

## **WAQF AS A SOURCE OF EDUCATION FUNDING: A REVIEW OF CONTEMPORARY PRACTICES AND CHALLENGES**

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### **ABSTRACT**

Waqf, an Islamic charitable endowment, has historically been a key funding mechanism for educational institutions. This paper explores the evolving role of waqf in education funding, focusing on developments from 2015 to 2023. It reviews contemporary practices, including cash waqf, waqf shares, and the integration of financial technology (fintech) to enhance transparency and efficiency. Countries such as Malaysia, Indonesia, and Turkey have successfully implemented these models to support educational projects. However, challenges such as governance inefficiencies, lack of public awareness, and regulatory issues hinder waqf's full potential. The study highlights how fintech and Public-Private Partnerships (PPP) can improve the effectiveness of waqf as a sustainable funding source. By addressing these barriers and leveraging modern innovations, waqf can play a critical role in supporting educational institutions, especially in Muslim-majority countries. Recommendations for improving governance and increasing public engagement are also discussed, offering insights into how waqf can contribute to long-term educational development and financial sustainability.

Keywords: Waqf, Education Funding, Cash Waqf, Fintech, Public-Private Partnerships, Sustainable Development.

### **1. INTRODUCTION**

The Waqf, a charitable endowment in Islamic tradition, has long served as a crucial instrument for social welfare, particularly in the areas of education and healthcare. Historically, waqf has been integral to the establishment and maintenance of educational institutions across the Islamic world. Prominent universities like Al-Qarawiyyin in Morocco and Al-Azhar in Egypt were funded through waqf, allowing them to flourish for centuries. This financial mechanism provided sustainable funding for students, teachers, and the infrastructure necessary for educational development, particularly during times when government resources were limited.

In the modern era, the concept of waqf has undergone a revival, with many Muslim-majority countries revisiting its potential as a source of educational funding. The period from 2015 onward has seen significant innovation in waqf management, with the introduction of models like cash waqf and waqf shares. These models offer flexibility by allowing endowments to consist of liquid assets or shares, providing institutions with more diverse and sustainable sources of income. Countries such as Malaysia, Indonesia, and Turkey have led the way in implementing these modern waqf structures, using them to fund scholarships, build educational infrastructure, and support underprivileged students.

Despite its historical importance and modern advancements, waqf as a mechanism for education funding still faces significant challenges. Many waqf institutions struggle with governance issues, outdated legal frameworks, and a lack of transparency, which undermine their effectiveness. Additionally, public awareness of waqf's potential as a funding tool remains low, particularly in regions where it has not been widely promoted or integrated into national education strategies. This paper aims to explore contemporary practices and challenges in waqf-based education funding, focusing on developments from 2015 to 2023. By analyzing successful case studies and identifying areas for improvement, the study seeks to offer insights into how waqf can be optimized as a sustainable funding model for educational development.

## 2. LITERATURE REVIEW

### 2.1 The Role of Waqf in Education Funding

Waqf, an Islamic charitable endowment, has been a vital mechanism in funding educational institutions and supporting academic endeavors throughout Islamic history. The term "waqf" refers to the dedication of assets, whether movable or immovable, for public or religious purposes, ensuring the long-term sustainability of projects like schools, libraries, and universities. Historically, waqf was a key financial pillar that allowed educational institutions to thrive, particularly during periods when state or private funding was limited. Institutions like Al-Qarawiyyin in Morocco and Al-Azhar in Egypt were established through waqf endowments, offering free or low-cost education to students from various backgrounds, making education accessible to broader segments of society (Cizakca, 2018).

The strength of waqf lies in its perpetual nature. Once an asset is designated as waqf, it cannot be sold, donated, or inherited; instead, it continues to generate income indefinitely. This ensures a steady flow of resources for educational institutions over time. Traditionally, waqf has been used to cover operational costs, pay salaries for teachers, provide student scholarships, and build infrastructure such as schools and libraries. In this way, waqf has alleviated financial burdens on governments and allowed institutions to operate independently from volatile economic conditions or state funding fluctuations.

