Green Economy and Green Waqf Opportunities of Digital Assets

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Abstract. Green economy and green waqf opportunities of digital assets. This study aims to explore an understanding of green economy collaboration and green waqf opportunities using digital assets. Exploratory studies are an option to photograph new phenomena that will arise in the management of digital waqf assets. From the results of the study, it was found that there has been a waqf practice in digital form, namely software. However, they have not been able to confirm that it is purely a digital waqf because there is no definite governance of the digital waqf. So they hope that there is a management of waqf assets that is technically easy and understandable. This research has implications for the need for special literature, as well as governance in the management of digital waqf assets. This can be done through ongoing research development efforts. The results of this study reveal that the management of digital waqf assets is a new step in the world of philanthropy, and there will be a big impact but it has complexities that will find a way out.

Keywords: green economy · green waqf · assets · digital waqf · software

1 Introduction

Until now, economic growth has been built by the rapid expansion of natural resource-based industries, especially mining, energy, agriculture, and forestry. Of course, this has had an effect on changes in the economy, including a shift away from the primary industry and the expansion of the service sector [1]. The impact is not only on Indonesia's economic growth, but also on the emergence of increasing social and environmental problems. This is a challenge going forward, so maintaining balance is very important. It is necessary to strive for things to increase economic growth, while still keeping the social and environment protected.

Green economy is synonymous with sustainable development [2], and the word sustainable is very close to green waqf. Green waqf is sought to support the achievement of sustainable development, as well as to overcome the challenges of climate change and the energy crisis that endanger people's lives, both national as well as global level [3]. Green waqf in context, becomes important and fundamental. Moreover, the idea of green waqf was born based on the fact that to support the implementation of the SDGs roadmap until 2023.

To support this step, collaboration between stakeholders is needed, so as to be able to solve existing problems. In his idea, green waqf proposes four stages of preconditioning, where in this phase, efforts to realize the importance of utilizing waqf for sustainable interests need to continue developed. Interestingly, the concept of green waqf is also collaborated with digital. According to [4] waqf is a place of exploration as a source of funding from organizations and individuals who in the future have endowments for the benefit of the people. [5] stated that waqf has the potential to give birth to new innovations, namely a form of waqf collaboration with digital assets. It is also reinforced by the argument of [6] that waqf is not always in the form of tangible assets, intangible assets also have great benefits.

The use of digital technology has made it the main need at this time, in fact it has been collaborated a lot with the development of science [7], one of which is accounting. Digital technology is a fast counter system by processing information in the form of digital codes or numerical values (numbers). Its form can be in the form of hardware, software or systems/methods, infrastructure and supporting devices. Accounting is very synonymous with numbers, not only numbers, although it is not only a matter of numbers. It is undeniable that the digital concept if connected to assets will occur a fusion. In addition, it can also intersect with other *accounts*, such as income, expenses, as well as elements of financial statements. Because what we really know as *an account* is a meaningful symbol, say an asset, contained in the meaning of ownership.

A digital asset according to *securities.io* is something that exists in binary data that is stand-alone, uniquely identifiable, and has value or ability to use. Hartoyo [8] revealed that in its development, the digital assets that are popularly used are *e-money* (digital payments) and *cryptocurrencies* (digital currencies). We have used *e-money* itself in daily transactions, even now it is more dominant to use it compared to cash. In addition, there are *non-fungible token* or NFT designations that are currently popular. NFTs themselves are digital assets that can represent real-world objects such as art, music, in-game items, and videos. They are bought and sold online, often with *cryptocurrencies.*

Currently, the tendency of non-cash transactions is more urgent, so it is not surprising that as explained in the previous paragraph, technological developments are inevitable. I thought it would be interesting if digital was not only used in the buying and selling process, but also used in people's affairs. Like waqf, zakat and alms have also been busy using digital systems. This is what this paper focuses on. However, waqf will be more specifically studied in the discussion.

Wakaf is generally understood as the offering of a property that is benefited by the legal intactness of the material of the object with the aim of breaking the chain of transfer of property rights [9]. There are four periods of development of waqf implementation, namely the pre-Islamic period, the prophetic period, the post-prophetic period (islamic dynasty), and the modern period [10]. In the pre-Islamic period, waqf was still used to meet the needs of the family, the general public, and the needs of worship. Waqf in prophetic times does not only meet needs, but its giving has been based on the intention to draw closer to Allah Almighty. Furthermore, during the third period, post-prophetic or better known as the caliphate period, waqf was more developed in educational institutions. In addition, during this time a special institution was established that managed waqf under the supervision of judges. The last is waqf in modern times, although many

developments from previous times, this has also undergone a transformation, such as waqf becoming a means of financing for the Islamic religion as an entity of society [11].

