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BLUE OCEAN STRATEGY-BASED WAQF FINANCING AND FOOD SECURITY RESILIENCE: THE MEDIATING EFFECT OF AGRO-ECONOMIC TRANSFORMATION

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Abstract: *Food security has become an increasingly critical global concern due to population growth, climate change, resource scarcity, and disruptions in agricultural supply chains. Despite the growing recognition of waqf as a sustainable Islamic social finance instrument, existing studies have largely examined its direct contribution to socioeconomic development and food security without adequately explaining the mechanisms through which it enhances food system resilience. Furthermore, limited attention has been given to the integration of strategic management approaches, particularly Blue Ocean Strategy (BOS), within waqf financing initiatives aimed at agricultural development. Therefore, this study aims to develop a conceptual framework that examines the relationship between Blue Ocean Strategy-based waqf financing and food security resilience through the mediating role of agro-economic transformation. This study adopts a narrative review methodology by systematically reviewing relevant literature retrieved from the Scopus database. An integrative thematic analysis approach was employed to identify, analyze, and synthesize key themes, concepts, and theoretical perspectives related to BOS, waqf financing, agro-economic transformation, and food security resilience. The findings suggest that BOS-based waqf financing has the potential to enhance food security resilience by promoting innovative resource mobilization, productive utilization of waqf assets, agricultural modernization, market creation, and rural economic development. The analysis further indicates that agro-economic transformation serves as a critical mediating mechanism, translating strategic waqf financing initiatives into sustainable*

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food system outcomes. The study contributes theoretically by extending Blue Ocean Strategy into the domain of Islamic social finance and integrating insights from strategic management, agricultural economics, and sustainable development. Practically, the proposed framework offers guidance for policymakers, waqf institutions, and development agencies seeking innovative solutions to strengthen food security. Future research should empirically validate the proposed framework across different geographical and institutional contexts and examine additional factors influencing the effectiveness of waqf financing in enhancing food security resilience.

Keywords: *Blue Ocean Strategy; Waqf Financing; Agro-Economic Transformation; Food Security Resilience; Islamic Social Finance*

Introduction

Food security has emerged as one of the most pressing global challenges in the twenty-first century, driven by population growth, climate change, resource depletion, supply chain disruptions, and geopolitical uncertainties. The increasing vulnerability of food systems has intensified the need for innovative and sustainable financing mechanisms capable of strengthening agricultural productivity and resilience. Within the Islamic economic framework, waqf has historically served as a socio-economic instrument promoting public welfare and sustainable development. Beyond its traditional role in supporting religious and charitable activities, contemporary waqf has evolved into a strategic financial mechanism that can contribute to agricultural development, poverty alleviation, and food security enhancement. Recent studies suggest that productive utilization of waqf assets, particularly agricultural land, can support sustainable food production and improve community livelihoods while preserving long-term socio-economic benefits (Abdullah et al., 2024; Listiana et al., 2025). Consequently, the integration of waqf financing into agricultural development initiatives has gained increasing attention among policymakers, researchers, and practitioners seeking innovative solutions to address food security challenges.

The growing body of literature highlights the significant potential of waqf financing in supporting agricultural activities and promoting sustainable economic development. Studies have demonstrated that idle waqf lands can be transformed into productive agricultural assets capable of generating economic returns and enhancing food availability (Listiana et al., 2025). Simultaneously, the emergence of strategic management approaches such as Blue Ocean Strategy (BOS) offers new perspectives for optimizing waqf development. Introduced by Kim and Mauborgne (2015), BOS emphasizes value innovation through the creation of uncontested market spaces rather than competing within existing market boundaries. The application of BOS principles has shown promising outcomes in fostering innovation, entrepreneurship, and sustainable competitive advantages across various sectors, including agriculture (Zade et al., 2025). More recently, Abdullah et al. (2024) argued that BOS provides a viable strategic framework for enhancing waqf asset development by identifying innovative opportunities that maximize social and economic value creation. The convergence of waqf financing and BOS, therefore, presents a potentially transformative approach for addressing contemporary food security concerns.

