

Wakafpreneur as an Instrument of Islamic Da'wah and Social Transformation in the Philanthropic Institution

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Abstract

Although waqf has long been recognised as a powerful Islamic socio-economic instrument, its utilisation in many Muslim communities remains largely consumptive and under-optimised. Existing studies tend to focus on traditional or partial models of productive waqf, offering limited insights into how waqf can be integrated with contemporary entrepreneurial practices to generate sustainable socio-economic impact. This study addresses this gap by examining Wakafpreneur, an innovative and integrated model that combines productive waqf with entrepreneurial frameworks to support da'wah initiatives and wider social transformation. Focusing on philanthropic institutions in Riau Province, Indonesia, this research aims to explore how the Wakafpreneur model is conceptualised, implemented, and experienced by its stakeholders. A qualitative case study approach was employed, drawing on in-depth interviews with waqf managers, participating entrepreneurs, and programme beneficiaries, as well as direct observations of Wakafpreneur business units. The findings demonstrate that Wakafpreneur significantly enhances the effectiveness of waqf management by transforming dormant waqf assets into sustainable business entities. This model not only generates independent financing streams for da'wah programmes but also promotes community economic empowerment through job creation, improved welfare outcomes, and the practical dissemination of Islamic values. The novelty of this study lies in its analysis of Wakafpreneur as a holistic and replicable model that positions waqf institutions as transformative agents within modern socio-economic ecosystems. The study recommends replicating the Wakafpreneur model in other regions as a strategic pathway to optimise waqf potential and strengthen the contribution of Islamic philanthropy to socio-economic development.

Keywords

Wakafpreneur; Da'wah; Social Transformation; Philanthropic Institutions

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1. INTRODUCTION

Islamic philanthropy has long served as a significant mechanism for advancing socio-economic welfare while simultaneously supporting da'wah in Muslim societies. Among its various forms, waqf occupies a distinctive position as a sustainable instrument that ensures the continuous flow of benefits for religious, educational, and social purposes (Kahf, 1998). In recent decades, the concept of “wakafpreneurship”—a hybrid model that integrates classical waqf principles with modern



entrepreneurial practices—has emerged as an innovative strategy to optimise the socio-economic potential of perpetual waqf assets while safeguarding their compliance with Shari‘ah (Çizakça, 2011). Beyond its economic significance, this model is increasingly viewed as a practical medium for Islamic preaching and social transformation (Abdullah, 2018).

In Indonesia, including the Riau Province, philanthropic institutions have begun to incorporate waqf-based entrepreneurial initiatives into their operational frameworks. This trend is shaped by demographic factors, strong Malay–Islamic cultural heritage, and the abundant waqf assets that remain underutilised (Hasan, 2020; Saidul Amin, 2024). Nonetheless, numerous studies highlight persistent challenges in implementing productive waqf, particularly weak governance mechanisms, low public literacy, and regulatory limitations that restrict Islamic social-business innovation (Ascarya & Rahmawati, 2022). These issues underscore the need for institutional frameworks capable of aligning the *maqāṣid al-sharī‘ah*—especially *al-‘adl* (justice), *al-ḥifẓ* (preservation), and *ar-raḥwāj* (circulation/progress)—with contemporary entrepreneurship and professional governance (Ibn ‘Āshūr, 2006).

Despite the growing scholarly interest, existing literature remains predominantly normative and conceptual, often emphasising the potential of productive waqf without examining its practical implementation in specific local contexts. Foundational works by Kahf (1998), Çizakça (2011), and Ahmed (2007) largely focus on global frameworks of Islamic philanthropy, while Indonesian studies tend to address regulatory or general institutional aspects (Ascarya & Rahmawati, 2022). To date, very few empirical studies have analyzed wakafpreneurship in Riau Province, a region characterized by strong Malay–Islamic traditions and substantial waqf assets, yet still facing major challenges related to literacy, managerial capacity, and institutional innovation. Consequently, a notable knowledge gap remains concerning how waqf-based entrepreneurship can function simultaneously as an economic mechanism and a da‘wah instrument in local philanthropic landscapes.

