

Tawhidi String Relationship (TSR) Approach to Entrepreneurial Growth in Waqf Linked Sukuk

Lokot Zein Nasution^{1*} , Hermanto Siregar² , Rifki Ismail³ , Tatik Mariyanti⁴ 

^{1,2,4}Doctoral Program of Islamic Economics and Finance, Universitas Trisakti, Indonesia

¹Research Center for Cooperative, Corporation, and People's Economy, National Research and Innovation Agency, Indonesia

²Department of Economics Science, IPB University, Indonesia

³Islamic Financial Market Development and Regulation Division, Bank of Indonesia, Indonesia

⁴Faculty of Economics and Business, Universitas Trisakti, Indonesia

¹lokot222021802006@std.trisakti.ac.id, ¹loko001@brin.go.id, ²hermanto@trisakti.ac.idm, ³rifki@trisakti.ac.id,

⁴tatik.mariyanti@trisakti.ac.id

*Corresponding Author

Article Info

Article history:

Submission February 19, 2025
Revised March 14, 2025
Accepted September 3, 2025
Published September 24, 2025

Keywords:

Tawhidi String Relationship
Waqf Linked Sukuk
Islamic Finance
Entrepreneurial Growth
Sharia Economy



ABSTRACT

This paper is motivated by the still weak **bargaining** position of Islamic finance in the development policy constellation. In fact, Islamic finance has a variety of advantages compared to conventional, and has a variety of instruments that can be developed. One of the innovations in the development of Islamic financial instruments is the combination of sukuk and waqf or called sukuk linked waqf. The development of waqf-linked sukuk is one of the innovations and a manifestation of the importance of formulating **objectives** derived from religious and divine values or known as the Tawhidi String Relation (TSR). The TSR approach emphasizes the truth that comes from God, while at the same time emphasizing the importance of trying to achieve the benefit of the world. The principle of TSR is the oneness of Allah SWT which is known as Tawhid which acts as the main **method** for the development of Islamic finance. The oneness of Allah SWT is represented in the Al-Qur'an which is then juxtaposed with As-Sunnah. Based on the TSR approach, this paper suggests that there are many arguments or basic arguments for the importance of returning the financial sector back to the sharia economy which originates from the Al-Qur'an and As-Sunnah. This weak correlation causes the innovation **results** in the ecosystem for the development of waqf-linked sukuk to be weak. Therefore, it is necessary to strengthen the Islamic financial **conclusion** which must truly base its ecosystem on the basis of the Al-Qur'an and As-Sunnah as the foundation for the development of sukuk linked waqf.

This is an open access article under the [CC BY 4.0](#) license.



DOI: <https://doi.org/10.34306/att.v7i3.638>

This is an open-access article under the CC-BY license (<https://creativecommons.org/licenses/by/4.0/>)

©Authors retain all copyrights

1. INTRODUCTION

Islamic financial practices have historically had a lower bargaining position compared to conventional finance [1]. This condition is influenced by weak education and literacy on sharia finance, limited product offerings, and poor access to these services, especially in rural areas [2]. Such challenges increase costs for Islamic financial institutions, making their products less attractive to the public and hindering customer acquisition and funding.

Furthermore, the weak position of sharia finance has led the public and investors to perceive it as riskier, primarily due to its low level of innovation and product diversification [3]. The slow pace of innovation results in products that are less suited to societal needs, contributing to a lack of competitiveness and slower growth in comparison to conventional finance.

According to [4], the weak bargaining power and innovation in sharia finance is caused by limited knowledge and asymmetric information regarding its advantages. Islamic finance, however, offers a comprehensive range of instruments, including both social and commercial sectors. The social finance sector focuses on community empowerment and poverty alleviation, while the commercial sector emphasizes profitability and efficiency, providing a more inclusive approach to finance [5].

To address these challenges, innovation in sharia financial instruments is necessary. One such innovation is the combination of waqf (social finance) and sukuk (commercial finance), forming a waqf-linked sukuk. This innovative model not only prioritizes social welfare but also creates a sustainable profit mechanism through productive waqf governance, which can transform idle assets into productive ones [6]. Despite its potential, this innovation has been slow due to shallow sharia concepts and a lack of strong arguments in support of its practice.

The Tawhidi String Relationship (TSR) approach provides a theoretical foundation to accelerate the development of waqf-linked sukuk. TSR integrates religious values with economic practices, offering a holistic approach to Islamic economics [7]. By combining scientific knowledge with Islamic principles, TSR promotes sustainable innovation and ensures that financial products align with the core values of sharia. This approach has the potential to resolve current challenges in Islamic finance, foster innovation, and contribute to sustainable development [8].

The TSR approach, when applied to waqf-linked sukuk, provides a framework that aligns closely with several Sustainable Development Goals (SDGs). Specifically, it contributes to SDG 1 (No Poverty) by channeling funds into productive waqf projects that uplift impoverished communities [9, 10]. The integration of social and commercial finance through waqf-linked sukuk can stimulate economic activities, contributing to SDG 8 (Decent Work and Economic Growth), by creating jobs and fostering local economic growth. Moreover, by ensuring financial inclusion, it helps reduce inequality (SDG 10) by providing access to sharia-compliant financial products for underserved populations. Additionally, the productive use of waqf assets can help achieve SDG 11 (Sustainable Cities and Communities) by funding infrastructure projects that improve social welfare [11]. The transparency and accountability principles embedded in TSR ensure alignment with SDG 16 (Peace, Justice, and Strong Institutions), promoting justice in financial practices. Finally, the collaborative efforts required in the management of waqf-linked sukuk demonstrate the power of partnerships to drive development, aligning with SDG 17 (Partnerships for the Goals). This holistic approach supports the achievement of sustainable, inclusive development rooted in the principles of justice, equity, and social well-being [12].

