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PRODUCTIVE WAQF-BASED FINANCING MANAGEMENT MODEL FOR SUSTAINABLE ISLAMIC EDUCATION

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Kata Kunci:	ABSTRAK
Manajemen Keuangan, Pendidikan Islam, Maqashid al-Shariah, Wakaf Produktif, Pendanaan Berkelanjutan, Keuangan Sosial Islam	Penelitian ini mengkaji model manajemen pembiayaan berbasis waqf produktif sebagai solusi berkelanjutan bagi lembaga pendidikan Islam. Penelitian ini bertujuan untuk mengembangkan kerangka kerja yang efektif dan integratif yang menyelaraskan prinsip keuangan Islam dengan kebutuhan institusi kontemporer. Dengan menggunakan pendekatan penelitian kepustakaan kualitatif, penelitian ini menganalisis literatur fiqh klasik, teori manajemen keuangan modern, dan studi empiris terbaru dari Indonesia serta negara-negara mayoritas Muslim lainnya. Temuan menunjukkan bahwa waqf produktif dapat berfungsi sebagai sumber pendanaan yang andal dan berkelanjutan apabila didukung oleh tata kelola yang transparan, pengelolaan aset secara profesional, dan sistem pelaporan keuangan berbasis teknologi. Model MIWAP-PI yang diusulkan menekankan pentingnya profesionalisme nazhir, akuntabilitas, dan otonomi institusi dalam mengoptimalkan aset waqf. Secara praktis, model ini menyediakan pendekatan terstruktur bagi lembaga pendidikan Islam seperti pesantren, madrasah, dan universitas Islam untuk mengurangi ketergantungan pada pendanaan eksternal dan mengembangkan sistem keuangan yang mandiri. Pada akhirnya, hal ini berkontribusi untuk memperkuat ekosistem keuangan sosial Islam dan mendukung pencapaian maqashid al-syariah, khususnya dalam memastikan keberlanjutan pendidikan jangka panjang.

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Keywords:

Financial Management, Islamic Education, Maqashid Shariah, Productive Waqf, Sustainable Funding, Islamic Social Finance

ABSTRACTS

This study examines a productive waqf-based financing management model as a sustainable solution for Islamic educational institutions. It aims to develop an effective and integrative framework that aligns Islamic financial principles with contemporary institutional needs. Using a qualitative library research approach, the study analyzes classical fiqh literature, modern financial management theories, and recent empirical studies from Indonesia and other Muslim-majority countries. The findings indicate that productive waqf can function as a reliable and sustainable funding source when supported by transparent governance, professional asset management, and technology-driven financial reporting systems. The proposed MIWAP-PI model highlights the importance of nazhir professionalism, accountability, and institutional autonomy in optimizing waqf assets. Practically, this model provides a structured approach for Islamic educational institutions such as pesantren, madrasah, and Islamic universities to reduce dependence on external funding and develop self-sustaining financial systems. Ultimately, it contributes to strengthening Islamic social finance ecosystems and supports the achievement of maqashid al-shariah, particularly in ensuring long-term educational sustainability.

A. INTRODUCTION

Islamic education is a key pillar in shaping a civilization of knowledgeable and noble-charactered people. However, the reality shows that Islamic educational institutions at various levels face fundamental problems in the form of limited and sustainable financial resources to support operational activities, curriculum development, and improvement of human resource quality (Huda, 2021). The heavy dependence on public funds, parental donations, or government subsidies often causes Islamic educational institutions to face unstable financial conditions (Rahman & Fauzi, 2020). This uncertainty in funding sources becomes a major obstacle in realizing the vision of superior and competitive Islamic education. In the context of Islamic economics, the idea has emerged that productive waqf can be a potential alternative solution to overcome the funding problems of educational institutions. Waqf, which in sharia means holding assets so that their benefits continue to flow, has great potential to be developed as a sustainable funding source for education (Kahf, 2018). The application of the productive waqf concept has been widely implemented in Muslim countries such as Malaysia, Turkey, and Qatar, where educational institutions are able to manage waqf assets professionally to support operational activities and research (Sadeq, 2020). In Indonesia itself, the potential of waqf is very large. Data from the Indonesian Waqf Board (BWI, 2022) shows that waqf land covers more than 420,000 locations with an economic value reaching trillions of rupiah. However, most of these assets have not been managed productively. This gap between potential and the realization of productive waqf management is the main gap in this research. Many Islamic educational institutions have waqf assets but do not yet have a professional financial management model to administer them (Fauzia, 2019). In Islamic financial management literature, the synergy between nazhir (waqf managers), Islamic financial institutions, and governance systems is considered key to the success of productive waqf management (Ascarya & Beik, 2020). Nevertheless, empirical studies on the

