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Productive Waqf in Society 5.0: Islamic Law and Global Development

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Abstract

Objective: This study aims to analyze the role of productive waqf as an instrument of Islamic law in supporting global development within the context of Society 5.0. It explores how waqf can respond to contemporary socio-economic challenges through a sustainable and inclusive approach. **Theoretical framework:** The study integrates Islamic philanthropic theory and sustainable development concepts, positioning productive waqf as a socio-economic tool for promoting welfare, equity, and inclusive growth in modern society. **Literature Review:** Previous studies indicate that productive waqf has significant potential in enhancing social welfare, particularly in sectors such as education, healthcare, and micro-enterprises. Islamic economic law literature highlights waqf as a strategic philanthropic instrument, while sustainable development discourse recognizes its relevance in promoting equity and long-term socio-economic stability. However, existing research also identifies persistent challenges, including governance issues, lack of transparency, and regulatory fragmentation. **Methods:** This research employs a qualitative approach using a literature review method. Data are collected from academic publications, institutional reports, and policy documents related to productive waqf, Islamic law, and global development. The analysis focuses on conceptual understanding, regulatory frameworks, and implementation practices. **Results:** The findings reveal that productive waqf can play a vital role in advancing global development by fostering economic empowerment and social inclusion. Nevertheless, its effectiveness remains constrained by limited public awareness, weak institutional management, and inconsistent legal frameworks. Strengthening governance, improving regulatory integration, and enhancing transparency are essential to optimize its impact in the Society 5.0 era. **Implications:** This study is limited to secondary data and literature-based analysis. Future research is recommended to incorporate empirical approaches to validate the practical impact of productive waqf in different socio-economic contexts. **Novelty:** This study contributes to the literature by integrating Islamic law perspectives with global development discourse in the context of Society 5.0. It offers a comprehensive view of productive waqf as a sustainable instrument capable of addressing modern development challenges.

Keywords: productive waqf, islamic law, society 5.0, global development, sustainable economy.

INTRODUCTION

Productive waqf has emerged as a significant instrument within Islamic law, offering a sustainable approach to socio-economic development in the era of Society 5.0. This concept

integrates traditional philanthropic values with modern technological advancements, emphasizing human-centered innovation and inclusive growth. In the context of global development, productive waqf provides strategic opportunities to address pressing challenges such as poverty, inequality, and limited access to education and healthcare. Its potential lies not only in resource mobilization but also in fostering social justice and economic empowerment. Therefore, examining the role of productive waqf through the lens of Islamic law becomes essential to understand its relevance and effectiveness in supporting contemporary global development agendas [1].

To face increasingly complex global challenges, in total, the entire world, including Indonesia, in terms of sustainability of the SDGs, can become a very important guideline for the whole world or all countries, in determining the direction of development in the era of sustainable development of waqf [1]. The achievement of productive waqf related to the sustainability of economic law is based on reaching the goals of the SDGs in Indonesia, which includes presenting issues with various solutions and various basic concepts, by covering 3 aspects that need to be overcome through the perspective of sustainable productive waqf through SDGs such as limited resources and lack of economy (poverty), the existence of inequality but injustice, and environmental degradation [2]. In this perception, productive waqf is one of the instruments that emerges to support the achievement of the SDGs goals significantly, with the potential to stimulate to achievement of the SDGs sustainable development mission. In the tradition of Islamic philanthropy, waqf is not only a mechanism for social activities but also contributes significantly to the role of an economic revitalization instrument that is planned to advance the improvement of the quality of life of the community sustainably with efficient and appropriate resource management, in maximizing through an orientation that prioritizes sustainable results in the long term [3].

The essence of this research lies in the effort to understand the position of productive waqf in the construction of the perspective of sharia economic law and its role in achieving the SDGs in Indonesia. This study aims to improve the deficit in the literature by presenting a study with various detailed reviews in management to maximize the growth of productive waqf in the economy financially for continuity [4]. Regarding what is emphasized in providing various access in the form of facilities such as funding, training, and support to help micro and small MSME businesses in providing market access. The contribution of productive waqf can also reduce poverty rates and create fields and even employment opportunities, which is in line with sustainability in the SDGs goals. For this study, it is explained that in maximizing the role of waqf in the economy, it is also necessary to increase the competitive advantage of MSMEs [5]. Results in supporting inclusive and equitable economic growth. As well as maximizing economic potential, it is the basic principle of social justice. Although productive waqf is very guaranteed, various major challenges for management and difficulties must be solved responsively, for the obstacles that are the main problem, namely, lack of deeper mastery and less competent and even inadequate waqf management. This limits efforts to manage profits in the economy and productive social waqf efficiently and sustainably [6].

