# The Problems of Productive Waqf Management in Indonesia using ISM Delphi

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Waqf has a contribution to the country's economic development, if the waqf land is managed productively it will become a very large asset for the people and can be used for public welfare. However, at present the potential for waqf has not been used optimally in Indonesia. There are many factors that cause suboptimal management of waqf, therefore the author tries to analyze the management of productive waqf in Indonesia seen from 2 elements: problem elements, and institutional/stakeholder elements. The method used is the Interpretive Structural Modeling (ISM) method and the Delphi method. The results of this study of elements of problems which are the highest ranks are the less of educational or public understanding of waqf, less of public trust in Nazhir institutions and weak political will of authority holders. Then the highest rank of the related institutional elements are BWI, Ministry of Religious Affair, and DSN-MUI.

**Keywords: Waqf Management; Productive Waqf; ISM; Delphi**

# INTRODUCTION

Waqf is one of the instruments in Islam used to mobilize wealth resources towards socio-economic development. Waqf is an Islamic institution that has two functions, namely as worship to Allah and social. Waqf originated from ri a statement and feeling of strong faith and high solidarity between fellow human beings. The waqf sector is a "*sleeping giant*" *of the* Islamic social finance sector in Indonesia that is capable of driving economic movement if directed towards productive activities such as multifunctional infrastructure (Hafiz, 2014).

In terms of productive waqf land development, it can certainly be an alternative source of funding in the economic empowerment of the ummah in general. However, until now in Indonesia there are still many waqf lands that are not managed productively, which should be able to benefit many people (Djunaidi & Al-Asyhar, 2006).

Throughout Islamic history, waqf has played a very important role in the development of the social, economic and cultural activities of the community and has facilitated many scholars and students with adequate facilities and infrastructure to conduct research and complete their studies. Quite a number of programs have been funded from waqf proceeds such as book writing, translation, and scientific activities in various fields including health. Waqf not only supports the development of science, but also provides various facilities needed by students and the community (Hasanah 2010).

Waqf can contribute to a country's economic development by reducing government spending, equalizing income distribution, reducing poverty and increasing economic growth. However, currently the potential of waqf has not been optimally utilized in Indonesia. Most of the waqf allotments in Indonesia are less directed towards the economic empowerment of the ummah and tend to be for common worship activities, such as mosques, mushollas, schools, madrasas, Islamic boarding schools, and graveyards (Sa'adah, 2016). Waqf as a philanthropic instrument derived from Islamic law needs to be optimized through productive management oriented towards positive impacts on the economy, social, and environment and guided by sharia rules.
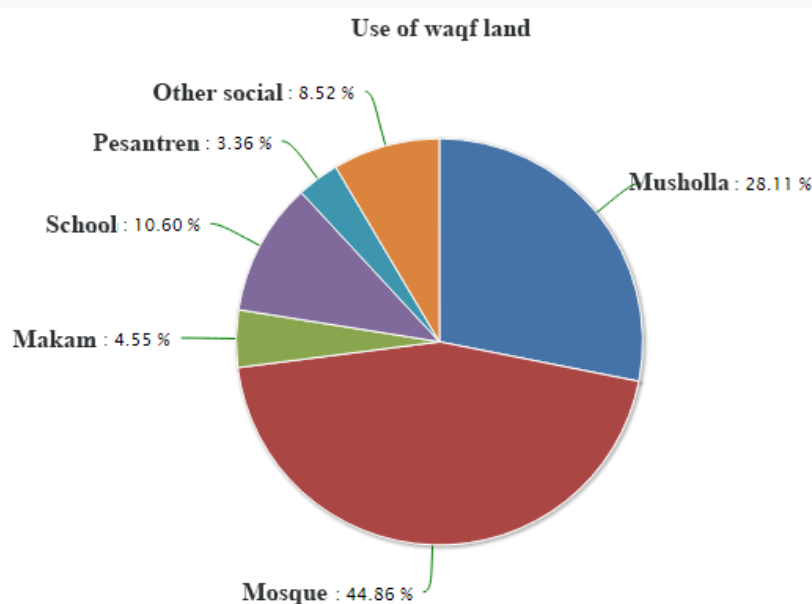