Previous introductions also tended to blend diverse themes—Islamic philanthropy, da‘wah, *maqāṣid al-sharī‘ah*, entrepreneurship, and socio-economic development—without a coherent analytical structure. To sharpen its scholarly contribution, the present study adopts a combined framework of Islamic social finance and religion-based social transformation theory. This approach allows a more direct examination of how innovations in Shari‘ah-compliant economic models contribute to da‘wah agendas by strengthening communal solidarity, shaping religious consciousness, and supporting sustainable development goals (UNDP, 2019; Sadeq, 2022).

Accordingly, this study offers three main contributions: it addresses the existing literature gap by providing an empirical analysis of waqf-based entrepreneurship within the specific socio-cultural context of Riau Province; it integrates analytical perspectives from Islamic social finance and da‘wah studies to highlight the dual function of waqf as both an economic and religious instrument; and it proposes practical implications for strengthening Islamic philanthropic policies in Indonesia, particularly in advancing professional, innovative, and sustainable waqf governance.

2. METHODS

This study adopts the Analytic Network Process (ANP) to examine and prioritise the role of *wakafpreneurship* as an instrument of Islamic preaching (da‘wah) and social transformation within philanthropic institutions in Riau Province. ANP was selected due to its capacity to model complex interdependencies, reciprocal relationships, and multidirectional feedback loops among decision criteria—analytical features that are not adequately handled by the Analytic Hierarchy Process (AHP)

(Saaty, 2004; Aam & Abrista, 2013). Given that waqf-based entrepreneurship constitutes a multidimensional phenomenon encompassing religious, economic, managerial, and social factors, ANP provides a robust framework for capturing its systemic interactions.

The construction of the ANP model was carried out using SuperDecisions version 3.2.0. The network comprises one overarching objective, four major clusters, and sixteen interrelated elements ($n = 16$). The formulation of these clusters and elements was informed by an extensive review of the literature on waqf, Islamic social finance, da'wah, and social entrepreneurship, complemented by preliminary consultations with experts in the field. The four clusters represented in the model are: (1) Da'wah Dimensions, which include indicators such as the effectiveness of Islamic message dissemination and the integration of religious values within economic activities; (2) Wakafpreneurship Model, covering aspects of waqf asset innovation, Shari'ah compliance, and professional management; (3) Social Outcomes, encompassing economic empowerment, educational improvement, and strengthened social solidarity; and (4) Institutional Context, which comprises regulatory support, managerial capacity, and community engagement.

The network structure reflects two-way dependencies and internal feedback among clusters, illustrating that each component both influences and is influenced by the others. This relational configuration acknowledges the holistic nature of wakafpreneurship, in which religious motivations, economic mechanisms, institutional structures, and social impacts are mutually reinforcing. Within this model, the da'wah dimensions provide the spiritual and ethical foundation that guides entrepreneurial practices, ensuring they align with the objectives of worship and public welfare. The wakafpreneurship model operationalises these principles by transforming waqf assets into productive, sustainable, and Shari'ah-compliant ventures. The institutional context serves as the enabling environment that determines programme effectiveness, accountability, and long-term sustainability. Meanwhile, the social outcomes represent the tangible impacts—improved welfare, economic independence, and heightened religious consciousness—which, in turn, reinforce the broader mission of Islamic preaching.

The ANP analysis proceeded through a series of structured stages: (1) problem definition and model conceptualisation; (2) cluster and element formulation; (3) pairwise comparisons conducted with experts using Saaty's 1–9 scale; (4) synthesis of priorities through the SuperDecisions software; and (5) consistency assessment to ensure the reliability of expert judgments. Experts consulted in this process included waqf managers, Islamic economists, da'wah practitioners, and local philanthropic leaders. Their assessments provided the empirical basis for determining the relative importance of each cluster and element within the network.