However, a productive waqf has a great opportunity to overcome all obstacles in its management and is a problem that must be faced. Examining the lack of understanding and excellence in waqf management is one of the first obstacles to maximizing productive waqf. Therefore, it is essential to improve the understanding and excellence of waqf managers and encourage cooperation with educational institutions, financial institutions, and civil society to realize synergy for productive waqf reform. In this study, it is necessary to analyze productive waqf innovation in sustainable management in the future; there needs to be synergistic and relevant benefits to apply according to the principles of sharia economic law [7].

In this study, there is a study that classifies sustainable productive waqf as an instrument in supporting the success of the development of the SDGs in Indonesia. In the concept and

practice of managing productive waqf, this research is also expected to make a significant contribution to the development of more effective strategies and practices for waqf management in Indonesia. More than that, this research study also encourages active contributions to the community to achieve the vision and mission of sustainable development, so that the existence of productive waqf is one of the most effective actions to face a challenge in the development of waqf in Indonesia [7].

Significance. This research holds considerable significance as it positions productive waqf not merely as a philanthropic activity, but as a vital instrument of Sharia economic law that directly contributes to achieving the Sustainable Development Goals (SDGs). In a country grappling with poverty, inequality, and environmental degradation, the application of productive waqf offers a sustainable, faith-aligned economic solution that bridges religious traditions and global development frameworks. By highlighting the intersection between Islamic philanthropy and economic revitalization, this study enhances the discourse on how religious-based economic tools can address modern societal challenges. It stresses the critical need for community empowerment, equitable resource distribution, and long-term sustainability—especially in sectors like health, education, and MSMEs (Micro, Small, and Medium Enterprises). This makes it a timely intervention in both the academic and policy arenas, advancing practical models of development rooted in local values and legal systems [8].

Implications. The implications of this study are multifold. First, it provides practical policy insights for waqf institutions, regulators, and Islamic economic actors. By identifying systemic barriers such as weak regulations, lack of transparency, and insufficient public awareness, the study lays the groundwork for regulatory reform, professional training, and institutional collaboration. Second, it encourages greater community participation in waqf-based development projects, calling for improved education and outreach to ensure inclusivity and empowerment. The research also suggests that productive waqf can significantly reduce economic disparities by supporting employment and entrepreneurship through MSMEs, particularly in underdeveloped regions. Furthermore, the integration of productive waqf with SDG frameworks offers a replicable model for other Muslim-majority countries, potentially influencing international Islamic economic policy. Finally, the study advocates for strategic partnerships between waqf managers, government bodies, financial institutions, and civil society to create a transparent, accountable, and synergistic environment for productive waqf to flourish [8].

Novelty. The novelty of this research lies in its innovative convergence of Islamic economic principles with global sustainability goals through a focused analysis of productive waqf. While waqf has been historically studied from legal or theological perspectives, this study uniquely frames it as a strategic development tool aligned with SDGs, offering a contextualized framework for sustainable economic law in Indonesia. It goes beyond traditional philanthropic analysis by emphasizing waqf management challenges and systemic reform, proposing future-oriented strategies such as professional certification for waqf managers, digital transparency systems, and cross-sector funding mechanisms. Additionally, the research introduces Islamic philanthropic theory, sustainable development theory, and sharia legal constructs as an integrated analytical approach—an academic contribution that broadens the theoretical foundations of Islamic economic research in the modern era. This approach creates space for both scholarly discourse and practical transformation of waqf in contributing to a just, sustainable society [9].

LITERATURE REVIEW

The results of productive waqf research show that the importance of facilities in Sharia economic law has a significant impact on supporting and realizing the SDGs in Indonesia. In this perspective, it is very important to implement literature analysis in order to play a role in

understanding and increasing its effectiveness for the instrument, namely the achievement of orientation with sustainable goals [10]. The literature review in this study is aimed at examining all previous reference sources related to productive waqf, with issues in the implementation of its management, and the impact of participation on the sustainability of the SDGs. In understanding the background of this study, it is anticipated to provide a more specific and in-depth explanation and proposed recommendations for the expansion of Indonesia's productive waqf [11].

