

Cash Waqf through Islamic Banks: An Interpretive Structural Model (ISM) Framework

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This research aims to identify the priority factors that are barriers to developing the practice of cash waqf through Islamic financial institutions in Indonesia using the Interpretive Structural Modeling (ISM) method. The development of cash waqf through Islamic banks in Indonesia with ISM framework is divided into three criteria: (1) Challenges (aspects) faced in developing cash waqf, (2) Strategy or foundation required within the framework of developing cash waqf, and (3) Stakeholders or actors involved in the development of cash waqf in Indonesia. The result show that the core problems and challenges faced in the development of cash waqf institutions are: System aspect, product, regulation, and information technology. The core strategies or foundations that are needed in the framework of cash waqf development are transparency and accountability of waqf institutions, Quality development of nadzir, and Innovative marketing strategy from waqf institutions. Government and Badan Wakaf Indonesia are stakeholders or actors involved and related to the development of cash waqf in Indonesia.

Keywords: Cash Waqf; Islamic Bank; ISM, LKS-PWU

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BACKGROUND

Islamic banking as part of the integral concept of Islamic economics is not only required to generate profits but also must be able to carry out its functions and objectives based on maqashid sharia. The results of research conducted by [Nurfalah et al., \(2018\)](#) state that Islamic banking is relatively more stable compared to conventional banking in dealing with shocks. This is an interesting finding that needs to be proven through various studies in the future. One way to contribute to providing socio-economic benefits for Islamic banking can be done through waqf.

According to [Saiti et al., \(2021\)](#), one of the potential sources of waqf is cash waqf, which has the advantage of being more flexible in management because it can be invested in various sectors, both the real and financial sectors. In addition, the cash waqf model allows the participation of Muslims in waqf to be greater, bearing in mind that the nominal money waqf can be broken down into small amounts that are affordable to all groups. The presence of cash waqf allows waqf to become an instrument of charity for all groups ([Iman et al., 2021](#)). This is reasonable because money is a flexible commodity that has greater value for various purposes. Economically, the cash waqf model makes a broad contribution to society compared to the traditional waqf management model ([Qurrata et al., 2019](#)).

The potential for cash waqf in Indonesia reaches IDR 180 trillion per year (Ministry of Religion Waqf Information System, 2021). According to Nasution (2012) the potential for cash waqf in Indonesia is very large, if 20 million Muslims donate 1 million per year, the potential for cash waqf to be obtained is 20 trillion. The number of Muslims in Indonesia ([The Royal Islamic Strategic Studies Center Report, 2022](#)) is 237.56 million. If of this amount, as many as 20 million of them make cash waqf of one thousand rupiahs (IDR 1000)/day or Rp. 30,000/month, then the potential for cash waqf to be obtained is 7.2 billion per year.

To support the collection of cash waqf, the Indonesian Waqf Agency (BWI) together with the Indonesian Ministry of Religion and Bank Indonesia after Law no. 41 of 2004 concerning Waqf and Government Regulation no. 42 of 2006 concerning its implementation is to grant permission to Islamic banks in Indonesia to become Islamic Financial Institutions Receiving Cash Waqf (LKS-PWU) as legal institutions to receive cash waqf. As of October 2016, the Minister of Religion has designated 16 banks as recipients of cash waqf deposits. For this cash waqf nazhir, as of

April 2018 there were 192 cash waqf nazhirs who had been registered with the Indonesian Waqf Agency (BWI).

Since 2007, the number of cash waqf receipts at Islamic banks that have been registered as LKS PWU participants at BWI has not been very encouraging. 10 million rupiah was recorded at the beginning of the 2007 period, then increased to 30 million and 463 million in 2008 and 2009. Having increased dramatically in 2010 with receipts of 1.673 billion rupiah due to the cash waqf campaign directly by the president, in 2011 to 2013 cash waqf receipts decreased to 795 million, 660 million and 459 million rupiah. The latest data shows that the total receipt of cash waqf by LKS PWU was a total of 4.115 billion rupiahs at the end of 2014 ([Bappenas, 2016](#)).