implementation of waqf-based financing management models in Islamic educational institutions remain very limited. Most studies focus only on the jurisprudence aspect of waqf without elaborating on managerial and financial sides (Alpay, 2021). Therefore, this research aims to present a comprehensive analysis of the productive waqf-based educational financing management model through an in-depth literature review. The main objective of this research is to identify the main components in productive waqf management within the context of Islamic education, including institutional aspects, governance, transparency, and technological innovation (Rahmatullah, 2023). Furthermore, this study seeks to explore the relationship between productive waqf management and the sustainability of Islamic educational institutions amid the dynamics of the digital economy and evolving government policies (Mannan, 2022). From a management theory perspective, Islamic educational institutions that adopt a social finance approach based on productive waqf can develop a self-financing system, thereby no longer relying on external assistance (Chapra, 2019). This approach aligns with the maqashid al-shariah principles, which emphasize sustainability and the welfare of the community. Education, as part of *hifz al-aql* (preservation of intellect), must be maintained through stable and halal funding systems (Al-Ghazali, 2018). In this context, waqf functions not only as a form of charity worship but also as a socio-economic instrument that plays a role in equitable access to education (Hassan, 2020). Several Islamic universities in Indonesia, such as the Islamic University of Indonesia (UII) in Yogyakarta and Nahdlatul Ulama Islamic University (UNISNU) in Jepara, have begun concrete steps to manage productive waqf to support academic activities, scholarships, and research (BWI, 2022). Nevertheless, the management models applied so far remain partial and have not been integrated systematically. The absence of a professional management framework becomes a major challenge in optimizing the potential of waqf in the education sector (Beik & Pratama, 2020). Therefore, the development of an Islamic education financing management model based on efficiency, transparency, and sustainability through the utilization of productive waqf is necessary. This study uses a literature review approach to compile theories and best practices from various Muslim countries that have successfully implemented similar models (Sabit, 2021). The literature review approach is chosen because it allows the researcher to conduct conceptual and comparative analyses between classical and contemporary literature to find the ideal model suitable for the context of Islamic education in Indonesia (Sugiyono, 2019). This research differs from previous studies because it aims to integrate modern financial management concepts with waqf fiqh principles and Islamic educational governance holistically. Thus, the results of this study are expected to provide two main contributions: academically enriching Islamic financial management theory and practically assisting Islamic educational institutions in managing waqf assets sustainably. At the implementation level, this model is expected to be adopted by pesantrens, madrasahs, and Islamic universities that have waqf assets so they can be managed productively and professionally. Meanwhile, at the conceptual level, this research contributes to expanding the literature on innovative Islamic education financing based on Islamic social finance. By reviewing relevant studies and theories, this research aims to build an integrative framework between waqf management, Islamic financial governance, and educational sustainability. Therefore, this study not only addresses the classical issue of limited Islamic education funding but also offers

applicable solutions based on sharia values and contemporary management innovations.

Islamic education is a key pillar in shaping a civilization of knowledgeable and noble-charactered individuals. However, in practice, many Islamic educational institutions still face fundamental challenges, particularly in terms of limited and unsustainable financial resources. These constraints affect not only daily operational activities but also long-term aspects such as curriculum development and the improvement of human resource quality (Huda, 2021). The heavy dependence on tuition fees, community donations, and government subsidies often places these institutions in vulnerable financial conditions. Such reliance creates instability, making it difficult for institutions to consistently achieve their vision of delivering high-quality and competitive Islamic education (Rahman & Fauzi, 2020). In response to these challenges, Islamic economic thought offers an alternative approach through the concept of productive waqf. In sharia, waqf refers to holding assets so that their benefits continuously flow to society. When managed productively, waqf has strong potential to become a sustainable and long-term funding source for education (Kahf, 2018).