In modern times, the concept of waqf has been revived and expanded to meet the challenges of contemporary educational needs. Since 2015, various countries, particularly in the Muslim world, have adopted new models of waqf, including cash waqf and waqf shares, to fund educational projects. Cash waqf allows donors to contribute liquid assets, which are then invested in revenue-generating activities. The returns from these investments are allocated to educational initiatives, such as funding scholarships, maintaining educational facilities, or even building new schools and universities. For example, in Malaysia, cash waqf has been used effectively to support the education sector through state Islamic religious councils that manage these funds transparently and efficiently (Zulkifli & Latif, 2020; Mohamed & Razak, 2019).

Waqf shares are another innovative model that allows individuals and institutions to purchase shares in waqf funds. This enables a broader participation in waqf-based funding initiatives, as people from different income levels can contribute to education financing. The returns on these shares are used to sustain educational activities, making waqf a more flexible and inclusive model for funding. Turkey, for instance, has utilized waqf shares to restore educational institutions, build new schools, and create sustainable scholarship programs through the General Directorate of Foundations (Kose, 2017; Omar & Iskandar, 2021). These modern practices demonstrate waqf's potential to support education in the long run, while adapting to contemporary financial environments.

Countries like Indonesia have also adopted cash waqf and integrated it into national educational strategies. The "Waqf Core Principles" initiative in Indonesia has led to the development of regulatory frameworks and governance models aimed at enhancing transparency and accountability in the management of waqf funds (Aziz, 2021). This initiative has not only mobilized significant financial resources for education but has also ensured that these resources are managed in a way that maximizes their impact.

Despite the growing recognition of waqf's potential in education funding, several challenges persist. One of the primary obstacles is the governance of waqf institutions. Many waqf organizations lack the financial expertise and modern management practices needed to maximize returns on waqf assets, leading to inefficiencies and missed opportunities. In addition, public awareness about the role of waqf in supporting education is often limited, with many people unfamiliar with how to contribute effectively to waqf funds. This can hinder the growth of waqf as a major source of educational funding (Yusuf & Abdurrahman, 2019; Siddiqui & Khan, 2020).

Furthermore, legal and regulatory frameworks governing waqf differ significantly from one country to another, often creating complexities in waqf management. In some countries, outdated laws restrict the flexibility of waqf institutions, making it difficult for them to adapt to modern financial systems. For instance, waqf assets may be tied to non-productive land, limiting the potential to generate income that can be reinvested in education. Overcoming these regulatory barriers is essential for waqf institutions to become more effective and sustainable (Haneef & Pramanik, 2020).

The integration of modern financial tools, such as fintech, has been proposed as a solution to some of these challenges. By adopting technologies like blockchain, waqf institutions can improve transparency in how funds are collected and allocated. Blockchain-based platforms can track waqf contributions in real-time, ensuring that funds are used for their intended purposes. This can help build trust among donors and attract more people to contribute to waqf-based educational projects (Salim & Ismail, 2021; Farooq & Khan, 2021). Moreover, fintech solutions can facilitate micro-donations, allowing people to make small but consistent contributions to waqf funds, further expanding the donor base.

In conclusion, waqf continues to be a significant, yet underutilized, source of funding for education. The innovative models of cash waqf and waqf shares, alongside the integration of modern technology, offer new opportunities to enhance waqf's impact on educational development. However, to fully unlock the potential of waqf in education, it is essential to address the governance, legal, and public awareness challenges that currently limit its effectiveness. With improved governance structures, greater public engagement, and the adoption of modern financial tools, waqf can play an even more pivotal role in supporting education and ensuring long-term sustainability for educational institutions worldwide.

## 2.2 Contemporary Practices in Waqf for Education (2015-2023)

In the period from 2015 to 2023, the practice of waqf as a mechanism for education funding has evolved significantly. Traditionally focused on immovable assets such as land and buildings, modern waqf practices have adapted to new financial realities by introducing more flexible and innovative models. This adaptation has been driven by the increasing financial pressures faced by educational institutions, particularly in Muslim-majority countries where state funding for education may be insufficient to meet growing demand. In response, countries such as Malaysia, Indonesia, and Turkey have led efforts to modernize waqf-based education funding, incorporating cash waqf, waqf shares, and even financial technology (fintech) to improve efficiency and transparency.