However, until now the management of waqf has not been optimized due to various reasons. In accordance with the Sharia Banking Act No. 2 of 2008 in Chapter II Article 4 paragraph 3 states that Islamic Banks and UUS can collect social funds originating from cash waqf and distribute them to waqf managers (nazhir) according to the will of the waqf giver (wakif). With this law it can be said that currently Islamic banking only acts as a collector of cash waqf funds and then hands it over to several nazirs to be managed, and cannot manage waqf funds (LKS PWU). In implementing Government Regulation Number 42 of 2006 concerning Implementation of Law no. 41 of 2004 concerning Waqf Article 25 points c and d emphasizes the position of Islamic financial institutions not as nazhir cash waqf but only intermediaries and the obligation to place these waqf funds in a wadi'ah account in the name of nazhir.

According to [Mas'udi, Maesaroh, and Satria Utama \(2016\)](#) a bigger role is needed from Islamic Financial Institutions Receiving Cash Waqf (LKS – PWU) so that the synergy between Nazhir waqf and LKS PWU can be maximized. This is supported by the Role of Islamic Banking in Optimizing Productive Waqf Assets in Indonesia according to the [OJK \(2016\)](#), where the OJK mentions the advantages and advantages of Islamic banking in collecting and investing cash waqf including: Islamic Banks are official LKS-PWU regulated by law, Access good attitude towards waqf, has investment ability, good administrative ability, ability to distribute waqf fund investment returns, good credibility in the eyes of the public and controlled by law. According to [Hasbullah \(2012\)](#) the design of cash waqf must be changed by making Islamic financial institutions as direct nazhir by

tightening the requirements for nazhir cash waqf LKS must be oriented to integrative social business.

In this regard, the potential for waqf assets that can be used to drive the economy should also be managed through Islamic banking. Where Islamic banking as one of the Islamic financial institutions is an institution that has significantly contributed to the development of the Islamic economy and has experience in investing in financial instruments and providing financing facilities to several industries and business actors.

Islamic banking in Indonesia requires a breakthrough that is able to increase market share and at the same time provide benefits for the people in harmony with maqashid sharia. The potential for waqf management by Islamic banking is hampered by the Islamic banking law which only allows Islamic banks to collect waqf funds and distribute them to Nazhir. Based on the description above, the objectives to be achieved from this research are: (1) Designing an optimal cash waqf institutional model; (2) Formulate what management strategies can be applied in optimizing cash waqf management.

The results of this research are expected to provide benefits to academics, sharia financial/banking institutions, regulators, the Indonesian Waqf Board, the Ministry of Religion, Nazhir, Waqif, and also the community. This research is expected to be scientific information and can provide insight into science, especially related to Islamic economics. For regulators, this research can be a study, input, and material for consideration in setting policies that support the growth of national Islamic banks. For the Indonesian Waqf Board, the Ministry of Religion, this research is expected to improve waqf management in Indonesia for the benefit of the people. For academics, this research can be used as reference material and comparison for further research.

LITERATURE REVIEW

Waqf is an important Islamic social financing instrument. Waqf is essentially a trust of an income-generating asset for the benefit of particular organizations or individuals (Alshater et al., 2022). The recurring character of these charities is frequently regarded as the foundation for Waqf development in Islam (Kachkar et al., 2021). In contrast, similar charity acts, such as zakat, have been highlighted in scholarly research as having a significant impact from both an individual and a business perspective (Hassan and Rashid 2017; Rashid et al., 2017). Waqf payments for

the benefit of Muslims and non-Muslims are permitted, however the usage of the zakat funds is restricted to specific recipient groups.

Waqf, which is more than 1400 years old, is one of the most important Islamic institutions and one of the largest charitable donors whose primary purpose is to advance the well-being of the Muslim community as a whole. In truth, the concept of Waqf predates Islam and was sporadically implemented before the advent of the Prophet Muhammad (PBUH). The practice of reserving specific plots of land and structures as sites of worship has persisted across religions and communities to the present day. Waqf has flourished in Islam, and the Prophet (PBUH) personally fostered it and handed its heritage on to future generations. Throughout Islamic history, the concept of reserving a property for a specific charitable purpose became known as Waqf and evolved into various types, including religious Waqf, charity Waqf, and family/private Waqf (Kahf & Mohomed, 2017).