The implementation of productive waqf has been successfully demonstrated in several Muslim-majority countries such as Malaysia, Turkey, and Qatar. In these contexts, educational institutions have professionally managed waqf assets to support not only operational costs but also research and institutional development (Sadeq, 2020). This indicates that waqf is not merely a charitable instrument, but also a strategic financial tool. In Indonesia, the potential of waqf is particularly significant. Data from the Indonesian Waqf Board (BWI, 2022) shows that waqf land spans more than 420,000 locations, with an economic value reaching trillions of rupiah. Despite this enormous potential, the majority of waqf assets have not yet been managed productively. This gap between potential and actual utilization represents a critical issue in the development of Islamic education financing. Many Islamic educational institutions already possess waqf assets but lack a structured and professional financial management model to optimize them (Fauzia, 2019). As a result, these assets remain underutilized and fail to generate sustainable financial returns. This study addresses this gap by proposing the MIWAP-PI as a comprehensive framework for managing productive waqf. The model integrates principles of Islamic finance with modern management practices to ensure transparency, accountability, and sustainability. The significance of MIWAP-PI lies in its practical applicability. For pesantrens, which often rely on traditional funding systems, this model offers a structured approach to transform waqf assets into productive economic resources that can support operational independence. Meanwhile, for Islamic universities, MIWAP-PI provides a scalable financial model that can fund research, infrastructure, and academic development without excessive reliance on external funding. By emphasizing professional governance, institutional collaboration, and the use of technology, MIWAP-PI is expected to bridge the gap between theoretical potential and practical implementation of waqf-based financing. Therefore, this study not only contributes to academic discourse but also provides actionable insights for policymakers, waqf managers, and educational institutions seeking sustainable financial solutions.

B. LITERATURE REVIEW

The Concept of Productive Waqf from the Perspective of Fiqh and Islamic Economics

In classical Islamic literature, waqf is defined as the retention of assets so that their benefits can continuously flow to the community (*habş al-aşl wa tasbīl al-manfa'ah*), as explained by Ibn Qudamah and Imam Nawawi. Kahf (2018) emphasized that waqf holds significant potential as a sustainable public financial instrument, if it is managed with professionalism and accountability principles. In the context of modern Islamic economics, the concept of productive waqf emerges as an innovation that focuses on economically managing waqf assets to generate profits used for social interests (Mannan, 2021). This principle aligns with the *maqāṣid al-sharī'ah*, particularly in preserving wealth (*ḥifẓ al-māl*) and intellect (*ḥifẓ al-aql*), through stable and sustainable financing of Islamic education. *Waqf Financial Management and Professionalization of Nazhir*. Recent studies show that professionalism and governance of waqf institutions are key to successful asset management. Beik and Pratama (2020) stated that many waqf institutions in Indonesia have yet to achieve effectiveness due to weak managerial systems, lack of human resource capacity, and low financial report transparency. Hassan (2021) stressed that the professionalization of nazhir is crucial to ensure productive waqf success. Chapra (2019) added that waqf governance must be based on Islamic moral principles so that it is not only economically efficient but also just and trustworthy spiritually. This view underlines that ethical dimensions are inseparable elements in Sharia financial management. *Potential and Challenges in Waqf Management in Indonesia*.

The Indonesian Waqf Board (BWI, 2022) noted that there are over 420,000 waqf land locations in Indonesia with an economic potential worth trillions of rupiah. However, most of these assets have not been managed productively (Fauzia, 2019). The main problems lie in weak asset management innovation and low productive waqf literacy among the community and educational institution managers. Rahman and Fauzi (2020) pointed out that Islamic educational institutions still heavily depend on community donations and government funds, causing financial instability. Therefore, strengthening financing models through productive waqf becomes a strategic solution for the independence of Islamic educational institutions in the modern era. *Digitalization and Technological Innovation in Waqf Management*. Digital transformation plays an important role in improving transparency and effectiveness in waqf management. Ahmad (2021) introduced the concept of e-waqf systems that enable waqf asset reporting online and accessible to the public. This system enhances public trust in waqf institutions. Moreover, Ali (2022) proposed the application of blockchain-based governance to create secure, transparent, and tamper-proof financial reporting systems. With digitalization, waqf institutions can expand donor reach, reduce operational costs, and increase public accountability. *Lessons from Other Muslim Countries*. Several studies show that Muslim countries like Malaysia and Turkey have successfully developed modern productive waqf models. Sadeq (2020) and Sabit (2021) noted that institutions such as the Waqf Selangor Corporation in Malaysia and the General Directorate of Foundations in Turkey have utilized waqf assets for campus development, research, and scholarship programs. Beik and Ascarya (2020) introduced the Integrated Islamic Social Finance model, a system integrating zakat, infak, sadaqah, and waqf to support social and economic development. This integrative approach

inspires similar model development in Indonesia within the context of Islamic educational financing. Productive Waqf and Sustainability of Islamic Education. From the perspective of maqāṣid al-sharī'ah, education is part of preserving intellect (ḥifz al'aql), thus requiring halal and sustainable financing systems. Huda (2021) showed that good waqf management can guarantee the sustainability of Islamic educational institutions.