Overall, the ANP method enables a systematic and empirically grounded prioritisation of factors shaping the effectiveness of wakafpreneurship as both an economic engine and a da'wah instrument. This methodological approach provides nuanced insights into the most influential components of the model, thereby contributing to a deeper understanding of how waqf-based entrepreneurship can enhance Islamic preaching and drive socio-economic transformation in contemporary philanthropic contexts.

3. FINDINGS AND DISCUSSION

3.1 Integration of Da'wah Values within Waqf-Based Business Models

The findings indicate that da'wah values are not treated as an add-on, but are structurally embedded throughout the entire wakafpreneurship cycle—from policy formulation and institutional design to programme implementation and community engagement. Managers of

philanthropic institutions in Riau consistently emphasise that da'wah is understood as both *word* and *deed*: it is articulated through sermons, religious messages, and educational activities, but equally through the ethical quality of institutional behaviour, particularly in the management of waqf assets. Accountability, transparency, and professionalism are therefore framed not merely as technical governance requirements, but as concrete expressions of Islamic values. As one manager noted, “digitalisation has become essential for empowering wakafpreneur initiatives, allowing Islamic values to be conveyed more broadly and with greater accountability” (Interview, 2025). This statement reflects a shift from ritual-centric da'wah towards a more systemic, institution-based da'wah that is embodied in organisational processes and technologies.

At the policy and coordination level, the Muhammadiyah Waqf Council of Riau (MPW PWM Riau) provides a clear illustration of how da'wah values are translated into institutional strategies. The Council prioritises comprehensive waqf asset mapping, enhancement of asset productivity, and full-scale digital documentation of waqf data. These measures are explicitly justified in terms of trust-building (*thiqqah*) and public accountability, both of which are seen as prerequisites for effective da'wah in a contemporary socio-economic context (PWM Regional Work Meeting Report, 2025). Digital record-keeping and online reporting platforms are therefore not merely administrative tools; they are conceptualised as media of da'wah that demonstrate the integrity and reliability of Islamic institutions in managing public resources.

At the operational level, institutions such as Dompot Dhuafa (DD) Riau further operationalise da'wah values through integrated empowerment programmes. The DD Farm, a waqf-based agricultural initiative, combines productive land utilisation with waste management and income generation schemes targeting economically vulnerable groups. The project not only creates employment and improves access to health and economic services, but also seeks to inculcate work ethics grounded in Islamic teachings. Farmers and beneficiaries are regularly exposed to religious guidance alongside technical training, creating a blended learning environment in which da'wah and economic empowerment are mutually reinforcing. Nevertheless, existing evaluations indicate the need for more robust monitoring and evaluation mechanisms to ensure that the economic and spiritual outcomes of such programs remain sustainable over the long term (Hendrizal Hadi, 2023).

The field data also show that the integration of da'wah values into business models is uneven across institutions. Several philanthropic organisations report difficulties in implementing wakafpreneurship effectively. These challenges are frequently associated with the weak legal status of waqf assets (such as uncertified or disputed land), low public literacy regarding productive waqf, limited managerial competence, and inadequate internal control systems. Such constraints directly undermine key da'wah-related values—*ṣidq* (truthfulness), *amānah* (trustworthiness), *tablīgh* (clear communication), and *faṭānah* (wisdom/intelligence)—which should ideally be reflected in all aspects of waqf governance (Devi Megawati, 2024). In some cases, lack of legal clarity and weak documentation open space for suspicion or contestation, which in turn erodes the moral authority of waqf institutions as agents of da'wah.

These empirical patterns are consistent with theoretical perspectives that argue for the inseparability of spiritual ethics and modern governance in productive waqf management. Hidayatullah (2020) and Qardhawi (1999) highlight that waqf, if managed productively, must be grounded simultaneously in classical prophetic virtues and contemporary standards of professional management. In this study, institutions that appear most successful in integrating da'wah values are those that consciously align these two dimensions—embedding spiritual concepts such as *amanah*

and *ṣidq* into concrete policies on audit, reporting, risk management, and stakeholder communication.

