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Innovation in Waqf Management in the Digital Era to Promote Community Economy: An Implementation Analysis in West Java

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ABSTRACT
The rapid development of digital technology has transformed waqf management, enhancing efficiency, transparency, and inclusiveness in community-based economic empowerment. This study aims to analyse digital innovation in waqf management in West Java and its contribution to strengthening the community economy within Indonesia's legal framework, particularly the Electronic Information and Transactions Law (Law No. 11 of 2008). Employing a qualitative case study design, data were collected through interviews, observation, documentation, and literature review. The findings reveal that waqf institutions in West Java have adopted digital applications, crowdfunding platforms, QRIS payment systems, and online dashboards that increase wakif participation, transparency, and the growth of MSMEs and employment. However, challenges persist in digital literacy and infrastructure readiness. Digital waqf has strong potential as a sustainable economic empowerment instrument through professional governance, adaptive regulation, and reliable technological systems.

Keywords:
Digital Waqf; Innovation; Community Empowerment; Islamic Social Finance; West Java.

INTRODUCTION

Along with the rapid development of digital technology, almost all sectors of life have undergone significant transformations, including waqf management. Waqf, as one of the key instruments in the Islamic economy, holds great potential to contribute significantly to the development of community welfare, particularly in regions with strong social and religious foundations such as West Java. This potential is not limited to the religious dimension alone but also encompasses economic empowerment, poverty alleviation, and sustainable community welfare.

Waqf management carried out innovatively and integrated with digital platforms such as mobile-based applications, interactive websites, and online systems that facilitate real-time donations, and reporting is believed to improve efficiency, accountability, and transparency. Moreover, the digitalization of waqf has the potential to expand the reach of beneficiaries by enabling communities across regions, even across nations, to participate in waqf programs (Munawar, 2020).

However, alongside these opportunities, several challenges must be addressed. The low level of digital literacy among nazhir (waqf managers) remains a major barrier to optimizing technology. Furthermore, the limitations of technological infrastructure in some areas, particularly rural regions, restrict access to digital services. Regulatory aspects also remain problematic, as current regulations do not yet fully support comprehensive and sustainable technological innovation in waqf management (Sari & Nugroho, 2021). Therefore, synergy between the government, waqf institutions, and society is required to optimize the effective and professional use of digital technology in waqf management.

Previous studies have shown the success of waqf management through digital platforms, such as waqf crowdfunding and online monitoring dashboards, which have proven effective in increasing *waqif* (donor) participation and accelerating the distribution of waqf benefits to target communities (Rahman et al., 2022). Against this backdrop, this study evaluates innovations in waqf management in the digital era, particularly in West Java, which not only has the largest Muslim population in Indonesia but is also known for creative community-based waqf initiatives (Misran & Lestari, 2019). Nevertheless, systematic studies on the impact of digital innovation on strengthening the community economy in this region remain very limited.

Research on waqf digitalization has developed rapidly in various countries. The study of (Al-Manna' et al., 2021). In Malaysia, research showed that the implementation of digital waqf platforms significantly enhanced the distribution of cash waqf and productive waqf, although it did not focus on the impact on the local economy. (Aziz & Hamid, 2022) Highlighted patterns of technology adoption by *nazhir*, with barriers such as social resistance, lack of training, and limited capital, but their research only focused on the institutional perspective without analyzing the effects on *mustahik* (Maulana, 2023). In the Indonesian context, the study of in Bandung City found that the use of mobile-based waqf applications increased cash waqf contributions by 25% in one year. However, that study focused only on a single digital platform and did not examine the subsequent impacts on community economic development, such as increased income among microenterprises supported by waqf funds.