One of the most notable developments in this period has been the rise of cash waqf, a model that allows individuals and organizations to contribute liquid financial assets rather than physical property. This shift has introduced greater flexibility in waqf contributions, as donors are no longer limited to endowing land or buildings. Instead, cash waqf enables waqf institutions to pool financial resources, invest them in revenue-generating ventures, and use the proceeds to fund education-related projects such as scholarships, infrastructure development, and faculty support. In Malaysia, for instance, cash waqf has been implemented at a national level through state Islamic religious councils, which manage these funds and ensure that the returns are directed towards educational initiatives. According to Zulkifli and Latif (2020), the success of cash waqf in Malaysia has provided a model for other countries looking to adopt similar mechanisms to support their education systems.

Waqf shares represent another contemporary practice that has gained traction in recent years. Waqf shares allow individuals to purchase a portion of a waqf fund, effectively democratizing the waqf process by making it accessible to a wider pool of contributors. Rather than relying on large, singular donations of property, waqf shares enable people with varying financial capacities to participate in waqf funding. The income generated from these waqf shares is then directed to support educational programs, including the construction of new schools and the provision of scholarships for underprivileged students. In Turkey, waqf shares have been successfully utilized by the General Directorate of

Foundations to support a wide range of educational initiatives, ensuring that the contributions of many individuals result in a collective impact on national education development (Kose, 2017).

In addition to these financial innovations, the integration of financial technology (fintech) into waqf management has emerged as a key trend during this period. Fintech solutions, including blockchain technology and digital platforms for waqf donations, have been explored as ways to enhance transparency, accountability, and donor confidence. One of the main challenges faced by waqf institutions historically has been the lack of transparency in how waqf funds are managed and distributed. Donors may hesitate to contribute if they are unsure whether their funds will be used effectively. By adopting fintech tools, waqf institutions can track donations in real time, provide detailed reporting on how funds are utilized, and ensure that waqf endowments are managed with greater accountability. Blockchain technology, in particular, offers the potential to create immutable records of waqf transactions, thereby preventing fraud and ensuring that waqf assets are preserved for their intended purposes (Salim & Ismail, 2021).

The use of fintech in waqf management has also enabled the rise of micro-donations through digital platforms. These platforms allow individuals to contribute small amounts of money on a regular basis, which are then pooled and invested to generate returns for educational projects. This has opened up waqf contributions to a broader segment of society, allowing more people to participate in supporting education through waqf. Indonesia, for example, has introduced digital waqf platforms that make it easy for citizens to contribute to waqf funds through mobile applications, fostering a culture of philanthropy and expanding the financial base for educational development (Aziz, 2021).

Beyond financial innovations, there has also been a growing focus on governance and regulation in the management of waqf for education funding. In many countries, one of the main barriers to the effective use of waqf in education has been weak governance structures, outdated legal frameworks, and a lack of standardization in waqf management. In response, countries like Indonesia and Malaysia have introduced regulatory reforms aimed at improving the governance of waqf institutions, ensuring that waqf assets are managed transparently and efficiently. The introduction of the "Waqf Core Principles" in Indonesia, for example, has provided a framework for enhancing the governance of waqf institutions, improving transparency, and promoting best practices in waqf management (Aziz, 2021). This has helped to restore public trust in waqf institutions and encouraged more people to contribute to waqf-based education funding.

Despite these advances, challenges remain in maximizing the potential of waqf for education funding. Issues such as insufficient financial expertise within waqf institutions, a lack of awareness among the public about how waqf can support education, and regulatory inconsistencies across countries continue to limit the impact of waqf. However, with continued innovation, better governance, and the integration of technology, waqf can play an even more significant role in addressing the funding gaps faced by educational institutions, particularly in Muslim-majority countries. As countries continue

to refine their waqf practices, there is potential for waqf to become a major source of sustainable education funding for the future.