2. LITERATURE REVIEW

Waqf-linked sukuk is a combination of sukuk and waqf instruments designed to support productive waqf governance through capital development [13]. The integration of these two instruments addresses issues such as the lack of research and development, regulatory uncertainty, and weak technological infrastructure, which have hindered innovation in sharia finance products [14]. Waqf-linked sukuk offers a solution by enabling waqf assets to be developed productively, providing long-term benefits while preserving the essence of the initial waqf.

Many waqf assets remain unproductive due to the limited capacity of Nazirs (waqf asset managers) [15]. Traditionally, waqf assets have been directed toward religious infrastructure or educational facilities, which are often already sufficient for the population. Waqf-linked sukuk can transform these assets into productive ones, generating sustainable profits and expanding the social impact of waqf beyond its original scope [16].

The integration of social and commercial finance through waqf-linked sukuk reflects Islamic principles, emphasizing the balance between spiritual and material interests. Islam encourages individuals to work and earn a living to meet life needs while also fostering social justice and community empowerment [17]. This dual-sector approach provides a comprehensive value system, which is more profound and far-reaching than conventional financial instruments, helping to enhance societal welfare [18, 19].

The development of waqf-linked sukuk can be guided by the TSR epistemological approach, which

seeks to integrate divine values with scientific knowledge [20]. TSR emphasizes the importance of knowledge as a tool for uncovering truth and solving real-world challenges, promoting a holistic approach to Islamic economics. This methodology contrasts with Western epistemology, offering a more structured and comprehensive way to understand economic issues in alignment with Islamic principles [21].

In Islam, knowledge is considered a divine attribute, and its acquisition and application are guided by the Qur'an and Sunnah. TSR applies these sources as the foundation for economic innovation, ensuring that financial practices, such as waqf-linked sukuk, align with Islamic moral and ethical standards [22, 23]. By integrating Tauhid (the oneness of Allah), TSR provides a robust framework for developing solutions that address contemporary economic challenges, making it highly relevant to the development of sustainable and socially beneficial financial systems [24].

3. METHODOLOGY

The methodology used was carried out to answer the two research objectives, namely positioning the TSR approach as an argumentative basis in creating innovative development of sukuk linked waqf and placing TSR as the basis for analysis [25, 26]. To answer the first objective, it is carried out through a qualitative approach and a mix of TSR concepts that emphasize Interaction, Integration, And Evolution (IIE). This approach is referred to as shuratic process, namely an effort to uncover the relationships between sukuk and waqf through a process of IIE in the context of the sharia financial system [27]. If the IIE phase is linked to the Islamic financial system, it will give rise to human understanding of a unified body of knowledge or unity of knowledge which is induced in a worldview system that is monotheistic (Tawheed Wordview), which in this case is the construction of the sukuk linked waqf model [28, 29]. It can be said that sukuk linked waqf is an effort to form a model of contemporary Islamic financial instruments that is able to cover the weaknesses of previous financial instruments (sukuk and waqf), then evaluate and match it with the Al-Quran and hadith, and then conclude with a result with truth values.

Apart from being approached from the TSR concept, the qualitative approach in this research was also carried out using coding of expert informant answers [30]. The coding results were obtained from distributing questionnaires addressed to the Ministry of Finance, Ministry of Religion, Financial Services Authority (OJK), Indonesian Waqf Board (BWI), Indonesian Stock Exchange (BEI), and waqf observers. The coding results are sharpened through literature reviews which play a role in creating contributions to develop the knowledge gained from empiricism. The reason for using literature studies is because of the nature of the study model applied can be deepened through diligent literature study. The coding approach that is sharpened through critical literature study is one unit and is integrated in order to deepen the argument for linked waqf sukuk as an innovation and present details of the innovation of waqf linked sukuk based on the TSR approach [17, 31]. This is useful for producing sukuk linked waqf which is capable of creating problems both in the world and the afterlife perspective.

4. RESULT AND DISCUSSION

4.1. The Urgency of Waqf Linked Sukuk Innovation

This paper focuses on the view that sukuk-linked waqf innovation can be carried out through the development of both internal and external dimensions. From the internal dimension, the governance of sukuk-linked waqf plays a crucial role in strengthening Nazir capacity and enriching the types of waqf assets, including both movable and immovable assets [5]. Through sukuk-linked waqf, Nazir has significant room for innovation in managing waqf assets, creating various possibilities for their use. On the external dimension, sukuk-linked waqf innovation can involve a variety of stakeholders, including the government, investors, capital market institutions, and the general public [32, 33]. This innovation is flexible, able to accommodate different policies and adapt to the changing dynamics of various environments.

Multiplier effect waqf linked sukuk is very broad, good for Nazirs, poor communities, creating new entrepreneurship, developing the competitiveness of MSMEs, improving the environment, and its benefits for regional development. Many cases prove that the productivity of sukuk linked waqf is able to contribute to improving the quality of the socio-economic environment. The main indicators include:

- Creation of a productive business environment
- Improving the economic performance of a location/region

- Employment
- Improvement of the social environment

Waqf linked sukuk are considered capable of creating competitiveness self-reinforcing, where domestic competition is able to stimulate the growth of a productive economy and simultaneously form advanced consumers (sophisticated). The model explains the relationship between firm-industry-region, as well as its relationship in supporting the quality of the socio-economic environment. From this impact, waqf linked sukuk is categorized as an innovation to create inclusive and sustainable growth, and is able to ensure equal distribution of prosperity.