From this review, it becomes evident that there are research gaps to be addressed. Most prior studies focused only on a single type of digital platform without comparing multiple technological innovations, paid little attention to concrete effects on the community economy, and tended to adopt cross-sectional approaches that failed to capture ongoing dynamics. This study seeks to fill these gaps by identifying and describing various digital innovations in waqf management in West Java, analyzing their impacts on the local community economy, evaluating the drivers and barriers to adoption, and providing strategic recommendations to strengthen the role of digital waqf as a community-based economic empowerment instrument.

The novelty of this research lies in its approach that combines comparative evaluation across multiple digital platforms rather than being limited to a single application. It also emphasizes the analysis of direct economic impacts on the community using concrete indicators such as *mustahik* income, the growth of waqf-based businesses, and multiplier effects at the local level. Furthermore, the research adopts a holistic perspective by incorporating the views of multiple stakeholders, users, managers, and regulators to map challenges and opportunities comprehensively. This study is contextualized in West Java as a province with a large and heterogeneous population, providing strategic analytical space while responding to previous research recommendations to expand studies to local regions. With this innovative approach, the research is expected to provide both empirical and methodological contributions to the development of theory and practice in modern, digitally based waqf management.

Since its inception, waqf has been understood as a sustainable Islamic philanthropic instrument in which the principal assets are preserved while their yields are distributed for public benefit (UU No. 41 Tentang Perwakafan, 2004), Article 1(1).

The derivative regulation through PP No. 42/2006 (Republik Indonesia, 2006) reinforces the role of *nazhir*, accountability, and reporting, thus opening space for standardized modern governance (PP No. 42/2006, Articles 55–62**)** (Republik Indonesia, 2006). At the level of international principles, the Waqf Core Principles (WCP), launched (IRTI–IsDB et al., 2018a) with Bank Indonesia and BWI (2018), positions *nazhir* governance, risk management, and Shariah governance on par with prudential standards in other financial sectors, while also emphasizing the use of information technology in waqf management. The WCP explicitly mentions financial technology applications and ecosystem data integration as prerequisites for modernization in waqf governance (IRTI–IsDB et al., 2018b).

Over the past two decades, the literature has linked the agenda of waqf digitalization with models of technology adoption. UTAUT2 explains the intention and behavior of technology use by consumers through constructs such as performance expectancy, effort expectancy, social influence, and habit (Venkatesh et al., 2012). In Indonesia, various related studies on digital payment among younger generations highlight the importance of financial literacy, convenience, trust, and social influence on the intention to use digital services, findings that are relevant as proxies for the behavior of *waqif* in online channels (Darma, 2025). Although many of these studies have focused on e-wallets or digital zakat, the behavioral mechanisms of technology adoption can be transferred to the context of digital cash waqf (Latipah et al., 2024).

From the perspective of management state of the art, the National Waqf Index (Indeks Wakaf Nasional, IWN), developed by BWI, functions as a dynamic measurement tool for waqf performance across multiple dimensions (institutional, governance, programs, outcomes) and enables cross-regional and longitudinal comparisons (Badan Wakaf Indonesia, 2022a)**.** The IWN 2021 report indicates gradual national improvements (aggregate score 0.139 “low” category), with significant regional variations (Badan Wakaf Indonesia, 2022b pp. 105–106). Methodologically, evaluative literature also recognizes the limitations of data and non-response from several regional representatives, which affect the sensitivity of annual index readings (Badan Wakaf Indonesia, 2022a). This note is essential for interpreting provincial-level data, including West Java.

Regarding West Java, the provincial section of IWN 2021 recorded the dynamics of scores and components contributing to regional performance (Badan Wakaf Indonesia, 2022a). West Java represents a dense waqf ecosystem, with a high concentration of organizations both national and local *nazhir* that have relatively quickly adopted digital financing and donation channels (e.g., payment gateways, mobile banking, QRIS, and crowdfunding). However, the literature points out that variations in governance quality, online reporting, and the depth of productive programs still distinguish the achievements of institutions and influence public trust (Badan Wakaf Indonesia, 2022a).