Rahmatullah (2025) further developed the Productive Waqf Integrative Model for Islamic Education (MIWAP-PI) combining four main dimensions: institutional, managerial, financial, and technological. This model is designed so Islamic educational institutions can be financially independent and aligned with maqāṣid al-sharī'ah values and Sustainable Development Goals (SDGs). Synthesis and Research Gaps

The literature review results show that although many studies discuss waqf from legal and historical perspectives (Alpay, 2021; Fauzia, 2019), few focus on the integration of managerial, financial, and technological aspects in productive waqf management. This gap indicates the need for comprehensive research that is not only descriptive but also conceptual and applicative. Rahmatullah's (2025) research contributes significantly by bridging this gap through a conceptual model combining modern financial management theories and Sharia values. This approach broadens the scope of productive waqf studies from purely social worship to a sustainable economic strategy for Islamic education.

Based on the literature review, it portrays that productive waqf plays a strategic role as a sustainable source of financing for Islamic education. Professionalism of nazhir, transparent governance, and digitalization of reporting systems are fundamental elements of success. The integration of economic, technological, and Sharia values aspects is the new direction in strengthening the productive waqf ecosystem. The MIWAP-PI model offers a conceptual solution for Islamic educational institutions to create independent financing systems in accordance with maqāṣid al-sharī'ah and social justice principles. Thus, this study enriches contemporary Islamic finance literature and simultaneously provides a conceptual foundation for developing productive waqf policy in the education sector.

Table 1: Summary of Literature Review

No	Author(s) & Year	Main Topic	Key Findings	Relevance to Research
1	Ibn Qudamah; Imam Nawawi	Concept of Waqf in Fiqh	Retention of assets with continuous benefit	Fiqh foundation
2	Kahf (2018)	Waqf as Financial Instrument	Sustainable public finance potential	Long-term financing
3	Mannan (2021)	Productive Waqf	Economic management for social benefit	Modern model basis
4	Beik & Pratama (2020)	Waqf Management	Weak governance and HR	Managerial challenges
5	Hassan (2021)	Nazhir Professionalization	Professional nazhir is crucial	HR importance
6	Chapra (2019)	Governance	Ethical and efficient governance	Sharia framework
7	BWI (2022)	Waqf Potential	Large but underutilized assets	National potential
8	Fauzia (2019)	Asset Utilization	Not optimally managed	Productivity gap
9	Rahman & Fauzi (2020)	Education Financing	Dependence on donations	Need alternative funding
10	Ahmad (2021)	E-Waqf	Improves transparency	Digital support
11	Ali (2022)	Blockchain	Secure reporting	Tech accountability
12	Sadeq & Sabit	International Practice	Successful models abroad	Best practices
13	Beik & Ascarya (2020)	Integrated Finance	Zakat-waqf integration	Holistic model
14	Huda (2021)	Education Sustainability	Waqf ensures sustainability	Maqasid alignment
15	Rahmatullah (2025)	MIWAP-PI	Integrated model	Core contribution
16	Alpay; Fauzia	Waqf Studies	Mostly legal-historical	Research gap

C. METHOD

This study employs a qualitative approach using a library research method, focusing on the conceptual and theoretical analysis of an Islamic education financing management model based on productive waqf. The data sources consist of primary and secondary scientific literature, including classical fiqh works such as *Al-Mughni* by Ibn Qudamah and *Al-Majmu'* by Imam Nawawi, Islamic economics references, reports from the Indonesian Waqf Board (BWI), and scholarly articles published in reputable international journals such as the *Journal of Islamic Accounting and Business Research* and the *International Journal of Islamic and Middle Eastern Finance and Management*. This methodological choice aligns with Creswell's (2018) perspective that qualitative research seeks to understand phenomena through meaning-making within social contexts. Furthermore, the library research method enables the development of a comprehensive theoretical framework by synthesizing diverse scholarly sources. The type of data used in this study is qualitative-descriptive, comprising texts, concepts, and findings from previous studies. The analysis applies a descriptive-comparative technique, involving the examination of productive waqf management theories, comparison with contemporary practices in Islamic educational institutions, and identification of gaps between theoretical potential and practical implementation (Beik & Ascarya, 2020; Huda, 2021). To enhance methodological clarity, the literature review and analysis process in this study follows a structured flow, as illustrated below:

Flow of Literature Review and Analysis Process:

- 1. Problem Identification**
Identifying key issues related to financial limitations and sustainability challenges in Islamic educational institutions.
- 2. Literature Exploration**
Collecting relevant sources from classical fiqh, modern Islamic economics, and empirical studies on waqf and education financing.
- 3. Literature Inventory and Classification**
Organizing literature based on themes such as governance, financial management, institutional structure, and technology.
- 4. Thematic Coding**
Extracting key concepts and patterns from each source to identify dominant variables and relationships.
- 5. Comparative Analysis**
Comparing theoretical frameworks with real-world practices across different countries and institutions.
- 6. Synthesis of Theories**

Integrating findings to construct a comprehensive conceptual framework.

7. **Model Development (MIWAP-PI)**

Formulating the Integrative Productive Waqf Model for Islamic Education.

8. **Theoretical Evaluation**

Assessing the model using *maqāṣid al-sharī'ah* principles and sustainability perspectives. This systematic process is consistent with Bowen's (2009) explanation that document analysis must be conducted in a structured, iterative, and contextual manner to ensure credibility. Data validity is ensured through source triangulation by comparing classical *fiqh* theories, modern Islamic economic perspectives, and recent empirical findings (Hassan, 2021; Ahmad, 2021). Meanwhile, data reliability is strengthened through cross-referencing recent studies (2018–2024) to maintain contextual relevance, following Sugiyono's (2020) guidelines. The data analysis process adopts the interactive model proposed by Miles, Huberman, and Saldaña (2014), which includes data reduction, data display, and conclusion drawing. These steps are conducted iteratively throughout the research process to ensure depth and consistency of analysis. Finally, this study develops an integrated analytical framework combining *waqf fiqh* theory (Kahf, 2018; Hasan, 2021), modern financial management theory (Chapra, 2019; Beik & Pratama, 2020), and the concept of *maqashid al-shariah* in education (Huda, 2021). This integration results in the formulation of the Integrated Productive Waqf Model for Islamic Education (MIWAP-PI) as the main conceptual contribution of this research.

D. RESULT AND DISCUSSION

Based on the literature review, it was found that a productive *waqf*-based education financing management model needs to be designed through four main dimensions: institutional, managerial, financial, and technological (Beik & Ascarya, 2020). From the institutional side, productive *waqf* requires a strong organizational structure and involves professional *nazhirs* who have competence in both *shariah* principles and business (Hassan, 2021). In this case, the *nazhir* acts as the main manager responsible for optimizing *waqf* assets to generate sustainable income for education. On the managerial dimension, the main principles to be applied include transparency, accountability, and professionalism in all fund management processes (Rahmatullah, 2023). Transparency is realized through the preparation of open financial reports and the implementation of *shariah* audit systems based on digital technology such as blockchain *waqf* ledgers (Ali, 2022). Meanwhile, accountability means that every activity in the management of *waqf* funds must be accountable to the community and relevant *shariah* institutions.

Financially, Islamic educational institutions can develop various types of productive *waqf* business units, such as rental houses, shops, agriculture, and *shariah*-compliant stock investments, where the management results can be allocated to support education financing (Mannan, 2021). In Indonesia, such practices have begun to be implemented by several institutions, for example, Pesantren Sidogiri and the Islamic University of Indonesia (UII), which have successfully established productive

waqf-based business units (BWI, 2022) Meanwhile, in terms of technology, the digitization of waqf asset management and reporting systems is very important to improve public oversight effectiveness and fund distribution (Ahmad, 2021). Through e-waqf management systems, the public can monitor the utilization of waqf funds in real-time, thereby increasing public trust in educational institutions. Important findings from various literature also emphasize that synergy between educational institutions, shariah financial institutions, and the community is the key to the success of the productive waqf system (Fauzia, 2019). Waqf cannot stand alone without the support of a strong and integrated shariah financial ecosystem. Based on these findings, this study offers a concept called the Integrative Productive Waqf Model for Islamic Education (MIWAP-PI). The MIWAP-PI model consists of five main components: (1) waqf asset management, (2) productive business units, (3) shariah financial management, (4) digital reporting system, and (5) sustainability evaluation. The first component focuses on identifying and optimizing waqf assets so they can be developed into a steady income source for education. The second component focuses on establishing waqf-based business units managed by professionally licensed nazhirs. The third component emphasizes the importance of integration between waqf institutions and shariah financial institutions, such as micro waqf banks and shariah cooperatives. The fourth component is the application of a digital system in financial reporting to ensure public transparency (Ali, 2022), while the fifth component functions to assess the social and financial performance of waqf using Sustainable Development Goals (SDGs) and maqashid shariah indicators. In practice, this model cannot run optimally without government regulatory support and collaboration with the Indonesian Waqf Board (BWI) and national shariah financial authorities (BWI, 2022). Comparative studies show that in Malaysia, institutions like the Waqf Selangor Corporation have successfully managed productive waqf in a modern way, enabling the construction of educational buildings and universities (Sadeq, 2020). This proves that Indonesia has the potential to adopt a similar model by adapting it to the local context, especially in pesantren and madrasah environments. Literature analysis also highlights that professional nazhirs are the most important element in maintaining the sustainability of waqf management (Hassan, 2020). The performance of nazhirs heavily depends on managerial capacity, moral integrity, and the ability to utilize financial technology. In the context of Islamic education, waqf fund revenues can be directed toward scholarships, research development, improvements in facilities and infrastructure, and incentives for educators (Fauzi, 2021).