Waqf is distinguished from other types of donations by its sustainable features, which include permanence, irrevocability, and perpetuity (Misbah et al., 2022). Waqf is accessible to all and enables every member of society, regardless of demographic differences, to enjoy or fulfill their socioeconomic needs in any way, shape, or size, at the lowest possible cost. It is a transfer of wealth from an individual to society in which money is redistributed in the form of services and goods in order to alleviate income inequality and poverty. While there is just one transfer of wealth, there are recurring revenue transfers for as long as the waqf asset exists to assure long-term funding and sustainability (Siswanto et al., 2018).

A cash-waqf is a form of waqf institution in which the waqf's capital is cash money. The establishment of cash-waqfs, like other systems, has a specific goal, which means that the cash that is the capital of the waqf is operated using Islamic procedures, and the earnings derived from those activities are utilized to fulfill waqf purposes (Saiti et al., 2021). Waqf institutions have been widely employed by Muslims from the earliest centuries of Islam for a variety of reasons, including education, the construction of mosques and schools, the care of orphans and widows, and a variety of other activities aimed at improving society. However, the Ottomans established the cash waqf concept in the 15th century, which spread throughout the Empire in the following centuries. Çizakça (1995) investigated how cash endowments played a critical role in the Ottoman

social fabric at no expense to the state. [Bulut and Korkut \(2019\)](#) completed a project on the cash waqfs of Ottoman Europe (the Balkans) and examined the significance of these institutions on long-term stability, poverty reduction, and the financial, economic, and social life of the society.

The definition of cash waqf according to the MUI Fatwa dated 11 May 2002 is:

1. Cash Waqf (Cash Waqf/Al-Nuqud Waqf) is a waqf made by a person, group of people, institution or legal entity in the form of cash.
2. Included in the meaning of money are securities.
3. Waqf money is legal jawaz (permissible).
4. Waqf money may only be channeled and used for things that are permissible according to sharia
5. The principal value of Cash Waqf must be guaranteed for its preservation, it may not be sold, donated, or inherited.

The meaning of cash waqf in the context of regulations in Indonesia is waqf in the form of money movable property (UU No. 41/2004 concerning waqf Article 16 Paragraph 3) in rupiah currency (PP no 42/2006 concerning waqf Article 22 Paragraph 1) through financial institutions sharia appointed by the government (UU Wakaf Article 28) which issued the SWU (UU Waqf Article 29). With the management and development of cash waqf assets, it can only be done through investment in LKS products and or Islamic financial instruments (PP Wakaf Article 8 Paragraph 2) which are guaranteed for their integrity by the Deposit Guarantee Agency (PP Wakaf Article 8 Paragraph 4) or Sharia Insurance Institutions (Waqf PP Article 8 Paragraph 5).

Nazhir's role is the key to the successful use of waqf assets. According to [Bank Indonesia \(2016\)](#) this nazhir expertise becomes an obligation if religion explains that the main thing that is of particular concern in waqf is its benefits. Thus, the main target of waqf is the acquisition of benefits that are mandatory for nazhir in its management and development. In this case, the waqif must also really choose a nazhir who is considered to have the ability to manage the waqf assets, because the mistake in determining the nazhir is also part of the waqif's responsibility at the time of handing over the waqf. In the hadith narrated by Al-Bukhari and Abu Hurairah mentioned, handing over affairs to someone who does not have expertise in their field will only cause damage ([al-Munawi, 1996; 563](#)) in [Bank Indonesia \(2016\)](#).

PREVIOUS STUDY

[Mas'udi et al., \(2016\)](#) conducted an analysis of the development of cash waqf (Waqf al-Nuqud) in Indonesia. Research shows that efforts to develop cash waqf in Indonesia are relatively new when compared to other countries. For this reason, synergy is needed between nazhir waqf institutions and amil zakat institutions so that cash waqf activities develop more quickly, especially in the early stages of growth. A bigger role is needed from Islamic Financial Institutions Receiving Money Waqf so that the synergy between nazhir waqf and professional PWU LKS is maximized.

[Haura Arie et al., \(2016\)](#) conducted an analysis of cash waqf management in Islamic Financial Services Cooperatives (Analytical Network Process approach). The results of this study describe the process of Islamic Financial Services Cooperatives (KJKS) as nazhir cash waqf, analyzing the priority of related internal and external factors. The priority of strategic factors in the management of cash waqf sequentially from the internal side are KJKS Accountability, Products and Human Resources. From the external side are Regulation, General Public, and Demographics. In detail, the top priority is on the elements of Total Assets and Sharia Principles Guidelines.