Despite the increasing scholarly interest in waqf and food security, existing studies remain fragmented and largely focus on direct relationships between waqf utilization and socio-economic outcomes. Current literature provides a limited understanding of the mechanisms

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through which waqf financing contributes to food security resilience, particularly from a strategic innovation perspective. Furthermore, while previous research acknowledges the role of agricultural development in enhancing food security, insufficient attention has been given to agro-economic transformation as a mediating process linking innovative waqf financing strategies to resilient food systems. Agro-economic transformation encompasses the modernization of agricultural practices, value-chain enhancement, market expansion, technological adoption, and institutional innovation that collectively improve agricultural productivity and economic sustainability. The absence of a comprehensive framework integrating BOS, waqf financing, agro-economic transformation, and food security resilience represents a significant theoretical and practical gap within the literature.

To address this gap, the present conceptual paper proposes a novel framework that examines the relationship between Blue Ocean Strategy-based waqf financing and food security resilience through the mediating role of agro-economic transformation. Specifically, the study argues that BOS-oriented waqf financing facilitates innovative resource mobilization, productive utilization of waqf assets, and the creation of new agricultural market opportunities, which subsequently stimulate agro-economic transformation and strengthen food security resilience. The significance of this study lies in its contribution to advancing the discourse on Islamic social finance and sustainable development by integrating strategic management theory with waqf-based agricultural development. The proposed framework offers valuable insights for policymakers, waqf institutions, agricultural agencies, and development practitioners seeking sustainable solutions to food insecurity while promoting inclusive economic growth in line with the Sustainable Development Goals (SDGs), particularly SDG 2 (Zero Hunger) and SDG 8 (Decent Work and Economic Growth).

Theoretically, this study is grounded in the principles of Blue Ocean Strategy, which emphasize value innovation, resource optimization, and the creation of new market spaces as drivers of sustainable competitive advantage (Kim & Mauborgne, 2015). The framework extends BOS into the domain of Islamic social finance by positioning waqf financing as an innovative development instrument capable of transforming agricultural ecosystems and enhancing food security resilience. By introducing agro-economic transformation as a mediating construct, the study contributes to the development of a more nuanced understanding of the pathways through which waqf financing generates sustainable socio-economic outcomes. The remainder of this paper is structured as follows. The next section reviews the relevant literature on waqf financing, Blue Ocean Strategy, agro-economic transformation, and food security resilience. Subsequently, the conceptual framework and propositions are developed, followed by a discussion of theoretical and practical implications. The paper concludes by highlighting future research directions and policy recommendations.

Literature Review

Blue Ocean Strategy-Based Waqf Financing

Waqf has long been recognized as a significant instrument within Islamic social finance, contributing to socioeconomic development, poverty alleviation, and public welfare. Traditionally, waqf institutions focused on charitable and religious activities; however, contemporary developments have expanded their role toward productive economic sectors, including agriculture, education, healthcare, and entrepreneurship. Recent studies suggest that waqf financing possesses substantial potential to support sustainable economic growth through the mobilization of idle assets and the creation of long-term developmental benefits (Zafar &

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Ali, 2026). Agricultural waqf has emerged as a strategic mechanism for addressing food security concerns by utilizing waqf lands and cash waqf investments to enhance agricultural productivity and strengthen rural livelihoods (Listiana et al., 2025). Consequently, waqf financing is increasingly viewed as a sustainable financial instrument capable of supporting national development agendas while promoting social equity and economic resilience.

The growing complexity of global economic challenges has encouraged waqf institutions to adopt innovative management approaches that maximize the socioeconomic value of waqf assets. Among these approaches, Blue Ocean Strategy (BOS) offers a promising framework for transforming traditional waqf practices into innovative and sustainable development models. Developed by Kim and Mauborgne (2015), BOS emphasizes value innovation through the creation of uncontested market spaces rather than competing within saturated markets. Abdullah et al. (2024) argue that the application of BOS in waqf development enables institutions to identify untapped opportunities, diversify revenue streams, and optimize asset utilization. Through strategic innovation, waqf institutions can generate greater economic and social value while ensuring long-term sustainability and competitiveness.

The integration of BOS into waqf financing introduces a paradigm shift from conventional asset management toward innovative resource mobilization and market creation. The BOS framework, particularly the Eliminate-Reduce-Raise-Create (ERRC) grid, provides a systematic mechanism for identifying inefficiencies, eliminating non-value-adding activities, enhancing productive investments, and creating new socioeconomic opportunities (Kim & Mauborgne, 2015). In the context of agricultural waqf, BOS can facilitate the transformation of idle waqf lands into productive agricultural ventures, support agribusiness innovation, and establish sustainable financing ecosystems. This strategic alignment between BOS and waqf financing is expected to generate positive outcomes not only for agricultural productivity but also for broader socioeconomic development and food security resilience (Abdullah et al., 2024).