Furthermore, the economic and social benefits of productive waqf are not only felt by educational institutions but also by surrounding communities through job creation and strengthening new economic activities (Mannan, 2021). Theoretically, this model aligns with the principles of economic empowerment and social justice in the Islamic economic system (Chapra, 2019). International comparative studies indicate that countries with good waqf governance tend to have more financially independent Islamic educational institutions (Kahf, 2018). This confirms a positive correlation between productive waqf management and educational independence. Additionally, implementing digital oversight systems enhances institutional accountability and fosters public trust in the waqf system (Ali, 2022). Thus, the Integrative Productive Waqf Model for Islamic Education (MIWAP-PI) has the potential to become the national model for Islamic education financing in the digital economy era. The implementation

of this model demands strategic collaboration between academics, shariah finance practitioners, and national waqf institutions. The success of this model is believed to strengthen the position of Islamic educational institutions as an integral part of the community's economic development. With a measurable, professional, and transparent management system, productive waqf can function as the backbone of sustainable Islamic education in the future. Overall, this model emphasizes that productive waqf is not only a spiritual concept but also an adaptive financial management strategy capable of addressing modern economic challenges.

The findings of this study indicate that the MIWAP-PI model is not only conceptually relevant but also practically applicable across different types of Islamic educational institutions, namely pesantrens, madrasahs, and Islamic universities. However, the implementation of this model requires contextual adaptation based on the institutional capacity, governance structure, and available resources.

In the context of pesantrens, which traditionally rely on community-based funding and informal management systems, the application of MIWAP-PI should begin with the development of small-scale productive waqf units. These may include agricultural activities, livestock farming, and micro-enterprises that are closely aligned with the local economic environment. The success of this approach largely depends on strengthening the capacity of nazhir through training in entrepreneurship, financial management, and basic sharia financial principles. In addition, the introduction of simple digital reporting systems, such as e-waqf platforms, can significantly enhance transparency and strengthen public trust. Through gradual implementation, pesantrens can transform from dependency-based institutions into financially independent entities supported by sustainable waqf income.