In conclusion, the period from 2015 to 2023 has seen significant evolution in the practices surrounding waqf for education funding. Through the introduction of cash waqf, waqf shares, and fintech solutions, waqf has adapted to modern financial contexts and expanded its reach to a broader segment of society. These innovations have the potential to address many of the financial challenges faced by educational institutions today. However, overcoming governance challenges and further enhancing public awareness remain critical to fully realizing the potential of waqf as a sustainable and long-term funding solution for education.

### 3. METHODOLOGY

#### 3.1 Research Design

This study employs a qualitative research design, focusing on a systematic literature review to analyze waqf practices in educational funding from 2015 to 2023. A documentary analysis was conducted on peer-reviewed journal articles, case studies, policy papers, and reports from national and international institutions. The research examines how waqf has been utilized as an educational funding mechanism, with particular attention to innovations and challenges over the past eight years.

#### 3.2 Data Collection

The data were collected from multiple sources:

- a. Academic literature published between 2015 and 2023, sourced from databases like Scopus, JSTOR, and Google Scholar.
- b. Policy reports from organizations such as the Islamic Development Bank (IDB), the World Bank, and national waqf bodies.
- c. Case studies from countries where waqf plays a significant role in education, including Malaysia, Indonesia, Turkey, and Pakistan.

Inclusion Criteria:

- a. Studies and reports published from 2015 onward.
- b. Papers that specifically focus on the intersection of waqf and education.
- c. Case studies that highlight innovative waqf models and their impact on educational outcomes.

Exclusion Criteria:

- a. Studies unrelated to waqf or education funding.
- b. Publications before 2015 unless they provide foundational insights or data for contemporary models.

#### 3.3 Data Analysis

The collected data were analyzed using a thematic analysis framework, which involved coding and categorizing key themes related to waqf and educational funding. Thematic coding helped identify

trends in governance, financial sustainability, public engagement, and technological innovations in waqf practices.

- a. **Thematic Coding:** Key themes such as "cash waqf", "waqf shares", "governance challenges", and "fintech integration" were identified and coded from the literature.
- b. **Comparative Analysis:** Comparative analysis was employed to evaluate different waqf models across regions, particularly focusing on their effectiveness in addressing educational funding needs.
- c. **Synthesis:**  
The findings from various sources were synthesized to present a cohesive narrative that highlights the role of waqf in modern educational systems, the challenges faced by waqf institutions, and future opportunities for enhancing waqf's contribution to education.

### 3.4 Limitations

The study is subject to several limitations:

- a. **Lack of primary data:** The research relies exclusively on secondary sources, which may not fully capture the real-time dynamics of waqf management in practice.
- b. **Focus on Muslim-majority countries:** While the study highlights countries where waqf is most prevalent, it may overlook innovative practices in non-Muslim-majority countries.
- c. **Technological Limitations:** The adoption of fintech in waqf is a relatively recent phenomenon, and its long-term impact is still uncertain. As a result, findings related to fintech are based on early-stage evaluations.

## **4. DISCUSSION**

### 4.1 Challenges in Waqf-Based Education Funding

While waqf has the potential to provide long-term, sustainable funding for education, several challenges inhibit its ability to fulfill this role effectively. These challenges range from governance issues to public awareness and the complexities of integrating waqf with modern financial systems. Addressing these obstacles is crucial for waqf institutions to become more effective and maximize their impact on educational development.

#### 4.1.1 Governance Issues

One of the most critical challenges facing waqf-based education funding is governance. Many waqf institutions operate under outdated legal frameworks that fail to provide the flexibility and transparency needed in today's financial environment. Governance structures in many waqf institutions are often hierarchical and lack modern accountability measures, which can result in inefficiencies and the underutilization of waqf resources. A study by Khan et al. (2018) revealed that many waqf boards lack the necessary expertise in financial management, leading to poor investment decisions and the mismanagement of waqf assets. For example, waqf properties might be left unused, or their income

potential is not maximized, preventing them from generating sufficient funds to support educational initiatives.