[Furqon \(2011\)](#) examines the practice of cash waqf in Islamic financial institutions. (Bank Syariah Mandiri). There are several conclusions that can be drawn from this study, including: the dissemination of cash waqf information is still relatively limited compared to the media wealth and experience possessed by banks. To increase the empowerment of cash waqf there are several recommendations that need to be made, namely the socialization of cash waqf is the obligation of all parties. The government must pay great attention to the socialization of cash waqf by allocating sufficient budget for cash waqf socialization and raising. The bank needs to intensify socialization of cash waqf by utilizing its product promotion services; BWI needs to prepare professional cash waqf nazhir standards and provide professional nazhir waqf training so that cash waqf can run according to the provisions.

Meanwhile [Rusyiana \(2018\)](#) tries to elaborate on 3 things in the development of cash waqf in Indonesia including the challenges faced, the strategy or foundation needed and the stakeholders involved. The challenges faced in the development of cash waqf in Indonesia are: Aspects of systems, regulations and rules, products and information technology. The main foundations needed in the framework of developing

cash waqf in Indonesia are: transparency and accountability of waqf institutions, improving the quality of nazhir cash waqf managers, and innovative marketing strategies from waqf institutions. As for the aspect of stakeholders or actors involved and related to the development of cash waqf in Indonesia, important actors include: the government or regulators, the Indonesian Waqf Agency and Bank Indonesia.

Hasbullah (2012) conducted research on the dynamics of cash waqf management by conducting a study on cash waqf management behavior after the enactment of Law no. 41 of 2004 concerning Waqf. The results of the study show that cash waqf regulations do not support the realization of cash waqf as a means of empowerment and economic equality in society. The cash waqf management scheme needs to be perfected by making LKS a nazhir and making cash waqf funds an integrative social business capital. Cash waqf for the development of productive economic and social facilities that develop in the community needs to be accommodated as a waqf model with nazhir other than LKS.

The other is Darus et al., (2017). Darus et al., conducted research related to waqf as a means of fulfilling corporate social responsibility (CSR) in Islamic institutions in Malaysia. Content analysis was carried out on the financial statements of 24 Islamic financial institutions during 2010-2013 in Malaysia regarding CSR practices. The results of the study show that Islamic financial institutions in Malaysia are still focusing their CSR practices on community issues. Corporate waqf is seen as a possible alternative for community social issues in Malaysia.

The cash waqf development model for public benefit has also been researched by Ambrose et al., (2018). The aim of his research is to formulate a model of waqf financing for public goods in Malaysia combined with the federal government spending scheme. Meanwhile Haneef et al., (2015) tried to integrate the waqf model with Islamic microfinance for poverty reduction in Bangladesh. Slightly different is the research by Thaker et al., (2018), which models the behavior of crowdfunders to adopt the waqf and crowdfunding model in Malaysia.

Other research related to waqf and cash waqf has been conducted by Alias et al., (2015), Harun et al., (2016), Aziz et al., (2014) Rusydiana & Devi (2018), Rusydiana & Devi (2017) and Pitchay et al., (2014). Research conducted by Rusydiana and Alparisi (2016) shows that waqf research is still dominated by discussions related to non-cash waqf (62%) compared

to research on cash waqf (38%). This provides a general view for researchers to produce better research related to cash waqf. In addition, the comparison of waqf research with quantitative methods is still less than research with qualitative approaches.

METHODOLOGY

This study uses the ISM method. Interpretative Structural Modeling (ISM) is a modeling technique developed for strategic policy planning (Marimin: 2004). ISM was first created by J. Warfield in 1973, where Warfield defined ISM as a computer-assisted learning process that allows individuals or groups to develop complex relationship maps between the various elements involved in complex situations (Warfield, 1974). ISM is a sophisticated planning methodology that is used to identify and infer various kinds of relationships between factors in a particular problem or issue (Sage, 1977).

Interpretive Structural Modeling (ISM) as applied by Bhattacharya and Momaya (2009), is a sophisticated interactive planning methodology that enables a group of people, working as a team, to develop structures that define relationships among elements in a set. Structures are obtained by answering simple questions. The elements to be structured (such as objectives, constraints, indicators, problems, and so on) are determined by the group at the start of the ISM planning session. The ISM process starts with system modeling and ends with model validation. Through the ISM technique, an abstract model that is not clear is transformed into a visible system model.

