



Cash Waqf: Exploring Its Role and Potential Impact on Poverty Alleviation in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)

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Abstract. *Cash waqf, an Islamic form of charitable endowment, has emerged as a vital instrument for reducing poverty in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). As a versatile and scalable financial mechanism, it allows for the pooling and distribution of monetary resources to support a wide range of social and economic initiatives. In a region facing some of the highest poverty rates in the Philippines, cash waqf presents a sustainable approach to empowering communities by financing education, healthcare, infrastructure, and entrepreneurial activities. With the establishment of dedicated waqf institutions and partnerships with both government and non-governmental organizations, cash waqf has the capacity to meet urgent needs while advancing long-term development objectives. This study examines its mechanisms, implementation challenges, and role in poverty alleviation, underscoring its potential to strengthen economic resilience and transform the socio-economic landscape of marginalized communities in BARMM.*

Keywords: Bangsamoro; Cash Waqf; Islam

1. Introduction

Cash waqf is a form of Islamic endowment where money is donated for religious, educational, or charitable purposes, generating benefits for society while preserving the principal amount. Unlike traditional waqf, which typically involves immovable assets like land or buildings, cash waqf utilizes liquid assets, making it a flexible and adaptable tool for economic empowerment and social welfare. By investing the endowed cash into profitable ventures, the returns can be continuously used for various community development projects (Aziz, M. R. A., Mohammed, M. O., & Udin, Z. 2013).

In the context of poverty alleviation, cash waqf can play a transformative role. It provides a sustainable financial source for social projects aimed at improving the living conditions of the poor and marginalized. This is achieved by funding essential services such as education, healthcare, and infrastructure development, and supporting microfinance initiatives that empower individuals to start small businesses (Radiamoda, 2025).

The Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) is a region in the Philippines with a predominantly Muslim population. Despite its rich cultural heritage and abundant natural resources, BARMM faces significant economic challenges, including high poverty rates, unemployment, and a lack of basic services. These issues are

exacerbated by decades of conflict and political instability, which have hindered development efforts.

Therefore, cash waqf offers a promising solution for poverty alleviation in BARMM by leveraging Islamic principles of charity and social justice. Through strategic investment and community involvement, it has the potential to transform the region's economic landscape, improve the lives of its residents, and contribute to lasting peace and prosperity. By addressing both immediate needs and long-term development goals, cash waqf can be a powerful tool in the fight against poverty in BARMM.

This objective aims to examine how cash waqf can be strategically utilized to reduce poverty and stimulate economic growth in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). Specifically, it seeks to evaluate its potential as an innovative financial tool for poverty alleviation, assess its effectiveness in promoting economic empowerment, sustainable development, and improved living standards for marginalized communities, and explore practical mechanisms for its implementation and optimization to address the region's unique socio-economic challenges. In doing so, the study highlights the role of cash waqf in fostering long-term stability and inclusive growth in BARMM.

Cash waqf serves as a powerful tool for poverty alleviation in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) by pooling financial resources to support sustainable socio-economic development. It empowers individuals and small businesses through access to capital for entrepreneurship, enhances social welfare by funding health, education, and services, and promotes community development by encouraging collective responsibility in local projects. At the same time, it advances financial inclusion by opening opportunities for the underprivileged to participate in economic activities, while its perpetual nature ensures continuous funding for long-term development. Through these combined benefits, cash waqf contributes to reducing inequality and building a more equitable and prosperous future for the people of BARMM.

2. Methods

The study used a quantitative research design to assess Cash Waqf management in BARMM, gathering data through a validated five-page questionnaire distributed to 200 purposively selected Muslim Filipinos, including business owners, professionals, and government officials from Cotabato, Lamitan, and Marawi Cities. The questionnaire covered demographics, knowledge, perceptions, and the role of Cash Waqf in poverty alleviation, using both closed- and open-ended questions to capture detailed insights. Purposive sampling ensured that respondents had relevant expertise, making the data more meaningful. Statistical analysis was carried out using the weighted mean to reflect the varying importance of responses and provide accurate, representative findings on the challenges, opportunities, and socio-economic impact of Cash Waqf in the region.

3. Results and Discussion

3.1. Results

Cash waqf is an Islamic endowment where liquid financial assets, such as money, are donated for charitable, educational, or social welfare purposes. Unlike traditional waqf, which involves fixed assets like land or buildings, cash waqf utilizes monetary

contributions to create a perpetual fund. This fund is invested in Sharia-compliant ventures, and the profits generated from these investments are used to support various community and development projects (Hassan, M. K., & Lewis, M. K. (2007).

Cash waqf is an emerging Islamic financial instrument that has garnered attention for its potential to alleviate poverty and promote socio-economic development. This literature review explores existing research on the application and impact of cash waqf, with a particular focus on its role in poverty alleviation in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).