4.2. TSR Formation Process

TSR is based on knowledge management, which, when viewed from a philosophical perspective, aims to bring to life the knowledge possessed by every human being. According to [34], the knowledge possessed by humans is basically framed into two, namely:

- Explicit knowledge
- Tacit knowledge

Explicit knowledge is knowledge that is written, archived, distributed (print and electronic) and can be used as learning material (reference) for other people [35]. Whereas tacit knowledge is a form of human knowledge know-how, experience, skills, understanding and so on rule of thumb. To activate a person knowledge, several phases of knowledge conversion are required. There are four phases of changing knowledge in order to activate the knowledge a person has, namely:

- Shut up shut up
- Tacit to explicit
- Explicit to explicit
- Explicit to tacit

According to [34], the process of bringing this knowledge to life is the spiralization of knowledge.

- Tacit to Tacit (Socialization)

Understanding shut up shut up is sharing knowledge and experience between people using discussion methods such as sharing ideas, small talk or stories that generally take place informally. In this phase, what is called a process of socialization or knowledge transfer occurs. Phase shut up shut up is a basic form of knowledge management that generally takes place within organizations and companies. This process is important for producing discussions of knowledge which can lead to the formation of conceptions or formulation of forms of knowledge [36].

- Tacit to Explicit (Externalization)

This phase seeks to convert tacit knowledge obtained from the results sharing, stories and inspirational wisdom are then articulated and drawn out of their relevance so that they become knowledge that has context to the problem being faced so that it is made explicit [37].

- Explicit to Explicit (Combination)

This phase prioritizes efforts to diffuse, disseminate or disseminate knowledge, both in print and digital form, such as e-mail, blog or e-learning so that it can be accessed and known by everyone in the organization through the medium of a knowledge database. Through a knowledge database, anyone can collect various reference sources and then summarize or combine them into a new form of knowledge. However, the implementation of this phase can be further improved to accelerate the formation of truly new knowledge, namely by enriching (enrichment) data and knowledge accumulated in a certain way [38].

- Explicit to Tacit (Internalization)

This phase is a process where an individual internalizes knowledge of a variety of new knowledge that emerges as a result of the knowledge combination phase. The process of internalizing knowledge requires that individual employees can understand the new knowledge and comply with the values and views they believe in. By reading, individuals at a certain stage extend their knowledge and reflect back on their experiences related to this new knowledge. If he thinks it is relevant, he will internalize it to himself as tacit knowledge the new one [39].

The TSR Formation Process emphasizes the continuous evolution and transformation of knowledge, beginning with its socialization and culminating in the internalization of new insights. Each phase ranging from tacit knowledge sharing to its conversion into explicit forms illustrates how knowledge management is integral to the development of innovative ideas and solutions. By applying this process, individuals can generate new, actionable knowledge that enriches their understanding and improves their ability to address challenges. The TSR approach encourages collaboration and the integration of diverse perspectives, ensuring that knowledge evolves in a manner consistent with both practical and ethical standards, ultimately leading to more effective problem-solving and innovation.

4.3. How Does the TSR Concept Work?

The concept of TSR outlines the process of knowledge creation from an Islamic perspective, which should be applied to formulating policies, particularly in the financial sector. The knowledge management practice in Islam began with the first revelation to Prophet Muhammad SAW, emphasizing the acquisition and transfer of knowledge, as seen in the commands of Q.S. Al-Alaq 1-5 and Q.S. Al-Mudatsir 1-7. This foundation marks the beginning of the Islamic practice of knowledge management, which plays a critical role in policy development.

The process of ijтиhad is a key element of Islamic knowledge, divided into ijтиhad istimbathi (deductive reasoning) and ijтиhad tathbiqi (inductive reasoning). Ijтиhad allows scholars to deduce laws from sacred texts and apply them to real-world issues, ensuring that Islamic law is relevant to contemporary challenges. This process also includes ijma' (consensus), which provides a high degree of truth and is crucial for establishing best practices in Islamic economics.

In the shuratic process, knowledge creation is viewed as a cyclical process that involves cumulative causation a comprehensive approach that integrates multiple perspectives to align knowledge with reality and ethical values. This method contrasts with the idea of steady state equilibrium, emphasizing the dynamic, evolving nature of knowledge that adapts to changing needs and circumstances. The goal is to create knowledge that supports justice, fairness, and the broader well-being of society.

The circular causation concept is central to the IIE process, which links various knowledge systems in a continuous, evolving loop. This process emphasizes the interconnectedness of knowledge, science, and society, where the interaction between institutions, government, and the public leads to balanced decision-making and effective solutions. The integration of religious and moral values is key to this process, ensuring that knowledge remains aligned with ethical principles.

In the shuratic process, the learning and decision-making process is participatory, involving individuals who respect the guidance of knowledgeable leaders, or Amir, in decision-making. This participatory approach ensures that ethical standards and Islamic principles are upheld, while also adapting to the evolving socio-economic order. Ultimately, the integration of Tawheed (the oneness of God) in the knowledge system reinforces a unified worldview that guides the continuous development of knowledge and society.

