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**ANALYSIS MANAGEMENT OF CASH WAQF AN INNOVATIVE INSTRUMENT FOR
 ECONOMIC DEVELOPMENT (A CASE STUDY IN INDONESIAN WAQF DEPOSIT)**

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Abstract: *Cash waqf is one of the alternative solutions amid the inability of government in providing prosperity for Indonesian society. On the other side, the system of cash waqf return allocation need to be rejuvenated in a professional way (Affandi and Nufus 2010) . Therefore, organization of cash waqf should receive more attention to finance various social projects through empowerment in the form of productive financing (Ahmad, dan Thobieb, 2006). Beside optimizing the cash waqf system, it is also necessary to developing cash waqf distribution programs. This paper aims to analyze management of cash waqf in Indonesia and inhibiting factors organization of cash waqf. This research consists of several steps. The first, to observed the potential of cash waqf. The second is, to information through interviews of academics in sharia and members of indonesian waqf board. The last is, to formulate the strategy to develop the cash waqf. This research conducted Analytic Network Process (ANP). The methodology of this study is presented in descriptive technique and supported by some relevant literatures. The results of the study show that the problems that arise in the development of cash waqf in Indonesia are divided into 3 aspects: Government, Human Resources, and Society. By using the ANP method, it is obtained priority strategies that are considered to solve the problem of collecting money in Indonesia, consisting of the first sequence of training, nadzir certification and making as a profession, optimizing socialization to the community, reporting of waqf funds routinely and the latter providing infrastructure support to accommodate waqf institutions.*

Keywords: *Management of cash waqf, social finance, Analytic Network Process (ANP)*



1. Introduction

Waqf has played the role to facilitate kinds of either religious or social activities, such as places for worship, for travelers, for science, for schools, for scientific papers making, for water supply and for the needs. At the time of *Bani Umayyah* and *Bani Abasiah*, *waqf*'s role was not only to build places of education, but also it provided the operational cost for knowledge, for library, for education, for scholarship, for teachers' and lecturers' welfare and for other educational staff. This shows the significant role of *waqf* for people's needs in facilitating the religious, social and academic activities (Çizakça, 1998; Muzarie, 2010; Ahmed, 2007; Wafa, 2010 ; Salarzahi et al, 2010).

The Indonesian *waqf* is regulated under the Law No. 41/2004 on *Waqf* and was signed by the Indonesian president on October 27, 2004. It is also published in the State Gazette of the Indonesian Republic No. 159/2004 and in the additional State Gazette of the Indonesian Republic No. 4459. Besides enhancing the existing *waqf*, this new *waqf* Law also regulates new problems: the management of *waqf* property must be productive and the use of it must be clearly stated, such as for the poor, for the new Indonesian *waqf* establishment, for the financial *waqf* management and for other needs in accordance with the developments (Huda et al. 2017).

Waqf has not been explored to the maximum, it should be maximized if the *waqf* is very potential as an instrument for community economic empowerment. Therefore, *waqf* institutions are very important to be developed in order to benefit the community itself. *Waqf* is one of the potential economic instruments to sustain the welfare of many people. However, until now the role of *waqf* is still not maximal and the benefits cannot be felt yet.

In the recent years, cash *waqf* has increasingly gaining awareness in Indonesia. Due to its flexibility in minimum amount of contribution, cash *waqf* has opened opportunity to more muslims with no fixed assets. Cash *Waqf* is one of the businesses that are being developed in order to increase the role in the economic field. The cash *waqf* model is very appropriate for providing information and helping to overcome contemporary Indonesian economic crises. Cash *Waqf* must get more attention to finance various social activities through empowerment in the form of productive financing (Ahmad, and Thobieb, 2006).

Management of Cash *Waqf* which is still a problem related to cash *waqf*, others that are still associated with cash *waqf*, a limited number of professional *nadzir*, do not allow to find funds or collect effective cash *waqf* funds and weak management systems *waqf* institution. Based on the above background to clarify the research, the formulation of the research problem is how the strategy of collecting cash *waqf* funds in Indonesia and knowing and exploring the factors that hinder the collection of cash *waqf*.



2. Literature Review

The Background of *Waqf* and Cash *Waqf*

The waqfs by Umar al-Khattab R.A and Uthman bin Affan R.A are significant in the Islamic history because these waqfs are not religious but civil *waqf*. This is the starting point of the role of *waqf* in the development of socio-economic sectors. During the Ottoman Empire, *waqf* was seen to take an even prominent role in the socio-economic area when the financing of health, education and welfare was financed exclusively by the *waqf* system. *Waqf* investment in the social sector has resulted to favourable results in transforming society and empowering the poor. It is evident that one key element of an effective poverty alleviation strategy is to empower the poor with education among others and improve their productive capacity.