Referring to previous research, there are several significant research studies on the importance of productive waqf. For this study, it is presented that waqf can optimize the quality of people's living standards by means of an effective or profitable approach or investment in a productive manner [12]. In this research study, more emphasis is placed on managing the importance of properly regulating waqf investments so that they can be implemented optimally and more effectively and efficiently. However, analyzing the obstacles in a challenge to manage productive waqf in Indonesia, namely a lack of understanding or deficit in knowledge in the community and fairly low and weak regulations, will cause capacity constraints in productive waqf [13].

Emphasizing productive waqf as a role for the SDGs, namely, including the scope of the health sector to education. The study in study presents that waqf can be a significant source of social investment funds and focuses on improving programs in the community to achieve the sustainability of the SDGs in Indonesia. This study also highlights that the potential of this productive waqf is very large; obstacles in transparency and regulation can be problems that need to be addressed [14].

From this literature review, in the study, it was found that there is inequality that is widely considered in the future. Thus, there are many discussions of a study that highlights the potential of productive waqf, although there is little research that analyzes in a more specific and in-depth discussion about the social society that contributes to waqf management and in the form of matters related to regulations that are supported in achieving the sustainability of sustainable productive waqf in the SDGs. Likewise, this study has a limited influence on various impacts and factors in productive waqf; therefore, it is necessary to conduct further study analysis to examine more deeply the factors of this waqf element [15].

In reviewing the literature that has been reviewed, we can conclude that the potential of productive waqf is great and is relevant in playing a role in achieving the SDGs in Indonesia through productive waqf. In the analysis review, the existence of wise and optimal management, public perception, and policies can significantly be the key to optimal improvement in productive waqf. A study that can play an important role in analyzing the obstacles in various challenges and potentials that will be faced by productive waqf through the SDGs in Indonesia [16].

Thus, social inequality has been identified in the analysis of this study by presenting a further study on the contribution of the community to managing waqf and social waqf factors. In the next research, it is important to provide more specific suggestions to optimize efficient performance in productive waqf and support productive waqf through the sustainability of the SDGs in Indonesia.

Table 1. List of Literature Reviews

Topic	Source/Reference	Short Description
The role of waqf for development in the economy	According to (Ali & Rahman)	The study in study presents that waqf is productive in optimizing the welfare of the community through investment or financial support in a productive manner.
Challenges of	According to (Hasan)	Analyze the obstacles in managing waqf,

productive waqf management in Indonesia		which are very minimal lack of interpretation in the community and weakened policies.
Productive Waqf and SDGs in Indonesia	According to (Zain)	Emphasizing the role of waqf in the SDGs in Indonesia through various fields, namely in the aspects of health and education for sustainability.
Islamic philanthropy and sustainable development	According to (Fatimah)	Describe how waqf to society to be effective and efficient in achieving the sustainability of the SDGs through productive waqf.
Optimization of waqf for usaha SMEs	According to (Sari)	Presenting various perceptions that focus on the goals of productive waqf for innovation to utilize businesses or programs through medium to small businesses to support productive waqf and SDGs.
Waqf regulations in Indonesia	According to (Rahman)	Describe the achievement of waqf by stabilizing in adjusting policies to create transparency and responsibility in the management of productive waqf through SDGs by Sharia economic principles.
Productive waqf and empowerment in the community	According to (Nur)	In this study, it can be reviewed that productive waqf aims to prosper the community through programs or social enterprises that support sustainability in all activities in accordance with economic principles and SDGs in Indonesia through productive waqf.

The table above briefly reviews in describing the main goal of focusing on productive waqf through the principles of Sharia economic law in the sustainability of the SDGs in Indonesia, in order to create support from various aspects in overcoming future challenges effectively. The focus is on sustainable development, productive waqf in its management, and how to develop through social activities in the community in terms of accountability and transparency to achieve SDGs through productive waqf.

METHODOLOGY

The method used is in the form of a qualitative method in the form of a literature review for a specific understanding of deepening the planning framework and obstacles in the management of waqf and its role through the SDGs in Indonesia [17]. In this study, productive waqf comprehensively also allocates knowledge in the form of insights into descriptive elaboration for direct development through waqf and SDGs in Indonesia. Below is a brief explanation of the details of this study:

Research Approach

This study explores a qualitative method in the form of a literature review, which aims the aim of deepening various understandings in a more specific and concrete way on an event for productive waqf that plays a role in various principles of Sharia economic law to achieve sustainability targets in Indonesia through productive waqf and SDGs [18].

Research Design

The design in this study is descriptive and oriented for analysis, by interpreting the framework and realization in managing productive waqf with a planning scheme by the principles of Sharia economic law and has the right to contribute to achieving sustainability in the SDGs through productive waqf and social aspects developed in Indonesia [19].