Until today, the development of waqf is quite rapid, in addition to 3M (mosques, madrasahs, and tombs) the expansion of waqf until productive forms have been carried out. Even now digital waqf is predicted to be one of the innovations to be used more widely. A presentation from Dr. Yuli Yasin from the Indonesian Waqf Board in the National seminar on March 19, 2022 stated that waqf from time to time continues to experience rapid development and even penetrates the digital world. This argument is strengthened by the research of Syaifullah and Idrus [12] that waqf is one of the Islamic financial instruments that can strengthen the national economy, so that the digital era is also an important target in the distribution of waqf assets.

In line with Mahfud *et al.* [13] the digitization of Islamic philanthropy is important, especially zakat and waqf. Nevertheless, technological advances became a common chore because it was still feared that its management would become a new difficulty for the nazhirs. Speaking of the difficulty of waqf management, this is true. Bakar [14] which he did in three countries, Malaysia, Indonesia and Cambodia. The results of his research stated that one of the biggest challenges in waqf is that there is no waqf governance that suits your needs. So far, research for true waqf accounting is still limited in the scope of governance, however, as far as the author has not studied, there has been no research that implements the form of digital waqf accounting and governance. The overall management is adjusted to the conditions in each country. But the good news is that Indonesia is one of the best waqf management countries, especially its cash waqf.

Digital waqf is a type of waqf in the form of assets in the form of digital assets to be utilized both directly and in productive form whose profits are given to waqf beneficiaries (*mauquf 'alaih*) in accordance with sharia regulations. In general, digital waqf itself has not been a special concern in a literature. Hi this is also one of the reasons why this paper discusses digital waqf, because there is still little literature that focuses on the discussion of digital waqf. Especially what kind of digital assets you want to represent. Based on the explanation of the previous paragraph, the main urgency of conducting this research is to provide an exploratory view of the urgency, impact and complexity of digital waqf assets.

2 Material and Methods

This research will use qualitative research with an exploratory level of analysis. Sugiyono [15] mentioned that qualitative research is a method based on the point of view of postpositivism. There is also the opinion that qualitative research has the aim of understanding phenomena in a social context scientifically with the core process of deep communication interaction between the researcher and what is being studied [16]. Exploratory research is part of a qualitative approach, the purpose of which it is to search for new ideas or relationships on a particular phenomenon [17].

Digital waqf is a new thing in the world of philanthropy, where this is the implication of the digital world. Therefore, the use of exploratory research is to contribute to finding relationships and symptoms to be studied and trying to find out the form of the relationship. This study examines the condition of natural objects so as to place the researcher

as a key instrument. On the other hand, this research depends on the imagination and willingness of the researcher. In fact, the researchers in this study already have an idea or are equipped with a theory, however, which part of the theory can be used must be studied more deeply. So that in exploratory research, the problem has not been specifically formulated. The researcher's knowledge of the symptoms or events to be studied is still very little. As a result, it is impossible for the researcher to focus attention on specific aspects of the social situation.

Flexibility is very possible in this study, since it has not been limited to hypotheses and problems [18]. To capture data or information, a list of open-ended questions is usually used so that the information that can be collected is a lot. The number of samples in this study can also be said to be not so concerned. So more attention is the relationship between certain symptoms only. Of course, regarding data from all aspects and symptoms studied must be collected for identification needs. Ultimately the purpose of exploratory research is to formulate hypotheses that are useful for advanced research, or at least provide a basis for determining and formulating more thoroughly the research problem. The end result of exploratory research is a hypothesis, the beginning of a new theory.

To find out whether digital waqf has become a special concern or is still a phenomenon, this study uses literature reviews and *depth interviews*. For *depth* interviews in the form of interviews with several informants, in this case there were four informants encountered. First, the coordinator of the Indonesian Waqf Board (BWI) in East Java as well as lecturers from Airlangga University, then the Chairman of the Waqf and Muhammadiyah Kehartabendaan Assembly in Malang City, jurists, namely lecturers at Maliki State Islamic University Malang and Lecturers at the College of Arabic Language Sciences (STIBA) Makassar. Meanwhile, the *review* literature is in the form of documents in the form of laws governing waqf, as well as some supporting literature that focuses on digital waqf studies as a complement to instruments.

3   Results and Discussion

The problem of waqf, especially in digital waqf, is still not a literature or research that discusses it specifically. Several factors are found in the field, such as the source of data obtained is still very minimal and informants related to digital waqf assets are also limited and can even be said to be non-existent. In general they still focus on productive waqf and cash waqf, because that is what is developing at this time. With a focus on the world of 4.0 [19], there is a huge opportunity for digital waqf, so that both business and philanthropic process estuaries will use the digitalization space.