Agro-Economic Transformation

Agro-economic transformation refers to the structural modernization of agricultural systems through technological innovation, institutional reforms, value-chain enhancement, and market integration. It encompasses efforts to improve agricultural productivity, increase farmers' income, strengthen rural economies, and enhance resilience against environmental and economic shocks. According to the agricultural development literature, agro-economic transformation plays a critical role in supporting sustainable food systems by facilitating the transition from traditional subsistence agriculture toward commercially viable and innovation-driven agricultural practices. Such transformation is particularly important in developing countries where agricultural productivity remains constrained by limited access to capital, technology, and market opportunities.

Recent studies emphasize that innovative financing mechanisms are essential drivers of agro-economic transformation. Access to sustainable financial resources enables farmers and agricultural enterprises to adopt modern technologies, improve production efficiency, and participate in higher-value agricultural markets. Waqf financing offers a unique opportunity in this regard by providing long-term and socially oriented financial support that is less dependent on conventional profit-maximization objectives (Listiana et al., 2025). Through productive utilization of waqf assets, agricultural stakeholders can gain access to land, infrastructure, irrigation systems, and agricultural inputs necessary for improving productivity and

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competitiveness. Such investments contribute significantly to rural economic development and agricultural modernization.

From a strategic management perspective, BOS principles provide an effective pathway for accelerating agro-economic transformation. Zade et al. (2025) argue that BOS encourages agripreneurs to identify untapped market opportunities and develop innovative products and services that create new demand. Rather than competing in existing agricultural markets characterized by price pressures and limited profitability, BOS promotes differentiation, value creation, and market innovation. When combined with waqf financing, BOS can facilitate the development of sustainable agricultural ecosystems that support technological adoption, market diversification, and inclusive economic growth. Therefore, agro-economic transformation represents a critical mechanism through which strategic waqf financing initiatives can generate broader developmental impacts.

Food Security Resilience

Food security resilience refers to the ability of food systems to withstand, adapt to, and recover from disruptions while ensuring consistent access to sufficient, safe, and nutritious food for all populations. The concept extends beyond food availability to include dimensions of accessibility, utilization, stability, and adaptability. In recent years, global food systems have faced unprecedented challenges resulting from climate change, pandemics, geopolitical conflicts, and economic volatility, highlighting the need for resilient food production and distribution systems. As a result, food security resilience has become a central objective of sustainable development policies and international development agendas.

Agriculture remains the foundation of food security resilience because it directly influences food availability, affordability, and accessibility. However, achieving resilient food systems requires more than increasing agricultural production; it necessitates the development of sustainable agricultural practices, efficient value chains, and adaptive institutional frameworks. According to Listiana et al. (2025), waqf can contribute significantly to food security by supporting agricultural production, preventing land conversion, and financing strategic sectors such as agriculture, fisheries, and livestock development. These contributions demonstrate the potential of Islamic social finance instruments to strengthen food systems and improve societal welfare.

The relationship between innovation and food security resilience has received increasing scholarly attention. Studies suggest that innovative financing mechanisms and strategic resource management play essential roles in improving food system sustainability and resilience (Lefilef et al., 2025). In this regard, BOS-based waqf financing can support food security resilience by fostering innovation, optimizing resource utilization, and creating sustainable agricultural markets. Through strategic investments in productive agricultural activities, waqf institutions can enhance food production capacity, reduce supply vulnerabilities, and strengthen the adaptive capabilities of rural communities. Consequently, food security resilience can be viewed as a key outcome of effective integration between strategic innovation and Islamic social finance.

Mediating Role of Agro-Economic Transformation

Although previous studies have examined the relationship between waqf financing and food security, the underlying mechanisms that explain this relationship remain underexplored. Existing literature generally assumes a direct effect of waqf financing on food security

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outcomes without adequately considering the transformative processes occurring within agricultural systems. This limitation suggests the need for a mediating construct to explain how financial resources translate into tangible food security outcomes. Agro-economic transformation offers a theoretically relevant mechanism because it captures the structural and institutional changes necessary for improving agricultural productivity, efficiency, and sustainability.