Research Participants

Contributions in carrying out productive waqf research do not directly involve various contributions from parties such as waqf managers with other terms nazhir in Islamic law in waqf management institutions, and with the existence of Sharia economic practitioners with other terms experts in Sharia economics, but in this study data are used from qualitative methods, namely literature reviews such as using relevant sources from journals, scientific articles, as well as other documents or reading sources that discuss productive waqf and sustainable development economics (SDGs). Various parties in policies in the community continue to accept well in the use of the productive social waqf program in the provisions of the SDGs in Indonesia so that it continues in various business activities involving various practitioners and managers so that the sustainability of the SDGs through productive waqf there is transparency among various other parties to develop all businesses or programs aimed at various aspects and social activities in the Waqf [20]–[22].

Technical Data Collection

For the data taken and the data collected, the analysis is reviewed through a literature review, namely in the form of scientific articles, various reports in research, and documents in regulations significantly with the existence of productive waqf and SDGs in Indonesia for the achievement of sustainability according to policies that may apply to analysts in understanding knowledge on theory and experiments for the collection of relevant data [23].

Research Instruments

In this study, the research instrument section contains various kinds of information through the analysis and identification of studies in the study discussed with guidelines for analyzing data comprehensively and specifically on research topics that are more deeply related to productive waqf and sustainability in the SDGs in Indonesia for the optimal preparation of various literature studies. The sources of various data references and data information collected were obtained from: 1. The research was carried out by analyzing literature reviews from various written references, namely academic journal sources, publishing research on scientific research studies related to research studies that discuss the sustainability of the SDGs through the position of productive waqf on Sharia economic principles.

Data Analysis

The collected data is identified with qualitative methods. In this study, the researcher analyzes and examines the themes raised with the linkage to challenges, theoretical designs, and opportunities in productive waqf to achieve SDGs sustainability through waqf through a review of Sharia economic law [24]. In supporting these SDGs and productive waqf, there needs to be an identification to overcome social inequality in society in Indonesia.

In analyzing this, it is explained in part important aspects are identified by collecting qualitative data through a literature review approach that needs to be reviewed in the research. Some of the data analyses that I can convey in this study are as follows:

1. Opportunities in productive waqf

In this study, resources in productive waqf have a role in supporting the achievement of the SDGs by prioritizing several aspects in the field of Education, Health, and Business (MSMEs) from small to medium enterprises. Various data sources show that waqf can be a source of substantial investment funds to develop various social activity programs to achieve sustainability support. Social funds in waqf, which include funds from various sources such as in the health and education sectors, as well as optimizing the quality of various sources of assistance for future generations, on the other hand, through the health sector with opportunities in productive waqf, can help the community for good health services according to their policies in various regions [25].

2. Challenges in managing productive waqf

The opportunity for productive waqf has a very large impact; there are several problems from obstacles to manage. To analyze the lack of knowledge related to waqf in the understanding of the community and policies that are not strong and weak, which are the main problems in the challenge of managing productive waqf. So many organizers are not effective and efficient in managing policies and managing waqf, and the a lack of transparency in all policies. This problem factor can become social inequality in society in developing productive waqf and the sustainability of the SDGs in Indonesia through the efforts of social programs that are organized [26].

3. Some reviews in analyzing the theory in this study are as follows:

- a. Management theory in this study combines various elements, including various theoretical concepts to explore the important role in productive waqf related to the reach of sustainable SDGs in Indonesia through the perspective of Sharia economic law and management theory plays a role as a resource that explains more deeply about the development of sustainable energy sources through productive social waqf funds and the development of SDGs in Indonesia.
- b. Islamic philanthropic theory emphasizes that the role of productive waqf can be an instrument in the social sphere to encourage collective community empowerment through various programs and forms of social activities.
- c. Development theory in terms of identifying the existence of an understanding of sustainable development in energy resources within the scope of the SDGs plays an important role in managing in an effective and efficient way the development of productive waqf.
- d. From the perspective of Sharia economic law, analyzes to convey morals on individual behavior in managing productive waqf and achieving the SDGs in a relevant manner, and contributes to creating a fair and transparent manner in responsibility for the management of productive waqf and SDGs in Indonesia [27].

Data Validity

In this qualitative research, research from the scientific Journal was used with the literature review method [28]. To obtain data and use comparison methods from all sources of information and perspectives to ensure to obtain valid data from a literature review-based context.