ISM is a method of making decisions from complex situations by connecting and organizing ideas in visual maps. ISM is a model that describes specific relationships between variables, an overall structure and has outputs in the form of graphical models in the form of quadrants and variable levels (Li & Yang, 2014). In terms of decision making, ISM has little in common with the Analytic Network Process (ANP) method developed by Thomas L. Saaty. For example, research conducted by Rusydiana & Devi (2013). The basic idea is to use experienced experts and practical knowledge to decompose a complex system into sub-systems (elements) and construct a multilevel structural model. ISM is often used to provide a basic understanding of complex situations, as well as formulate actions to solve problems (Gorvett and Liu, 2007). The ISM method has been widely applied in strategic management research in various fields. In financial economics research, Devi and Rusydiana

(2016) tried to examine the strategy for developing a group-based lending model in Indonesia.

In implementing the ISM method, discussions were first carried out with experts (brainstorming) to gather ideas for organizational development consisting of people who understand the concept of ISM, understand the problems of developing cash waqf development models, have expertise in social finance and empowerment. From the discussion regarding the development strategy, several ideas or variables were obtained that would be processed using ISM.

The first step in processing ISM is to create a Structural Self Interaction Matrix (SSIM), in which contextual relations are made for these variables by making one variable *i* and one variable *j*. Next is to make a reachability matrix (RM) by changing V, A, X and O with the numbers 1 and 0. The final step is to make a Canonical Matrix to determine the level through iteration. After there are no more intersections, then the model produced by ISM is created which is a model to solve the problem, in this case the development of the cash waqf model through LKS PWU. From this model, a road map for institutional development (level) will be made.

According to Marimin (2004) the process of the ISM method is to do calculations according to the Transitivity Rules where corrections are made to the SSIM until a closed matrix occurs. SSIM modification requires input from panelists/experts, with special notes given so that attention is directed only to certain sub-elements. The results of the revised SSIM and matrices that meet the requirements of the Transitivity Rules are further processed. For revision, matrix transformation can also be done with a computer program.

The Transitivity rule is a completeness rule for a causal-loop, for example: if A affects B and B affects C, then A (should) affect C. If D increases E and E increases F, then D (should not) minimize F. Further processing of the Reachability Matrix which has complied with the Transitivity Rule is the determination of level partitions. Processing is tabular by filling in the format, and can be assisted by a computer. Based on the choice of levels, a schematic description of each element can be described according to vertical and horizontal levels.

For various sub-elements in an element based on RM, Driver-Power-Dependence is arranged. The sub-element classification is presented in the following 4 sectors (Marimin, 2004):

Sector 1: Weak driver-weak dependent variables (AUTONOMOUS). Changes in this sector are generally not related to the system, and may have a small relationship, although the relationship can be strong.

Sector 2: Weak driver-strongly dependent variables (DEPENDENT). Generally changes here are not free.

Sector 3: Strong driver-strongly dependent variables (LINKAGE). Variables in this sector must be studied carefully because the relationship between variables is unstable. Every action on this variable will have an impact on the other and the feedback effect can increase the impact.

Sector 4: Strong drive weak dependent variables (INDEPENDENT). The variables in this sector are the remaining part of the system and are called independent variables.

ANALYSIS

Based on the identification of problems, strategies, and matters relating to the development of cash waqf through LKS-PWU in Indonesia, an ISM framework model is then built for some of the desired objectives, in this case related to aspects of the problems or challenges faced, development strategies and stakeholders involved. interested in the development of cash waqf in Indonesia. To build contextual relationships between variables in the model, the ISM method uses opinions from experts with the VAXO framework. In relation to this research, a group of experts was involved in compiling a model consisting of academics and practitioners of waqf and cash waqf.

To build a model, the researcher decided to follow the traditional method that is commonly used through brainstorming along with in-depth interviews with the experts in question, to then receive input and revise the model periodically. Several literatures and studies related to the development of cash waqf were also discussed with experts to validate and perfect the model.

To analyze the relationship between variables or between the enablers of the development of cash waqf from each objective group, contextual relationships are selected by defining how one variable influence another: whether it influences, is influenced, influences each other or there is no relationship at all. From this basis, contextual relationships between variables are built. The experts were then asked and asked for justification in a questionnaire format to compare statements in columns with rows for each

question box by choosing a value between V, A, X or O, to represent their perception of the relationship between these variables.