The integration of BOS principles into waqf financing creates conditions that facilitate agro-economic transformation. BOS encourages innovative resource allocation, market creation, and value innovation, while waqf financing provides the financial and physical resources required to support agricultural development (Abdullah et al., 2024). Through productive investments in agricultural infrastructure, technology adoption, agribusiness development, and rural entrepreneurship, BOS-based waqf financing contributes to the modernization of agricultural systems. These transformations improve production efficiency, strengthen agricultural value chains, and increase economic opportunities for rural communities, thereby creating a stronger foundation for food security resilience.

Based on this perspective, agro-economic transformation functions as a mediating mechanism linking BOS-based waqf financing to food security resilience. Specifically, waqf financing alone may not directly generate resilient food systems unless it is translated into productive agricultural activities and broader economic transformation. The modernization of agricultural practices, diversification of rural economies, enhancement of market access, and strengthening of institutional capacities collectively improve the resilience of food systems against internal and external shocks. Therefore, this study proposes that agro-economic transformation serves as a critical pathway through which innovative waqf financing strategies contribute to sustainable food security outcomes, thereby providing a more comprehensive understanding of the relationship between Islamic social finance and sustainable development.

Methodology

Research Design: Narrative Review Methodology

This study adopts a narrative review methodology to develop a conceptual framework that explains the relationship between Blue Ocean Strategy (BOS)-based waqf financing and food security resilience through the mediating role of agro-economic transformation. Narrative reviews are particularly appropriate for emerging and interdisciplinary research areas where theoretical integration remains limited and empirical evidence is fragmented (Baumeister & Leary, 1997). Unlike systematic reviews, which primarily focus on answering narrowly defined research questions through rigid inclusion criteria, narrative reviews facilitate a broader examination of concepts, theories, and relationships across multiple disciplines. This flexibility enables researchers to synthesize diverse bodies of knowledge and propose new conceptual perspectives that advance theoretical understanding.

The present study involves the integration of four interdisciplinary domains, namely strategic management, Islamic social finance, agricultural economics, and food security studies. Given the relatively limited literature directly linking these domains, a narrative review approach provides an effective mechanism for identifying theoretical intersections and developing a comprehensive conceptual model. Previous studies have largely examined waqf financing, Blue Ocean Strategy, agricultural development, and food security independently. Therefore, a

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narrative review allows for the exploration of conceptual linkages among these variables while generating propositions that can guide future empirical investigations.

Furthermore, narrative reviews are widely employed in conceptual paper development because they facilitate theory building and framework construction. According to Snyder (2019), narrative reviews enable scholars to identify research gaps, consolidate fragmented knowledge, and propose future research directions. In the context of this study, the narrative review methodology serves as a suitable approach for developing a novel conceptual framework that positions agro-economic transformation as a mediating mechanism linking BOS-based waqf financing to food security resilience. The methodology therefore supports the study's objective of extending existing knowledge by integrating insights from multiple research streams into a coherent theoretical model.

Key Steps in Conducting a Narrative Review

The narrative review process followed a structured and transparent procedure to ensure comprehensiveness, rigor, and theoretical consistency. The review commenced with the identification of the primary constructs underpinning the study, namely Blue Ocean Strategy, waqf financing, agro-economic transformation, and food security resilience. These constructs were selected based on their relevance to contemporary discussions on sustainable development, Islamic social finance, agricultural modernization, and strategic innovation.

The second stage involved an extensive literature search using the Scopus database, which is recognized as one of the largest and most reputable indexing platforms for peer-reviewed academic publications. Scopus was selected because of its extensive coverage of high-quality journals across business, economics, agriculture, sustainability, and Islamic finance disciplines. The database provides access to internationally recognized publications, ensuring the reliability and academic rigor of the reviewed literature. Utilizing a single comprehensive database also enhances consistency in document retrieval and reduces duplication across multiple indexing platforms.

The third stage involved screening and evaluating relevant publications based on their conceptual relevance to the study objectives. Articles addressing strategic innovation, Blue Ocean Strategy applications, waqf development, Islamic social finance, agricultural transformation, food security, rural development, and sustainability were prioritized. Subsequently, selected publications were subjected to detailed content analysis to identify recurring themes, theoretical arguments, conceptual relationships, and research gaps. The final stage consisted of synthesizing these findings into an integrated conceptual framework that explains how agro-economic transformation mediates the relationship between BOS-based waqf financing and food security resilience.

