

Research Paper

## The Contribution of Waqf on Poverty Alleviation through Digital Platforms: A Case of Indonesia

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### ABSTRACT

Today, poverty is a crucial issue and has a great impact in social and economic development. Waqf (charitable endowment) is one of the sources of Islamic economic system, which refers to the voluntary charity. Waqf has a unique presence in Islam and could potentially alleviate poverty. It was reflected in the historical lesson since prophet Muhammad (PBUH) and his companions developed a system where rich people could donate their wealth for the society development. This concept, nowadays, is adopted by developing a Waqf system that integrates digital technology. Concerning on this issue, the present study aims to snapshot a poverty situation and portray the grand design of digital Waqf system in alleviating the poverty in Indonesia. Under the procedure of qualitative approach, this study employs document analysis and observation of all instruments related to Waqf. The results show that Waqf plays an important role in decreasing poverty in Indonesia. By utilizing digital platforms, the collection of Waqf funds is effective and widely spread to the Muslim community within the country. The results suggest that digital Waqf system has a crucial role and potentially contributes to the sustainable economic development of a developing country, particularly Indonesia. This study can be used in financial inclusion through the application of digital Waqf to alleviate poverty.

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## **Introduction**

The pandemic of COVID-19 has made changes in all sectors of human life, including economy, social, and education. World Health Organization (WHO) has reported that the economic and social disruption caused by the pandemic is devastating. Millions of people are at risk of falling into an extreme poverty; while the number of undernourished people, is currently estimated at nearly 690 million. It can potentially increase by up to 132 million in the end of the year 2020 (Han et al., 2020). In the case of Indonesia, data established by the Statistics Indonesia in in the end of 2020 demonstrate that the poverty rate was increased from 9.22% in September 2019 to 9.78% in March 2020. To deal with the current poverty issue, a charitable system should be well-developed to develop social welfare (Wadi & Nurzaman, 2020).

Indonesia is a country with significant growth of digital start-up in the recent years. Indonesia is considered as the fifth largest country with digital start-up company in the world, experiencing a sharp increase from 52 companies in 2015 to 956 companies in 2018 (Prayogo, 2019). The significant growth of digital industry in Indonesia is potentially continuing since the increase number of people who are using internet. Approximately 64.8% (171.17 million people) of the total population are active users of internet in Indonesia (APJII, 2018). Nowadays, the digital industry begins to enter social services. In our social interaction, there are various digital platforms that are employed to facilitate donation (Razak, 2020), including in Waqf (Islamic endowment). However, the data showed that only 225 billion rupiah per year of Waqf funds have been successfully collected from the total of 77 trillion rupiah per year (Nursalikah, 2019). This enormous gap is a “wake-up call” for us that we have to consider a massive integration of technology to collect Waqf funds.

As a country with the largest Muslim population in the world, Indonesia has a great potential to develop Waqf assets. In normal condition, a Muslim is a social creator who tends to possess high philanthropic behavior (Aligarh et al., 2020). Nevertheless, the factual data said that Indonesia was ranked in the tenth as the most generous countries in the world in 2019 (Charity Aid Foundation, 2019). It was potentially caused by poor Waqf literacy issue among Indonesian although the major society is Muslim (Fauziah & El Ayyubi, 2019; Ekawaty & Muda, 2015; Jazil et al., 2019). Thus, the success of Waqf fund rising not only depends on the fact the Indonesia is the largest Muslim community, but also demands effective marketing activities (Abdulkareem et al., 2020). Waqf institutions have to develop effective media to assist marketing and collecting funds.

Waqf has a great potential to assist poverty alleviation (Zauro et al., 2020). Reports and literature evidence have portrayed that Waqf is one of the powerful instruments to alleviate poverty. An alternative way to alleviate poverty using Waqf funds is through

the Waqf institution, which plays a crucial role in overcoming poverty problem. Waqf institution is one of alternatives aiming at bridging a sustainable gap between the rich and the poor within the holistic framework of brotherhood to build society welfare (Alaro & Alalubosa, 2019). With today's advanced growth of internet and smartphone users, the change in people's habit is undeniable, including the online donation habit (Wadi & Nurzaman, 2020). The term digital Waqf is now familiar in line with the massive use of internet and technology, especially for Millennials who will be the largest population segment in Indonesia in 2030 (Amalia & Puspita, 2018).