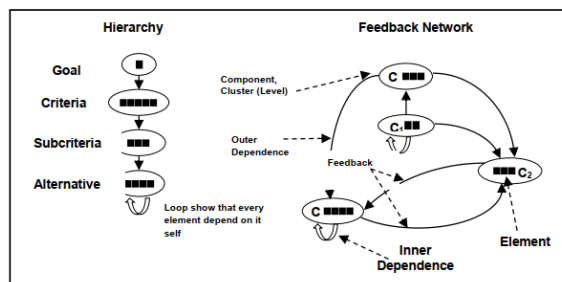
Cash *waqf* has been identified as one of prospectively effective tools to be used in poverty alleviating strategies. Poverty alleviating programmes requires a substantial amount of funds and the government cannot afford to be the sole source of financing. This is where the cash endowment can play its role. The *mutawalli* or cash *waqf* funds trustees will collect the funds from *waqif* (*waqf* founder) and invest the money in the real sector or in any Islamic based investment funds. The gains from this investment can be used to finance initiatives that would benefit the general public, including poverty alleviation programmes (Suhaimi, Ab Rahman, and Marican 2014).

3. Data and Methodology

The research is using quantitative, where the data that is obtained is a number, then further analyzed in a data analysis. Data used in this research is primary data which is obtained directly from the source, they are, expert person that concern on cash waqf. In addition, this research also apply qualitative method to get details, observations and interviews to the key informant.

The methods of analysis of this research as follow, Analytic Network Process (ANP) is the general theory on relative measurement to lower the composite of individual ratio priority scale reflecting the relative measurement of inter-interaction elements influences related to control criteria (Saaty, 1999). ANP is the mathematics theory which enable someone to conduct systematic dependence and feedback to combine tangible and intangible factors (Azis, 2003).

Figure 1 : The Comparison of Network Structure between AHP (left) and ANP Methods (Right).



Source: Ascarya (2012)



4. Result

4.1. The cash waqf problems in Indonesia

Cash waqf potential in Indonesia is very large with the majority of Indonesian population who are Muslim. However, until now the development and collection of cash waqf has not been optimal compared to the potential of large cash waqf. The need for analysis of the problems that cause cash waqf collection in Indonesia is not optimal so that cash waqf has not had a major effect on the welfare of the Indonesian people and economy. Cash waqf problems can be seen from 3 (three) aspects:

4.1.1 Government Aspects

1. According to Respondents, the lack of good governance in government organizations, especially in institutions or agencies that have the authority to make regulations, standard procedures and waqf managers lead to poor coordination.
2. Availability of supporting infrastructure in the context of inadequate efforts to raise cash waqf. The lack of organizational infrastructure and material provided by the government makes waqf institutions in Indonesia have difficulties in collecting and managing waqf. However, according to respondents, since 2017 the BWI government has begun to provide organizational infrastructure in the form of Endowments Association which is a forum for all waqf institutions to coordinate with each other in the context of collecting, managing and utilizing waqf.
3. The regulator has not been effective in overseeing fund management and reporting. One of the tasks and functions of BWI is supervision of waqf institutions in Indonesia. The supervision carried out by BWI towards waqf institutions is not optimal, this is because in addition to the large number of waqf institutions in Indonesia while the human resources of BWI are limited, it is difficult to monitor all waqf institutions periodically.

4.1.2 Community aspect

1. Low understanding of the community about cash waqf.
2. Public awareness to learn and expand knowledge lack of public awareness to understand cash waqf.

4.1.3. Human Resources Aspect

1. The number of professional human resources is still limited. still little Nazhir has a high education. In addition, most of Nazhir's Human Resources only have the ability to collect and channel funds in zakat, infaq, sadaqah (ZIS), whereas in the typical management of cash waqf needed human resources is not just someone who has a role as a fund collector only by quite mastering the science of religion, but must have the innovation to manage waqf funds so that the endowments can be managed productively by remaining guided by the principles of sharia law which the original value of waqf must not change.
2. Public awareness to learn and expand knowledge lack of public awareness to understand cash waqf.



3. There are still many Nazhirs who have other jobs outside their profession as Nadzir, so Nadzir does not focus on carrying out his duties to manage, collect and utilize cash waqf. As a result of this, not collecting money waqf is not optimal, besides that the management and utilization cannot be felt by the community as a whole.

4.2 Strategies for collecting cash waqf in Indonesia

From the results of in depth interviews with the three speakers, there were 5 strategies that could solve the problem of cash waqf collection strategies in Indonesia was to improve the governance system of waqf institutions, provide infrastructure support to waqf institutions, implement accountability management and report on waqf funds on a regular basis, optimization of socialization to the Community, and the existence of training, certification and making Nazhir a profession.