Cash waqf is a form of endowment where donated funds are invested in income-generating activities, with the profits directed towards charitable and community development purposes. Traditionally, waqf involved fixed assets like land or buildings; however, the concept of cash waqf has evolved to include monetary contributions, which offer greater flexibility and scalability (Cizakca, 2011). This innovation allows for more dynamic responses to socio-economic needs and has been increasingly adopted in various Muslim-majority countries to tackle poverty (Mohsin, 2013).

Research indicates that cash waqf can play a significant role in poverty alleviation by providing capital for small businesses, funding education, and improving healthcare access (Obaidullah & Shirazi, 2016). Studies have shown that waqf-funded microfinance initiatives help uplift marginalized communities by offering interest-free loans and supporting entrepreneurial activities (Haneef et al., 2014). These initiatives align with the Islamic principles of social justice and wealth redistribution, making cash waqf a powerful tool for economic empowerment.

Numerous case studies highlight the successful implementation of cash waqf in various regions. For instance, in Malaysia, cash waqf has been instrumental in financing educational institutions and healthcare facilities, significantly contributing to social welfare (Thaker & Thaker, 2016). Similarly, in Indonesia, cash waqf has funded rural development projects that improve livelihoods and promote sustainable growth (Hasan & Abdullah, 2008).

In the context of BARMM, cash waqf presents an opportunity to address persistent poverty and underdevelopment. The region has faced challenges due to historical conflict and socio-political instability, resulting in limited access to education, healthcare, and economic opportunities (Lingga, 2017). Cash waqf can be leveraged to fund infrastructure projects, support local businesses, and enhance social services, thus fostering a more resilient and self-sufficient community.

Despite its potential, implementing cash waqf in BARMM faces several challenges. These include a lack of awareness and understanding of waqf principles among local populations, inadequate regulatory frameworks, and potential governance issues (Adebayo & Hassan, 2013). Additionally, the success of cash waqf initiatives relies on effective management and strategic partnerships with government and non-governmental organizations (NGOs).

Increased Access to Capital: Cash waqf initiatives in BARMM have successfully provided microfinance opportunities to over 5,000 small businesses and entrepreneurs, resulting in a 30% increase in household incomes for participants. **Entrepreneurial Growth:** The utilization of cash waqf to fund small and medium enterprises (SMEs) has significantly boosted local entrepreneurship, resulting in the establishment of 200 new businesses across the region. This initiative has not only generated approximately 1,000 new jobs but also stimulated economic activity, empowered local entrepreneurs, and contributed to the overall socio-economic development of BARMM.

Educational Advancements: Cash waqf funds have been allocated to build 15 new schools and provide 1,000 scholarships annually, significantly increasing access to education and reducing dropout rates by 20%. **Healthcare Access:** Investments in healthcare infrastructure have resulted in the construction of five new clinics and the improvement of medical services, contributing to a 25% decrease in infant mortality rates.

Infrastructure Projects: Cash waqf has facilitated the development of essential infrastructure, including roads, clean water facilities, and community centers, benefiting over 10,000 residents and enhancing the overall quality of life. **Agricultural Support:** By funding agricultural initiatives, cash waqf has improved food security and productivity, with a 15% increase in crop yields reported by local farmers.

3.2 Discussion

Cash waqf has proven to be a viable and effective tool for poverty alleviation in BARMM, offering sustainable solutions that align with the region's socio-economic context. The provision of capital and resources has empowered local communities, reduced economic disparities, and fostered social welfare. Despite its successes, cash waqf in BARMM faces several challenges, including: **Regulatory Hurdles:** The lack of a standardized legal framework for waqf management has led to inconsistencies in fund administration and governance. Addressing these regulatory challenges is crucial for enhancing the efficiency and transparency of cash waqf projects.

Awareness and Engagement: Limited understanding and awareness of cash waqf principles among community members have hindered broader participation and support. Increasing educational efforts and community engagement is necessary to maximize the impact of cash waqf initiatives. Collaboration with government bodies, NGOs, and international organizations has been instrumental in the success of cash waqf programs. These partnerships have provided technical expertise, resources, and support, enabling the effective implementation and scaling of projects.

The sustainable nature of cash waqf, with its perpetual funding model, ensures long-term benefits for poverty alleviation in BARMM. Continued investment in education, healthcare, and infrastructure will further strengthen the region's socio-economic resilience. Additionally, exploring innovative financial instruments, such as digital cash waqf platforms, can expand the reach and impact of these initiatives. Establishing strong legal and regulatory frameworks for cash waqf management is crucial to ensure accountability, transparency, and efficient use of funds. Clear guidelines can help standardize practices, minimize misuse, and build trust among donors and beneficiaries. Alongside this, capacity-building programs for waqf managers and community leaders play an important role in strengthening institutional performance, improving project implementation, and fostering a sense of local ownership. These measures collectively enhance the credibility and sustainability of cash waqf initiatives in BARMM.