At the level of governance theory, recent studies have operationalized WCP into the Waqf Core Principles Implementation Index (WCPII) to assess institutional-level implementation. The study of (Tanjung & others, 2024) demonstrates the need to strengthen risk management and good *nazhir* governance to enhance institutional performance while maintaining *waqif* trust. Evidence also shows that digitalization practices (reporting, applications, distribution channels) are increasingly adopted but remain uneven **(**Tanjung et al., 2024**)**. The WCPII approach bridges normative

standards (WCP) and the operational realities of waqf institutions, serving as a diagnostic tool to identify strengths and weaknesses in the digital era.

The dimension of digital innovation in Indonesian waqf covers end-to-end processes: (1) *waqif* acquisition (digital campaigns, social media marketing, influencer outreach), (2) waqf collection (e-money, virtual accounts, QR payments), (3) back-office processes (e-ikrar, *nazhir*/e-AIW registration, document management systems), (4) governance & transparency (public dashboards, real-time reports, impact tracking), and (5) investment & distribution (integration with Islamic financial products, crowdfunding for productive projects, and blended finance models). WCP affirms innovation through Islamic capital markets (e.g., waqf *sukuk*) and the use of fintech, provided Shariah compliance and adequate risk management are ensured (IRTI–IsDB et al., 2018a). Field evidence also shows the digitalization of state administrative services, such as the electronic *Akta Ikrar Wakaf* (e-AIW) piloted by the Ministry of Religious Affairs in several regions, including Tasikmalaya, West Java to accelerate legal-formal waqf processes and minimize documentation risks (Kementerian Agama RI, 2024). The digitalization of this process chain aligns with WCP expectations for integrated reporting systems and IT-based supervision (IRTI–IsDB et al., 2018b).

From the perspective of economic empowerment, the literature emphasizes the contribution of productive waqf to improving access to social, health, and educational services, as well as supporting micro, small, and medium enterprises (MSMEs) with crucial notes on professional management, portfolio selection, and risk control to ensure sustainable benefits. IWN positions program and outcome dimensions as components driving shifts in regional performance categories (Badan Wakaf Indonesia, 2022a). At the same time, research on user behavior in digital financial services (particularly Gen Z and millennials) shows that ease of use (effort expectancy) and social influence strongly affect the adoption of e-money/e-payment in both urban and rural Indonesia (Darma, 2025). The implication for waqf institutions in West Java: innovation strategies must integrate a streamlined user experience (donation flows ≤3 clicks), trust signals (nazhir certification, audited reports, near real-time project reporting), and community-based marketing to expand the base of digitally native young *waqif* (parallel with (Venkatesh et al., 2012).

Nevertheless, limitations in the state of the art remain visible. First, data quality: incomplete IWN responses across years/regions reduce trend sensitivity (Badan Wakaf Indonesia, 2022a). Second, capacity inequality among *nazhir*: not all institutions have adequate data architecture and risk systems to comply with WCP/WCPII (Tanjung & others, 2024). Third, user adoption: literacy gaps and variations in platform user experience may hinder digital waqf growth, especially outside metropolitan areas (Darma, 2025). Fourth, governance & compliance: the need for IT-based supervision and standardized reporting (WCP-7 to WCP-12; WCP-13) has not yet been fully embedded in local practices (IRTI–IsDB et al., 2018b).

Thus, the theoretical foundation and current empirical findings highlight a clear research gap for the West Java context: how digital innovations (at the level of processes, channels, and governance) can truly accelerate community economic outcomes through productive waqf projects, while aligning with WCP/WCPII governance standards and improving regional performance scores (IWN). This study positions itself to: (i) map the forms of digital innovation implemented by *Nazhir* in West Java, (ii) assess their alignment with WCP/WCPII pillars and implications for *waqif*

trust, (iii) link such innovations with economic outcome indicators (microfinance access, job creation, household income improvements among beneficiaries), and (iv) identify adoption barriers and governance gaps at the regional level. This approach is expected to contribute a scholarly novelty in the form of an alignment model between digital innovation, governance standards, and economic impact pathways for West Java's waqf ecosystem, providing a framework that could eventually be replicated across provinces.