Structural Self-Interaction Matrix (SSIM)

Shown in the table below, there are seven variables related to the strategy for developing cash waqf through LKS PWU in Indonesia which are arranged in row and column format. Variables in rows and columns are represented by the letters i and j, respectively. Thus, each pair of variables is analyzed separately after grid formation, which is obtained in the above process. Four keywords are used to represent the direction of the relationship between a set of variables (i and j), where:

- a) V indicates that variable i affects variable j;
- b) A indicates that variable j affects variable i;
- c) X indicates that variable i affects variable j and vice versa variable j influences variable i, or in other words, there is a mutually influencing relationship between variables i and j;
- d) O indicates that the variables i and j are not related to each other.

The relationship between variables in the model is represented in a matrix called the structural self-interaction matrix (SSIM), with the value for each pair of variables being the value agreed upon among the experts.

Table 4.1. Structural Self Interaction Matrix (SSIM)

No	Variable Description							
A1	Transparency & accountability of waqf institutions							
A2	Nazhir/manager quality improvement							
A3	Innovative marketing strategy for waqf institutions							
A4	Development of waqf educational institutions							
A5	Legal support related to waqf							
A6	Updated and valid data related to waqf							
A7	Technology in cash waqf management							

Note: Entries in table: V when row affects column; A when the column affects the row; X when the row and column affect each other; and O when there is no relationship between rows and columns.

MICMAC Quadrant Analysis

In his research, Godet (1986) has popularized the matrix of cross impact multiplications applied to classification (MICMAC) to classify the system variables studied. The basis of this classification is 'driving power' and 'dependence power' which are calculated in the final reachability matrix. In addition, MICMAC analysis can be used to examine direct and latent relationships among enablers derived from ISM techniques. So, based on 'driving power' and 'dependence power', the enablers in this study are classified into four groups, as shown and explained below:

- (1) Autonomous Variables: These variables do not have high influence or high dependence. They are detached from the system, where they have some links that may be very strong. Quadrant I represent autonomous variables (autonomous). In this study, waqf institutions' innovative marketing strategies fall into this category.
- (2) Dependent Variable: Quadrant II is a dependent variable that has low influencing power and high

dependence. From the MICMAC analysis, enablers 1 and 2 are the dependent variables.

- (3) Linkage Variables: These variables have high influence as well as high dependence. Its characteristic is that any action on them will have an effect on the variables above their level and a feedback effect on themselves. Quadrant III is a linkage variable. In this study, enablers 5, 6 and 7 are included in the linkage variable category. Legal support, data updates and information technology are included in this linkage variable.
- (4) Independent Variables: These variables have high influencing power and low dependency. They represent Quadrant IV. In this study, enabler 4, namely the development of waqf educational institutions, is included in this category.

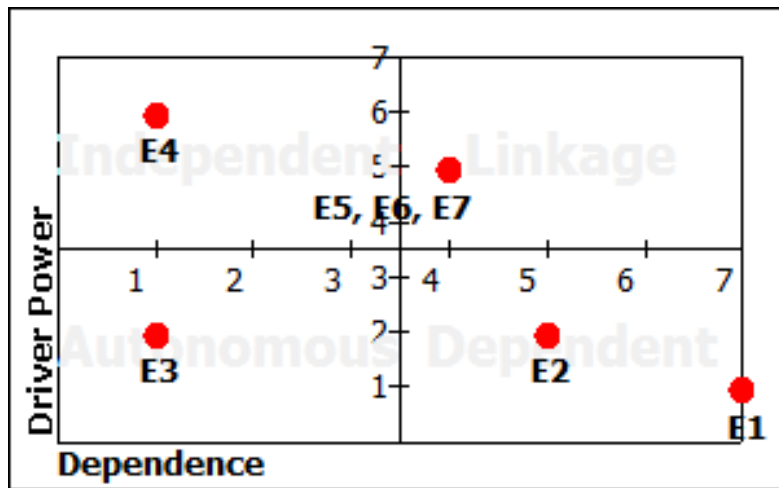


Figure 1: MICMAC Analysis of Cash Waqf Strategy

Discussion

From the aspect of the strategy needed in the framework of developing cash waqf in Indonesia, the main strategies are: (a) transparency and accountability of waqf institutions, (b) improving the quality of cash waqf management nazirs, (c) innovative marketing strategies from waqf institutions and (e) waqf regulatory support (Level 3). The next priority strategies are: (d) development of waqf educational institutions, and (g) technology and computerization of waqf management (Level 2). Last but not least is (f) Update and validation related to waqf and cash waqf data (Level 1).