4.4. Waqf Linked Sukuk Innovation in Approach Tawheed String Relation (TSR)

The innovation of sukuk-linked waqf through the TSR approach is achieved by using the shuratic process, which integrates knowledge from the Al-Qur'an and As-Sunnah. This process encourages creative evolution, allowing for new ideas and propositions in the development of science. The sukuk-linked waqf model merges two important Islamic financial instruments to create a productive, ethical, and sustainable finance system that aligns with divine principles.

Despite its potential, the development of sharia finance has been limited by a narrow focus on comparative advantages over conventional finance, which overlooks the deeper ideological and philosophical values of sharia. This approach needs a more comprehensive framework that incorporates both religious and rational

scientific perspectives, ensuring that the foundations of the financial system are rooted in moral, religious, and justice-based values rather than merely financial advantages.

In the case of sukuk-linked waqf, combining these instruments through TSR creates an opportunity to develop a more integrated and comprehensive system that balances social and commercial goals. This process of integrating sharia values with modern financial practices ensures that the resulting products are ethically sound and meet the evolving needs of the community. The approach also involves collaboration among scholars, financial experts, and the community to create innovative financial products that adhere to Islamic principles.

The importance of returning to sharia economics is reinforced through verses in the Al-Qur'an, such as Q.S. Al-Baqarah Verse 276, which condemns usury-based economies and emphasizes the value of charity. This foundation encourages the development of an economic system based on divine guidance, ensuring that wealth is distributed justly and contributes to the overall welfare of society. By adhering to these principles, sharia finance can provide a more stable and ethical alternative to conventional financial systems.

TSR offers several advantages in the development of sukuk-linked waqf, including enhancing transparency, accountability, and social impact. By improving waqf management and expanding its reach, TSR ensures that waqf can attract diverse investors and reach a wider audience. Additionally, TSR helps maintain alignment with sharia principles, ensuring that financial instruments are not only efficient but also morally and spiritually grounded, benefiting both the financial system and the broader community.

4.5. Implications of the TSR Approach for Strengthening Waqf Linked Sukuk Innovation

This research proposes a waqf-linked sukuk innovation approached through the TSR perspective, which aims to analyze the products, impact, and development of sukuk-linked waqf in line with sharia principles. TSR helps evaluate product conformity with sharia values, such as the prohibition of riba, gharar, and zulm, and assesses the impact of these financial products on individuals, society, and the environment. It also supports resolving governance and compliance issues, providing a philosophical foundation for sharia financial innovation.

In strengthening waqf-linked sukuk, TSR plays a critical role in ensuring solutions align with sharia principles, particularly in areas like fairness, risk-sharing, and openness. TSR encourages the integration of religious knowledge with conventional financial practices, fostering innovation in sukuk products that meet community needs. It provides a holistic framework to view waqf-linked sukuk as part of a larger system while also considering the social and environmental impacts of these innovations. The innovation of sukuk-linked waqf requires two key strategies:

- The waqf ecosystem development strategy.
- The sharia capital market ecosystem strategy.

Both strategies emphasize the importance of professionalism in the management of waqf, especially by the Nazir, who is responsible for maintaining and developing waqf assets. The waqf ecosystem needs to incorporate various stakeholders, reflecting the Islamic spirit of cooperation and mutual support as highlighted in QS Al-Maidah Verse 2, while also developing sharia social finance, commercial finance, and waqf fintech to create a comprehensive and sustainable system.

The next strategy is the development of the sharia capital market ecosystem which is needed to strengthen the knowledge of issuers and investors. The importance of capital market players' knowledge regarding sukuk and waqf is part of efforts to increase dissemination regarding sharia economics, so that ideally, the national economic system must return to the Al-Quran and As-Sunnah. This is for example such as:

- Holding seminars and routine training on sukuk and waqf, aimed at issuers and investors.
- The development of a digital platform that provides interactive education material on the Islamic capital market.
- Cooperation with educational institutions and universities to include the Islamic economy curriculum in related study programs.

With the implementation of these strategies, it is hoped that the Islamic capital market ecosystem in Indonesia can develop more rapidly, and contribute significantly to the national economic growth based on the principles of the Koran and As-Sunnah.

Table 1. Construction of Strengthening Waqf Linked Sukuk Innovation

| Strategy | Variable | Explanation |
|---|--|---|
| Waqf Ecosystem Development Strategy | Development of the Sharia Social Finance Sector | The sharia social finance sector has a fundamental role as the basis for accelerating the development of waqf in Indonesia. Waqf has great potential to become a sustainable source of funds for the social and economic development of the people. |
| | Development of the Sharia Commercial Finance Sector | The advantage of Islamic commercial finance compared to conventional finance lies in its inherent character and demonstrated stability. Sharia commercial finance is able to carry out financial transactions that are ethical, fair, safe, and profitable. |
| | Development of Integration of Social and Commercial Sharia Finance | The definition of integration is a strategy to synchronize and carry out linkage efforts between the sharia social finance sector and the sharia commercial finance sector. The integration of the two has an important role in creating a comprehensive and sustainable sharia financial ecosystem. |
| | Waqf Fintech | The waqf ecosystem must require acceleration so that it can become a conducive environment in supporting the development of waqf, one of which is through financial digitalization or Financial Technology (Fintech). Waqf fintech has several important functions in developing an inclusive, efficient, and innovative sharia financial ecosystem. |
| Sharia Capital Market Ecosystem Development Strategy | Sharia Capital Market Product Development | The development of sharia capital market products has an important role in creating a financial services sector ecosystem to meet needs from the supply and demand sides. |
| | Sharia Capital Market Infrastructure Development | Infrastructure development in the sharia capital market with greater emphasis on sharia legal and institutional foundations. Adequate infrastructure can support the growth and innovation of the Islamic capital market, increase market efficiency, and expand access for investors. |
| | Increasing Sharia Capital Market Literacy and Inclusion | Strengthening literacy will automatically increase sharia capital market inclusion, because literacy will increase the potential for supply and demand for sharia capital market products. With massive literacy and inclusion, it is hoped that the sharia capital market can become an attractive investment option for the community and contribute to the progress of the sharia economy in Indonesia. |
| | Sharia Capital Market Fintech Development | The development of Sharia capital market Fintech is part of the development of the sharia commercial financial sector, considering that the sharia capital market produces various products that fall into the category of the sharia commercial financial sector. Sharia capital market fintech can automate many processes such as transaction opening, securitization purchase and sale, and transaction settlement. |