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Figure 1: Methodological framework of the narrative review process, from construct identification to conceptual synthesis.

Data Collection and Review Strategy

Data collection for this study was conducted exclusively through the Scopus database due to its extensive coverage of peer-reviewed scholarly literature and its recognition as a leading source of high-quality academic publications. The database was searched using a predefined search strategy designed to capture literature associated with the four principal constructs of the study. To maximize coverage and minimize the risk of omitting relevant studies, multiple keywords and synonymous terms were incorporated into the search process.

The following search string was employed:
(("blue ocean strategy" OR "market innovation" OR "strategic planning") AND ("waqf financing" OR "charitable endowment" OR "Islamic finance" OR "philanthropic funding") AND ("food security" OR "food resilience" OR "nutrition stability" OR "agricultural sustainability") AND ("agro-economic transformation" OR "agricultural development" OR "economic change" OR "rural development"))

The search string was developed based on established literature relating to strategic management, Islamic social finance, agricultural development, and food security studies. The inclusion of alternative terminologies such as "market innovation," "charitable endowment," and "rural development" was intended to broaden the search scope and capture studies that may discuss similar concepts using different disciplinary language. This approach ensured a comprehensive retrieval of publications relevant to the conceptual development of the study. Following data retrieval, an integrative thematic analysis approach was employed to analyze and synthesize the literature. Integrative thematic analysis enables researchers to systematically identify recurring patterns, concepts, theoretical arguments, and thematic relationships across diverse studies (Braun & Clarke, 2006). This method is particularly appropriate for conceptual research because it facilitates the integration of findings from different disciplines while preserving contextual richness and theoretical depth.

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The thematic analysis process involved several stages. First, the selected publications were carefully reviewed and coded according to their relevance to the study variables. Second, recurring concepts and theoretical constructs were identified and categorized into broader themes. Third, relationships among these themes were examined to determine potential causal pathways and theoretical linkages. Through this process, four dominant thematic domains emerged: (1) strategic innovation and value creation through Blue Ocean Strategy, (2) sustainable resource mobilization through waqf financing, (3) agricultural modernization and rural economic development through agro-economic transformation, and (4) food security resilience as a sustainable development outcome.

The integrative synthesis of these themes facilitated the development of a conceptual framework that explains the indirect relationship between BOS-based waqf financing and food security resilience through agro-economic transformation. Specifically, the analysis suggests that strategic innovation embedded within BOS enhances the effectiveness of waqf financing by promoting productive asset utilization, market creation, and resource optimization. These mechanisms subsequently stimulate agro-economic transformation through agricultural modernization, value-chain enhancement, and rural economic empowerment. In turn, these transformations contribute to improved food security resilience by strengthening food production systems, increasing adaptive capacity, and promoting sustainable agricultural development.

By employing a narrative review methodology combined with integrative thematic analysis, this study provides a theoretically grounded synthesis of existing knowledge while advancing a novel conceptual framework that can serve as a foundation for future empirical research and policy development in the fields of Islamic social finance, agricultural economics, and sustainable food security.

Development of Theoretical Framework

The theoretical framework of this study is primarily grounded in Blue Ocean Strategy (BOS) Theory, which emphasizes value innovation through the creation of uncontested market spaces rather than competing within existing market boundaries (Kim & Mauborgne, 2015). BOS argues that sustainable organizational performance can be achieved by simultaneously pursuing differentiation and cost efficiency, thereby creating new demand and unlocking previously untapped opportunities. In the context of Islamic social finance, this theory provides a relevant lens for understanding how waqf institutions can move beyond traditional charitable functions toward innovative and productive development initiatives. The present study extends the application of BOS into the domain of waqf financing by proposing that strategic innovation can transform underutilized waqf assets into productive agricultural resources capable of generating both economic and social value. Accordingly, the theoretical framework positions Blue Ocean Strategy-based waqf financing as the independent variable that stimulates innovative resource mobilization, market creation, and sustainable agricultural investment. Through this perspective, BOS serves as the foundational theoretical mechanism explaining how strategic innovation can enhance the effectiveness of waqf financing in addressing contemporary food security challenges (Abdullah et al., 2024; Kim & Mauborgne, 2015).