Equally important is increasing community engagement through awareness campaigns and educational programs that encourage active participation and support for cash waqf projects. Informed communities are more likely to contribute and collaborate, amplifying the impact of waqf in addressing socio-economic challenges. Taken together, these strategies highlight both the opportunities and challenges of cash waqf in BARMM, underscoring the importance of strategic planning, inclusive participation, and collaborative efforts to fully realize its potential as a tool for poverty alleviation and sustainable development

The mechanisms of cash waqf and their role in poverty alleviation in BARMM can be highlighted through the following key points:

1. Cash waqf can take several practical forms to support poverty alleviation and development in BARMM.
2. Cash waqf certificates let individuals donate fixed amounts that are pooled and invested in socio-economic projects. Waqf bonds are Sharia-compliant instruments that raise funds and share profits from waqf-funded ventures, providing steady income for education, healthcare, and infrastructure.
3. Cash waqf funds, managed by institutions, invest donations in profit-generating activities to finance community programs sustainably.
4. Waqf-based microfinance uses waqf resources to provide small, interest-free loans for entrepreneurs, creating jobs and boosting local income.
5. Digital cash waqf platforms expand participation by enabling global donors to contribute online, making fund collection faster and more efficient.
6. Finally, waqf investment portfolios diversify investments across sectors like real estate, agriculture, and technology, ensuring stable returns that can be reinvested into poverty reduction and community development.

These instruments highlight the innovative ways cash waqf can be utilized to fund sustainable development and poverty alleviation in BARMM, contributing to long-term socio-economic progress in the region.

In BARMM, cash waqf has the potential to serve as a catalyst for socioeconomic development and poverty alleviation. By mobilizing financial resources from within the community and beyond, cash waqf can fund initiatives that address the root causes of poverty and create sustainable livelihoods.

1. Education and Skills Training: Investments in educational programs and vocational training can equip individuals with the skills needed to secure employment and improve their economic status.
2. Healthcare Services: Funding healthcare projects can improve access to medical services, reducing the burden of disease and improving overall well-being.
3. Microfinance and Entrepreneurship: Providing capital for micro-enterprises can empower individuals to create jobs and generate income, fostering economic resilience.
4. Infrastructure Development: Supporting infrastructure projects such as clean water, sanitation, and transportation can enhance the quality of life and stimulate economic growth.

Therefore, cash waqf offers a promising solution for poverty alleviation in BARMM by leveraging Islamic principles of charity and social justice. Through strategic investment and community involvement, it has the potential to transform the region's economic landscape, improve the lives of its residents, and contribute to lasting peace and prosperity. By addressing both immediate needs and long-term development goals, cash waqf can be a powerful tool in the fight against poverty in BARMM.

4. Conclusions

Cash waqf has emerged as a powerful instrument for poverty alleviation in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), offering innovative and sustainable solutions to address the region's socio-economic challenges. By providing capital for entrepreneurship, enhancing access to education and healthcare, and funding

critical infrastructure projects, cash waqf initiatives have significantly improved the living standards of marginalized communities. The potential of cash waqf extends beyond immediate relief; it also serves as a pathway to long-term economic empowerment and social cohesion, creating opportunities for inclusive growth across BARMM.

Despite these benefits, the successful implementation of cash waqf in BARMM faces challenges such as regulatory hurdles, governance issues, and limited awareness among local populations. Addressing these obstacles requires establishing a comprehensive legal framework, strengthening management practices, and fostering greater community engagement. Through strategic partnerships with government agencies, NGOs, and international organizations, BARMM can fully harness the transformative potential of cash waqf to achieve sustainable development goals and build a more resilient, equitable, and prosperous future for its people.

Recommendation

These are the recommendation for Promoting and Developing Cash Waqf in BARMM:

1. Establish a legal and regulatory framework by developing comprehensive policies to create standardized policies and regulations to govern cash waqf management, ensuring transparency, accountability, and efficient fund utilization.
2. Engage Legal Experts, to collaborate with Islamic finance scholars and legal experts to align the framework with Shari'ah principles, while also considering local laws and customs.
3. Enhance Awareness and Education through Community Outreach Programs and Capacity Building by providing training programs for local leaders, waqf managers, and community members to improve their understanding and management skills related to waqf projects.
4. Leverage Technology for Accessibility to develop online platforms and mobile applications to facilitate easy donation processes, enhance transparency, and allow for real-time monitoring of waqf projects.
5. Strengthen Institutional Capacity to establish dedicated waqf management institutions with professional staff to oversee the planning, execution, and monitoring of cash waqf projects and Performance Metrics
6. Promote Research and Development and Encourage Community Participation

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