At the community level, da'wah values are further internalised through targeted empowerment programmes. Many institutions design their interventions to enable beneficiaries not only to be recipients of economic assistance but also to participate in moral and spiritual development processes. For example, scholarship schemes funded by waqf are explicitly framed as vehicles for shaping character, discipline, and religious commitment, rather than simply instruments for financing education. Regular mentoring sessions, religious study circles, and ethical guidance are incorporated into these programmes, reinforcing the idea that material support and spiritual formation must proceed hand in hand.

This approach resonates with Abdul Rahman's (2020) argument that waqf institutions function as dual-purpose entities: they are economic enablers that mobilise and distribute resources, but also strategic da'wah platforms that nurture collective religious consciousness. The evidence from Riau supports this dual-role thesis. Wakafpreneurship initiatives that succeed in institutionalising da'wah values tend to generate not only measurable socio-economic benefits—such as increased income and access to services—but also intangible outcomes in the form of strengthened trust, enhanced religious awareness, and a greater sense of shared responsibility among community members. In this sense, the integration of da'wah within waqf-based business models can be seen as both a normative imperative and a practical strategy for ensuring the legitimacy, sustainability, and transformative impact of Islamic philanthropic institutions.

3.2 Wakafpreneurship and Economic Independence

The concept of *wakafpreneurship* encapsulates a paradigmatic shift in contemporary waqf management: from a traditional, passive model that merely safeguards the corpus of the waqf, towards an active and entrepreneurial approach that mobilises waqf assets as productive resources. This transformation positions waqf not only as a religious endowment but as a strategic economic instrument capable of generating sustained income while remaining fully aligned with Shari'ah principles. As demonstrated in the Malaysian context, the integration of waqf assets into Shari'ah-compliant business ecosystems affirms the feasibility and scalability of this approach (Abdul Iman, 2017). This shift challenges long-standing perceptions of waqf as static property and reframes it as a dynamic catalyst for socio-economic development.

Within this framework, *economic independence* refers to the capacity of philanthropic and da'wah institutions to finance their programmes without excessive reliance on volatile charity-based contributions. Instead of depending on sporadic donations, institutions cultivate autonomous, recurring income streams through productive utilisation of waqf assets. This reorientation is particularly significant in regions where charitable giving fluctuates with economic cycles or seasonal religious observances. Through wakafpreneurship, waqf institutions are better positioned to maintain continuity in da'wah activities, educational support, health services, and community empowerment programmes, even during periods of financial constraint.

The literature identifies several mechanisms that underpin the ability of productive waqf to promote economic independence and strengthen community resilience—first, the **activation and optimization of waqf assets**. Idle or underutilised assets—such as agricultural land, commercial buildings, and cash waqf—are converted into productive enterprises. These may include plantations, rental properties, retail spaces, and Shari'ah-compliant investment portfolios.

Transformation of this kind enables waqf assets to generate continuous returns rather than remaining financially dormant—second, **community-sentred economic empowerment**. Productive waqf ventures often incorporate local communities as workers, suppliers, or MSME partners. This approach ensures that economic benefits cascade directly to the grassroots level, contributing not only to individual welfare but also to collective socio-economic resilience. As shown in previous studies, such community-oriented waqf models significantly enhance income levels and broaden local economic participation (W. Munawar, 2021; Wijaya, 2019)—third, **sharī‘ah-compliant enterprise governance**. Wakafpreneurship ensures adherence to Islamic ethical and legal principles by prohibiting *riba*, *gharar*, and exploitative practices. Profit-sharing contracts, such as *mudarabah* and *musharakah*, are commonly used, reflecting a model of business governance that emphasizes fairness, partnership, and shared responsibility (Sudrajat, 2023). These principles reinforce both economic justice and the religious legitimacy of the enterprise. Fourth, a **robust institutional and regulatory infrastructure is required**. The success of wakafpreneurship hinges on transparent governance, accountable management, and supportive regulatory environments. Legal clarity on waqf assets, streamlined administrative procedures, and standards for financial reporting are essential to ensure both sustainability and public trust (Huda, 2025).

