



Integrating Productive Waqf for Halal Infrastructure Acceleration: A Critical Ethnography in LAZISMU Doro

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Abstract

This study examines the integration of productive waqf as a strategic instrument to accelerate the development of halal industry infrastructure through a critical ethnographic approach at LAZISMU Doro, Pekalongan. The findings reveal that although productive waqf has begun to support community-based economic activities such as microenterprises, agriculture, and sharia-compliant local businesses, its integration into the halal industry ecosystem remains at an early, unstructured stage. The study highlights key challenges, including limited public understanding of productive waqf, inadequate institutional capacity, suboptimal governance systems, and unequal power relations that affect participation and decision-making. Despite these constraints, productive waqf has significant potential as an alternative, sustainable financing mechanism capable of strengthening local economic structures and promoting social welfare. The research proposes an integrative model consisting of waqf collection, productive management, sectoral integration with halal industries, institutional strengthening, and impact-based evaluation. This model emphasizes the importance of governance reform, stakeholder collaboration, and community empowerment to optimize the role of waqf in building an inclusive and sustainable halal economic ecosystem.

Keywords: Productive Waqf; Halal Industry; Islamic Social Finance; Institutional Governance; Community Empowerment; Critical Ethnography.



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INTRODUCTION

The Muhammadiyah Amil Zakat Infaq and Alms Institution (LAZISMU) Doro District is one of the amil zakat institutions formed by the community, later inaugurated by the government in Pekalongan. The existence of LAZISMU in Doro District can be seen as one of the instruments that can help the government in overcoming poverty. As an institution that manages zakat, infaq, and alms funds, LAZISMU must continue to improve its performance to sustain a competitive advantage. One performance measurement tool is the Balanced Scorecard (BSC). There are four perspectives in measuring performance with a balanced scorecard, namely the customer perspective, the internal business perspective, the learning and growth perspective, and the financial perspective (Meena & Tibrewala, 2026). The Muhammadiyah Amil Zakat, Infaq, and Alms Institution (LAZISMU) Doro plays a strategic role in mobilizing Islamic social finance to strengthen community economic empowerment. Among these instruments, productive waqf has evolved from a charitable endowment into a sustainable financing mechanism that supports long-term economic development. While the global halal industry continues to expand, its growth at the local level remains constrained by inadequate halal-supporting infrastructure, particularly limited access to halal-compliant production facilities, certification assistance, business mentoring, and integrated distribution networks for micro and small enterprises in Pekalongan. These infrastructure gaps prevent many community-based halal businesses from scaling despite strong market potential. Productive waqf offers an alternative financing mechanism to address these deficits by channeling philanthropic assets into sustainable halal infrastructure development. However, existing studies primarily examine productive waqf from managerial or normative perspectives, with limited attention to how local institutional dynamics shape its integration into halal infrastructure. This study therefore employs a critical ethnographic approach to examine how LAZISMU Doro operationalizes productive waqf to strengthen community-based halal infrastructure and identify the institutional barriers and opportunities influencing its effectiveness.

Waqf is one of the unique and distinctive Islamic economic instruments and is not owned by other economic systems (Ashari, A., & Asy'ari, 2022). This is because waqf is based on virtue values (*birr*), goodness (*Courtesy*), and brotherhood (*Ukhuwah*). The uniqueness of waqf lies in the transfer of property ownership from individuals to Allah SWT upon fulfillment, to ensure the asset remains eternal and provides sustainable benefits to the community. From an Islamic economic perspective, waqf is not only a form of social welfare but also an instrument of wealth distribution that can reduce inequality and improve the collective welfare of the community. In the economic context, waqf has great potential in improving people's welfare because it allows the transformation of benefits from personal interests to broader social interests (Aisyah, L.,

Alimuddin, A., & Suhada, 2020). The concept of waqf is rooted in Islamic economic principles. It has been practiced since the early days of Islam as an instrument to help needy groups while fulfilling religious obligations (Sairally, 2024). Along with the dynamics of modern economic development, waqf has undergone a paradigm shift from a merely consumptive social instrument to a productive waqf capable of providing sustainable economic added value. Productive waqf is not only used for the construction of worship facilities. However, it is also developed in the form of economic activities such as micro businesses, property asset management, the agricultural sector, and sharia-based educational services (Rozalinda, 2019). This transformation shows that waqf has great potential as an instrument for economic empowerment of the people if managed professionally, transparently, and accountably. Optimal management can create a multiplier effect by improving community welfare, creating jobs, and strengthening community-based economic independence (Hasbulah et al., 2026).

The rapid growth of the global halal industry requires robust, integrated infrastructure support from production to distribution. The halal industry not only includes food and beverages but also extends to the tourism, pharmaceutical, cosmetics, and Islamic finance sectors, which require sustainable financing (Adinugraha et al., 2026). In this context, productive waqf can be an alternative to strategic financing that is not only profit-oriented but also focused on sustainability and economic equity. The integration between productive waqf and the halal industry is believed to strengthen the sharia economic ecosystem as a whole. The implementation of productive waqf to support economic development, especially in the halal industry, still faces various complex challenges. These problems include institutional aspects such as Nazhir's professionalism, suboptimal governance, and limited innovation in the development of waqf assets (Rahman, 2022). In addition, regulations that are not fully adaptive to the development of productive waqf and low public literacy towards waqf are also obstacles in themselves. Therefore, a comprehensive approach is needed to understand the dynamics of waqf management in greater depth and context.