Studies in digital Waqf issue have resulted in its potential contribution in rising the Waqf funds to assist the poverty alleviation. Wadi and Nurzaman (2020) examine the Millennials behavior toward digital Waqf innovation. The result shows that the use of digital technology in forms of video marketing as a tool for market Waqf product is very effective for Millennials based on the EPIC model criterion. It indicates that the urgency of employing digital technology in Waqf campaign is demanding, especially for Waqf institution such as *Badan Wakaf Indonesia* (BWI). In a similar direction, Zain et al. (2019) look at the opportunity of reviving Waqf in Thailand through crowdfunding platforms. By viewing the current position of Waqf in Thailand, the result demonstrates that there are a lot of potentials of Waqf funds that could be collected using digital platforms for the sake of Muslim communities at large. The revival of Waqf may offer significant help in alleviating poverty and create an equal opportunity for economic participation.

More recently, Fauzia and Musari (2021) describe how Waqf crowdfunding offer a solution to the capital problem through the collection of funds using social media and internet users. In the digital era, the benefits of Waqf funds on people in need could be greater by using digital platforms, where waqif (the one who give funds) is not limited by geographical barriers. The result portrays that there are a number of digital Waqf platforms in the ASEAN that become a marketplace to enhance financial inclusion. This result supports the finding of Mohd Thas Thaker (2018) which states that digital Waqf platforms are positively perceived by Malaysian, particularly in terms of easiness and usefulness. The perceived usefulness and perceived easy to use are the factors influencing the intention of donors to perform donation through digital platforms. The findings offer Waqf institutions a valuable insight to make use of digital platforms as an alternative way for rising capital to develop Waqf assets.

From the previous studies, we are notified that the use of digital technology in collecting Waqf funds is promising. In line with the great potential of Waqf capital and funds, the hope for its contribution to alleviate poverty becomes considerable. Hence, the digital Waqf fund rising becomes an interesting attribute to explore, especially in Indonesia with its largest Muslim community in the world. To the best of the authors'

knowledge, examining the contribution of digital Waqf fund rising to poverty alleviation in Indonesia still requires more paucity of evidence. Therefore, this study aims to shed some light on the grand design of Waqf digitalization in Indonesia and its potential contribution to alleviate poverty. Drawing on qualitative approach, this study seeks to reveal an in-depth understanding about poverty situation in Indonesia, the history of Waqf in Indonesia, and the digital Waqf in Indonesia. The findings of this study will provide Waqf institutions with an alternative source for raising capital and assets through the development of digital Waqf. The present study is also at the cutting edge of offering implications for government and policy makers.

## **Method**

This study aims to examine the grand design of digital Waqf in Indonesia and its potential contribution to alleviate poverty. To this end, a descriptive qualitative was employed by taking into account the document analysis and observation of instruments related to Waqf. Descriptive qualitative is defined as a research method that describes the characteristics of particular phenomenon or issue (Lambert & Lambert, 2012). In the context of this study, the design of Waqf digitalization and its potentials to assist poverty alleviation are scrutinized to achieve an in-depth understanding about this issue.

This study is developed on the basis of reviewing current literature about Waqf and its instruments, collecting previous studies' results, and examining related institutions' websites. The data were in the forms of information from the sources related to poverty situation in Indonesia, Waqf digitalization, and its contribution to the poverty alleviation. The data were further analyzed using coding technique based on the main themes of this study, i.e. digital Waqf and its contribution to poverty alleviation. The emerging themes were used as the basis of conclusion drawing.

## **Results and Discussion**

### ***Poverty in Indonesia***

In general, from 2006 to 2020 the poverty rate in Indonesia decreased, both in terms of number and percentage, except in September 2013, March 2015 and March 2020. The exception was triggered by the increase of the price of basic-need goods as a result of the rocketed fuel prices in 2013 and 2015 and by economic instability during the COVID-19 pandemic in 2020. The percentage of poor people in March 2020 was 9.78%; there was an increase of 0.56% against September 2019 and 0.37% from March 2019. The number of poor people in March 2020 was 26.42 million people, an increase of 1.63 million people compared to September 2019 and of 1.28 million people to March 2019

(Statistics Indonesia, 2020).