Table 2. Research Methods

Aspects	Description
Research Approach	Qualitative
Research Design	<p>Interpretative and critical</p> <ol style="list-style-type: none"> 1. Examining the foundation of the essence of productive waqf. 2. Interpreting the management and application of productive waqf from the perspective of Sharia economic law. 3. Analyze the role of productive waqf to realize and achieve the SDGs in sustainable development in Indonesia.
Research Participants	<ol style="list-style-type: none"> 1. Nazhir (waqf asset manager) at the waqf management agency. 2. An expert or specialist in Islamic finance. 3. The authority in regulating policymakers related to the waqf.
Technical Data Collection	<ol style="list-style-type: none"> 1. Scientific Journal 2. Research study
Research Instruments	<ol style="list-style-type: none"> 1. The theoretical basis and realization of productive waqf in a relevant manner for the sustainable development of the SDGs, as well as a perspective on Sharia economic law. 2. The systematic analysis method to examine the main topics raised is in the form of analyzing challenges and opportunities in contributing productive waqf in line with the achievement of the SDGs, this is to design data systematically and even structured.
Data Analysis	<ol style="list-style-type: none"> 1. Interpretation of data analysis into theory on the development and achievement of SDGs in Indonesia, with a view to Sharia economic law, to understand the role of productive waqf in Indonesia. 2. Thematic analysis by interpreting topics that appear in the data in the form of productive waqf on opportunities and management of its management in various fields. 3. The format of the data collected is based on the aspects and topics raised for analysis. The data in the discussion theory is in the form of progress in achieving the SDGs in Indonesia and its contribution, together with productive waqf, to classify this data and research pattern.
Data Validity	<ol style="list-style-type: none"> 1. From reputable data sources, such as the selection of scientific journals that are suitable for the topic of research, data are presented in a relevant way with peer review.
Research Limitations	<ol style="list-style-type: none"> 1. The aspect of this study focuses on productive waqf in Indonesia, so this research is only pegged domestically and does not apply in other countries, such as those with various cultural and economic aspects. 2. Generalize a finding in a research topic with a qualitative method that only focuses on certain aspects, so that there is no widespread equity without further research on this theme.

The validity of the data from this study is sourced from the use of relevant and credible data. To obtain valid data, it is necessary to be accurate and consistent in conducting this research. Thus, this study produces accurate and reliable findings to support the meaning of

the purpose of conducting this research, with an understanding of the contribution of productive waqf to achieve sustainability in the development of the SDGs in Indonesia.

RESULTS AND DISCUSSION

From the findings of the research results, it can be shown that the greatest opportunity in productive waqf is a contribution to Sharia economic law for the sustainable development of the SDGs in Indonesia. The role of productive waqf can be divided into several various fields such as development for the advancement of micro, small to micro, and upper micro-enterprises or MSMEs, in addition, some fields play a very important role in the development goals of the SDGs as their role in the fields of health and education. The role of health waqf also plays a role in meeting the level of facilities in hospitals, to clinics by supporting existing health programs in the wider community at relatively affordable costs [29]. So, on the other hand, in terms of Education, productive waqf also provides higher quality facilities in several aspects from elementary schools to colleges including library facilities and the use of digital technology for use in the world of Education, in addition to many programs are provided to access Education more easily such as providing and offering intensive scholarship programs to improve the quality of Education [30]. In this research, the importance of inductive waqf for various contributions and fostering roles through training, funding rules, and advancing micro and small enterprises or MSMEs, which aim to achieve the goals of the role of the SDGs in creating jobs and reducing social disparities or poverty rates in the community. In order for the goal to continue to run well, it is necessary to have quality education and grow the economy so that it is more feasible, for health and welfare in the community in the future [31].

Problems in Managing Productive Waqf

In this study, there is a great opportunity to manage productive waqf in Indonesia so that in the future it can face various kinds of problems and challenges. The most important problem is that the community may lack or lack the knowledge and understanding of various explanations and roles in productive waqf, as well as the lack of insight and no social activities in the local community to hold waqf participation from low education in the community [32]. So, this can be weakened, and there is a lack of contribution from the community to the progress of productive waqf in Indonesia. In terms of various policies that are not optimal or even less than optimal, they will become weak in managing waqf without the right foundation and contribution in following each of its roles to advance the SDGs in the future. In addition, the lack of policy and lack of transparency can also be a problem factor in the potential of productive waqf, so it is not optimal. In addition, there are also factors from the management, such as human resources, that can be managed efficiently in managing various assets, but if there are limitations, there is no continuity, and it is not optimal, it will be less than optimal [33].