In previous studies, research on productive waqf generally focused more on aspects of management, collection, and distribution of economic benefits (AGOI et al., 2026). In contrast, studies that specifically integrate productive waqf with halal industrial infrastructure development are still relatively limited. In addition, the approach used in previous research tends to be quantitative or normative, so it has not been able to explore in depth the social reality, power relations, and daily practices in the management of waqf at the local level (Mutmainah et al., 2025). Therefore, a critical ethnographic approach is needed that not only describes the phenomenon but also uncovers the social dynamics and structures that shape the management of productive waqf. This approach is important for providing a more comprehensive understanding of how productive waqf integration can be optimized to support the development of community-based halal industry infrastructure, especially in local contexts such as the Amil Zakat, Infaq, and Muhammadiyah Doro Alms Institute.

The Muhammadiyah Amil Zakat, Infaq, and Alms Institution has a strategic role as an Islamic philanthropic institution that not only collects and distributes social funds, but also has the potential to develop productive waqf sustainably (Sari, 2021). The existence of LAZISMU at the regional level, such as LAZISMU Doro, is important for encouraging the integration of productive waqf with local economic development needs, including by supporting community-based halal industry infrastructure. With innovative, empowerment-based management, LAZISMU can act as an agent of change, optimizing the potential of waqf to improve the welfare of the community at large. The rapid expansion of the halal industry requires sustainable financing mechanisms capable of supporting community-based infrastructure beyond conventional public and private investment. Although productive waqf has been widely

recognized as an instrument for socioeconomic empowerment, existing studies primarily examine its governance, fundraising, or economic outcomes in isolation, with limited attention to its integration into halal industry infrastructure. Moreover, previous research has largely adopted quantitative or normative approaches, offering insufficient understanding of the institutional dynamics, power relations, and everyday practices shaping productive waqf implementation at the local level. This study addresses these gaps through a critical ethnographic investigation of LAZISMU Doro, Pekalongan. It asks: How is productive waqf integrated into halal industry infrastructure development, and what institutional and sociocultural factors facilitate or constrain this process? The novelty of this research lies in proposing an integrative, community-based model that connects productive waqf governance, institutional dynamics, and halal infrastructure development, thereby extending Islamic social finance literature beyond conventional governance and performance perspectives.

Based on these problems, this study aims to analyze the integration of productive waqf instruments to accelerate the development of halal industry infrastructure through a critical ethnographic approach at LAZISMU Doro. In particular, this study seeks to examine the management and utilization practices of productive waqf, understand the social, cultural, and institutional dynamics that affect its implementation, and evaluate the extent to which these integrations contribute to the sustainable strengthening of the halal industry ecosystem. In addition, this research aims to identify challenges, opportunities, and strategies to optimize productive waqf as an Islamic economic instrument to encourage inclusive and competitive infrastructure development.

RESEARCH METHOD

This study uses a qualitative, critical ethnographic approach to examine how productive waqf is institutionally negotiated within the emerging halal industry ecosystem at LAZISMU Doro. Rather than merely describing social practices, the analysis was guided by a power-knowledge perspective, examining how organizational authority, religious legitimacy, governance arrangements, and community narratives shape access to productive waqf resources and influence participation in decision-making. The emancipatory aim of the research was to identify structural barriers that constrain equitable community empowerment and to generate contextually grounded recommendations for more inclusive waqf governance. Researcher reflexivity was maintained throughout the study by documenting field reflections after observations and interviews, critically examining personal assumptions and institutional proximity, and continuously comparing emerging interpretations through iterative discussions with participants. Reflexive memos, triangulation across observations, interviews, and institutional documents, and member checking were used to minimize interpretive bias while ensuring that participants' perspectives remained central to the analysis. This approach strengthened both the analytical rigor and the critical orientation of the ethnographic inquiry. The qualitative approach was chosen because it can capture meanings, social practices, and institutional dynamics that cannot be explained solely by numbers, especially in the context of waqf management, which is laden with values, norms, and social interactions. Meanwhile, critical ethnography is used as an analytical framework not only to describe phenomena but also to reveal power relations, actors' interests, and social structures that influence decision-making in the management of productive waqf. This research was carried out in Pekalongan, given the area's economic potential, with MSMEs and creative industries quite developed, and productive waqf management practices that are beginning to be integrated with community economic empowerment. Thus, Pekalongan's local context provides a rich analytical space for understanding how productive waqf is implemented and integrated into the halal industry ecosystem.

Data collection in this study was carried out through a combination of participatory observation, in-depth interviews, and documentation to obtain comprehensive data (Adinugraha & Rismawati, 2025). Participatory observation is carried out by directly engaging in the management and distribution of productive waqf activities to understand field practices, including interactions among managers (Nazhir), beneficiaries, and other related parties. In-depth semi-structured interviews were conducted with key informants selected through purposive sampling, namely those with knowledge and direct involvement in waqf management and halal industry-based business development, such as institutional administrators, program managers, fostered business actors, and beneficiary communities. In addition, the snowball sampling technique is used to expand the reach of informants through recommendations from previous informants, to obtain a more diverse and in-depth perspective. The documentation study was carried out by examining various official documents, activity reports, institutional policies, and archives related to the productive waqf program as supporting data that strengthens the results of observations and interviews.