METHOD

This study employs a qualitative approach with a case study design to explore in depth the forms of digital-based waqf management innovation in West Java and their impact on the community economy. The case study design was chosen because it enables the researcher to understand phenomena contextually, holistically, and comprehensively within real-life settings (Yin, 2018).

The research population includes all waqf *nazhir* institutions operating in West Java Province, both at the national and local levels, that have adopted digital technology in the processes of fundraising, management, and distribution of waqf. The research sample was selected purposively, with the following criteria: (1) the institution has implemented at least one digital innovation (e.g., mobile applications, crowdfunding, QRIS, or online monitoring dashboards) for ≥1 year, (2) it manages productive waqf programs aimed at empowering the community economy, and (3) it is willing to provide data and allow observation of its management processes. The planned sample size is 5–7 institutions, including large organizations such as Dompet Dhuafa West Java and several local *nazhir*.

Data collection techniques include: (1) in-depth interviews with *nazhir*, *waqif*, and beneficiaries (*mustahik*); (2) participatory observation of the digitalization processes in waqf management; (3) documentation of annual reports, financial data, and digital dashboards; and (4) literature review to strengthen the analytical framework (Creswell, 2018).

Data analysis uses thematic analysis techniques, which include open coding, axial coding, and selective coding to identify patterns of innovation, driving and inhibiting factors, as well as their impact on the community economy (Braun & Clarke, 2006). Data validity is maintained through triangulation of sources, techniques, and time (Patton, 2015).

RESULTS AND DISCUSSION

1. Digital Innovations in Waqf Management in West Java

The findings reveal that waqf management in West Java has undergone significant transformation through the utilization of digital technology, in line with the growth of the digital economy and the global trend of digitalizing Islamic philanthropy. Waqf *nazhir* institutions in this region have begun adopting various innovations to enhance efficiency, transparency, and the outreach of waqf programs.

First, Mobile Waqf Applications have been developed by Dompet Dhuafa West Java and the Indonesian Waqf Board (BWI). These applications facilitate *waqif* in making cash waqf contributions directly via mobile devices, monitoring donation status, and accessing real-time disbursement reports. This feature not only increases

transactional convenience but also strengthens the trust of *waqif* toward institutions (Hasanah et al., 2021).

Second, Crowdfunding Platforms such as Kitabisa.com and Sedekah Online are utilized to raise funds for productive waqf. This mechanism enables participation from *waqif* across regions and generations, including younger demographics familiar with digital technology (Mohsin, 2019, 114).

Third, Online Monitoring Dashboards are employed to enhance transparency. Through these dashboards, the public can access information on fund allocation, project progress, and program achievements based on real-time data (Badan Wakaf Indonesia, 2022b).

Fourth, the integration of QRIS for Waqf Payments facilitates instant transactions, reduces geographical barriers, and expands accessibility for communities in remote areas (Kementerian Komunikasi dan Informatika Republik Indonesia, 2023).

Fifth, the use of Internet of Things (IoT) in managing productive waqf assets has begun to be implemented for example, soil moisture sensors on waqf agricultural land to optimize irrigation systems. This approach reportedly increased productivity by up to 18% (Huda, 2021).

Overall, these findings align with Shaikh et al. (2017), who emphasize that adopting digital technology in Islamic philanthropy can enhance efficiency, accountability, and program outreach. Such innovations demonstrate that West Java holds significant potential to become a model of digital waqf management in Indonesia, provided that improvements in human resource capacity, technological infrastructure, and adaptive regulation accompany these developments.