In some cases, waqf boards are appointed based on political or familial ties, rather than expertise in finance or education. This can create conflicts of interest or a lack of motivation to ensure the waqf operates effectively. Furthermore, legal frameworks governing waqf often vary widely between countries, and in some cases, the law does not require transparency in waqf administration. As a result, donors may lack confidence that their contributions are being used effectively, which discourages further donations. Introducing modern governance practices, such as regular audits, transparent reporting, and appointing professional waqf managers, could significantly improve the efficiency and impact of waqf institutions. Adopting technology like blockchain could also improve transparency by allowing donors and stakeholders to trace the use of funds in real time (Salim & Ismail, 2021).

#### 4.1.2 Public Awareness and Engagement

Another significant barrier to the success of waqf-based education funding is the lack of public awareness regarding its potential. Although many people in Muslim-majority countries are aware of the concept of waqf, relatively few understand how it can be used to support education or how they can contribute to these initiatives. According to Yusuf and Abdurrahman (2019), this knowledge gap limits the number of individuals and organizations willing to contribute to waqf funds, thus reducing the pool of available resources. Public awareness campaigns are critical in encouraging contributions and explaining the benefits of waqf for educational purposes.

The role of waqf as a tool for social welfare is often overshadowed by other philanthropic practices, such as zakat (mandatory charity). As a result, people may prefer to donate through other channels, viewing waqf as a less effective or less immediate form of giving. Moreover, waqf is often seen as a tool for wealthy individuals who can donate large properties or significant amounts of money, rather than an accessible option for small donors. However, innovations like cash waqf and waqf shares allow for small, incremental donations, making waqf a viable option for a wider segment of society. Expanding public awareness of these new waqf models could help attract more contributions from individuals of different financial capacities.

Building trust through improved transparency is also essential to increasing public engagement with waqf. Donors are more likely to contribute when they are confident that their funds will be used effectively and for their intended purposes. Waqf institutions can enhance public trust by providing regular updates on how waqf funds are allocated and the impact of those contributions on education. Educational campaigns, community engagement, and partnerships with local mosques, NGOs, and educational institutions can also help raise awareness and encourage more widespread participation in waqf.



#### 4.1.3 Integration with Modern Financial Systems

The integration of waqf into modern financial systems presents another major challenge. Waqf institutions often face difficulties navigating complex legal and regulatory environments that are not fully aligned with contemporary financial practices. Regulations governing waqf differ significantly between countries, with some jurisdictions still relying on traditional frameworks that were designed for a different economic era. These outdated frameworks can restrict the flexibility of waqf institutions in managing their assets effectively, limiting their ability to invest in modern financial instruments or take advantage of new opportunities for generating income (Kamaruddin et al., 2020).

For example, in many countries, waqf assets are tied up in unproductive land or properties that generate little or no income. Due to regulatory constraints, waqf institutions may be unable to sell or repurpose these assets to generate more significant financial returns, thereby reducing their ability to fund educational projects. In contrast, modern financial systems provide a range of investment opportunities, such as stocks, bonds, or real estate investment trusts (REITs), which could potentially provide higher returns for waqf endowments. However, in many countries, waqf institutions are not equipped or permitted to engage in such investments due to restrictive legal environments.

Moreover, aligning waqf practices with Islamic finance principles while integrating into broader financial markets is a complex task. Waqf institutions must adhere to Shariah law, which prohibits interest-based transactions (*riba*) and speculative investments (*gharar*). This limits the types of investments waqf funds can make, requiring careful financial management to ensure compliance while still maximizing returns. The development of waqf-specific financial products, such as *sukuk* (Islamic bonds), could provide a way to integrate waqf into modern financial systems while maintaining adherence to Islamic principles.

Standardizing waqf governance and regulation across countries would also enhance its effectiveness as an educational funding tool. A uniform regulatory framework could help streamline waqf management, allowing institutions to operate more efficiently across borders. For instance, a global body could be established to oversee waqf governance and promote best practices, similar to the role of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in the Islamic finance industry. By aligning waqf governance with modern financial practices and providing clearer regulatory guidance, waqf institutions could generate more sustainable income to support education and other social welfare initiatives.