The data analysis in this study is carried out interactively and continuously across the stages of data reduction, data presentation, and conclusion drawing, using a systematic qualitative analysis model. Data reduction involves filtering, grouping, and simplifying raw field data to focus on research issues. In contrast, data presentation is presented in a descriptive-analytical narrative structured to facilitate interpretation. Conclusions are drawn in stages by identifying patterns, relationships, and meanings that emerge from the data, especially related to the integration of productive waqf and its contribution to the development of halal industry infrastructure. From a critical ethnographic perspective, the analysis process also aims to uncover hidden dimensions, such as access inequality, the dominance of certain actors, and potential bias in the distribution of benefits. To ensure the validity of the data, this study uses source and method triangulation techniques, as well as member checking with informants, to ensure the suitability of the research findings with field reality. In addition, ethical aspects are considered by maintaining informant confidentiality, obtaining consent before data collection, and maintaining researchers' objectivity and reflexivity throughout the research process.

RESULTS AND DISCUSSION

Productive Waqf Integration Practices in the Halal Industry Ecosystem

The practice of integrating productive waqf to support the halal industry ecosystem at the local level, especially through the Amil Zakat, Infaq, and Sadaqah Institution of Muhammadiyah Doro, is now being implemented. However, it is still in its early stages and has not been systematically structured. This integration is carried out through Islamic philanthropic funds, especially waqf, which are directed to support community-based, productive economic activities. Forms of implementation found in the field include empowering micro, small, and medium enterprises (MSMEs), strengthening mosque-based economies, and productive agricultural activities involving the surrounding community. Although not formally categorized as part of the halal industry, these practices have substantively advanced halal principles, including halal raw materials, sharia-compliant production processes, and an orientation toward social benefits. This shows that productive waqf has high flexibility for integration across various economic sectors, including as an initial foundation for the development of a community-based halal industry ecosystem (Nursita et al., 2024).

The management of productive waqf at LAZISMU Doro is more focused on community economic empowerment through a local needs-based approach. The programs carried out are not

limited to providing business capital assistance, but also include continuous mentoring, sharia-based entrepreneurship training, and strengthening the capacity of business actors to manage businesses independently. This approach shows an effort to transform from a pattern of charitable assistance to long-term, productive empowerment. In practice, the management of productive waqf also considers business sustainability, encouraging beneficiaries to develop their businesses independently so they do not depend on institutional assistance. This aligns with the concept of productive waqf as an Islamic economic instrument that is not only distributive but also capable of creating economic value sustainably (Fauzia, 2021). To provide a more systematic picture of how integrating productive waqf supports the development of the halal industry ecosystem at the local level, an analytical framework is needed that comprehensively explains the relationships among the stages. This framework was prepared based on field observations and productive waqf management practices conducted by the Amil Zakat, Infaq, and Sadaqah Muhammadiyah Doro Institute. Within this framework, it becomes clear that the integration of productive waqf does not occur piecemeal, but rather through interconnected stages ranging from collection and management to distribution, producing sustainable economic and social impacts. The integration framework is presented in Figure 1 below.

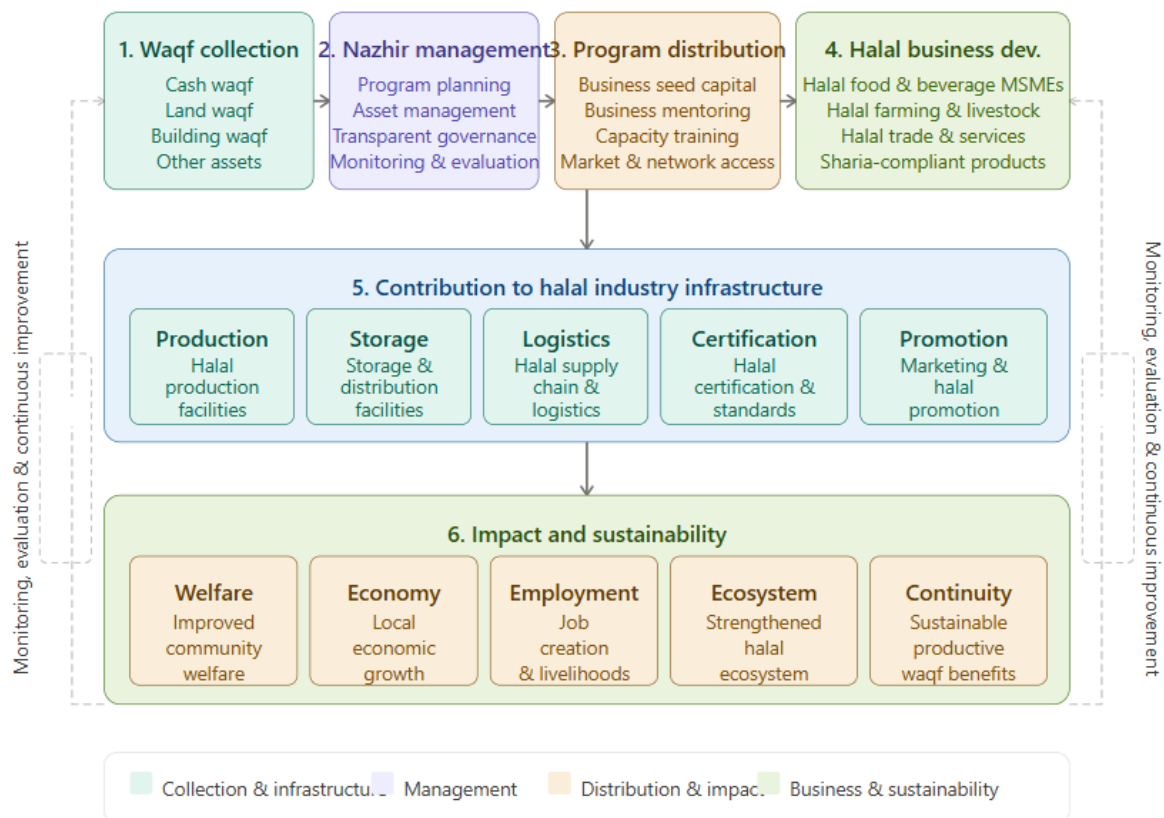


Figure 1. Framework for the Integration of Productive Waqf in the Halal Industry Ecosystem at LAZISMU Doro