Empirical findings from Riau substantiate these theoretical mechanisms. The Indonesian Love Waqf Foundation in Kampar, for instance, manages an 80,000 m² palm plantation operated as a productive waqf enterprise. Remarkably, 90% of net profits are allocated to community welfare programmes while 10% support the *nazhir* (waqf managers). Beneficiaries highlight the dual nature of the programme’s impact, noting both economic upliftment and enhanced religious understanding: “We were helped not only economically but also spiritually; we learned Islamic principles of independence” (Interview, YCWI, 2025). This reflects the integrated socio-spiritual ethos foundational to wakafpreneurship.

A different model is demonstrated by the Al-Ihsan Riau Waqf Foundation, which manages a waqf-based educational ecosystem consisting of PAUD, primary, and secondary schools. Here, waqf assets are leveraged not to generate commercial profit but to reduce operational costs and enhance access to affordable education. By reducing the financial burden on families and ensuring infrastructure sustainability, the institution achieves a form of medium-term economic independence based on cost efficiency rather than revenue generation. This model exemplifies how wakafpreneurship can strengthen institutional stability without adopting conventional profit-oriented structures.

These findings align with national trends documented by the Indonesian Waqf Board (BWI), which reports that communities engaged in productive waqf programmes experience income growth of 30–50% within two years (BWI, 2023). Such evidence reinforces the scholarly consensus that productive waqf—when managed with professionalism and Sharī‘ah compliance—can serve as a sustainable income source that stabilises and enhances da‘wah initiatives (Aziz, 2020; Saad et al., 2016; Mahamood, 2006). It also affirms the broader thesis that wakafpreneurship represents not merely an economic innovation but a transformative model for empowering communities and strengthening the financial autonomy of Islamic institutions.

In sum, the integration of entrepreneurial principles into waqf management has demonstrated a significant capacity to promote economic independence, enhance social welfare, and expand the reach of da‘wah activities. As such, wakafpreneurship stands as a critical bridge between Islamic ethical values, modern economic systems, and long-term socio-religious development.

3.3 Community-Based Social Transformation

The empirical findings demonstrate that wakafpreneurship in Riau operates not merely as an economic intervention but as a transformative socio-religious framework that restructures patterns of community engagement, collective identity, and local governance. Drawing on Giddens' (2013) theory of structuration, social transformation is understood as a dynamic process shaped by shifts in collective consciousness and the increasing capacity of individuals and groups to act as agents within their socio-economic environments. In the context of Riau, wakafpreneurship initiatives reconfigure traditional relationships between communities and philanthropic institutions by positioning residents not simply as passive beneficiaries, but as co-managers, decision-makers, and active participants in waqf-based enterprises.

A key dimension of this transformation is the elevation of communities to the status of **active stakeholders**. Rather than receiving assistance in a top-down manner, community members engage directly in needs assessment, the design of business units, operational activities, and the distribution of economic and social benefits. This participatory model increases the legitimacy of programmes and fosters a sense of co-ownership, which in turn strengthens the sustainability of waqf-based ventures. Beneficiaries reported that their involvement in planning and operations enhanced their sense of responsibility and accountability towards the initiative's success, confirming the transition from "recipients" to "co-producers" of development.

The findings also reveal a deep **internalisation of da'wah values** within community activities. Daily engagement in wakafpreneurship instils the ethical principles of *sidq* (honesty), *amanah* (trustworthiness), *tabligh* (clear communication), and *faṭānah* (wisdom/intelligence). These values are not merely preached but enacted through work routines, financial decision-making, and interpersonal interactions. As community members collaborate in managing waqf enterprises, they encounter practical situations that require ethical judgment, thus integrating da'wah into lived experiences. This strong moral foundation enhances the cohesion and integrity of group activities, ensuring that economic empowerment is pursued in conjunction with spiritual development.

Another significant outcome is the **strengthening of social capital**. The collaborative nature of wakafpreneurship promotes trust-building, cooperation, and the expansion of local networks. These elements collectively enhance community resilience, enabling groups to mobilise resources, respond to economic challenges, and innovate within their social environment. Research by Hamka et al. (2020) supports this interpretation, highlighting how waqf-based economic initiatives foster networks of solidarity that operate as buffers against socio-economic instability. In Riau, these networks have facilitated the emergence of informal support systems, shared problem-solving mechanisms, and collective learning platforms.