2. Impact on the Community Economy

The implementation of digital innovation in waqf management in West Java has made a significant contribution to local economic growth. Based on research findings, the application of a productive waqf model supported by digital technology has been proven to increase the income of *mustahik* by 20–35% annually. This increase is particularly evident in key sectors such as micro, small, and medium enterprises (MSMEs) in food production, organic farming, and handicrafts. Through digital platforms, the marketing process of these products has become broader and more efficient, thereby accelerating the production and distribution cycle (Suryanto, 2017).

In addition, waqf-based financing schemes for MSMEs have generated an average business growth of 15% per year. Another positive impact is the creation of new job opportunities for the surrounding community, especially for the younger generation with skills in information technology management. The involvement of youth in managing productive waqf business units also encourages innovation in production processes, digital marketing, and product diversification (Badan Wakaf Indonesia, 2022b).

The effectiveness of this model aligns with the concept of Asset-Based Community Development (ABCD), which emphasizes the importance of utilizing local assets, including waqf land, as a driving force for sustainable economic empowerment (Assets, 1993). Furthermore affirms that productive waqf has great potential to reduce structural poverty if managed professionally, transparently, and adaptively in response to technological developments. Thus, digital innovation in waqf management not only

impacts income growth and job creation but also shapes an inclusive and sustainable local economic ecosystem (Kahf, 2016).

3. Driving and Inhibiting Factors

The research findings indicate that there are several factors that both drive and hinder the implementation of digital innovation in waqf management in West Java. These factors reflect internal and external conditions that directly influence the effectiveness of the program.

4. Driving Factors

First, the high internet penetration rate in West Java, which has reached 82.3%, serves as a crucial asset for the adoption of digital platforms in waqf management. Broad internet access allows the community, especially the younger generation, to easily access waqf applications, carry out online transactions, and monitor fund distribution reports (Kementerian Komunikasi dan Informatika Republik Indonesia, 2023).

Second, supportive regulations such as Law Number 41 of 2004 on Waqf and the DSN-MUI fatwa on cash waqf have provided a legal framework for digital-based waqf transactions. These regulations offer legal certainty for *nazhir* (waqf managers) and *wakif* (donors) in utilizing technology, while also encouraging the emergence of Sharia fintech innovations (Huda, 2021).

Third, the increasing awareness of digital philanthropy in the aftermath of the COVID-19 pandemic has also become a significant factor. Restrictions on physical interactions during the pandemic accustomed people to making donations and paying zakat, *infak*, and waqf through digital channels. This behavioral shift presents a major opportunity for accelerating the digitalization of waqf (Hasanah et al., 2021).

5. Inhibiting Factors

Nevertheless, several obstacles still limit the optimization of digital waqf. First, low digital literacy among some *nazhir*, particularly in rural areas, hinders the effective operation of digital systems, both in terms of operations and reporting (Suryanto, 2017).

Second, limited internet infrastructure in rural regions poses a serious challenge. Low access speed and limited signal coverage reduce the reliability of digital platforms in reaching all segments of society.

Third, socio-cultural resistance from some communities, who still perceive that waqf must be managed in a traditional way without technological intervention, also acts as a barrier. This view arises due to entrenched habits, limited understanding of the benefits of technology, and concerns over the potential loss of spiritual values in waqf management (Huda, 2021).

These conditions indicate that the success of digital waqf innovation depends not only on technological aspects but also on the readiness of human resources and socio-cultural adaptability. Therefore, strategies are needed that integrate digital literacy training for *nazhir*, strengthening of infrastructure, and cultural approaches capable of harmonizing traditional values with technological advancements.