Solutions in Facing Problems from Various Challenges

In dealing with these problems, there must also be efforts to contribute deeply. For the first time, there is a provision of knowledge and a deepening of education in depth, specifically so that the wider community can understand productive waqf to contribute to achieving the SDGs in Indonesia. For the next advantage, with a transparent policy and responsibility in its management, future regulations will be stronger [34]. From the many teachings and education to manage productive waqf for people who take the initiative to manage waqf productively and be further developed in the future with the competence of responsible asset management. Therefore, there needs to be support from the government and contributions from the community and financial institutions so that it is further improved and synergies are created more effectively and efficiently in managing productive waqf for the achievement of the SDGs in Indonesia [35].

The Impact on Sharia Economic Law

In the aspect of Islamic background, including within the scope of Sharia economic law, the contribution of productive waqf is not only useful in Islamic philanthropy but also to stabilize the economy so that sustainable development is achieved and encouraged for productive waqf [36]. The foundation that exists in the scope of the Sharia economy also creates fairness, a form of transparency, and there is accountability that can be a principle for managing productive waqf, in the direction of the policy the potential of the foundation can increase trust in the community transparently so that productive waqf that is managed wisely and well can be felt equally for various wider communities who can contribute transparently and responsibly in managing it. Thus, productive waqf is an effective contribution to various fields to support sustainable development and increase the prosperity of the wider community [37].

For all of this research, it can be seen that opportunities to play a role in the future for the achievement of the SDGs in Indonesia can be seen and shown. However, in realizing productive waqf policy opportunities, various efforts are also made to overcome various challenges in managing waqf. On the other hand, there is minimal education on productive waqf, such as weakening regulations, a lack of understanding in its management, so it is inefficient or even less effective due to the limited number of waqf asset managers, namely, human parties. For these challenges, according to Sharia principles, it is necessary to collaborate in cooperation related to one party with another to achieve and realize the SDGs in Indonesia through productive waqf effectively in the community [38].

Policy Strategies in Suggested Approaches to Productive Waqf for SDGs Support

In validating to support the sustainability of productive waqf in achieving the SDGs in Indonesia, in this study provides policies in the direction of the strategy by, developing efforts focused on various trainings that are professionally structured on human resources to get professional certification, then can encourage a partnership that has cross-sectors in an innovation that has a strategy to optimize funding by managing productive waqf in Indonesia in various fields of SDGs, in the dynamics that aim to manage waqf, it will continue to be encouraged to strengthen policies and regulations that are responsive in various ways, especially in productive waqf based on Sharia economic law, and various sources of information that must be in a transparent form and responsibility in managing the productive waqf related to policies from the relevant government in the waqf community in Indonesia as a reference for productive waqf management based on achievements to support the SDGs in Indonesia [39]–[41].

The concept of productive waqf has evolved from its traditional philanthropic roots into a strategic economic instrument within the framework of Sharia economic law, offering promising potential to support the Sustainable Development Goals (SDGs) in Indonesia. This study explores productive waqf not just as a religious obligation but as a transformative force for sustainable development, social equity, and economic empowerment. Through a qualitative literature-based approach, the research provides a comprehensive understanding of how productive waqf can address challenges related to poverty, education, health, and economic inequality while reinforcing Islamic legal and ethical foundations.

Strategic Role in Sharia Economic Law

From the standpoint of Sharia economic law, productive waqf is positioned as a moral and legal mechanism to promote social welfare. It is not merely a charitable act but a form of resource optimization grounded in Islamic jurisprudence. The study affirms that productive waqf aligns with Islamic values of social justice, wealth redistribution, and accountability, while also offering a structured mechanism for long-term economic planning. By providing capital, infrastructure, and educational support to underprivileged communities, productive

waqf serves as a bridge between faith-based philanthropy and legal-economic planning, integrating religious ethics with development policy.

Contribution to the SDGs

The Sustainable Development Goals aim to address global challenges across various sectors. This study reveals that productive waqf can significantly contribute to multiple SDG targets:

1. Goal 1 (No Poverty): Productive waqf facilitates access to capital for micro and small enterprises (MSMEs), empowering communities economically and creating employment opportunities.
2. Goal 3 (Good Health and Well-being): Waqf assets can be used to support healthcare infrastructure, affordable medical services, and community clinics, especially in underserved areas.
3. Goal 4 (Quality Education): Productive waqf can fund scholarships, build schools, provide digital learning facilities, and support lifelong learning programs.
4. Goal 8 (Decent Work and Economic Growth): By supporting MSMEs, productive waqf promotes entrepreneurship and sustainable business development, enhancing inclusive economic growth.