The research further identifies meaningful **behavioural and cultural changes** at the community level. Participation in wakafpreneurship has led to increased civic engagement, stronger communal solidarity, and a heightened sense of religious identity. For many participants, economic empowerment is experienced in conjunction with spiritual growth, reflecting a holistic transformation of both material and moral aspects of life. Munir and Sari (2023) note that such programmes often generate mindset shifts, moving communities towards greater independence, confidence, and proactive participation in local development. The emergence of these traits was clearly visible across the field sites examined in this study.

Field interviews reinforce the dual role of wakafpreneurship as both an economic empowerment tool and a **knowledge-transfer mechanism**. One beneficiary remarked: "We were

not only given capital, but also taught how to manage businesses according to Shari‘ah principles” (Interview, 2025). This statement captures the essence of wakafpreneurship as an integrated model of technical training and moral education. Participants acquire practical skills—such as financial management, production techniques, and marketing—while simultaneously receiving religious guidance that shapes their ethical conduct, work discipline, and understanding of Shari‘ah-compliant economic practices.

Taken together, the findings illustrate that wakafpreneurship cultivates a transformative ecosystem in which economic development, religious values, and community participation are mutually reinforcing. It redefines the role of communities in waqf governance, shifts the emphasis of da'wah from rhetorical instruction to lived practice, and enhances social cohesion through shared ownership of economic initiatives. In doing so, wakafpreneurship functions not only as an economic model but also as a comprehensive framework for socio-religious transformation, grounded in Islamic ethical principles and community-driven empowerment.

3.4 Structural, Regulatory, and Cultural Constraints

While wakafpreneurship in Riau demonstrates considerable potential for economic empowerment and socio-religious transformation, the findings also reveal a set of structural, regulatory, and cultural constraints that significantly limit its effectiveness and scalability. These constraints do not merely represent technical obstacles; they shape the very conditions under which productive waqf can operate and influence how communities perceive and engage with wakaf-based initiatives.

At the structural level, **low public literacy on productive waqf** emerges as a persistent and foundational barrier. For many community members, waqf continues to be understood in narrowly charitable terms—as a means of financing mosque construction, madrasah buildings, or traditional religious activities—rather than as a strategic economic asset capable of generating sustainable welfare for the broader public (Kahf, 2019). This limited understanding affects both the willingness of individuals to contribute assets for productive purposes and their readiness to support innovative waqf models that involve commercial activities. In some cases, community members express suspicion or discomfort when waqf is associated with profit-generating ventures, fearing that such practices may compromise the “purity” of religious intentions.

Closely related to this is the issue of **limited human resource capacity** within waqf and philanthropic institutions. The study finds that many managers and *nazhir* lack adequate technical expertise in areas such as business planning, financial management, risk analysis, and impact evaluation. At the same time, their grounding in Islamic economic principles and fiqh al-waqf is often uneven, resulting in fragmented or inconsistent application of Shari‘ah norms (Zainuddin et al., 2022; Hasan, 2011). This dual deficit—insufficient managerial competence combined with partial religious-economic knowledge—constrains the ability of institutions to design robust wakafpreneurship programmes, negotiate partnerships, or respond adaptively to market dynamics. In practice, it can lead to suboptimal investment decisions, weak internal controls, and vulnerable governance structures.

From a regulatory standpoint, **the legal and policy environment for waqf remains largely conservative and ill-equipped to accommodate innovative waqf–business hybrids**. Existing regulations tend to prioritise the protection of waqf assets in static forms while offering limited guidance or flexibility for their productive utilisation. As documented in earlier studies, such

regulatory rigidity can discourage institutional experimentation and delay the establishment of modern waqf-based enterprises, particularly those involving cash waqf, joint ventures, or complex investment instruments (Maulida et al., 2021). Respondents in Riau report that legal uncertainty—especially around asset registration, taxation, and profit-sharing mechanisms—often results in cautious or risk-averse behaviour among waqf managers, who fear legal disputes or accusations of mismanagement.