6. Comparison with Previous Research

The findings of this study demonstrate relevance and connection with several previous studies, while at the same time presenting significant differences in terms of research focus and regional context:

First, this study's findings reinforce the results of Mohsin (2020), who emphasized that the digitalization of waqf can enhance public participation and strengthen transparency in fund management. Similar to Mohsin, this study found that the use of digital platforms, including mobile applications and crowdfunding, provides broader access for *wakif* from diverse backgrounds, thereby encouraging the growth of participants. However, the main difference lies in the scope of discussion. Focus on the implementation of waqf digitalization in Middle Eastern countries, highlighting policy factors and the adoption of Islamic banking technology. In contrast, this study places particular emphasis on the role of Internet of Things (IoT) technology in managing productive waqf assets, especially in the agricultural sector. The application of soil moisture sensors, which has been proven to increase productivity by up to 18%, is a new contribution rarely highlighted in previous literature (Mohsin, 2019).

Second, compared to (Hasanah et al., 2021), which focused on the role of digital applications and crowdfunding platforms in facilitating waqf transactions and reporting, this study offers a more comprehensive approach. Beyond addressing aspects of technology and innovation, it also examines the economic impacts on communities, identifies driving and inhibiting factors, and provides strategic recommendations relevant to the local conditions of West Java. This offers a more holistic perspective on how waqf digitalization can be optimized in regions with specific social, economic, and cultural characteristics.

Third, in the international literature, such as the study on the digitalization of Islamic philanthropy, is generally discussed from the perspective of global efficiency and accountability. This study complements that perspective by emphasizing the importance of a community-based approach, integrating local asset potential with modern technological adaptation (Shaikh et al., 2017).

Thus, the main contribution of this research lies in the integration of technological analysis, economic impact, and socio-cultural factors within a single framework. This enables the recommendations produced to be not only theoretical but also applicable for the development of digital waqf management models in other regions with conditions similar to those of West Java.

7. Strategic Recommendations

Based on the research findings, several strategies can be applied to strengthen the sustainability and effectiveness of digital waqf management in West Java. These strategies are not only aimed at optimizing the use of technology but also at ensuring that digital innovations truly generate a positive impact on community economic empowerment.

First, Digital Literacy Training. The Indonesian Waqf Board (BWI), together with local governments, needs to organize comprehensive training programs for *nazhir* at both provincial and district/city levels. The training should cover digital platform management, the use of data analytics for program evaluation, and the application of digital marketing technologies. With improved digital literacy, *nazhir* will be better prepared to utilize technology optimally and avoid operational errors that could undermine public trust.

Second, Development of Derivative Regulations**.** (UU No. 41 Tentang Perwakafan, 2004) Already provides a legal foundation for waqf management; however, adjustments and derivative regulations are needed to specifically regulate waqf transactions using the latest technologies, such as blockchain and artificial

intelligence (AI). These technologies have the potential to enhance data security, transparency, and efficiency in waqf management, but they also require a clear legal framework to ensure that their implementation is legally valid and consistent with Sharia principles.

Third, Technological Partnerships**.** Waqf institutions are encouraged to establish partnerships with startups specializing in Islamic financial technology (Islamic fintech). Through such collaborations, user-friendly, secure, and nationally integrated applications (e.g., with the QRIS payment system) can be developed. This integration will facilitate community members in making both cash and productive waqf transactions through various payment platforms that they are already familiar with.

Fourth, Monitoring Social Impact**.** The use of big data analytics can serve as an important tool for measuring the contribution of waqf to poverty alleviation and improvements in community welfare periodically. Such data-driven analysis enables waqf institutions to evaluate program effectiveness, identify areas requiring improvement, and optimize fund allocation based on real needs on the ground.

Overall, the implementation of these strategies is expected to strengthen the position of digital waqf as a community-based economic empowerment instrument in West Java. With a combination of digital literacy, adaptive regulations, technological partnerships, and data-driven evaluation, digital waqf holds great potential to become a successful model that can be replicated in other regions across Indonesia.

Discussion

1. The Role of Digitalization in Waqf Management: Benefits and Barriers

The development of digital technology has brought major changes to the way waqf is managed in various Muslim countries, including Indonesia. Digitization of waqf opens new opportunities to increase efficiency, transparency, and accountability of waqf management institutions (nazhir). Through the use of mobile applications, crowdfunding platforms, QRIS payment systems, and blockchain technology, the process of collecting and distributing waqf becomes faster, safer, and can be monitored in real-time (Mohaiyadin et al., 2022).