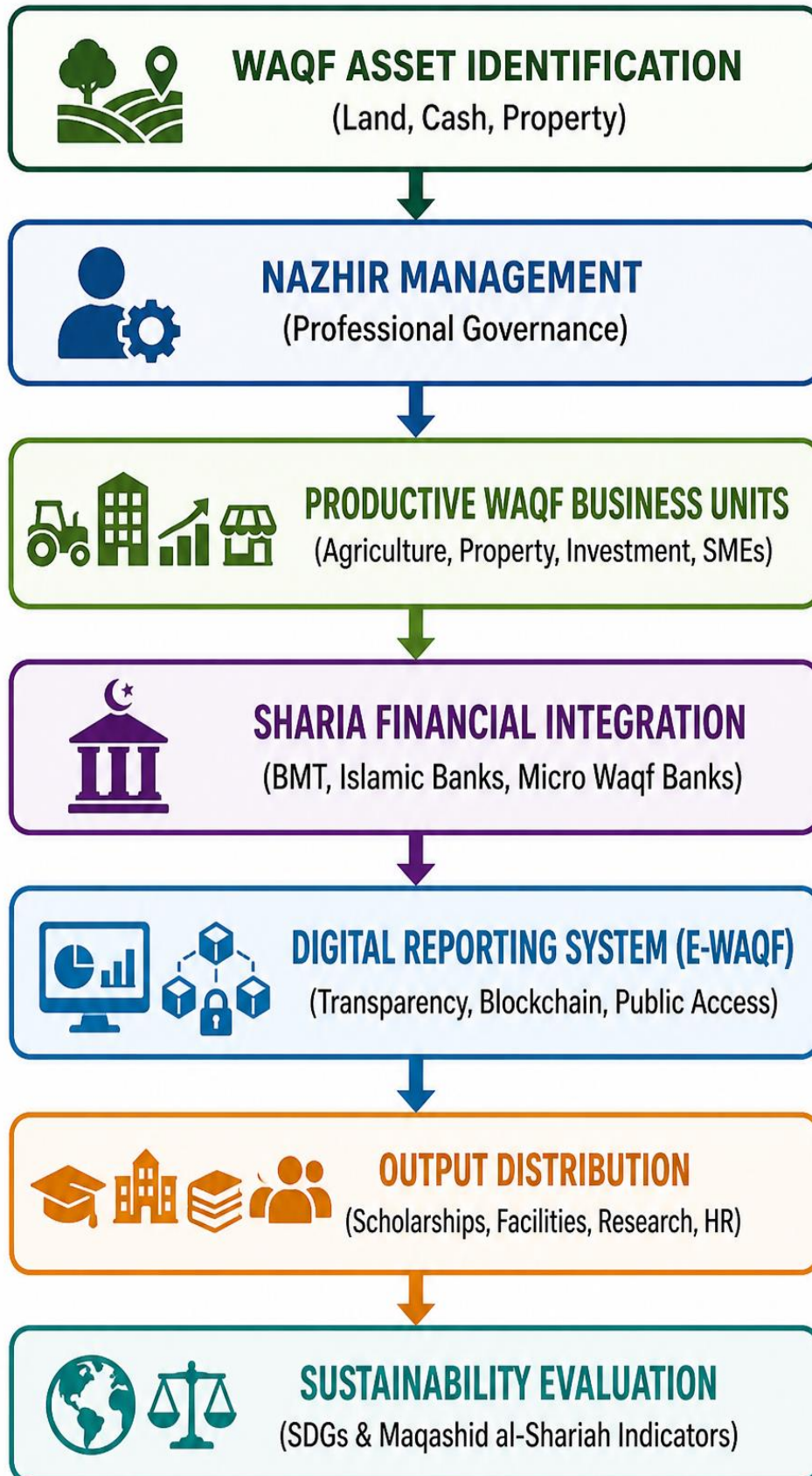
For madrasahs, which operate within a more formal education system but still face financial constraints, the MIWAP-PI model emphasizes the integration of waqf management into institutional financial planning. This includes aligning waqf-based income streams with operational budgeting and long-term development strategies. Collaboration with Islamic financial institutions, such as Baitul Maal wat Tamwil (BMT) and Islamic banks, becomes essential in strengthening financial capacity and expanding investment opportunities. Furthermore, madrasahs can develop supporting business units, such as educational services, facility rentals, and retail services, to diversify income sources. The implementation of standardized governance mechanisms and financial audits is also crucial to ensure accountability and compliance with both sharia and regulatory frameworks. Through these measures, madrasahs can achieve greater financial stability while maintaining institutional credibility.

Meanwhile, Islamic universities possess greater potential to implement the MIWAP-PI model on a larger and more sophisticated scale. With access to qualified human resources, advanced technology, and broader institutional networks, universities can develop large-scale productive waqf investments, including commercial properties, endowment funds, and research-based enterprises. In this context, waqf can also serve as a strategic source of funding for academic research, innovation, and infrastructure development. The integration of financial technology, such as fintech systems and blockchain-based reporting, allows universities to establish transparent, real-time, and accountable financial management systems. Additionally, the establishment of dedicated waqf management units within university governance structures ensures professional oversight and long-term sustainability. This approach

enables Islamic universities to evolve into globally competitive institutions with strong financial independence.

Conceptually, the MIWAP-PI model integrates five key components in a systematic and interconnected framework. The process begins with the identification and optimization of waqf assets, including land, cash, and other forms of endowment. These assets are then managed by professional nazhir institutions that ensure compliance with sharia principles and modern management standards. The managed assets are subsequently developed into productive business units that generate sustainable income. This income is further strengthened through integration with Islamic financial institutions, creating a broader financial ecosystem. To ensure transparency and accountability, all financial activities are supported by digital reporting systems that allow public access and monitoring. Finally, the performance of the system is continuously evaluated using sustainability indicators based on maqashid al-shariah and Sustainable Development Goals (SDGs). This integrated cycle illustrates how waqf can function as a dynamic and sustainable financial mechanism for education.