Building upon BOS theory, this study conceptualizes agro-economic transformation as the mediating construct that explains the pathway through which BOS-based waqf financing contributes to food security resilience. Agro-economic transformation refers to the modernization and restructuring of agricultural systems through technological innovation,

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infrastructure development, value-chain enhancement, market diversification, and rural economic empowerment. The inclusion of this mediating variable is theoretically supported by agricultural development literature, which suggests that financial resources alone are insufficient to improve food security outcomes unless they are translated into productive agricultural transformation (Timmer, 2017). Within the proposed framework, BOS-based waqf financing provides strategic capital, productive land utilization, and innovative investment opportunities that facilitate agricultural modernization and economic development. These transformations subsequently enhance productivity, strengthen agricultural resilience, and improve food system sustainability. Therefore, agro-economic transformation serves as the critical mechanism linking strategic waqf financing initiatives to broader developmental outcomes. The framework integrates insights from Islamic social finance, strategic management, and agricultural economics literature, thereby providing a multidisciplinary explanation of how innovative financing instruments can contribute to sustainable development and food security resilience (Listiana et al., 2025; Zade et al., 2025).

The proposed framework further conceptualizes food security resilience as the ultimate dependent variable and sustainable development outcome. Food security resilience reflects the capacity of food systems to withstand disruptions, adapt to changing conditions, and maintain adequate food availability, accessibility, utilization, and stability over time (Food and Agriculture Organization [FAO], 2023). The framework proposes that the impact of BOS-based waqf financing on food security resilience is largely indirect and operates through agro-economic transformation. This theoretical proposition contributes to the literature by addressing a significant gap in previous studies, which have predominantly examined direct relationships between waqf and food security without exploring the underlying transformational mechanisms. From a practical perspective, the framework provides valuable guidance for policymakers, waqf institutions, agricultural agencies, and development organizations seeking innovative solutions to food insecurity. By integrating strategic innovation principles with Islamic social finance instruments, the framework offers a sustainable model for maximizing the socioeconomic benefits of waqf assets while strengthening agricultural development and food system resilience. Ultimately, the framework contributes to the achievement of the Sustainable Development Goals (SDGs), particularly SDG 2 (Zero Hunger) and SDG 8 (Decent Work and Economic Growth), while advancing the theoretical understanding of the role of Islamic social finance in sustainable development.

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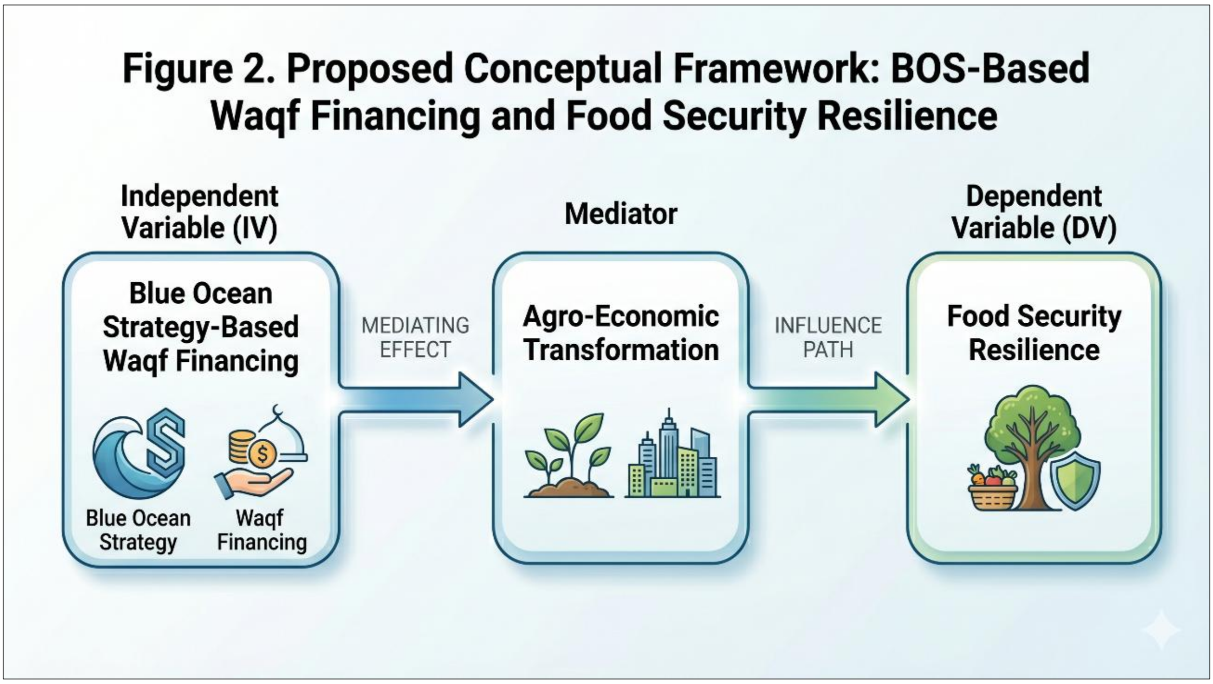