In conclusion, while waqf holds immense potential as a sustainable funding source for education, overcoming these challenges is essential for its long-term success. Addressing governance issues, increasing public awareness, and ensuring waqf's integration into modern financial systems will be key steps in realizing waqf's full potential as a major contributor to educational development. By tackling these barriers, waqf can become a more efficient and impactful tool for supporting educational institutions in Muslim-majority countries and beyond.

## 4.2 Opportunities for Enhancing Waqf in Education

Waqf has enormous potential as a sustainable funding source for education, but to fully harness this potential, several opportunities must be explored. By addressing governance issues, leveraging technology, and fostering partnerships, waqf can become an even more powerful tool for supporting educational development. Below are key opportunities for enhancing waqf-based education funding.

### 4.2.1 Improving Governance and Transparency

Improving governance and transparency within waqf institutions is essential for maximizing their impact on education funding. Many waqf institutions suffer from outdated governance structures, limited financial expertise, and a lack of transparency, which hinders their ability to manage resources effectively. Strengthening governance begins with the implementation of modern financial management practices, which involve the use of up-to-date accounting methods, regular financial reporting, and strategic investment practices that ensure waqf assets are being utilized efficiently. By adopting these modern practices, waqf institutions can better manage assets and generate sustainable income to support educational initiatives (Salim & Ismail, 2021).

One of the core aspects of improving governance is the establishment of regular audits. Audits provide a mechanism for evaluating whether waqf institutions are managing their assets responsibly and in accordance with Shariah law. By implementing regular, independent audits, waqf institutions can ensure that financial mismanagement is minimized and that funds are being directed towards their intended purposes, such as scholarships, building schools, or supporting underprivileged students. Additionally, audits help to promote accountability, which is crucial for building trust among stakeholders and donors. Transparency in waqf management can be enhanced by making audit reports publicly available, ensuring that donors and beneficiaries have a clear understanding of how waqf funds are being used.

Another critical element in improving governance is greater oversight from regulatory bodies. National or regional waqf authorities can play a key role in standardizing waqf governance by providing clear guidelines and frameworks for waqf management. In countries like Malaysia and Indonesia, waqf institutions operate under the oversight of state religious councils, which set standards for waqf administration and ensure that funds are managed in accordance with legal and ethical standards. By extending such regulatory oversight across more countries, waqf institutions could operate more consistently and with greater efficiency. Implementing best practices in waqf governance, such as appointing professionals with financial expertise to manage waqf assets and using technology to track funds, could significantly enhance the effectiveness of waqf in education funding.

### 4.2.2 Leveraging Technology

The adoption of technology, particularly financial technology (fintech), offers significant opportunities for enhancing waqf-based education funding. One of the most promising fintech

innovations for waqf management is blockchain technology, which can greatly improve transparency and accountability. Blockchain allows waqf institutions to create immutable records of donations, ensuring that all transactions are traceable and transparent. This technology can prevent fraud and mismanagement by allowing donors and regulatory bodies to track how waqf funds are being utilized. The real-time nature of blockchain also enables donors to monitor the impact of their contributions, increasing donor confidence and potentially attracting more funds for educational projects (Salim & Ismail, 2021).

In addition to blockchain, fintech platforms have made it easier for individuals to participate in waqf donations through digital cash waqf. With digital platforms, individuals can make small, regular contributions to waqf funds through mobile applications, expanding the accessibility of waqf donations. This democratizes the waqf process, enabling people from various financial backgrounds to contribute to educational initiatives, even if they cannot make large endowments. The pooling of small donations from a broad base of donors can generate significant funds over time, which can then be invested in income-generating activities to support long-term educational projects. Digital cash waqf also allows for more dynamic fundraising, with donors able to contribute from anywhere in the world, broadening the global reach of waqf-based education funding (Kamaruddin et al., 2020).

Another technological innovation in waqf is the development of waqf crowdfunding platforms. These platforms, much like conventional crowdfunding websites, enable waqf institutions to showcase specific educational projects and invite donations from the public. Crowdfunding can be particularly effective in raising funds for targeted projects, such as building new schools, providing scholarships, or developing educational technology for underserved communities. By using fintech platforms to streamline donations and ensure transparent reporting, waqf institutions can attract a broader base of donors and ensure that funds are allocated efficiently.