The ideal economic system is one that avoids usury, so efforts to understand sukuk and waqf are part of implementing Islamic values in muamalah transactions. As stated in Surah An-Nisa Verse 29, it prohibits consuming each other's wealth in commerce, namely "*O people who believe! Do not consume each other's wealth in a false (untrue) way, except in trade that takes place on the basis of mutual consent between you. And don't kill yourself. Truly, God is Merciful to you*". There is also a hadith explaining muamalah must be based on sharia principles, narrated by HR. Al-Khamsah from 'Amr bin Syu'aib from his father from his grandfather, and declared authentic by Tirmizi, Ibn Khuzaimah and Hakim: "*It is not halal (to give) loans (debts) and buying and selling, it is not halal (to set) two conditions in a sale and purchase, it is not halal to profit from something that does not bear the risk, and it is not halal (to make) the sale of something that you do not have*".

4.6. Orientation and Objectives of Strengthening Waqf Linked Sukuk Innovation

The development of sukuk-linked waqf is closely tied to the position of sharia finance, which currently lacks a strategic place in development policy. The TSR perspective suggests that integrating Islamic knowledge from the Al-Qur'an and As-Sunnah can help strengthen the sharia economy by innovating sukuk-linked waqf, addressing criticisms of conventional financial theories. This development plays a key role in bridging the gap and responding to challenges within Islamic finance.

Sukuk, like many other sharia financial instruments, faces similar risks to conventional finance, including asset risk, financial uncertainty, and conformity with sharia principles. Challenges also stem from external factors such as low market awareness, limited liquidity in the sukuk market, and a lack of tax incentives and complete sharia-compliant entities. These barriers contribute to reduced demand for sukuk and hinder its growth potential.

Despite these challenges, Islamic finance offers several advantages. It minimizes risks commonly found in conventional finance, avoids activities like gambling, and upholds justice and fairness. The key objectives of the sharia financial system are to enhance economic prosperity, social justice, and income distribution, while maintaining stability in the value of money and providing guaranteed profits through profit-sharing mechanisms. These principles offer a more ethical and sustainable alternative to traditional financial systems.

Islamic finance instruments, like sukuk, have both internal and external advantages. Internally, sukuk offers a low-risk investment with returns in line with sharia principles, avoiding usury and focusing on asset ownership. Externally, factors such as the large Muslim population, growing demand in the halal industry, and the rise of digital sukuk contribute to expanding the market. These advantages create a strong foundation for sukuk to grow, attract institutional investors, and support MSMEs with sharia-compliant funding.

5. MANAGERIAL IMPLICATIONS

Based on the advantages and disadvantages, the orientation and aim of strengthening sukuk linked waqf innovation in the TSR perspective is to increase the role of productive waqf and sukuk in national development through optimizing waqf and sukuk assets, as well as encouraging community participation in waqf and sukuk purchases. This is done by:

- Increasing the value and benefits of waqf, where sukuk linked waqf in a TSR perspective allows waqf to be invested in productive assets and generate profits, so that the value of waqf can continue to increase and provide greater benefits for the people.
- Expanding the reach of waqf, where sukuk linked waqf from a TSR perspective can be owned by retail investors easily and affordably, thus opening up opportunities for people who want to give waqf but have limited funds.
- Increasing the transparency and accountability of waqf management

Where the sukuk linked waqf in the TSR perspective is managed using sharia principles and supervised by an independent institution, thereby increasing the transparency and accountability of waqf management. The benefits of strengthening TSR-based sukuk linked waqf innovation include:

- Being able to increase funding for waqf programs, for example a stable and sustainable funding source for waqf programs, for example the development of education, health and social infrastructure.
- Strengthening the people's economy, where waqf investment through waqf-linked sukuk can help encourage the people's economic growth by creating jobs and increasing welfare.
- Strengthening Islamic sharia, where sukuk linked waqf is a sharia financial instrument that can help strengthen the implementation of Islamic sharia in Indonesia.

By linking Sukuk (Islamic Financial Instruments) with waqf, a funding model is created that not only relies on conventional donations, but also utilizes the potential of Islamic capital markets. Funds collected from Sukuk Linked Waqf can be allocated to various waqf programs that have a high social impact, such as the development of educational infrastructure, health facilities, and other social programs. Development of educational infrastructure, for example, can include the construction of schools, universities, or training centers

that provide access to quality education for the wider community. Likewise, funding for health facilities can be used to build hospitals, clinics, or public health centers that provide affordable health services for those in need. Other social programs, such as 17 assistance to the poor, community economic empowerment, and environmental preservation, can also be funded through this scheme. Thus, TSR-based waqf sukuk linker innovation not only increases the amount of funds available for waqf programs, but also ensures the sustainability and effectiveness of these programs in the long run.

