role in managing productive waqf assets, there remains a noticeable gap in research regarding other religious organizations and institutions involved in similar initiatives. Specifically, further exploration is needed into the diverse strategies used by Islamic boarding schools (pesantren), mosque-based foundations, and other zakat/waqf management bodies (LAZ/NAZHIR) in mobilizing waqf for public welfare during times of crisis, such as the Covid-19 pandemic (Iskandar & Latief, 2021).

Nonetheless, Sinergi Foundation's experience provides valuable insight. Following its separation from Dompot Dhuafa, Sinergi restructured its

organizational model to fully harness the potential of productive waqf, shifting towards a decentralized management system that empowers local agents to implement waqf-based business models, including restaurants and retail outlets. Under the leadership of Asep Irawan, influenced by international models such as Warees in Singapore, this transformation emphasized sustainability and impact.

Importantly, nazhir (waqf managers) at Sinergi are salaried professionals, enhancing accountability and operational continuity. Profit-sharing models, such as the Ampera restaurant agreement (40% for Sinergi in years 1–5), and training programs like "Waqf Preneur", reflect the Foundation's commitment to capacity building and financial sustainability (Rahmawati & Nugroho, 2020).

### 3. Mobilization and Community Resilience through Productive Waqf

The social movement supporting the resilience of culinary businesses under the productive waqf framework initially emerged through individual leadership and gradually evolved into a form of collective social action. One of the pivotal figures in this transformation was Asep Irawan, CEO of Sinergi Foundation, who drew inspiration from successful international models, particularly Warees Investments in Singapore, known for its innovative integration of waqf with commercial real estate and food enterprises (Abdullah & Suhaimi, 2020).

Asep launched the "Gerakan Wakaf Satu Juta Rupiah" (One Million Rupiah Waqf Movement), which served as a catalyst for mobilizing community participation. The campaign emphasized the accessibility of waqf by inviting individuals from various socio-economic backgrounds to contribute small, fixed amounts. This model transformed waqf from an elite-driven institution into a mass-based movement, fostering a culture of shared ownership and empowerment among stakeholders (Latief, 2021).

As the movement expanded, it gained traction among local entrepreneurs, community leaders, and religious figures, forming a network of actors committed to sustaining waqf-funded culinary enterprises during crises like the Covid-19 pandemic. This grassroots initiative illustrates how religious philanthropy, when supported by visionary leadership and community trust, can evolve into a resilient economic force.

#### Key Factors in Mobilization:

**Organization and Shared Values:** Sinergi Foundation promotes trust, collaboration, and leadership. It uses transparent monitoring systems and stakeholder participation.

Leadership: Figures such as Prof. Dr. KH. Miftah Faridl and Asep Irawan bring academic and spiritual legitimacy.

#### Resources:

- a. Moral: Legal standing (government decrees, waqf certificates).
- b. Cultural: Social media presence (Instagram, TikTok, YouTube).
- c. Social-organizational: Partner institutions like RBC (Free Maternity Home), LPM, and SF Rescue contribute to outreach.
- d. Human: Recruitment emphasizes Islamic values and capacity building. Programs include institutional culture training and placement psychology.
- e. Material: Collaborative waqf investments. Ampera Restaurant operates on a mudharabah system with profit sharing. Haii Coffee and Cuankie Serayu operate on differing models but always return profits to waqf goals.

Networking and Participation: As of December 2020, Sinergi Foundation had over 770,000 beneficiaries, 37,000 donors, and 13,000 partners. This network is essential for culinary business growth and waqf distribution across sectors like education, health, and food security.

Community Capacity: Sinergi conducts waqf education at companies, religious study groups, and via radio and social media. It also identifies Muslim entrepreneurs willing to act as Nazhir, balancing profit with religious obligations.

#### 4. Integrated Productive Waqf Management and Global Comparisons

In Islamic philanthropy, waqf is considered both a spiritual obligation and a social responsibility, intended to provide long-term benefits for the public good. Indonesia, with its large Muslim population, possesses enormous waqf potential, estimated to reach up to Rp 180 trillion annually (Kementerian Agama RI, 2020). However, its management infrastructure remains underdeveloped compared to countries such as Malaysia, Egypt, and the United States.

In Malaysia, waqf is managed by State Islamic Religious Councils in collaboration with institutions like Bank Muamalat, financing public infrastructure through innovative asset leasing mechanisms (Ismail et al., 2015). In Egypt, the Ministry of Awqaf works with banks and developers to revitalize waqf land for commercial and social purposes. Meanwhile, in the U.S., organizations like the North American Islamic Trust (NAIT) manage waqf for education, healthcare, and mosque development with high levels of financial

accountability and community integration (Obaidullah, 2014).

In Indonesia, productive waqf is administered by public institutions such as Badan Wakaf Indonesia (BWI) and private philanthropic organizations like Dompot Dhuafa, PKPU, and Rumah Zakat. Cash waqf (waqf tunai) is also gaining traction, managed through LKS-PWU institutions like Bank Muamalat. Despite these efforts, challenges persist, including limited public awareness, a shortage of professional nazhir, and inadequate transparency.

To improve waqf governance, nazhir institutions must: (1) regularly publish transparent financial reports; (2) avoid risky or unethical ventures; and (3) ensure alignment with sharia principles. A more integrated approach, combining community empowerment, digital financial tools, and Islamic ethics, is critical to unlocking the full potential of productive waqf in Indonesia.

#### CONCLUSION

This research concludes that productive waqf, when managed by Faith-Based Organizations (FBOs), plays a measurable and strategic role in supporting the resilience and growth of MSMEs during crisis periods such as the Covid-19 pandemic. Empirical findings indicate that FBOs have been able to channel waqf funds into sectors like small-scale trade, agriculture, and culinary services, thereby contributing to business continuity, employment retention, and income generation for vulnerable groups. The study identifies several critical success factors, including institutional trust, community participation, and the implementation of adaptive program designs responsive to local economic contexts.

From a practical standpoint, this research provides clear implications for policy formulation, particularly in strengthening the ecosystem of Islamic social finance. It recommends improving governance structures, including transparency, accountability, and monitoring mechanisms, while promoting cross-sector partnerships involving government, private sector, and philanthropic institutions to scale up the impact of productive waqf schemes. These insights are especially relevant for waqf regulatory bodies and MSME development agencies.

Theoretically, this study contributes to the field by applying Structuration Theory (Giddens, 1984), which explains the dynamic interplay between social structures (institutions, norms) and agency (individual actors, entrepreneurs). It shows how the institutional structure of FBOs both enables and constrains entrepreneurial agency in crisis contexts. Additionally, the findings reinforce perspectives

from Development Sociology, which emphasize the role of faith-based and community-driven mechanisms in fostering resilient local economies.

Thus, rather than viewing productive waqf solely as a religious-normative ideal, this study positions it as a tangible socio-economic instrument. When combined with professional management and integrated governance, productive waqf has the potential to become a scalable and replicable model for MSME empowerment and post-crisis economic recovery.

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