Source: Processed by researchers (2026)

Based on Figure 1, productive waqf integration in LAZISMU Doro occurs through several interconnected stages that form a sustainability cycle. The first stage begins with collecting waqf assets from the community in various forms, such as cash, land, and other assets. Furthermore, Nazhir professionally manages these assets in accordance with the principles of transparency and accountability. In the next stage, waqf funds are channeled to productive programs, including providing business capital, mentoring, and sharia-based entrepreneurship

training. This program then encourages the formation of halal-based economic activities, such as halal food MSMEs, the agricultural sector, and services and trade in accordance with sharia principles. The results of these activities not only provide economic benefits but also strengthen halal industry infrastructure, such as increasing production, distribution, and market access capacity. This cycle ultimately impacts community welfare by sustaining the benefits of productive waqf.

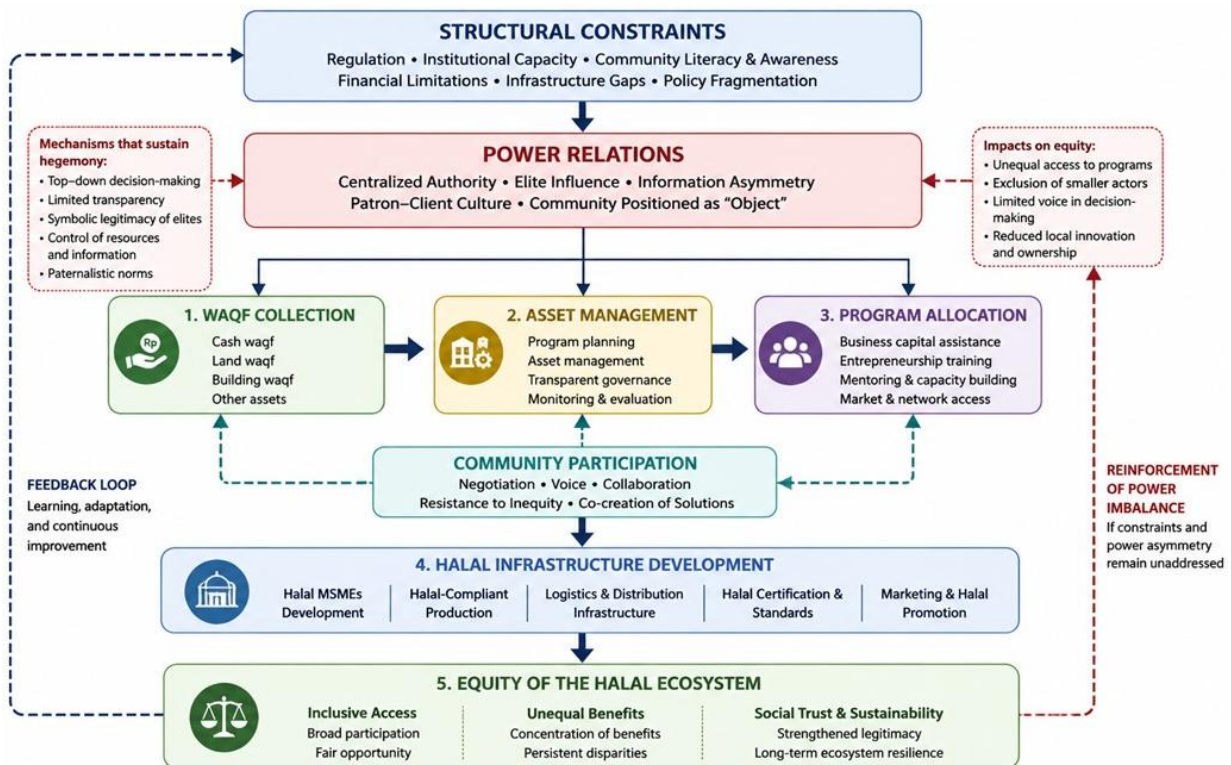


Figure 2. Critical Ethnographic Framework (Integrating Power Regulation, Structural Constraints, and Halal Ecosystem Outcomes)
Source: Processed by researchers (2026)

Figure 2 shows that critical ethnographic analysis reveals that centralized decision-making at LAZISMU Doro is reproduced through mutually reinforcing structural, cultural, and institutional mechanisms rather than merely formal authority. Structurally, strategic planning, resource allocation, and beneficiary selection remain concentrated among senior institutional elites because financial accountability and regulatory compliance are vertically organized. Culturally, the Muhammadiyah tradition of respecting senior religious figures discourages beneficiaries from questioning program priorities, creating a paternalistic relationship in which communities are positioned primarily as recipients rather than co-producers of waqf initiatives. Institutionally, limited managerial capacity, asymmetric access to information, and the absence of participatory governance forums further reinforce this concentration of power. Consequently, productive waqf is distributed according to institutional interpretations of community needs instead of community-defined priorities. This imbalance constrains equitable access to halal infrastructure, particularly for smaller entrepreneurs with limited institutional networks, while reducing local innovation and ownership. From a critical ethnographic perspective, the halal ecosystem therefore reflects not only resource limitations but also hegemonic governance practices that shape who participates, who decides, and who ultimately benefits from productive waqf integration.