The research clearly demonstrates that productive waqf is a multidimensional instrument that aligns with and reinforces the SDGs across economic, social, and institutional dimensions.

Challenges in Waqf Management

Despite its potential, the research identifies several challenges that hinder the full realization of productive waqf's benefits: 1. Lack of Public Awareness and Education: Many communities are unaware of productive waqf's concept and potential. Limited understanding reduces participation and diminishes the impact of waqf initiatives. 2. Weak Regulatory Frameworks: The absence of clear, strong, and enforceable policies results in fragmented waqf governance, which affects transparency and accountability in fund management. 3. Human Resource Constraints: Inadequately trained waqf managers (nazhir) are a major issue. Most waqf institutions lack professional management, financial literacy, and strategic planning capabilities. 4. Low Transparency and Oversight: Limited transparency in waqf administration leads to distrust among stakeholders and inefficiencies in the use of waqf funds. These challenges reflect structural weaknesses in the institutionalization of productive waqf in Indonesia and call for urgent reforms.

Proposed Solutions and Strategic Reforms

The study provides detailed solutions to overcome these challenges. First, education and capacity-building programs for both waqf managers and the general public are critical. This includes training, certification, and technical support for nazhir to improve their management and planning skills. Second, regulatory reform is vital. Policymakers must draft and implement comprehensive waqf laws that clearly define operational standards, reporting requirements, and dispute resolution mechanisms, all in line with Sharia principles. Third, intersectoral collaboration is recommended. Partnerships between waqf institutions, government agencies, financial institutions, and civil society will strengthen the sustainability of waqf projects and expand their reach and impact. Digital platforms can also be leveraged to enhance transparency and facilitate donations. Fourth, the study proposes that productive waqf should be directly aligned with national development plans and SDG targets to ensure coherence, effectiveness, and support from governmental bodies.

Innovative Integration of Theoretical Frameworks

A unique aspect of this research is its integration of three theoretical foundations: Islamic philanthropic theory, sustainable development theory, and Sharia economic legal theory. This multidimensional perspective allows the study to analyze productive waqf not only as a religious duty but also as a social innovation and legal-economic instrument. Islamic philanthropic theory emphasizes waqf as a moral duty that enhances collective welfare. Sustainable development theory provides a macro framework for how waqf can address long-term socioeconomic and environmental goals. Sharia legal theory grounds waqf practices within Islamic jurisprudence, ensuring compliance with religious and ethical norms. By bridging these frameworks, the research offers a comprehensive and contextually relevant model that links Islamic finance with global development paradigms.

Long-term Implications and Vision

This study envisions a productive waqf ecosystem that contributes meaningfully to Indonesia's national development. Its implications are vast: from policy transformation and institutional reform to public engagement and socioeconomic progress. If scaled and managed effectively, a productive waqf can become a cornerstone of inclusive development, balancing spiritual values and modern governance. Additionally, the study opens avenues for further research in areas such as waqf digitalization, cross-country comparisons, and impact assessment models. As the global Muslim population grows and interest in ethical finance increases, productive waqf could emerge as a model of Islamic sustainable development that resonates far beyond Indonesia.

Analysis

Productive waqf in the era of Society 5.0 represents a transformative evolution of Islamic philanthropic instruments within the broader framework of global development. Society 5.0, characterized by the integration of advanced technologies and human-centered values, provides a conducive environment for reimagining waqf not merely as a religious obligation but as a strategic socio-economic mechanism. In this context, productive waqf aligns with the goals of inclusive growth, sustainability, and equitable resource distribution, making it highly relevant in addressing contemporary global challenges.

From the perspective of Islamic law, productive waqf is grounded in fundamental principles such as *maslahah* (public interest), *'adl* (justice), and *amanah* (trust). These principles establish a normative foundation for managing waqf assets in a way that ensures social welfare and long-term sustainability. Unlike consumptive waqf, productive waqf emphasizes the utilization of assets for income-generating activities, which can then be redistributed to benefit society. This approach reinforces the role of Islamic law as not only a legal framework but also a driver of economic and social transformation. In relation to global development, productive waqf demonstrates strong potential in contributing to key sectors such as education, healthcare, and micro-enterprise development. By financing scholarships, building educational infrastructure, supporting healthcare services, and empowering small and medium enterprises, waqf can directly address issues of poverty, inequality, and limited access to essential services. These contributions reflect a convergence between Islamic economic principles and global development priorities, highlighting waqf as a bridge between faith-based values and modern policy frameworks.