#### *Poverty Alleviation Strategies of Indonesian Government*

President Joko Widodo and the Indonesian government have programmed a strategy to accelerate poverty alleviation that is truly consolidated, integrated, and right on target. This is what the government has successfully performed between 2015 and 2019 by reducing the poverty rate into below 10% (9.22%). According to the President, there are still 24.7 million people who must be lifted out of poverty. Therefore, to alleviate poverty it is necessary to focus more on targeting the people who are desperately poor. Based on the international poverty rate standards used by the World Bank, the number of desperately poor people is currently 9.9 million people or 3.371% of the total population of Indonesia. It is hoped that in 2024, the issue of extremely poor people will have been solved.

Several policies carried out in this context include instructing interventions from relevant ministries in several programs such as *Jaminan Kesehatan Nasional (JKN)*, *Kartu Indonesia Sehat (KIS)*, *Program Keluarga Harapan (PKH)*, *Bantuan Pangan Non Tunai (BPNT)*, *Kredit Usaha Rakyat (KUR)*, *Mekuar Program*, *Micro Waqf Bank*, *Dana Desa*, and *Ultra Micro Program (Umi)*. In addition, efforts to reduce poverty are conducted through a number of programs from State-Owned Enterprises (BUMN) and also private Corporate Social Responsibility (CSR).

#### *Poverty Alleviation System in Islam*

Al Qaradawi (2004) has shown three ways of Islamic solution to overcome the poverty problem. The first method is related to self-responsibility. If a person has ability and opportunity of working, he must work to manage his livelihood. The duty of the society and the state is to assist him in term of training and affordable capital so that they can find an appropriate work. The second method is related with Muslim Ummah: those who take responsibility for providing financial security of the poor to perform the ordained obligatory duty reposed on him or hoping to find the return from Allah. They should perform this in the following ways: spending for the nearest relatives, preserving the rights of neighbors, paying obligatory zakah, providing ordained incidental right on wealth such as *Kaffara* (fine), *Mannot* (promise), helping the vulnerable people, and temporary or perpetual voluntary *sadaqah* such as waqf and *infaq*. The third method is related to the responsibility of the Islamic state: whose shariah obligation is to take initiative for the excellence of every destitute who has no guardian or no way to earn, whether he is Muslim or not, if he lives in a territory of Islamic state. The sources of such state guardianship are as follows: (a) zakah; main everlasting source of treasury of Islamic state in alleviating poverty, (b) other sources: on fifth of

*Ganimah, Fai, Kharaj, Jizyah*, abandoned property etc, and (c) extra sources: imposing tax on rich, if amount of zakah and other sources are not enough to reduce poverty.

By discussing the above statement, we can say that Islamic approach to poverty alleviation involves three distinct sets of measures: positive measures, preventive measures, and corrective measures, as described in figure 1.