Strengthening the innovation of Sukuk Linked Waqf-based TSR also has great potential in strengthening the economy of the people. Through waqf investment connected to sukuk, the funds collected can be allocated for productive projects that provide direct benefits for the community. This creates new jobs, increases income, and encourages sustainable economic growth. In addition, this innovation can also improve the welfare of the people by providing access to education, health, and better infrastructure services. Thus, the strengthening of the TSR-based waqf sukuk linker innovation not only provides economic benefits, but also contributes to social development that is inclusive and sustainable.

Next, the strengthening of the TSR-based waqf sukuk linker innovation also has a significant impact in strengthening the application of Islamic sharia in Indonesia. Sukuk Linked Waqf, as a Islamic financial instrument, combines the principles of sukuk with the concept of waqf, creating a mechanism that is in accordance with Islamic values. Through this instrument, waqf funds can be invested in projects that not only produce financial benefits, but also provide sustainable social benefits.

Application of Sukuk Linked Waqf based on TSR ensures that every transaction and project that is financed in harmony with the principles of monotheism. This includes justice, transparency, and social responsibility, which is the core of the Islamic economy. Thus, the strengthening of this innovation not only expands the reach of Islamic financial instruments, but also deepens the understanding and application of Islamic values in the Indonesian financial system.

In addition, Sukuk Linked Waqf can be an effective means of mobilizing waqf funds which have not been optimal. By connecting waqf with sukuk, the potential for waqf funds can be used productively to finance projects that are beneficial to the community, such as the development of social infrastructure, education, and health. This not only strengthens the role of waqf in economic development, but also improves the welfare of the community as a whole.

Thus, the strengthening of the TSR-based Waqf Sukuk Waqf innovation has an important role in strengthening Islamic sharia in Indonesia through:

- Alignment of financial instruments with the principles of monotheism.
- Increased mobilization and productivity of waqf funds.
- Financing projects that are beneficial to the community.
- Strengthening the understanding and application of Islamic values in the financial system.

Furthermore, it is essential for policymakers and financial institutions to prioritize education and awareness campaigns to increase understanding and adoption of sukuk-linked waqf among potential investors and stakeholders. This can be achieved through targeted outreach efforts, such as seminars and workshops, that highlight the benefits and ethical principles of these financial instruments. Additionally, integrating sukuk-linked waqf into the broader Islamic finance ecosystem can facilitate collaboration between governmental bodies, financial institutions, and the private sector, thus fostering a more inclusive and sustainable financial landscape that supports long-term social and economic development goals.

6. CONCLUSION

This paper concludes that the weakness of the sukuk linked waqf ecosystem is caused by weak knowledge regarding TSR. The Tauhid worldview which is the Islamic worldview should be a fundamental problem in understanding economic behavior and its transformations inherent in the world system. Tauhid's worldview is a systemic unity of knowledge. Because, from this world view, the meaning of morals and ethics is then derived from the premises of epistemology and the unity of knowledge. Knowledge management activities, if looked at more closely, have a number of similarities and differences with shuratic process. With a similar approach, tacit knowledge And explicit knowledge which has been explained in the spiralization of knowledge

in the knowledge management section has similarities with the way the Al-Qur'an and Sunnah are used as a guide by Muslims to worship as a form of gratitude to Allah SWT for all His blessings in the sense of shuratic process.

The difference is, knowledge management has more of a horizontal dimension (muamalah). Temporary shuratic process involves horizontal (muamalah) and vertical (worship) aspects by including the component of Allah SWT as the beginning and end of all knowledge. Plus the role of the holy book Al-Qur'an and the Sunnah of the Prophet as an integral part of the overall movement of the universe which is a reference source of knowledge for humans. This shows the existence of a human interrelation framework that is complementary and comprehensive and does not view humans solely as economic man.

Knowledge management can be said to play a major role in becoming a basic framework for understanding shuratic process. Shuratic process can start from understanding the application of knowledge management plus spiritual aspects in the form of understanding sources of knowledge in Islam, namely the Al-Qur'an and Sunnah as well ijтиhad, qiyas And consensus as a form of codification of knowledge. From this description, this paper contributes to the lack of literature on the development of sukuk linked waqf, especially the limited innovation in governance of sukuk linked waqf so that it can influence the performance of the sharia financial sector in general. This article is able to enrich literacy and theoretical concepts, especially those related to TSR, how to manage the advantages and disadvantages of internal and external aspects of sukuk linked waqf. Another contribution is to formulate innovative sharia financial instruments that can be based on the Al-Quran and As-Sunnah.

7. DECLARATIONS

7.1. About Authors

Lokot Zein Nasution (LZ)  <https://orcid.org/0009-0004-8748-2264>

Hermanto Siregar (HS)  <https://orcid.org/0000-0003-0913-6820>

Rifki Ismail (RI)  <https://orcid.org/0000-0003-4488-3207>

Tatik Mariyanti (TM)  <https://orcid.org/0000-0002-0560-4888>

7.2. Author Contributions

Conceptualization: LZ; Methodology: HS; Software: RI; Validation: TM and LZ; Formal Analysis: HS and RI; Investigation: TM; Resources: LZ; Data Curation: HS; Writing Original Draft Preparation: RI and TM; Writing Review and Editing: LZ and HS; Visualization: TM; All authors, LZ, HS, RI, and TM, have read and agreed to the published version of the manuscript.

7.3. Data Availability Statement

The data presented in this study are available on request from the corresponding author.

7.4. Funding

The authors received no financial support for the research, authorship, and/or publication of this article.