Studies in Indonesia also show a positive direction. Research (Wadi & Nurzaman, 2020) emphasized that waqf digital innovation is able to increase public participation, especially the younger generation who are familiar with technology. Likewise, research (Maulana, 2023) in the city of Bandung shows that the use of mobile-based waqf applications is able to increase the contribution of cash waqf by up to 25% per year. The findings reinforce the opinion (Shaikh et al., 2017) that the adoption of technology in Islamic philanthropy can expand the reach and strengthen public trust in waqf management institutions. However, the benefits of digitalization have not been fully realized because there are still significant obstacles. Low digital literacy among some nazhir, especially in rural areas, is the main obstacle in the management of the digital system (Sari & Nugroho, 2021). In addition, the limitations of technology infrastructure and internet networks in some regions hinder equal access to digital platforms (Kementerian Komunikasi dan Informatika Republik Indonesia, 2023). Cultural factors and spiritual perceptions that consider that waqf should be managed traditionally also give rise to resistance to digital innovation (Huda, 2021).

2. User Adoption and Trust in Digital Waqf Innovation

The success of digital waqf innovation does not only depend on the availability of technology, but also on user behavior and trust, both in terms of waqf and nazhir. Based on the theory of the Unified Theory of Acceptance and Use of Technology (UTAUT2) developed by (Venkatesh et al., 2012). Factors such as performance expectancy, ease of use (effort expectancy), social influence, and habits (habit) are important determinants in the acceptance of technology.

The context of digital waqf, (Qolbi et al., 2024) It was found that personal innovativeness has a significant effect on a person's intention to use online waqf services. Research (Wadi & Nurzaman, 2020) It also shows that the millennial generation has a positive tendency towards using digital platforms because of the convenience, transparency, and reputation of trusted institutions.

The aspect of trust is a crucial component (Mohaiyadin et al., 2022) dalam His research in Malaysia confirms that the application of blockchain technology in waqf management can increase accountability and reduce the risk of data manipulation because the record-keeping system is public and cannot be changed. This belief in technology can strengthen the intention of wakif to participate through digital channels. Thus, user behavior and trust play an important role as a link between technological innovation and the successful implementation of digital waqf. Efforts to increase people's digital literacy and strengthen data security regulations are strategic steps to expand adoption sustainably.

3. The Relationship between Digital Governance and Economic Impact.

The digitalization of waqf not only has an impact on administrative efficiency but also has implications for strengthening the community's economy. Research (Ramli et al., 2022) in Malaysia shows that cash waqf has a positive influence on economic growth in the long term. These findings indicate that effective waqf management can contribute to the economic empowerment of the ummah and poverty alleviation. In Indonesia, research (Badan Wakaf Indonesia, 2022b) through the National Waqf Index Report shows that although the level of digitalization of waqf institutions is increasing, the performance scores of provinces such as West Java are still relatively low (0.139). This shows that technological innovation has not automatically been directly proportional to improving people's economic welfare. As stated (Munawar, 2020), Digitalization needs to be accompanied by professional governance, good supervision, and increased capacity of nazhir human resources so that economic benefits can be achieved optimally.

In addition, the concept of Waqf Core Principles (WCP) developed by IRTI–IsDB–Bank Indonesia–BWI (2018) emphasizes the importance of applying the principles of prudence, risk management, and information technology-based governance in waqf institutions. The implementation of these principles is measured through the Waqf Core Principles Implementation Index (WCPII) as tested (Tanjung & others, 2024), which shows that waqf institutions with good digital governance tend to have a higher level of public trust and more stable economic performance.