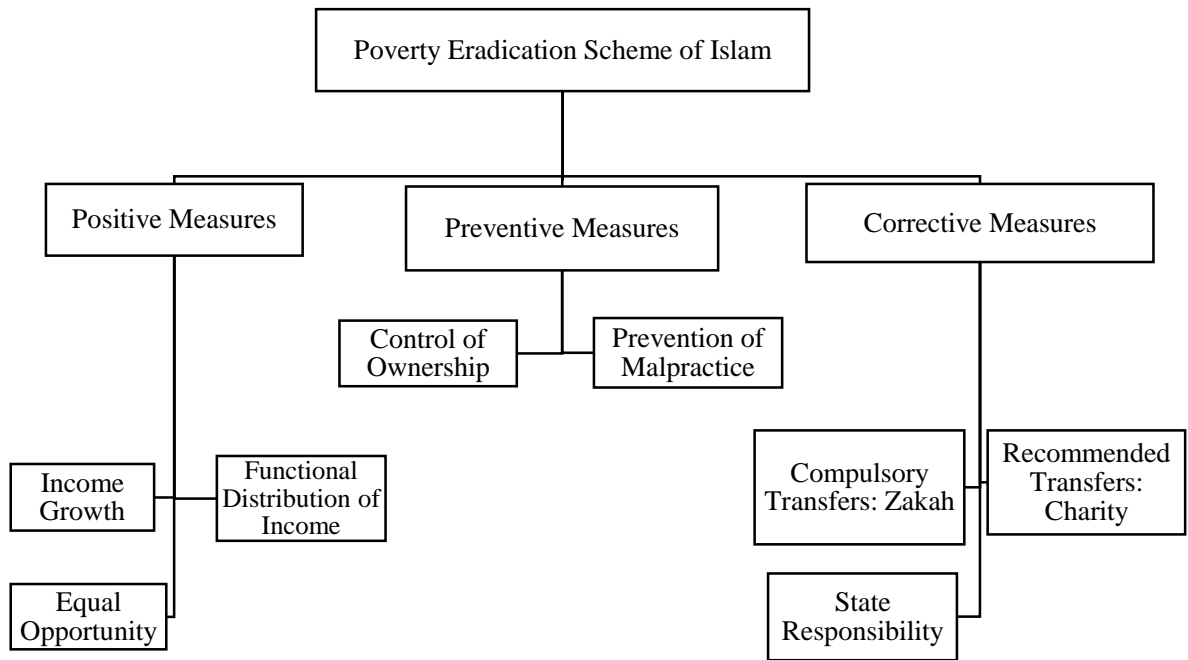


Figure 1. Islamic Approach to Poverty Alleviation

***History of Waqf in Indonesia***

*National Waqf Regulation in Pre-Law No. 41 Year 2004*

The history of Waqf development in Indonesia is in line with the spread of Islam throughout the archipelago. Based on this, in addition to preaching the spread of Islam, the scholars also teach Waqf to the people. Waqf for mosques, Islamic boarding schools and graves are the most recognized types of Waqf in society.

The spread of Islam in Indonesia began in the 7th century AD based on the facts from the Tang Dynasty Chinese news. The news explained the discovery of a residence for Arab Islamic entrepreneurs on the West Coast of Sumatra. According to N.A. Baloch, a historian of Pakistan, the entry and development of Islamic teachings in the archipelago was because Muslim navigators and entrepreneurs who have expertise in maritime and market control. Through these activities, Islamic teachings began to be introduced along the sea route to the beaches where they stopped at the 7th century AD (Susanto, 2016; Halim, 2017; Hamka, 1981; Shihab, 2009).

Practices that resemble Waqf in Indonesia have existed since before Islam came, with regulations that are not entirely consistent with those in Islamic teachings. In

Banten, for example, there is "Huma Serang", which is a field that is collectively managed, and the results are used for common interests. In Lombok, there is "Tanah Pareman", namely state land that is exempt from taxes (landrente) and the proceeds are handed over to villages, subak and to Candi for common interests. In East Java, there is "Perdikan" land, which is a plot of land which is a gift from the king to a person or group who is meritorious. According to Djatnika (1991), this form is almost like *al-waqf al-ahly* in terms of functions and uses that cannot be traded (Sugiri, 2011). In Aceh we know "Weukeuh" land, which is the land that the sultan gave to public interest. *Tanah Weukeuh* was also originally a local tradition of the Acehnese people. Originally Weukeuh Land was land that was given by someone for the needs of mosques, gardens, household furniture and others (Susanto, 2016).

If we look at the practices carried out in the various traditions of the community, it can be said that practices that resemble Waqf have been implemented in Indonesia. Where these practices connect worldly problems with religious issues and have a common interest. During the sultanate, Waqf system was implemented, this can be seen in the historical heritage, in the form of land and mosque buildings, madrasa buildings, grave complexes, wet or dry land found in almost all of Indonesia, especially in the ancient Sultanate ruled by a Muslim Regent. The several examples are the Kauman Mosque in Cirebon which was a Waqf from Sunan Gunung Jati, the mosque in Demak from Raden Patah, the Menara Kudus mosque from Sunan Muria, the Jamik Pangkalan mosque from Sultan Abdul Qodirun, and the Great Mosque of Semarang from Pangeran Pandanaran (Ismawati, 2017).

Since Islam has been recognized by the Indonesian people, the arrangement of Waqf is subject to Islamic law. The procedure for land Waqf is carried out based on traditional fiqh provisions developed by the fuqoha in its time, very simple and sufficient only with the pledge of Waqf from Wakif to Nazhir and not administrative. However, with the formation of a government under the Dutch rule, every act of donating land must be known by the state. Meanwhile, with regards to the regulated Waqf assets, it is only limited to immovable objects in the form of land, does not regulate movable Waqf assets even though at that time it is thought that some donated movable objects in the form of Al-Qur'an, prayer mats and bricks (Susanto, 2016).