basic problem is (E4) System (Level 4). The next challenges are: (e) Regulatory Aspect, (f) Products, and (g) Information technology (Level 3). The next issues are: (b) Trust, and (c) Sharia aspects (Level 2). The last but not least important aspect is (a) Human Resources (Level 1).

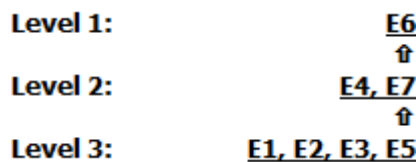


Figure 2: Cash Waqf Development Strategy Level

The 'system' aspect is key to the challenge of developing cash waqf in Indonesia. This is relevant to the results of research conducted by Hassan et al., (2018). Hassan stated that the ideal waqf institution has a complete and professional management system. The findings identify three main components that are essential for efficient waqf management, namely research management, investment management and property management. The existence of these components will enable waqf institutions to manage waqf effectively so that they will play an effective social role in developing Muslims and the public in general. These findings will help policy makers and management of waqf institutions to develop waqf strategies as drivers of social and economic development (Hassan et al., 2018).

Relevant to the results of research conducted by Ihsan et al., (2017), Hasan & Siraj (2017) and Masruki & Shafii (2013), this study shows that an important criterion in the cash waqf development strategy in Indonesia is the factor of financial transparency (accountability). This implies that cash waqf institutions must always be trusted and fully responsible for managing waqf funds. On this side, the concepts of accountability, transparency and accessibility occupy very important criteria related to the responsibilities of waqf institutions in presenting, reporting and disclosing all activities and the extent to which financial reports contain all relevant information needed by waqf and the ease of information accessible to the public.

For the aspect of stakeholders or actors who are involved and related to the development of cash waqf in Indonesia, the important actors are: (c) the government or regulator, then (d) Bank Indonesia and (g) the Indonesian Waqf Board. Furthermore, the next level of stakeholders involved in cash waqf in Indonesia are: (a) Waqif and society in general, (b) Waqf institutions (nadzir), (e) LKS PWU (sharia banks) and (f) DPS-DSN MUI. As we know, the government as the regulator has a significant influence on the development of cash waqf in general. In this case, the regulations provided are expected to be able to facilitate the development of cash waqf both from an institutional and other aspects, in the future.

From the aspect of the challenges faced in the development of cash waqf in Indonesia, the core and

CONCLUSION & RECOMMENDATION

In general, cash waqf in Indonesia has enormous potential in its role for the benefit and benefit of society at large. Based on the results of the analysis, the development of cash waqf based on Islamic financial institutions managing cash waqf (LKS-PWU) in Indonesia with the ISM method framework can be divided into 3 criteria: (1) Challenges faced in the development of cash waqf, (2) Strategy or foundation required in the framework of developing cash waqf and (3) Stakeholders or actors involved in the development of cash waqf in Indonesia.

The main problems and challenges faced in the development of cash waqf in Indonesia are: Aspects of systems, regulations and rules, products and information technology. The main strategies and foundations needed in the framework of developing cash waqf in Indonesia are: transparency and accountability of waqf institutions, improving the quality of nazhir cash waqf managers, and innovative marketing strategies from waqf institutions. As for the aspect of stakeholders or actors who are involved and related to the development of cash waqf in Indonesia, important actors include: the Government or regulators, the Indonesian Waqf Agency and Bank Indonesia.

Relevant to the results of research conducted by Ihsan et al., (2017), Hasan & Siraj (2017) and Masruki & Shafii (2013), this research proves that an important criterion in the cash waqf development strategy in Indonesia is the factor of financial transparency (accountability). This implies that cash waqf institutions must always be trusted and fully responsible for managing waqf funds. With good institutional governance or known as Good Waqf Governance as well as zakat institutions with ZCP concept (Rusydziana & Firmansyah, 2017).

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