Furthermore, Article 15 of the UU ITE mandates that electronic system providers ensure data reliability, confidentiality, and accessibility. In waqf management, this translates into the need for digital systems that safeguard wakif (donor) data and maintain transparency in fund utilization. Institutions in West Java, such as BWI (Badan Wakaf Indonesia) and local nazhir, are increasingly adopting

secure and encrypted systems aligned with these requirements (Republik Indonesia, 2008). Thus, strengthening digital governance and data-based supervision is a key factor so that waqf technology innovation can truly have an impact on the community's economic development.

4. Theoretical and Practical Implications

From a theoretical perspective, this study strengthens the UTAUT2 model by adding governance compliance and technological trust as determining factors in the adoption of digital waqf. In addition, the integration between aspects of user behavior, institutional capacity, and economic impact provides a new conceptual framework in the study of modern Islamic economics. Practically, the results of the study confirm the importance of: First, increasing digital literacy for nazhir and the community so that they can use the waqf platform effectively (Latipah et al., 2024); Second, the establishment of derivative regulations from Law No. 41 of 2004 concerning Waqf which accommodates the use of technology such as blockchain and artificial intelligence (Republik Indonesia, 2004); Third, collaboration between BWI, Islamic financial institutions, local governments, and fintech startups in building an integrated waqf digital ecosystem (Aziz & Hamid, 2022); Fourth, the development of a data-based evaluation model (big data analytics) to measure the social and economic contribution of waqf periodically (Badan Wakaf Indonesia, 2022b). With a combination of literacy, adaptive regulations, and professional governance, the digitization of waqf in Indonesia, especially in West Java, can become a model for sustainable community economic empowerment.

CONCLUSION

This study demonstrates that innovation in waqf management in the digital era in West Java has advanced rapidly through the utilization of various technologies such as mobile applications, crowdfunding platforms, monitoring dashboards, the QRIS payment system, and the application of the Internet of Things (IoT) to productive waqf assets. These innovations not only enhance transparency and accountability but also broaden the participation of wakif (donors) from diverse social backgrounds and generations. The positive impacts experienced by the community include increased income among mustahik (beneficiaries), the growth of micro, small, and medium enterprises (MSMEs) supported by waqf financing, and the creation of new job opportunities particularly for the younger generation skilled in information technology management. Nevertheless, the adoption of digital innovations continues to face several challenges, such as low digital literacy among some nazhir (waqf managers), limited internet infrastructure in rural areas, and socio-cultural resistance to the transition from traditional to digital management practices.

Accordingly, digital-based waqf management in West Java holds great potential as a community-based economic empowerment instrument, provided that it is supported by enhanced human resource capacity, adaptive regulatory frameworks, and adequate infrastructure development. In line with Law No. 11 of 2008 concerning Electronic Information and Transactions (ITE Law), digital waqf management must also ensure the security, confidentiality, and reliability of data belonging to wakif and nazhir. The implementation of these legal principles is essential to strengthen public trust in waqf institutions and to guarantee that all electronic transactions comply with Indonesia’s prevailing legal framework.

Based on the findings, several strategic recommendations can be implemented to reinforce digital waqf governance in West Java. First, enhance digital literacy among nazhir and volunteers through regular training programmes facilitated by the Indonesian Waqf Board (BWI) and local governments, enabling them to manage digital platforms effectively, transparently, and securely. Second, develop integrated applications that include payment, reporting, monitoring, and educational features within a single digital ecosystem to facilitate wakif participation while increasing public accountability. Third, strengthen multi-stakeholder collaboration among BWI, local governments, universities, and the private sector to foster technological innovation and expand the distribution network of waqf benefits. Fourth, future research should examine the effectiveness of emerging technologies such as blockchain and artificial intelligence (AI) in enhancing data security, management efficiency, and transparency in waqf governance. Through these measures, digital waqf management is expected to contribute optimally to sustainable community economic development and serve as a model for other regions across Indonesia.

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