In the colonialism period, government politics regarding Islamic philanthropy was subject to the rationality of Dutch East Indies Islamic politics, in which Islam as a value system that was rich in social dimensions with various historical precedents was limited in such a way that it was practiced in a ritual-personal framework. Given that Islamic philanthropic activities often relate to members of society, the colonial government ultimately saw the need to manage Waqf with regulations (Hadi, 2014). During its reign in Indonesia, the Dutch colonial government issued several policies

regarding the regulation of Waqf, in which between 1905 and 1935, the Dutch issued four secretary letters (Circulaires van de Gouvernements Secretaris) to Indonesian leaders (Mutmainah, 2016).

From the description above, it can be seen that the Dutch government controls Waqf activities by obliging to register the Waqf assets with the Regent. However, the Dutch government did not prohibit the management of this Waqf for religious and public interests. Apart from that, the Regent is given the authority in all administration regarding the Waqf. Even if there is a Waqf dispute, the Regent is given the authority to resolve the dispute.

After the Indonesia's independence, the regulation of Waqf law underwent significant developments. Even though during the independence period the previous regulations were still in effect due to the absence of new Waqf regulations. As in Article II of the amendment to the 1945 Constitution (*Pasal II Aturan Peralihan UUD 1945 Yang Berbunyi: "Segala Badan Negara Dan Peraturan Yang Masih Ada Langsung Berlaku"*). To adjust to the state of independence at that time, the Ministry of Religion issued a directive on Waqf on December 22, 1953. Waqf was made as one of the authorities of the Bureau of Religious Affairs, namely section social worship. Circular Number 5/D/1956 concerning Procedures for Land Representation, was issued on October 8, 1956. This letter followed up on previous regulations which were deemed not to provide legal certainty in the field of waqf (Sudirman, 2014).

Therefore, in the context of curbing and reforming agrarian legal system, the issue of land representation receives special attention as stipulated in Law of the Republic of Indonesia Number 5 of 1960 concerning Basic Agrarian Regulations (UUPA) Article 49 which reads: (1) For the purposes of worship and other sacred purposes as referred to in Article 14, land which is directly controlled by the state with right to use may be granted; (2) The representation of the owned land is protected and regulated according to government regulations.

In order to provide legal determination and clarity regarding the Waqf land, in accordance with the provisions in article 49 paragraph (3) of the UUPA, the government issued Government Regulation No. 28 of 1977 concerning Ownership of Land Owned on May 17, 1977, the background of which became a consideration for the need to pass a Government Regulation these are as follows (Susanto, 2016): (1) That Waqf is a religious institution that can be used as a means of developing religious life, especially for Muslims, in the context of achieving spiritual and material welfare towards a just and prosperous society based on Pancasila, (2) Whereas the existing statutory regulations governing ownership of land ownership, apart from not fulfilling the need for donation methods, also open up the possibility of unwanted things to arise due to the absence of real and complete data on land which is being forgiven.



With the existence of this Government Regulation, the representation of owned land in Indonesia has begun to enter a new phase. The ownership of owned land in Indonesia is starting to be orderly and maintained. This is the first rule that contains the substance and technicalities of Waqf. This Government Regulation officially replaces Bijblad Number 6196 of 1905, Number 12573 of 1931, Number 13390 of 1934, and Number 13480 of 1935 along with its implementing provisions. Even though the government has guaranteed the protection of Waqf land based on Government Regulation No. 28 of 1977, sometimes there are differences of opinion of the Ulama (Islamic scholars) on the issue of Waqf. To overcome this, it is necessary to have a legal book that collects all applied laws that can be used as guidelines, so that there is unity and legal certainty. On February 5, 1991, Presidential Instruction No. 1 of 1991 concerning Compilation of Islamic Law (KHI) was issued (Sudirman, 2014), where the discussion about Waqf is in book III about the law of Waqf and consists of 15 articles. So that after the emergence of this Presidential Instruction, the condition of Waqf is better managed and maintained, even though it has not been developed optimally. On May 11, 2002, the Indonesian Ulema Council issued a fatwa permitting cash Waqf on the condition that the principal value of the Waqf must be guaranteed for its sustainability. This fatwa also provides understanding to Muslims that cash Waqf can be an alternative to Waqf funds. Moreover, money is an important variable in the economic development of society (Abror, 2014).