7.5. Declaration of Conflicting Interest

The authors declare that they have no conflicts of interest, known competing financial interests, or personal relationships that could have influenced the work reported in this paper.

REFERENCES

- [1] F. K. T. Suwandini, E. W. H. Budianto, and N. D. T. Dewi, "Islamic rural banks (bprs): Mapping research topics using library research and vosviewer bibliometrics," *TIFBR (Tazkia Islamic Finance and Business Review)*, vol. 14, no. 1, pp. 46–64, 2023, accessed: 2025-05-04. [Online]. Available: https://www.academia.edu/110679626/Islamic_Rural_Banks_BPRS_Mapping_Research.Topics_using_Library_Research_and_VOSviewer_Bibliometrics
- [2] R. M. Yasin, "Cash waqf linked sukuk: Issues, challenges, and future direction in indonesia," *JEBIS: Jurnal Ekonomi dan Bisnis Islam*, vol. 7, no. 1, 2021.

[3] S. Nurdiana and T. Mariyanti, "Islamic bank as a role model of implementation tawhidi string relations in production concept," *Indonesian Journal of Business, Accounting and Management*, vol. 4, no. 2, pp. 40–45, 2021.

[4] A. Ascarya, U. Suharto, and J. A. Husman, "Proposed model of integrated islamic commercial and social finance for islamic bank in indonesia," *Eurasian Economic Review*, vol. 12, no. 1, pp. 115–138, 2022.

[5] S. I. Al-Hawary, J. R. N. Alvarez, A. Ali, A. K. Tripathi, U. Rahardja, I. H. Al-Kharsan, R. M. Romero-Parra, H. A. Marhoon, V. John, and W. Hussian, "Multiobjective optimization of a hybrid electricity generation system based on waste energy of internal combustion engine and solar system for sustainable environment," *Chemosphere*, vol. 336, p. 139269, 2023.

[6] A. L. Nugraha, A. Susilo, M. Huda, M. A. Athoillah, and C. Rochman, "Waqf literacy: The dynamics of waqf in indonesia," *Journal of Islamic Economics and Finance Studies*, vol. 3, no. 2, pp. 102–120, 2022.

[7] S. Lestari, S. Watini, and D. E. Rose, "Impact of self-efficacy and work discipline on employee performance in sociopreneur initiatives," *Aptisi Transactions on Technopreneurship (ATT)*, vol. 6, no. 2, pp. 270–284, 2024.

[8] J. Siswanto, V. A. Goeltom, I. N. Hikam, E. A. Lisangan, and A. Fitriani, "Market trend analysis and data-based decision making in increasing business competitiveness," *Sundara Advanced Research on Artificial Intelligence*, vol. 1, no. 1, pp. 1–8, 2025.

[9] P. M. Haas and N. Ivanovskis, "Prospects for implementing the sdgs," *Current Opinion in Environmental Sustainability*, vol. 56, p. 101176, 2022.

[10] D. M. Sudi, A. Sarif, Y. Wang, and G. Zou, "Optimizing waqf as a socio-economic financing instrument in the digital era," *Sharia Oikonomia Law Journal*, vol. 2, no. 2, pp. 139–150, 2024.

[11] K. Nour Aldeen, I. S. Ratih, and R. Sari Pertiwi, "Cash waqf from the millennials' perspective: a case of indonesia," *ISRA International Journal of Islamic Finance*, vol. 14, no. 1, pp. 20–37, 2022.

[12] United Nations, "The 17 goals — sustainable development," <https://sdgs.un.org/goals>, 2024, accessed: 2024-08-23.

[13] Ministry of Finance of the Republic of Indonesia, "Sukuk tabungan," 2025, accessed on May 1, 2025. [Online]. Available: <https://www.kemenkeu.go.id/sukuktabungan>

[14] A. H. Aditiya, H. Hamdan, S. N. W. Putra, S. Visiana, and R. Thakkar, "Transforming education with genai: Case study on chatgpt, midjourney, and policy changes," *Sundara Advanced Research on Artificial Intelligence*, vol. 1, no. 1, pp. 20–27, 2025.

[15] U. Rahardja, Q. Aini, M. A. Ngadi, M. Hardini, and F. P. Oganda, "The blockchain manifesto," in *2020 2nd International Conference on Cybernetics and Intelligent System (ICORIS)*. IEEE, 2020, pp. 1–5.

[16] M. Murod, S. Anhar, D. Andayani, A. Fitriani, and G. Khanna, "Blockchain based intellectual property management enhancing security and transparency in digital entrepreneurship," *Aptisi Transactions on Technopreneurship (ATT)*, vol. 7, no. 1, pp. 240–251, 2025.

[17] A. As-Salafiyah, "Literature on tawhidi string relation (tsr) concept: A text mining," *Maqasid al-Shariah Review*, vol. 2, no. 2, 2023.

[18] M. A. Choudhury, "The tawhidi methodological question for islamic philosophy of science: Comparative study," in *Handbook of Islamic Philosophy of Science: Economics, Society and Science*. Springer, 2024, pp. 37–78.

[19] A. U. Hasanah, Y. Shino, and S. Kosasih, "The role of information technology in improving the competitiveness of small and sme enterprises," *IAIC Transactions on Sustainable Digital Innovation (ITSDI)*, vol. 3, no. 2, pp. 168–174, 2022.

[20] F. N. Izzuddin, L. A. Syafutra, M. F. Agustian *et al.*, "User experience evaluation of pension fund application using system usability scale and heuristic evaluation," in *2024 9th International Conference on Business and Industrial Research (ICBIR)*. IEEE, 2024, pp. 0142–0147.