Figure 2: Proposed conceptual framework illustrating the mediating role of agro-economic transformation between BOS-based waqf financing and food security resilience.

Proposition Development

Proposition 1

The integration of Blue Ocean Strategy (BOS) into waqf financing offers a novel approach to enhancing food security resilience by promoting value innovation, productive resource utilization, and the creation of new socioeconomic opportunities within the agricultural sector. BOS emphasizes the identification of uncontested market spaces and innovative solutions that generate sustainable value while minimizing competition (Kim & Mauborgne, 2015). When applied to waqf financing, this strategic approach enables waqf institutions to transform underutilized assets, particularly waqf land and cash waqf, into productive agricultural investments that support food production, rural development, and sustainable livelihoods (Abdullah et al., 2024). Previous studies indicate that waqf financing contributes to food security by facilitating agricultural activities, preventing land conversion, and supporting strategic sectors such as agriculture, fisheries, and livestock production (Listiana et al., 2025). Furthermore, BOS-driven innovation encourages the exploration of untapped agricultural markets, development of value-added products, and enhancement of agripreneurial activities, all of which strengthen the resilience of food systems against economic and environmental shocks (Zade et al., 2025). From a theoretical perspective, innovative waqf financing mechanisms create a sustainable ecosystem that enhances agricultural productivity, resource efficiency, and long-term food availability, thereby contributing directly to food security resilience. Therefore, it is proposed that:

Proposition 1 (P1): Blue Ocean Strategy-Based Waqf Financing positively affects Food Security Resilience.

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Proposition 2

Blue Ocean Strategy (BOS)-based waqf financing has considerable potential to stimulate agro-economic transformation by facilitating innovative resource mobilization, productive asset utilization, and sustainable agricultural development. According to Kim and Mauborgne (2015), BOS emphasizes value innovation through the creation of uncontested market spaces, enabling organizations to generate new economic opportunities while maximizing resource efficiency. When integrated with waqf financing, BOS encourages the transformation of idle waqf assets, particularly agricultural land and cash waqf, into productive investments that support agricultural modernization, rural entrepreneurship, and value-chain development (Abdullah et al., 2024). Existing studies suggest that waqf financing can provide long-term capital for agricultural activities, improve access to productive resources, and support sectors critical to food production, including agriculture, fisheries, and livestock development (Listiana et al., 2025). Furthermore, BOS promotes innovation among agripreneurs by encouraging the exploration of untapped markets, development of differentiated agricultural products, and adoption of sustainable farming practices, all of which contribute to structural changes within the agricultural sector (Zade et al., 2025). From a theoretical perspective, the combination of strategic innovation and Islamic social finance creates a conducive environment for agricultural modernization, economic diversification, and rural development, thereby accelerating agro-economic transformation. Additionally, effective governance and development of waqf institutions can further strengthen this transformation by ensuring the efficient allocation of resources toward productive agricultural initiatives (Zafar & Ali, 2026). Therefore, it is proposed that:

Proposition 2 (P2): Blue Ocean Strategy-Based Waqf Financing positively affects Agro-Economic Transformation.