#### *National Waqf Regulation in Post-Law No. 41 Year 2004*

In line with the rolling waves of reform and democratization at the end of 1990, bringing about changes that cemented Islam as one of the political powers on the national stage, until a law that specifically regulates Waqf emerged. The Indonesian government recognizes the existence of a Waqf law rule in the form of a Law during the reform period, the Waqf regulation that was successfully passed is Law Number 41 of 2004 concerning on Waqf. This Law was formulated with the following considerations: (1) Waqf institution is religious institutions that have economic potential and benefits that must be managed effectively and efficiently for the sake of worship and for advancing public welfare, and (2) Waqf is a legal act that has lived and been carried out in society for a long time, the regulations are incomplete and still scattered in various laws and regulations.

The establishment of Law Number 41 of 2004, apart from being based on the above legal considerations, is also at the same time fulfilling legal needs in the context of developing national law in the sector of Waqf. This law product has provided a definite legal basis, public trust, and legal protection for Waqf assets. The passage of this law is a strategic step to improve public welfare, increase the role of Waqf, not only

as a religious institution, but also as the potential economic power to advance public welfare. In addition, with the passage of this Law, the objects of Waqf are broader in scope, not only limited to immovable objects, but also include movable objects such as money, precious metals, securities, lease rights, and others.

Law Number 41 Year 2004 is an improvement of several existing Waqf regulations by adding new regulations as an effort to empower Waqf productively and professionally. At least the Law Number 41 of 2004 has the following substance values (Sugiri, 2011). First, Law Number 41 of 2004 regulates that donated objects can be in the form of immovable objects and movable objects such as cash (cash waqf), shares, other securities and property rights. This is a significant breakthrough, because money, stocks, or other securities are an important variable in economic development. Waqf for movable objects in the form of money, shares, or other securities are not to be spent consumptively. Second, there is a provision regarding the registration of Waqf objects by the Official of the Waqf Pledge Deed (PPAIW) to the competent authority no later than 7 (seven) working days since the Waqf pledge deed is signed. Third, the rules regarding *Nazhir* (a party that manage Waqf funds) are clarified so that *Nazhir* becomes a professional profession. Fourth, the establishment of an independent Indonesian Waqf Board (BWI), with the aim of fostering *Nazhir* in managing and developing Waqf assets, both nationally and internationally. Fifth, the aspects of empowerment and development of Waqf objects have so far not been optimal. The causes include the conservatism of Muslims regarding Waqf. Sixth, there are criminal provisions aimed at parties who deliberately misuse Waqf objects with a maximum imprisonment of 5 (five) years and or a maximum fine of IDR 500,000,000 (five hundred million rupiah). Meanwhile, parties who deliberately change the designation of the Waqf object will be subject to imprisonment for a maximum of 4 (four) years and or a maximum fine of Rp. 400,000,000 (four hundred million rupiah). Administrative sanctions will also be imposed on Islamic financial institutions and PPAIW that violate the problem of registering Waqf objects.

Prior to the establishment of Law Number 41 of 2004, Waqf institutions in Indonesia were regulated in Government Regulation Number 28 of 1977 and Book III of Islamic Law Compilation. In government regulations and the Compilation of Islamic Laws, the institutionalization of Waqf only regulates Waqf for private land with an unlimited time. In line with the development and needs of the times, there have been major changes to the Waqf regulations in Indonesia. Based on the Law Number 41 of 2004, Waqf not only regulates land Waqf but also includes movable and immovable property including cash waqf and waqf for a certain period of time. The Law Number 41 of 2004 provides a new direction for the form of Islamic philanthropy, in which Waqf can be used as a form of productive fund (Sugiri, 2011; Hidayati, 2017).

Waqf supervision regulations in Indonesia are actually regulated in Law no. 41 of 2004 concerning Waqf. In Article 63 paragraph (1) it is stated that the Minister shall provide guidance and control over the administration of Waqf to realize the objectives and functions of Waqf. This supervision issue is further regulated in Government Regulation (PP) No. 42 of 2006 concerning the Implementation of Law No. 41 of 2004. In Article 56 of Government Regulation No. 42 states: (1) The government and the community, both active and passive, supervise Waqf funds; (2) Active supervision is carried out by conducting direct examination of *Nadzir* on the management of Waqf, at least once a year; (3) Passive supervision is carried out by observing various reports submitted by *Nadzir* relating to the management of Waqf; (4) In carrying out the supervision as referred to in paragraph (1), the government and the public may request assistance from an independent public accountant; (5) Further provisions regarding the procedures for supervision of Waqf as referred to in paragraph 1 shall be regulated by a Ministerial Regulation (Muntaqo, 2015).