Based on the interview with Mr. Ahmad Fauzi (Chairman of LAZISMU Doro), it was found that the implementation of productive waqf at the local level is still evolving and adapting to community conditions. He stated that:

“So far, we have been running community economic empowerment programs, especially for MSMEs. Indeed, we have not specifically branded it as a halal industry, but the practice has led to it because we maintain sharia principles in business management.”

The statement shows that although the concept of integrating productive waqf with the halal industry has not been formalized in a special program, the underlying values have been applied in daily practice. This indicates significant potential to develop such integration in a more structured manner through more mature strategic planning. Furthermore, the interview with Mrs. Siti Nur Aisyah (Economic Program Manager of LAZISMU Doro) revealed that the main challenge in developing productive waqf is the low level of public literacy regarding waqf and the halal industry. He conveyed that:

“Our main challenge is the limited understanding of the public about productive waqf and the halal industry. Many still think that waqf is only for mosques or cemeteries, even though it can be developed for productive businesses.”

This statement shows that traditional public perceptions are an obstacle to optimizing productive waqf, so more intensive educational efforts are needed to enable its productive use. From an institutional perspective, the study's results also show that LAZISMU Doro still faces various limitations, particularly in human resources and management systems. Based on an interview with Mr. M. Ridwan (Local Nazhir), it is known that:

“We are still in the learning stage to manage productive waqf optimally. Better training and systems are needed so that management can be more professional and sustainable.”

This shows that strengthening institutional capacity is an important factor in the success of productive waqf management.

This study also identified significant opportunities for productive integration of waqf with the halal industry. Productive waqf can serve as an alternative source of financing for the development of halal industry infrastructure, such as halal production centers, sharia-compliant micro-business areas, and distribution facilities that support halal supply chains. With professional, integrated management, a productive waqf can be one of the main pillars in strengthening the sharia economy at the local level (Nurmatias et al., 2026). Through a critical ethnographic approach, this study also reveals that productive waqf management cannot be separated from the social and cultural dynamics of the local community. Religious values, public trust in the institution, and the social relationship between the manager and the community are important factors that affect the program's success. In this context, LAZISMU plays a role not only as an economic institution but also as a social institution that builds community trust and solidarity.

The integration of productive waqf in the halal industry ecosystem at LAZISMU Doro shows great potential for further development. However, to achieve optimal results, it is necessary to strengthen aspects of community literacy, institutional capacity, and a more

systematic integration strategy. Collaboration among philanthropic institutions, the government, and the community is key to creating an inclusive Sharia-based economic ecosystem that has a real impact on people's welfare.

Critical Analysis of Institutional Dynamics and Power Relations in the Management of Productive Waqf

The institutional dynamics in the management of productive waqf within the Amil Zakat, Infaq, and Sadaqah Institution of Muhammadiyah Doro are influenced not only by the formal structure of the organization but also by social interactions, local values, and power relations among the actors involved. Structurally, LAZISMU Doro already has a fairly clear institutional system, including the division of roles between core management, nazhir, and program managers. However, in practice, the strategic decision-making process tends to be centered on certain actors with greater authority, whether through formal positions or social influence within the community. This condition shows that power in institutions comes not only from organizational structures, but also from social legitimacy formed through public trust and individual experience. These findings are in line with research that states that the effectiveness of productive waqf management is greatly influenced by the institutional capacity and quality of human resources in managing waqf assets professionally (Rahman, 2022).

These institutional dynamics show a complex interaction between formal rules and social practices in the field. In many cases, the implementation of the productive waqf program at LAZISMU Doro does not fully follow rigid formal procedures. However, it is adjusted to the local community's social conditions and needs. This shows the institutional flexibility that enables institutions to adapt to local contexts. On the one hand, this flexibility is a strength because it can enhance the program's effectiveness. However, it also has the potential to cause governance inconsistencies if it is not balanced with a robust supervision system. This condition supports the view that productive waqf is an adaptive economic instrument that can be developed to meet the community's needs and improve welfare sustainably (Masriyah, 2024).

The management of productive waqf at LAZISMU Doro reflects the characteristics of collective resource management, which require a balance among efficiency, accountability, and participation. Waqf, as a public asset, should be managed transparently and involve various parties, including the community as beneficiaries. However, the study's results show that community participation in the planning and decision-making process remains relatively limited. Based on the interview with Mr. Ahmad Fauzi (Chairman of LAZISMU Doro), it is evident that strategic decisions are often made by core management, with consideration of the effectiveness and speed of program implementation. This shows a tendency to centralize power within institutions. Although this approach can increase efficiency, in the long run, it can reduce the community's sense of ownership over the programs being carried out.

Power relations are also seen in the relationship between institutions and the community as beneficiaries. In practice, the community is still positioned as the object of the program rather than as an active subject in determining policy direction. This is reinforced by interviews with Mrs. Siti Nur Aisyah (Manager of the LAZISMU Doro Economic Program), who stated that community involvement in program planning remains limited due to their limited understanding of the concept of productive waqf. This condition reflects an imbalance in the relationship between institutions and the community, in which access to information and decision-making remains dominated by institutions. Previous research has also shown that low public literacy about productive waqf is one of the main factors hindering the optimal use of waqf as an

economic instrument (Makhrus, M., Mukarromah, S., 2021). Therefore, increasing literacy is a strategic step to create more balanced and participatory relationships.