In addition to structural and regulatory issues, **cultural resistance and organisational inertia** also play a critical role in shaping the trajectory of wakafpreneurship. In some communities, there is a strong attachment to conventional patterns of religious giving and institutional charity, accompanied by scepticism towards more entrepreneurial interpretations of waqf. Productive waqf is occasionally perceived as overly “commercial” or as aligning too closely with market logics, thereby challenging deeply rooted norms about piety, sacrifice, and the symbolic function of religious endowments. This cultural hesitation is reinforced when communication about new models is weak or when early initiatives suffer from implementation problems, thereby fuelling narratives of distrust.

Within waqf organisations **themselves, institutional rigidity and bureaucratic tendencies** can further inhibit innovation. The findings suggest that some institutions retain highly hierarchical decision-making structures, slow administrative procedures, and limited openness to external expertise or cross-sector collaboration. In such settings, proposals for reform—such as digitalisation, partnership with private sector actors, or introduction of new financial instruments—are often met with caution or resistance. Zahra et al. (2009) describe this dilemma in the broader context of social entrepreneurship, where attempts to integrate spiritual and social missions with entrepreneurial strategies frequently encounter organisational cultures that are more comfortable with traditional charitable models than with transformative, risk-bearing initiatives.

Taken together, these structural, regulatory, and cultural constraints highlight that the success of wakafpreneurship cannot be secured solely through good programme design or strong theological justification. It requires simultaneous progress on multiple fronts: raising public literacy about productive waqf, investing in professional development for waqf managers, reforming the regulatory framework to support innovation while safeguarding Shari‘ah principles, and gradually reshaping organisational and community cultures to embrace waqf as both a religious trust and a strategic engine of socio-economic development.

3.5 A Perspective of Maqāṣid al-Shari‘ah

Viewed through the lens of *maqāṣid al-shari‘ah*, wakafpreneurship can be interpreted as a contemporary Islamic economic innovation that revitalises the classical objectives of Shari‘ah within a modern socio-economic context. The model embodies an effort to operationalise the higher intents of Islamic law—*maqāṣid*—by transforming waqf from a largely charitable and static institution into a dynamic instrument of economic empowerment, social justice, and da'wah. According to Ibn ‘Āshūr (2006), among the central objectives of Shari‘ah in the economic domain are the protection and productive use of wealth (*al-ḥifẓ al-māl*), the equitable distribution of resources and opportunities (*al-‘adl*), and the promotion of circulation, productivity, and economic vitality (*ar-raṭwā*). Wakafpreneurship advances these aims by ensuring that waqf assets are safeguarded, multiplied, and channelled towards public welfare in a manner consistent with Islamic ethical principles.

In this sense, wakafpreneurship transcends traditional understandings of waqf as a form of ritual piety. Instead, it represents *‘ibādah ijtīmā‘iyyah*—a socially embedded form of worship—where economic productivity becomes a medium through which moral, spiritual, and communal responsibilities are fulfilled. Productive waqf enables assets to continuously generate benefits for education, healthcare, livelihood support, and community development. In doing so, it aligns strongly with the maqāṣid imperative of *taḥqīq al-maṣlaḥah* (the realisation of collective well-being). Empirical cases from Riau, including education-based waqf ecosystems and productive plantation endowments, illustrate how wakafpreneurship can strengthen welfare, reduce inequality, and promote social cohesion—thereby fulfilling both material and spiritual dimensions of Shari‘ah objectives.

However, the research also exposes a notable disjunction between theoretical ideals and practical implementation. Despite the conceptual alignment between wakafpreneurship and maqāṣid al-shari‘ah, several constraints impede the full realisation of maqāṣid-oriented outcomes. First, limited public understanding of productive waqf reduces community participation and prevents waqf assets from reaching their full socio-economic potential (Selwin, 2025). Many still perceive waqf primarily as an act of ritual charity rather than as a means of circulating wealth and fostering long-term prosperity. This constrained perception undermines the broader maqāṣid vision of distributive justice and social empowerment.