There is something inevitable when connecting waqf in the digital space. In terms of understanding, there are still many who agree that the digitization of waqf is the same as digital waqf. Even though the two are different, where the digitization of waqf is the management process. While digital waqf is a form of waqf itself. Nonetheless, this limited understanding is due to the absence of literature that distinguishes the two. We could have said that the coordinates of the land being represented are a form of digital waqf, or also in sending money to the Foundation's account with the intention of waqf being a digital waqf. Inaccuracies in interpreting both will of course continue to occur if they are not straightened out.

All-digital conditions lead us to specifically gain efficiency and resource optimization [20]. Understanding digital forms has a lot of impact on convenience, especially on society, isn't it good news. The illustration is like this, we must be very familiar with digital platforms such as Gojek, Grab, *Shopeefood*, Maxim, Lazada, Buka Lapak, and so on. The usefulness is also that we have understood correctly, with this medium our lives are greatly facilitated. In addition, there will be types of waqf with different forms in general. If the *platform* or *software* is represented, of course, it will be a new innovation. If a digital form of waqf can be pursued, and there are wakifs who want to represent it, we can imagine that the *mashlahah* of this activity will certainly have a big impact.

Wakaf can be said to be easy in the process, utilization to the form of management. Waqf assets that are more popular today are in physical form, but may not be physical. As mentioned in the previous paragraf. The use of waqf in digital form is believed to have a greater impact. This study conducted discussions with four informants.

As Prof. Radit understands, if the assets represented are digital *software* or in any form it is allowed, the problem is the ownership. This must be emphasized from the beginning, because basically the waqf does not give up in its entirety, from the results of the use of part of the waqf which produces something and is used for the benefit of the people. From this discussion, it raises a complexity if later digital waqf exists. Furthermore, the opinion of Mr. Jalal states that waqf basically has two things, waqf of property and waqf of benefits. Treasures of any kind can be represented, as well as something useful can be represented. From this then comes the concept of whether it should be eternal or temporary. Of course, in some people's understanding, it is immortal. However, if you refer to Law No. 41 of 2004 concerning waqf, it can be temporary or not eternal. So that if there is a practice in the waqf process in the form of digital property, it is okay, but specific regulations regarding digital waqf governance do not yet exist.

The opinion of the two informants was previously reinforced by Mr. Syarif regarding waqf is a flexible form. Physical and digital forms are no problem, because the goal is benefit for the people. The obstacle at the moment is inadequate governance. The development of digital waqf has also penetrated in the Sulawesi area, Ustad Hendra that in their place there is already one of the employees who represents software for the benefit of the campus. The software that is represented is intended for the campus academic system, and from this use the owner of the software is not given any compensation at all. Nevertheless, they are still uncertain about saying that it is a form of digital waqf, because there is no specific regulation that regulates it.

It needs a more specific review process for the management of the software itself, because there is still an understanding that waqf is only in the form of goods, land, and buildings. Instantly existing in digital form will inevitably raise big questions, such as what the recognition and management of these assets will look like. Let's say there's an app that you want to represent, of course, it's not just in the process. There will be questions as to what is being asked? Ownership or benefits? What the operation looks like, which is reported as coverage is clear as to what, there are many technical matters that are the source of questions.

These problems and complexities are what make this research present as the initial stage to formulate a concept of digital waqf asset governance. From the results of discussions with informants, the four agreed that there is a big impact that will be caused by

the existence of digital waqf. Starting from the diversity of the contract process, the form of waqf, governance, to its utilization and the quantity of those who receive benefits. However, it is undeniable that complexity will also coexist with the existence of digital waqf. One way out is to formulate the concept of digital waqf and its governance.

4 Conclusion

The concept of sustainable development in Indonesia has become a mandate in the Preamble to the 1945 Constitution. So it is our collective responsibility to find a way so that the mandate can be realized properly. One of them is by pursuing the concept of collaboration between the green economy, green waqf and digital assets which are expected to make a major contribution in all lines of life community. Nevertheless, there are still many things that need to be formulated again properly. As a result of this study, there are still records, especially in collaborating with it.

Digital waqf basically already exists that practices but does not yet have standardization or a patented rule. So that there are still many who understand that the treasures that are represented are only limited to physical forms. In addition, there is still a misconception regarding the definition of digital waqf. Like digital waqf is understood as a form of management, even though if you search more specifically it is a very different thing. It is not a management, but a form that is represented. This is the reason for the author to start an early breakthrough in seeing the great potential behind digital waqf later. The form of digital waqf can be in the form of *software*, digital *platforms*, or information systems that can help facilitate the process of activities. In practice, there are already those who practice this, but not specifically in governance. So that this research as a first step to continue will formulate a digital waqf concept.

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