Limited institutional capacity is an important factor that affects the dynamics of productive waqf management. Based on an interview with Mr. M. Ridwan (Local Nazhir), waqf management is still in the development stage and requires capacity building across management, technology utilization, and program innovation. These limitations affect the suboptimal management of waqf assets and the limited ability of institutions to develop more innovative and sustainable programs. One of the main challenges in the management of productive waqf in Indonesia is the limitation of human resources and a management system that has not been optimally integrated (Rahmah, S., Munawar, W., & Aziz, 2024).

Institutional dynamics are also influenced by the institution's external relations with other parties, such as the government, business actors, and the wider community. LAZISMU Doro has the potential to strengthen its role by collaborating with various parties to support the development of a sharia-based economy. However, limited institutional capacity and the lack of optimal governance systems are obstacles to expanding the cooperation network. In this context, institutional strengthening is not only important for increasing internal effectiveness but also for improving institutions' bargaining position in establishing strategic partnerships (Musleh Harry et al., 2025).

This study also identified a significant opportunity to advance institutional transformation towards more inclusive and sustainable waqf management. Productive waqf has enormous potential as an instrument for community economic empowerment, especially when managed through a participatory, community-based approach. Productive waqf can improve community welfare by developing productive businesses and empowering the local economy sustainably (Nawawi, M., 2024). Therefore, institutional strengthening needs to be directed not only at structural aspects but also at developing a transparent, accountable, and participatory organizational culture. This analysis shows that the management of productive waqf at LAZISMU Doro cannot be separated from the complex institutional dynamics and power relations. These relationships affect various aspects, including decision-making, resource distribution, and the level of community participation in the program. Therefore, a comprehensive institutional strengthening strategy is needed, including strengthening human resources, developing a transparent governance system, and increasing literacy and community participation. Thus, productive waqf can function optimally as an instrument of inclusive, sustainable, and socially just economic development.

Beyond describing productive waqf practices, the findings reveal that institutional power is unevenly distributed within LAZISMU Doro. Decision-making authority remains concentrated among senior institutional actors whose religious credibility and organizational status shape program priorities, while beneficiaries primarily participate as recipients rather than co-designers of productive waqf initiatives. This evidence addresses the first research question by demonstrating that waqf integration is embedded in asymmetric governance relations rather than purely technical management. The interview excerpts therefore function as empirical evidence, whereas the interpretation indicates that limited participation constrains innovation and slows the institutionalization of halal-oriented infrastructure. These findings support critical ethnographic perspectives that power operates through both formal organizational structures and informal social legitimacy, extending previous studies that emphasized governance efficiency while paying less attention to authority, participation, and local negotiation. Consequently, accelerating halal infrastructure requires not only improved managerial capacity but also more

participatory governance that redistributes decision-making, strengthens community agency, and aligns institutional authority with grassroots economic needs.

Implications and Strategies for Strengthening the Integration of Productive Waqf in Accelerating Halal Industry Infrastructure

Integrating productive waqf to accelerate halal industry infrastructure at the local level, especially through the Amil Zakat, Infaq, and Sadaqah Institution of Muhammadiyah Doro, has broad, multidimensional implications across economic, social, and institutional domains. From an economic perspective, a productive waqf not only serves as an alternative source of financing but also as an instrument of economic transformation that can encourage the growth of the sharia-based real sector. The use of waqf funds for productive activities, such as the development of halal MSMEs, the agricultural sector, and community-based microenterprises, marks a paradigm shift from passive distribution to sustainability-oriented active management. This not only increases the income of individual beneficiaries but also strengthens the local economy by creating jobs and boosting people's purchasing power. This condition is strengthened by the results of an interview with Mr. Ahmad Fauzi (Chairman of LAZISMU Doro), who stated that:

"We are trying to develop waqf so that it does not stop at consumptive assistance, but can be rotated in business activities whose results continue to be felt by the community sustainably."

This statement shows an increasingly progressive institutional orientation in managing waqf as a productive economic instrument. Thus, waqf is no longer seen as merely a socio-religious instrument but has become part of an economic system that can support the broader development of the halal industry (Huda, N., & Sawarjuwono, 2021).

The integration of productive waqf has a deeper impact because it not only affects the economic aspect but also shapes social change. The productive waqf program run by LAZISMU Doro takes an empowerment approach, aiming to increase individuals' and communities' capacity sustainably. Business mentoring, entrepreneurship training, and strengthening business networks are important parts of the process. This creates changes not only in income levels but also in the community's mindset toward business and economic independence. Based on the results of the interview with Mrs. Rina Wahyuni (Beneficiary of the LAZISMU Doro MSME Program), it was obtained that:

"After receiving help and assistance, I became more confident in developing my business, not only relying on assistance, but starting to think about how the business could grow on its own."

This statement shows that a productive waqf can encourage social transformation from dependence to independence. In addition, community involvement in the program strengthens social solidarity and a sense of togetherness, so that waqf functions not only as an economic instrument but also as a mechanism to strengthen the community's social structure. Productive waqf plays a strategic role in improving welfare while strengthening community social cohesion (Kusuma, K., & Ryandono, 2022).