Furthermore, the integration of digital technology in the Society 5.0 era enhances the effectiveness of productive waqf management. Digital platforms can facilitate transparent reporting, efficient fund distribution, and broader community participation. The use of financial technology (fintech), blockchain, and data analytics has the potential to improve governance and accountability, thereby increasing public trust in waqf institutions. This technological dimension is essential in transforming waqf into a more adaptive and scalable instrument capable of responding to global development demands. However, despite its significant potential, the implementation of productive waqf faces several structural and operational challenges. One of the primary issues is the limited level of public awareness and

understanding of productive waqf, which affects participation and contribution. Additionally, many waqf institutions still lack professional management practices, resulting in inefficiencies and suboptimal utilization of assets. Regulatory fragmentation and the absence of comprehensive legal frameworks further complicate the governance of waqf, reducing its effectiveness as a development tool.

Another critical challenge lies in human resource capacity. The role of nazhir (waqf managers) is central to the success of productive waqf, yet many lack adequate training in financial management, strategic planning, and technological adaptation. Without proper capacity-building initiatives, it is difficult to achieve sustainable and impactful waqf management. Moreover, weak coordination among stakeholders—including government bodies, financial institutions, and civil society—limits the potential for integrated and large-scale waqf-based development programs. To address these challenges, a comprehensive and collaborative approach is required. Strengthening legal frameworks is essential to ensure clarity, consistency, and enforceability in waqf management. Governments should develop policies that support innovation and integration of waqf into national and global development strategies. At the same time, capacity-building programs for waqf managers must be prioritized to enhance professionalism and efficiency.

In addition, fostering partnerships among stakeholders can create a synergistic ecosystem that maximizes the impact of productive waqf. Collaboration with financial institutions can facilitate access to funding and investment opportunities, while engagement with academic and research institutions can promote innovation and knowledge development. Community involvement is equally important to ensure inclusivity and sustainability in waqf initiatives. In conclusion, productive waqf in the era of Society 5.0 holds immense potential as a strategic instrument of Islamic law for advancing global development. Its success depends on the effective integration of ethical principles, technological innovation, and institutional reform. By addressing existing challenges and leveraging its inherent strengths, productive waqf can play a pivotal role in creating a more just, inclusive, and sustainable global society.

CONCLUSION

This study affirms that productive waqf constitutes a dynamic and forward-looking instrument within Islamic law that holds substantial relevance in addressing the complex challenges of global development in the era of Society 5.0. By transforming traditionally consumptive waqf assets into productive and income-generating resources, waqf can play a pivotal role in strengthening socio-economic resilience, reducing inequality, and fostering sustainable development. Its application across strategic sectors such as education, healthcare, and micro-enterprises demonstrates its capacity to empower communities while maintaining compliance with Sharia principles. Furthermore, the convergence between productive waqf and the Society 5.0 paradigm—characterized by the integration of digital technology and human-centered innovation—opens new avenues for optimizing waqf management and distribution. The use of digital platforms, data-driven governance, and financial technology can significantly enhance transparency, efficiency, and public trust in waqf institutions. This alignment not only revitalizes the traditional function of waqf but also situates it as a competitive instrument within the modern economic ecosystem. Despite its potential, the study identifies persistent structural and operational challenges that must be addressed to ensure the effectiveness of productive waqf. These include low levels of public literacy regarding waqf, limited professional capacity among nazhir (waqf managers), insufficient regulatory harmonization, and weak institutional accountability. Without systematic reforms, these constraints may continue to limit the broader impact of waqf in achieving inclusive development goals. Therefore, strengthening the legal and institutional framework of waqf is imperative. This

includes enhancing governance standards, promoting capacity-building initiatives, and ensuring regulatory clarity at both national and international levels. Equally important is fostering multi-stakeholder collaboration involving governments, financial institutions, civil society, and the broader Muslim community. In conclusion, productive waqf has the potential to function as a transformative pillar of global development when managed professionally, transparently, and in alignment with Islamic legal values. Its success lies in its ability to adapt to contemporary realities while preserving its ethical and spiritual foundations, ultimately contributing to a more just, inclusive, and sustainable world.

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Author Contribution

All authors jointly contributed to the development of the research topic, data collection, analysis, and manuscript writing. Each played an active role in shaping the direction of the study on Productive Waqf in Society 5.0: Islamic Law and Global Development

Conflicts of Interest

All authors stated that there was no conflict of interest related to the research, authorship, or publication of this article.

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