Second, institutional and managerial shortcomings weaken the capacity of waqf organisations to implement maqāṣid-compliant models effectively. As noted by Al-Rusydiana (2022), gaps in strategic planning, financial literacy, and Shari‘ah governance often limit managers’ ability to optimise waqf assets in a manner that fulfils the higher objectives of Shari‘ah. Without competent and ethically grounded human resources, the aspiration to harmonise religious principles with modern economic practices remains only partially realised.

Third, regulatory inconsistencies continue to present significant barriers. Existing legal frameworks governing waqf in Indonesia often lack clarity or flexibility with respect to cash waqf, hybrid business-waqf structures, and innovative investment models (Huda, 2025). This regulatory rigidity hampers institutional creativity and can deter the formation of strategic partnerships with the private sector or community-based enterprises. From a maqāṣid perspective, such legal ambiguities hinder the attainment of *al-‘adl* and *ar-rawāḥ*, as they restrict the flow, circulation, and equitable allocation of waqf-derived benefits.

To bridge the gap between normative ideals and empirical outcomes, scholars highlight the need for a multidimensional reform agenda. Chapra (2016) and Mohsin (2022) advocate for legal harmonisation that enables waqf institutions to operate within flexible yet Shari‘ah-compliant regulatory environments. Kusnan et al. (2022) stress the importance of professionalising human resources, ensuring that *Nazhir* possesses not only moral integrity but also technical competence in areas such as investment, governance, risk management, and community development.

Ultimately, a maqāṣid al-shari‘ah perspective underscores that wakafpreneurship is not merely an economic activity but a holistic framework rooted in ethical justice, social welfare, and spiritual elevation. Achieving its full transformative potential requires a synergistic alignment of law, institutional capacity, cultural understanding, and public literacy. When these components are harmonised, wakafpreneurship can serve as a powerful instrument for actualising maqāṣid al-shari‘ah in the lived realities of contemporary Muslim societies.

In sum, the findings across these thematic domains illustrate that wakafpreneurship in Riau operates at the intersection of economic innovation, ethical governance, and community-driven transformation. While the model demonstrates considerable alignment with the maqāṣid al-sharī'ah and exhibits clear potential to strengthen da'wah, enhance welfare, and promote economic independence, its implementation remains uneven due to structural limitations, regulatory inconsistencies, and varying levels of institutional capacity. These complexities underscore the need for a holistic approach that combines legal reform, organisational strengthening, and sustained community engagement. The following conclusion synthesises these insights and highlights the broader implications of wakafpreneurship for Islamic philanthropy, socio-economic development, and policy-making in contemporary Muslim societies.

4. CONCLUSION

The findings of this study demonstrate that wakafpreneurship serves as a strategic Islamic economic innovation capable of advancing da'wah objectives, strengthening community welfare, and fostering socio-economic transformation in Riau Province. By converting waqf assets into productive enterprises, philanthropic institutions can generate stable and sustainable income streams, thereby reducing their reliance on fluctuating charitable donations. When executed effectively, wakafpreneurship not only enhances economic resilience but also facilitates the internalisation of Islamic ethical values, reinforces social capital, and encourages participatory community governance grounded in the principles of the maqāṣid al-sharī'ah.

However, the realisation of these transformative potentials is constrained by low public literacy on productive waqf, limited managerial competence, and regulatory frameworks that are not fully equipped to support innovative waqf-based business models. To address these challenges, the study highlights three strategic priorities: strengthening waqf literacy through accessible education and digital outreach; investing in the professional development of *nazhir* and institutional managers; and harmonising regulatory frameworks to allow greater flexibility for cash waqf, waqf shares, and other emerging instruments in line with Shari'ah principles. Together, these measures are essential for enabling wakafpreneurship to operate as a robust, accountable, and ethically grounded model capable of realising its full transformative potential.

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