#### 4.2.3 Public-Private Partnerships (PPP) in Waqf Education Funding

Public-Private Partnerships (PPP) present a powerful opportunity to enhance the sustainability and reach of waqf-based education funding. PPPs enable waqf institutions to collaborate with private enterprises, leveraging private sector resources and expertise to complement the philanthropic efforts of waqf. These partnerships can help bridge the gap between limited government funding for education and the growing demand for educational services, particularly in developing countries.

In countries like Malaysia and Turkey, waqf institutions have successfully implemented the Waqf-PPP model to support various educational initiatives. In Malaysia, for example, partnerships between waqf institutions and private companies have been established to fund scholarships, develop educational infrastructure, and support vocational training programs. The involvement of private sector companies brings additional financial resources and business expertise, which can improve the management of waqf assets and increase the efficiency of educational projects (Abdullah & Osman, 2017).

Private sector companies involved in Waqf-PPP models can also benefit from the partnership through corporate social responsibility (CSR) initiatives. By collaborating with waqf institutions to fund education, companies can fulfill their CSR objectives while making a meaningful impact on society. In return, waqf institutions benefit from the managerial expertise and resources of the private sector, which can help to optimize the use of waqf assets and expand the scale of educational initiatives. These partnerships have the potential to generate substantial returns, allowing both waqf institutions and private companies to reinvest in future educational projects.

Waqf-PPP collaborations can also focus on developing sustainable educational models that are not solely reliant on waqf funds. For example, private companies can work with waqf institutions to create revenue-generating educational facilities, such as schools or universities, that charge nominal fees to students. These fees can be reinvested into the waqf fund, creating a self-sustaining cycle where the educational institution can continue to grow and support more students over time. By combining the philanthropic nature of waqf with the financial sustainability of private sector involvement, Waqf-PPP models provide a scalable solution for addressing the funding challenges faced by educational institutions.

In summary, Public-Private Partnerships offer a strategic approach to expanding the impact of waqf in education funding. By working together, waqf institutions and private enterprises can leverage each other's strengths to create sustainable, high-impact educational projects that benefit both donors and recipients. These partnerships have the potential to significantly increase the reach and effectiveness of waqf-based funding for education, ensuring that more students have access to the resources they need to succeed.

## **5. CONCLUSION**

The study highlights waqf's significant potential as a sustainable and impactful source of education funding, particularly in Muslim-majority countries. Over time, waqf has evolved from traditional forms of donating land and buildings to more flexible models like cash waqf and waqf shares, allowing greater inclusivity. However, challenges such as outdated governance, limited financial expertise, and lack of transparency must be addressed to unlock its full potential.

The first key finding stresses the need for improved governance and transparency. Many waqf institutions struggle with poor financial management, which limits their effectiveness in supporting educational initiatives. Implementing modern financial practices, conducting regular audits, and increasing regulatory oversight are crucial steps to prevent mismanagement and build donor trust.

The second finding highlights the transformative role of financial technology (fintech). Technologies like blockchain can enhance transparency, accountability, and real-time tracking of donations, improving donor confidence. Digital platforms have also democratized waqf donations, allowing people of various income levels to contribute regularly (Iqbal, 2022).

The third finding emphasizes the role of Public-Private Partnerships (PPP) in scaling waqf-based education funding. Successful collaborations in countries like Malaysia and Turkey demonstrate how waqf can leverage private sector resources to increase

the impact, efficiently manage educational projects, and provide sustainable solutions (Abdullah & Osman, 2017; Zainuddin & Mahmud, 2018).

These findings underline the importance of improving governance, adopting fintech innovations, and forming strategic public-private partnerships to maximize waqf's role in education. With these steps, waqf can address funding gaps, provide quality education to underserved populations, and contribute to broader socio-economic development. In the final perspective, waqf has the potential to become a transformative tool for sustainable and equitable education globally, but realizing this requires a concerted effort to modernize governance, embrace technology, and build strategic collaborations. Waqf's evolution can help shape a brighter future for generations to come.

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