

The Role of Waqf Forestry for Sustainable Economic Development: A Panel Logit Analysis

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Abstract : Kuznets' environmental curve analysis suggests sacrificing economic development to reduce environmental problems. However, we hope to achieve sustainable economic development. In this case, Islamic social finance, especially that of waqf in Indonesia, can be used as a solution to bridge the problem of environmental damage to the sustainability of economic development. The Panel Logit Regression method was used to analyze the probability of increasing economic growth and the role of waqf in the environmental impact of CO₂ emissions. This study uses panel data from 33 Indonesian provinces. The data used were the National Waqf Index, Forest Area, Waqf Land Area, Growth Rate of Regional Gross Domestic Product (YoY), and CO₂ Emissions for 2018-2022. Data were obtained from the Indonesian Waqf Board, Climate World Data, the Ministry of the Environment, and the Bank of Indonesia. The results prove that CO₂ emissions have a negative effect on regional economic growth and that waqf governance in the waqf index has a positive effect on regional economic growth in 33 provinces.

Keywords : waqf, CO₂ emissions, panel logit analysis, sustainable economic development

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