Based on an institutional perspective, integrating productive waqf to accelerate halal industry infrastructure remains complex and faces various structural challenges. Limited human resource capacity is one of the main obstacles, especially in management, program innovation, and the use of technology in waqf management. In addition, the governance system, which is not

fully standardized, leads to suboptimal waqf management. Low public literacy about productive waqf further worsens this condition by limiting public participation in waqf development. This is strengthened by the results of an interview with Mr. M. Ridwan (Local Nazhir), who stated:

“Waqf management still needs a lot of strengthening, especially in terms of program management and development, so that it can be more optimal and sustainable.”

Meanwhile, from an external perspective, Mr. Dedi Kurniawan (Local Halal Business Actor in Doro) also added that:

“The potential for cooperation with waqf institutions is huge, but a clearer and structured system is needed so that business actors can be more trusted and actively involved.”

Both statements indicate a gap between the potential and the implementation of waqf integration with the halal industry. This emphasizes that institutional strengthening is the main prerequisite for optimizing the role of productive waqf (Suharto, 2023).

Based on these implications, the first strategy is to strengthen institutional capacity comprehensively and sustainably. This strengthening not only involves improving managers' individual competencies but also developing more professional, technology-based organizational systems. Institutions need to adopt the principles of good governance, such as transparency, accountability, and efficiency in every waqf management process. In addition, it is important to encourage certification and training for Nazhir to have adequate competence in managing waqf assets productively. With strong institutional capacity, the institution will be able to increase public trust and expand the reach of productive waqf programs more significantly (Anwar, 2021).

The second strategy is to systematically and sustainably increase literacy and public education. Education is the key to changing the community's paradigm towards waqf, from a previously consumptive to a productive one. Educational programs need to be designed contextually, taking into account the local community's social and cultural characteristics. In addition, the use of digital technology is important for expanding the reach of education and increasing the effectiveness of information delivery. With increased public literacy, it is hoped that participation in productive waqf programs will also increase significantly (Fitri, R., & Kurniawan, 2020).

The third strategy is the development of a model for integrating productive waqf with the halal industry in a systematic, directed, and locally needs-based manner. Productive waqf should focus on strategic sectors of the halal industry, such as developing halal MSMEs, sharia-compliant production centers, and distribution networks that support the halal supply chain. This integration will create synergy between the Islamic social finance sector and the real sector, thereby strengthening the halal industry ecosystem as a whole. In addition, a clear integration model will also make it easier to plan and evaluate the program (Yusuf, M., & Arifin, 2022).

The fourth strategy is strengthening Collaboration and Strategic Partnerships Between Stakeholders. Collaboration between philanthropic institutions, the government, the private sector, and the community is the key to accelerating the development of halal industry infrastructure. This synergy will allow for resource optimization and increase the effectiveness of the productive waqf program. In this case, LAZISMU Doro has great potential to catalyze the development of an integrated sharia-based economic ecosystem at the local level.

The last strategy is strengthening long-term impact-based monitoring and evaluation systems. Program evaluation needs to focus not only on outputs but also on outcomes and socio-economic impacts. A good monitoring system will increase transparency, accountability, and effectiveness of productive waqf programs in supporting the development of the halal industry (Mahendra et al., 2026).

The integration of productive waqf in accelerating halal industry infrastructure has great potential to be developed as a strategic instrument in the development of the sharia economy. However, the success of such integration depends heavily on the institution's ability to manage institutional dynamics, build internal capacity, and foster strong collaboration with various parties. With the right strategy, a productive waqf will not only serve as an alternative source of financing but also be a key pillar in creating an inclusive, sustainable, and highly competitive halal industry ecosystem.

An Integrative Model of Productive Waqf for Strengthening Halal Industry Infrastructure

The results of the study show that the development of productive waqf at the local level, especially in the Amil Zakat, Infaq, and Sadaqah Institution of Muhammadiyah Doro, has not been fully systematically integrated with the needs of halal industry infrastructure development. However, in practice, it has shown a fairly clear direction of integration. So far, the use of waqf funds has been directed primarily toward community economic empowerment programs, such as microbusiness assistance, strengthening mosque-based economies, and other productive activities that directly impact community welfare. However, the linkage of the program to the specific needs of the halal industry, such as production, distribution, and strengthening the halal supply chain, has not yet been formalized into a structured model. This condition shows a gap between the large potential of productive waqf and its still partial implementation. Therefore, an integrative model is needed that can connect productive waqf with the strengthening of halal industry infrastructure in a more systematic and sustainable manner (Puspitasari, D., & Huda, 2023).

The integrative model of productive waqf formulated in this study comprises five main interrelated components: waqf asset collection, sharia-based productive management, integration with the halal industry, institutional strengthening, and impact-based monitoring and evaluation. The first stage is collecting waqf through educational strategies, literacy campaigns, and participatory approaches to increase community involvement. Strengthening literacy is important because public perception of waqf remains dominated by traditional practices that tend to focus on the construction of mosques, tombs, and other social facilities. With an educational approach, the community is encouraged to understand that a waqf can be developed into a productive, sustainable economic asset. This is in line with research that confirms that increasing waqf literacy is a fundamental factor in the development of productive waqf in Indonesia (Fauziah, N., & Setiawan, 2022).

The second stage is the productive management of waqf assets through investment or financing in sectors with high economic potential, in accordance with sharia principles. In the context of this research, productive management can be achieved through halal microbusiness financing, the development of the productive agricultural sector, and the provision of community-based business facilities. This kind of management allows waqf to generate recurring economic benefits, so that the principal assets are maintained while the benefits continue to grow. Based on the results of the interview with Mr. Ahmad Fauzi (Chairman of LAZISMU Doro), information was obtained that:

“So far, we have tried to develop social funds so that they are not used up, but can be circulated through community efforts. In the future, this concept can be expanded to support halal businesses in a more targeted way.”