[21] E. S. Aisyah, E. P. Harahap, and N. Salsabila, "The effect requirements selling in the marketplace for security against buyer trust," *Aptisi Transactions On Management*, vol. 4, no. 1, pp. 67–75, 2020.

[22] A. A. Mahfudz, "Problems of islamic home financing in indonesia: A tawhidi string relation (tsr) exposition," in *Problems of Islamic Home Financing in Indonesia: A Tawhidi String Relation (TSR) Exposition*, vol. 14, no. 1. Institute for Research and Community Empowerment (IRCE), Tazkia University ..., 2020, pp. 46–64.

[23] M. Kuswari, R. Gantino, and J. Maratis, "Maximizing healthcare service information system: Understanding the influence of integration on efficiency," *ADI Journal on Recent Innovation*, vol. 6, no. 2, pp.

108–117, 2025.

[24] A. S. Warto and R. B. Budhijana, “Analysis of tawhidi string relation (tsr) towards factors that affect the distribution of financing of sharia banking in indonesia period 2009-2019,” *Asian Development Bank Economics Working Paper Series*, vol. 12, 2020, accessed: 2025-05-04. [Online]. Available: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3548025

[25] U. Rusilowati, H. R. Ngemba, R. W. Anugrah, A. Fitriani, and E. D. Astuti, “Leveraging ai for superior efficiency in energy use and development of renewable resources such as solar energy, wind, and bioenergy,” *International Transactions on Artificial Intelligence*, vol. 2, no. 2, pp. 114–120, 2024.

[26] R. G. Munthe, M. Abbas, R. Fernandez, and N. Ultita, “The impact of educational information systems on learning accessibility in higher education,” *International Transactions on Education Technology (ITEE)*, vol. 3, no. 1, pp. 94–103, 2024.

[27] U. Rahardja, N. Lutfiani, A. S. Rafika, and E. P. Harahap, “Determinants of lecturer performance to enhance accreditation in higher education,” in *2020 8th International Conference on Cyber and IT Service Management (CITSM)*. IEEE, 2020, pp. 1–7.

[28] A. Kanivia, H. Hilda, A. Adiwijaya, M. F. Fazri, S. Maulana, and M. Hardini, “The impact of information technology support on the use of e-learning systems at university,” *International Journal of Cyber and IT Service Management*, vol. 4, no. 2, pp. 122–132, 2024.

[29] C. S. B. Bangun, D. P. Riskhandini, and N. Lyraa, “Blockchain governance models for enhancing e-commerce user satisfaction,” *Blockchain Frontier Technology*, vol. 4, no. 2, pp. 72–83, 2025.

[30] A. Susanto and T. Mariyanti, “Implementation of tawhidi string relations (tsr) on household consumption,” *Indonesian Journal of Business, Accounting and Management*, vol. 4, no. 2, pp. 1–7, 2021.

[31] F. Sintarini and A. A. Makhfudz, “Factors influencing consumers’ intention to buy on sharia insurance and the implications towards maslaha: A tawhidi string relation (tsr) approach,” *Indonesian journal of business, accounting and management*, vol. 4, no. 2, pp. 28–33, 2021.

[32] R. Widayanti, M. H. R. Chakim, C. Lukita, U. Rahardja, and N. Lutfiani, “Improving recommender systems using hybrid techniques of collaborative filtering and content-based filtering,” *Journal of Applied Data Sciences*, vol. 4, no. 3, pp. 289–302, 2023.

[33] R. Bhandari and M. V. A. Sin, “Optimizing digital marketing in hospitality industries,” *Startpreneur Bisnis Digital (SABDA Journal)*, vol. 2, no. 1, 2023.

[34] B. Wijananto, Y. Basri, A. Mahfudz, and A. Uraji, “Problems of islamic home financing in indonesia: A tawhid string relation (tsr) exposition,” *TIFBR (Tazkia Islamic Finance and Business Review)*, vol. 14, no. 1, pp. 46–64, 2020.

[35] R. Naida, L. Berezovska, O. Bulgakova, N. Kravets, and M. Savchenkova, “Integrating innovative pedagogical technologies into early childhood education training programs:: A comparative analysis,” *Conhecimento & Diversidade*, vol. 16, no. 41, pp. 568–595, 2024.

[36] D. Bennet, S. A. Anjani, O. P. Daeli, D. Martono, and C. S. Bangun, “Predictive analysis of startup ecosystems: Integration of technology acceptance models with random forest techniques,” *CORISINTA*, vol. 1, no. 1, pp. 70–79, 2024.

[37] A. Abudaqa, R. Alzahmi, M. F. Hilmi, and G. Ahmed, “How supply chain resilience is achieved in smes of dubai, uae? considering the flexible supply chain practices as a mediator,” *International Journal of Logistics Systems and Management*, vol. 45, no. 2, pp. 159–174, 2023.

[38] M. F. Nur and A. Siregar, “Exploring the use of cluster analysis in market segmentation for targeted advertising,” *IAIC Transactions on Sustainable Digital Innovation (ITSDI)*, vol. 5, no. 2, pp. 158–168, 2024.

[39] S. Purnama, B. L. Pradana, G. Khanna, S. Suhandi, A. Rizky, I. N. Hikam, and M. F. Kamil, “The impact of war on the cryptocurrency economy from a management perspective,” *International Journal of Cyber and IT Service Management*, vol. 4, no. 2, pp. 143–154, 2024.