Proposition 3

Agro-economic transformation plays a crucial role in strengthening food security resilience by enhancing agricultural productivity, improving resource efficiency, promoting rural economic development, and increasing the adaptive capacity of food systems in response to economic and environmental uncertainties. As a multidimensional process, agro-economic transformation encompasses the modernization of agricultural practices, technological innovation, value-chain enhancement, market diversification, and institutional development, all of which contribute to sustainable food production and distribution systems. Previous studies suggest that resilient food systems are strongly dependent on the capacity of agricultural sectors to adapt to changing conditions while maintaining stable food availability, accessibility, and affordability (Food and Agriculture Organization [FAO], 2023). Furthermore, agro-economic transformation supports food security by creating more efficient production systems, reducing vulnerabilities associated with resource constraints, and strengthening rural livelihoods through increased economic opportunities (Lefilef et al., 2025). The adoption of innovative agricultural strategies and market-oriented approaches also enables agripreneurs to explore untapped market opportunities, enhance competitiveness, and generate sustainable economic growth, thereby improving the resilience of food systems against external shocks (Zade et al., 2025). In addition, investments in agricultural development supported by innovative financing mechanisms such as waqf contribute to long-term sustainability by facilitating productive land utilization, infrastructure development, and food production capacity enhancement (Listiana et al., 2025). From a theoretical perspective, agro-economic transformation serves as a fundamental driver of resilient food systems because it creates the structural and economic conditions necessary to ensure food stability, sustainability, and adaptability over time. Therefore, it is proposed that:

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Proposition 3 (P3): Agro-Economic Transformation positively affects Food Security Resilience.

Proposition 4

The relationship between Blue Ocean Strategy (BOS)-based waqf financing and food security resilience can be more comprehensively understood through the mediating role of agro-economic transformation. While innovative waqf financing provides the financial resources, productive assets, and strategic support necessary for agricultural development, its contribution to food security resilience is unlikely to occur directly without structural changes within the agricultural sector. Drawing upon Blue Ocean Strategy theory, BOS-based waqf financing promotes value innovation, market creation, and efficient resource utilization by transforming idle waqf assets into productive agricultural investments and encouraging the development of new agribusiness opportunities (Kim & Mauborgne, 2015; Abdullah et al., 2024). These strategic initiatives facilitate agro-economic transformation through agricultural modernization, technological adoption, infrastructure development, value-chain enhancement, and rural economic empowerment, which collectively improve agricultural productivity and sustainability (Zade et al., 2025). In turn, agro-economic transformation strengthens food security resilience by increasing food availability, improving access to agricultural resources, enhancing supply chain stability, and strengthening the capacity of food systems to adapt to economic and environmental disruptions (Listiana et al., 2025; Lefilef et al., 2025). Furthermore, effective governance and management of waqf institutions can reinforce this transformation process by ensuring that waqf resources are strategically allocated toward productive agricultural activities that generate long-term socioeconomic benefits (Zafar & Ali, 2026). Therefore, agro-economic transformation serves as a critical explanatory mechanism through which BOS-based waqf financing translates innovative resource mobilization into resilient and sustainable food systems. Therefore, it is proposed that:

Proposition 4 (P4): Agro-Economic Transformation mediates the relationship between Blue Ocean Strategy-Based Waqf Financing and Food Security Resilience.

Conclusion

This conceptual paper contributes to the growing body of knowledge on Islamic social finance by proposing a novel framework that explains the relationship between Blue Ocean Strategy-based waqf financing and food security resilience through the mediating role of agro-economic transformation. The study highlights that innovative waqf financing strategies grounded in Blue Ocean Strategy principles have the potential to enhance food security resilience by promoting agricultural modernization, productive utilization of waqf assets, market creation, and rural economic development. The proposed framework suggests that agro-economic transformation serves as a critical mechanism through which strategic waqf financing initiatives can generate sustainable food system outcomes and strengthen resilience against economic, environmental, and supply-chain disruptions. Theoretically, this study extends the application of Blue Ocean Strategy into the field of Islamic social finance and integrates perspectives from strategic management, agricultural economics, and sustainable development, thereby providing a multidisciplinary foundation for future research. Practically, the framework offers valuable insights for policymakers, waqf institutions, agricultural agencies, and development practitioners seeking innovative approaches to address food insecurity while maximizing the socioeconomic impact of waqf assets. Despite these contributions, the study is limited by its conceptual nature and the absence of empirical validation, which restricts the ability to generalize the proposed relationships across different contexts. Future research should therefore

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empirically test the proposed framework using quantitative, qualitative, or mixed-method approaches, examine the model across different countries and agricultural settings, and explore additional moderating or mediating variables such as institutional governance, technological innovation, sustainability practices, and policy support to further enrich understanding of the role of waqf financing in promoting resilient food systems and sustainable development.

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