The statement shows that, institutionally, there has been awareness of the need to develop a more productive and strategic waqf management model.

The third stage in this model is direct integration with the halal industry sector. At this stage, waqf funds are directed to support the development of infrastructure that is the main need of the halal industry, such as halal production houses, halal product distribution centers, storage facilities, and the strengthening of branding and marketing for local products. This integration is important because the halal industry needs comprehensive ecosystem support, not just business capital. Based on the results of the interview with Mrs. Rina Wahyuni (MSME Actor fostered by LAZISMU Doro), it is known that:

“Capital is important, but what we need more is a decent production place and marketing access so that the business can grow.”

The statement emphasized that strengthening infrastructure is a real need for halal business actors at the local level. Therefore, the integrative model of productive waqf must be able to answer these needs in a more concrete and targeted manner (Nurhidayah, S., Hasanah, U., & Maulana, 2024).

The fourth stage is institutional strengthening, which serves as the main foundation for the success of the integrative model. Productive waqf management requires institutions that are professional, transparent, and well-managed. Institutional strengthening includes improving human resource competence, developing a sound governance system, and leveraging digital technology for management and reporting. In addition, collaboration with various parties, such as local governments, academics, and business actors, is also an important part of strengthening the waqf management ecosystem. Based on an interview with Mr. M. Ridwan (Local Nazhir), it is known that:

“We need a more modern system and continuous training so that waqf management is not left behind and can keep up with the needs of the times.”

This shows that strengthening internal capacity is an urgent need in developing an integrative model of productive waqf. (Kholidah, L., & Arif, 2021).

The fifth stage is impact-based monitoring and evaluation. This integrative model not only emphasizes achieving outputs, such as the number of beneficiaries or the amount of funds disbursed, but also the outcomes and impacts that strengthen the halal industry and community welfare. The evaluation system needs to measure changes in community income, business sustainability, economic capacity-building, and contributions to strengthening the local halal ecosystem. With impact-based evaluation, institutions can make continuous program improvements and increase the effectiveness of waqf management.

Overall, the integrative model of productive waqf formulated in this study offers a more comprehensive approach in connecting the potential of waqf with the needs of halal industrial infrastructure development. This model views waqf not only as a philanthropic instrument but also as a driving force for community-based sharia economic development. With consistent implementation, this model has the potential to be a strategic solution in accelerating the

development of an inclusive, sustainable, and highly competitive local halal industry (Sulaiman, A., & Hidayat, 2023).

Based on the discussion, it can be concluded that integrating productive waqf to accelerate halal industry infrastructure in LAZISMU, Doro District, has great potential. However, its implementation is still in its early stages and has not been systematically structured. Productive waqf has proven to be a strategic instrument for empowering the community's economy and strengthening the sharia-based real sector. However, various challenges remain, including low public literacy about productive waqf, limited institutional capacity, and suboptimal governance and stakeholder collaboration. In addition, institutional dynamics and power relations affect management effectiveness, especially in community participation and benefit distribution. Therefore, a comprehensive strengthening strategy is needed, including strengthening human resources, developing a transparent and accountable governance system, increasing waqf literacy, and strengthening strategic partnerships. Thus, the integrative model of productive waqf formulated in this study is a relevant approach to optimizing the role of waqf in the development of halal industrial infrastructure in a more targeted manner, thereby encouraging the creation of an inclusive, sustainable, and competitive sharia economic ecosystem.

CONCLUSION

This research concluded that integrating productive waqf to accelerate halal industry infrastructure in LAZISMU, Doro District, has great potential. However, its implementation is still in the early stages and has not been systematically structured. Current practice shows that productive waqf has been used to empower communities through MSMEs, agriculture, and community-based businesses that are substantively aligned with the principles of the halal industry. However, various challenges remain, including low public literacy, limited institutional capacity, and suboptimal governance and stakeholder collaboration. In addition, institutional dynamics and power relations affect management effectiveness, especially regarding community participation and benefit distribution. Therefore, a comprehensive strengthening strategy is needed, including strengthening human resources, developing a transparent and accountable governance system, increasing waqf literacy, and strengthening strategic partnerships. The integrative model formulated in this study is a relevant approach to connect productive waqf with the needs of halal industrial infrastructure development in a more targeted manner, thereby creating an inclusive, sustainable, and competitive sharia economic ecosystem.

This research empirically shows that productive waqf at LAZISMU Doro has evolved beyond charitable distribution into a community-based financing mechanism with the potential to support halal industry infrastructure. However, its integration remains fragmented and institutionally underdeveloped. The study's primary contribution is identifying an integrative model linking waqf collection, productive management, halal-sector integration, institutional strengthening, and impact evaluation. Practically, these findings suggest that strengthening halal infrastructure requires not only financial resources but also improved nazhir capacity, governance systems, stakeholder collaboration, and community literacy to enable productive waqf to finance halal production, distribution, and certification facilities more systematically. The study is limited by its single-site critical ethnographic design, which constrains the transferability of findings to other institutional contexts. Future research should comparatively examine productive waqf implementation across multiple Islamic philanthropic institutions to evaluate the scalability and effectiveness of the proposed integration model in accelerating regional halal infrastructure development.

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