Based on the results of filling in the questionnaire of each respondent, it was inputted into Software Superdecisions 2.8.0. Input process one by one with a comparison of 3 aspects.

ANP Processing Results Aspect Problems

Aspect Problems	Respondents 1		Respondents 2		Respondents 3		TOTAL	
	NR	R	NR	R	NR	R	NR	R
Community Aspects	0.10608	3	0.08512	2	0.11020	3	0.10047	3
Aspects of Human Resources	0.22848	2	0.20738	3	0.20954	2	0.21513	2
Government Aspects	0.66544	1	0.70750	1	0.68026	1	0.68440	1

* NR: average value; R: average ranking

ANP Strategy Processing Results

STRATEGY	Respondents 1		Respondents 2		Respondents 3		TOTAL	
	NR	R	NR	R	NR	R	NR	R
Training, certification and making Nazhir a profession	0.59338	1	0.48412	1	0.10586	4	0.39445	1
Providing infrastructure support to the waqf institution	0.04225	2	0.08233	5	0.07799	5	0.06752	5
Improving the governance system of waqf institutions	0.01922	5	0.16580	3	0.40338	1	0.19613	3
Optimization of socialization to the	0.24206	3	0.17255	2	0.25637	2	0.22366	1



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community								
Implementation of accountability for the management and reporting of waqf funds on a regular basis	0.10309	4	0.09519	4	0.15640	3	0.11823	4

* NR: average value; R: average ranking

From the table of ANP results above, it is known that the highest ranking or priority is on the aspects of the problem and strategy in an effort to increase cash collection waqf from each respondent. All respondents stated that to increase cash waqf collection, an appropriate strategy is needed so that high cash waqf potential can be realized in a real and optimal way. Academics and practitioners share the same opinion regarding the existing elements of the problem and strategy, but each respondent has their own opinions regarding the priority order of the problem aspects and the strategy of collecting money waqf. Then, in the ANP method there is a measurement of the suitability (agreement) of the respondents to the priority value, by calculating the Rater Agreement (W) to show the average value of the suitability of the opinion of each respondent, $W = 1$ shows perfect suitability. Although according to the three respondents the problem aspects and strategies in the ANP model framework are in accordance with the current conditions of money waqf. But the opinion about how the 5 strategies influence 3 aspects of the problem each respondent has quite a different viewpoint. The results of questionnaire calculations related to the aspect of the problem of cash waqf collection using the ANP method with superdecisions software such as Graph 4.1 ANP Processing Results Aspect Problems, reflected that the aspect of the most influential problem in collecting cash waqf in Indonesia is the government aspect as the first rank. This is because the role of the government is not optimal in the effort to raise cash waqf. According to respondents, the government rarely highlights the problems that occur in the collection of waqf. It can be seen from the lack of synergy between waqf institutions, supervision of the management and utilization of waqf is not optimal which causes people to lack trust in the management of waqf, and encouragement of organizational infrastructure and material for waqf institutions in Indonesia.

The second aspect of the problem is the aspect of human resources. One of the problems in the government aspect is that it affects aspects of human resources. In this aspect, according to the respondents, there are 3 elements that become the problem, namely the professional nadzir is very limited in number, the nadzir's concern for learning cash waqf and the nadzir focus in collecting, managing and utilizing cash waqf. These three aspects are very underlying to the human resource issues that participate and play a role in the collection of cash waqf.

Community aspects are the third aspect of the problem in the waqf gathering strategy. The low understanding of the community about cash waqf causes public awareness to provide cash waqf is minimal. In this case community knowledge is still low on cash waqf so that the desire to understand cash waqf and contribute to the cash waqf is very lacking. In addition, the public's lack



of trust in Nadzir also becomes an element in the aspect of society. The public considers that the cash waqf collection fund has not fully impacted welfare, and the lack of publication of utilization reports on the waqf funds is appropriate and on target. There are 5 (five) strategies for 3 (three) aspects of the issue of waqf collections in Indonesia. In accordance with the questionnaire the respondents who had calculated the ANP method and used superdecisions software,

1. Training, certification and making Nazhir a profession.
2. Optimization of socialization to the community.
3. Improving the governance system of waqf institutions.
4. Implementation of accountability for the management and reporting of waqf funds on a regular basis.
5. Providing infrastructure support to the waqf institution.

5. Conclusions and recommendations

The results show that the problems that arise in the development of money waqf in Indonesia are divided into 3 aspects: Government, Human Resources, and Society. By using the ANP method, it is obtained priority strategies that are considered to solve the problem of collecting money waqf in Indonesia, consisting of the first sequence of training, certification and making nadzir as a profession, second, optimizing socialization to the community, reporting of waqf funds routinely and the latter providing infrastructure support to accommodate waqf institutions.

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