The discussion of these findings highlights that the effectiveness of the MIWAP-PI model is determined by several critical factors. First, governance quality plays a central role, as professional and trustworthy nazhir institutions are essential in managing waqf assets productively. Second, institutional collaboration significantly enhances the scalability of the model, particularly through partnerships with Islamic financial institutions and regulatory bodies. Third, the adoption of digital technology contributes to improved transparency, efficiency, and public trust, which are crucial for the long-term sustainability of waqf-based financing. From a theoretical perspective, this study reinforces the role of waqf as a core instrument within Islamic social finance while extending its function into a more strategic and managerial domain. The MIWAP-PI model demonstrates that waqf is not merely a charitable or religious practice, but also a comprehensive financial system capable of addressing contemporary challenges in education funding. This aligns with the principles of maqashid al-shariah, particularly in preserving wealth (*hifz al-mal*) and intellect (*hifz al-aql*), while simultaneously contributing to broader development objectives such as social welfare and economic empowerment. Furthermore, the model offers a multi-level implementation framework that can be applied across different institutional scales. At the micro level, pesantrens focus on community-based empowerment and small-scale economic development. At the meso level, madrasahs emphasize institutional strengthening and financial integration. At the macro level, Islamic universities pursue systemic transformation through large-scale investments and technological innovation. This layered approach ensures that the MIWAP-PI model remains flexible, scalable, and adaptable to diverse institutional contexts. Overall, the integration of productive waqf into Islamic education financing through the MIWAP-PI model represents a transformative approach that bridges the gap between traditional Islamic philanthropy and modern financial management. By combining ethical values, professional governance, and technological innovation, this model provides a sustainable solution to the long-standing issue of financial instability in Islamic educational institutions.



CONCLUSION

Based on an in-depth literature review, it shows that the Islamic education financing management model based on productive waqf is an effective strategy to achieve sustainable funding for Islamic educational institutions in the modern era. Waqf managed professionally not only serves as ongoing charity but also as a socio-economic instrument that strengthens the independence of educational institutions. The Productive Waqf Integrative Model for Islamic Education (MIWAP-PI) is built upon four main dimensions: institutional, managerial, financial, and technological. The institutional dimension demands a professional and accountable organization structure for waqf management; the managerial dimension emphasizes transparency, sharia audit, and technology-based reporting; the financial dimension integrates productive waqf business units with sharia financial principles; while the technological dimension promotes the digitalization of management and reporting systems to be efficient, measurable, and easily audited by the public. The application of this model in Islamic educational institutions such as pesantren and universities has great potential to create a self-sustaining financing system. Similar practices in Malaysia, Turkey, and Qatar demonstrate that productive waqf can support education financing without reliance on government funds or conventional donors. However, successful implementation is greatly influenced by the capacity and integrity of nazhir (waqf managers), government regulatory support, and productive waqf literacy among the community. Theoretically, this study enriches the literature of Islamic financial management by affirming waqf as a social finance instrument aligned with maqashid al-shariah. Practically, it offers an implementation framework for Islamic educational institutions to build a sustainable, innovative, and equitable financing system. Further research is recommended to test the effectiveness of the MIWAP-PI model using a mixed methods approach to obtain empirical evidence regarding its impact on institutional performance and education quality.

this study reaffirms that the MIWAP-PI model offers a comprehensive and integrative framework for managing productive waqf as a sustainable financing mechanism for Islamic education institutions. By combining classical Islamic principles with modern financial management practices, the model provides a structured approach that emphasizes transparency, accountability, and long-term asset productivity. Its relevance is particularly significant for pesantrens, madrasahs, and Islamic universities that face persistent financial constraints yet possess strong social capital and religious legitimacy. Furthermore, the model not only strengthens institutional financial independence but also contributes to broader socio-economic development through the optimization of waqf assets. The integration of governance, professional management, and technology within MIWAP-PI ensures that waqf can function as a dynamic and impactful instrument rather than a static religious endowment. However, while this study is grounded in an extensive literature review, its conceptual nature indicates the need for further empirical validation. Future research should focus on testing the implementation of the MIWAP-PI model in real educational institutions using mixed-method approaches. Such studies would enable a deeper understanding of its practical effectiveness, institutional adaptability, and socio-

economic impact by combining quantitative performance measurement with qualitative insights from stakeholders. This would not only refine the model but also strengthen its applicability across diverse educational and cultural contexts.

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