Considering the development of Waqf empowerment at this time when there is a discourse on productive Waqf management and the community has also grown awareness to donate cash which is managed by non-governmental organizations, sharia banking and local governments, it is necessary to establish an Indonesian Waqf body that sets policies on Waqf policies and its management, as well as providing advocacy to Waqf managers, and acting as national scale Waqf *Nadzir*. Because of this, the Presidential Decree 75 of 2007 on the Establishment of the Indonesian Waqf Board was issued (This is based on the application for the formation of the Indonesian Waqf Board (BWI) submitted by the Minister of Religion Number MA/320/2002 on September 5, 2002).

### ***Grand Design and Digitalization of Waqf in Indonesia***

Indonesia is a country with enormous potential for Waqf, besides that Indonesia is the number 1 most generous country in the world based on the world giving index, with the potential for Waqf land covering an area of approximately 52,126 hectares spread over 384,027 points. In addition, the potential for Indonesian cash waqf is very large, around 180 trillion rupiah per year (Swastika & El Maza, 2019).

Another fact states that until 2018 there were 222 institutions that have obtained permission from the Indonesian Waqf Board to manage cash Waqf funds, including 20 LKS-PWU (*Lembaga Keuangan Syariah Penerima Wakaf Uang*). Based on the data from the Indonesian Waqf Board regarding the use of Waqf land in Indonesia, most of the Waqf land funds has been used to build Islamic center such as Mosques.

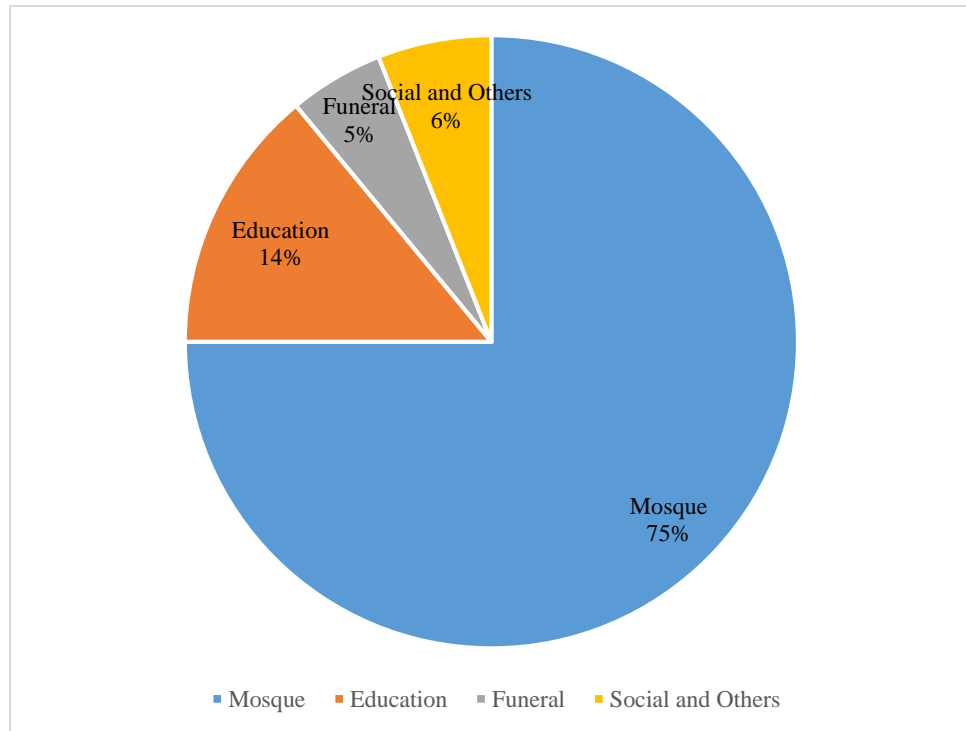


Figure 2. Land Use of Waqf in Indonesia

In order to create synergy in the grand design for the development of Waqf, the following several ministries and state institutions are required to contribute to creating something conducive and for the smooth running of the program. These institutions are: Ministry of Religion, Coordinating Ministry for Economic Affairs, Ministry of Finance, Ministry of State-owned Enterprises, Ministry of Cooperatives and SMEs, Ministry of National Development Planning (Bappenas), National Committee for Sharia Finance (KNKS), Financial Services Authority (OJK), Deposit Insurance Corporation (LPS), Indonesian Ulama Council (MUI), and Bank Indonesia (BI). In addition, *Nazhir* is one of the factors in supporting this grand design synergy of Waqf, it is appropriate for *Nazhir* to master several scientific competencies, such as: Islamic Waqf scientific competence, attitude and managerial competence, as well as business skills competencies. Meanwhile, there are also 5 main disciplines in the management of Waqf and *Nazhir's* competences, namely: Islamic economics, Waqf management, investment finance, business management, and soft skills.

According to the directorate of Waqf and zakat empowerment of the Ministry of Religion of the Republic of Indonesia, there are 4 main plans for the Grand Design of Waqf, namely as follows: Strengthening the Waqf Ecosystem, Socialization of the Movement with the Waqf Campaign, Strengthening Institutional Integration of Institutions, Increasing the Competency Quality of *Nazhir* Waqf.

In the last five years, the use of Information and Communication Technology (ICT) by households in Indonesia has shown a rapid development. The percentage of

the population using cellular phones continues to increase, until 2019 it reaches 63.53%. The growth in cellular phone use was also followed by growth in household ownership of computers and internet access, which reached 18.78% for computer ownership and 73.75% for household internet access. Internet use has also increased during the 2015-2019 period, as indicated by the increase in the percentage of the population accessing the internet in 2015 around 21.98% to 47.69% in 2019.

With the grand design described above, it can be assumed that the potential for Waqf that can be collected in Indonesia is also very large. Management and development of Waqf, especially cash Waqf in Indonesia, can be achieved through investment in products of Islamic financial institutions and Islamic financial instruments. Cash Waqf provides a number of great opportunities, not only allocating for infrastructure development but also providing opportunities for the development and sustainability of human resources through education, health, sanitation, and efforts to alleviate poverty, as well as other social problems. The collection, management, and distribution of benefits to make it more efficient and well controlled must take advantage of advances in information technology through digital platforms such as Fintech Waqf and e-Waqf. There are several advantages to this e-Waqf system, including: the mobilization of Waqf funds is easier from the community, Waqf is more flexible and becomes a boost for immovable Waqf assets to be more productive, application-based Waqf transactions can be owned and accessed by smartphone users. It is hoped that mapping the distribution of Waqf wealth can realize the distribution of wealth and eliminate social disparities in society. There is transparency of Waqf wealth so that it can increase trust for Waqifs (a party who receive the Waqf funds). Currently, many platforms provide service in payment of Waqf based on technology. In addition, many Waqf institution are currently based on websites so that an individual or group only needs to transfer with their digital payment (Ryandono, 2018). The page provides Waqf distribution service by accepting payment via digital such as OVO, GoPay, Funds, LinkAja, and so on. The public can directly scan the QR code listed on the website according to their digital payment service provider (Syafira, Ratnasari, & Ismail, 2020).

## **Conclusion**

The issue of digital Waqf (e-Waqf) still remains interesting and receives much attention from scholars and experts in Islamic economics and philanthropy. This study aims to examine the contribution of digital Waqf to alleviate poverty in Indonesia. Specifically, this study discusses the situation of poverty in Indonesia and the potential of digital Waqf to contribute in alleviating the poverty. This study made use descriptive qualitative by using document analysis and observation of topic-related instruments. This study reveals that Waqf funds has a great potential to decrease the poverty rate in

Indonesia. By using digital Waqf, the collection of funds and donation seems more effective since the marketing can be widely spread to the Muslim community around the country. The results suggest that digital Waqf system has a crucial role and potentially contributes to the sustainable economic development of a developing country, particularly Indonesia. This study can be used in financial inclusion through the application of digital Waqf to alleviate poverty. As for the limitation, it is urgent to examine the perceptions of Waqif (people who give Waqf) toward the use of digital platforms to collect the Waqf funds. Thus, quantitative research is strongly suggested for future studies to portray to what extent the effectiveness and the usefulness of technology as platforms of collecting the Waqf funds.

### Authors' Declaration

The authors made substantial contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

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