**Figure 1. Percentage of Waqf Land Use in Indonesia**
**Source: http:///siwak.kemenag.go.id (2019)**

Indonesia, with its majority Muslim population and vast territory, has enormous waqf potential. With a projected population for 2010-2035 by the Central Bureau of Statistics (BPS) in Statistics Indonesia 2017 of 258,705 people in 2016. BPS also mentioned that 87.18 of them are Muslims. However, the potential and assets of waqf have not been optimally utilized and managed in a productive direction. Based on data obtained from the Indonesian Ministry of Religious Affairs in 2019, Indonesia has waqf land assets of 49,341.80 hectares spread across 363,164 locations with a total of 226,233 certified waqf. The use of waqf land is still mostly in the form of direct waqf (consumptive), so that the impact is less positive on the economic life of the community and its utilization is only seen from a social perspective as can be seen in Figure 1 which shows the use of waqf

land is dominated by the construction of mosques at 44.86% and musholla at 28.11% (SIWAK 2019).

Waqf is not only social in nature, but there are productive waqf. Productive waqf is waqf that can produce *outputs in the* form of goods and services. To be able to produce *outputs, inputs are* needed in the form of resources including labor, capital, and management. It has been the understanding of Muslims who lived decades ago that waqf is only in the form of assets, such as land and buildings. Many people donate their land and buildings to build mosques, cemeteries and schools. Their knowledge is very limited in other types of waqf, such as cash waqf, agricultural machinery, livestock, stocks, gold and others (Sanusi, 2015).

Unlike the Middle Eastern countries, which are very advanced and modern in the management of waqf. They have ventured into food production, *real estate*, textiles, even hotels and other productive sectors. Whereas movable objects, such as money, are essentially also a form of waqf instrument that is allowed in Islam. Currently, the term *cash waqf has* emerged among the public, pioneered by M. A. Mannan, an economist from Bangladesh. Cash waqf is seen as one of the solutions that can make waqf more productive. If cash waqf can be managed by an institution professionally, it will be very helpful in the economic welfare of the people. The productive management of cash waqf for the welfare of society is an inevitable demand (Wadjdy, 2007).

If the waqf land is managed productively, it will become a huge asset for the ummah and the proceeds can be used for public welfare. According to Wadud (2013), the most prioritized productive waqf problems in Indonesia stem from the aspect of managers (*nazir*), namely the lack of operational costs and weak *nazir resources*. Hamzah (2016) also explains that the factor that most influences productive waqf management is the aspect of human resources (managers). The role of *nazir* in waqf management is a very important factor for the development or failure of a waqf (Aziz, 2014).

However, the credibility of waqf institutions is being debated by many due to poor management and administration of waqf properties (Ihsan, 2011). A survey conducted in Jakarta and West Java found that most people do not have much trust in existing public waqf institutions. This is because many waqf management committees are involved with large property donations (Masyita, 2005).

Çizakça (1998) emphasized that if waqf is to be used as an economic support, it needs the *waqif's (the* person who donates the assets) understanding so that the motivation to donate is greater and also a competent *nadzir* so that the management of waqf assets becomes more productive. With the correct information and understanding of waqf, it can influence the collection of waqf funds and productive waqf management for the empowerment and development of communities in Indonesia.

There are many factors that cause the utilization of waqf assets to not be optimal and even stop. One of them is the unprofessional *nadzir* in managing the waqf assets that have been entrusted to him. According to data from the Indonesian Waqf Board (BWI), the potential of waqf per year reaches IDR 2,000 trillion with a waqf land area of 420,000 hectares (ha). Meanwhile, the potential of cash waqf can reach around IDR 188 trillion per year. Unfortunately, the poor management system of waqf assets has caused the waqf assets to be not optimal in its collection and utilization, especially in this industrial era. The challenge is how to maintain the practice of waqf, as well as develop it to be more beneficial for the community (BWI, 2019).

In order for this research to be more focused and in-depth, the research problems need to be limited. Therefore, the author limits this research to "the problems of productive waqf management in Indonesia". Meanwhile, the research objective in this study is to find out the priority problems of productive waqf fund management in Indonesia and the stakeholders concerned.

# LITERATURE REVIEW

Waqf is one of the social institutions in Islam that is highly recommended to be used by a person as a source of channeling the sustenance given to him by Allah. Waqf is also a unique economic instrument that bases its function on the elements of benevolence, kindness, and brotherhood. Waqf in the view of the Shariah is holding certain property and preserving it for the benefit of the Ummah, and all uses and desires other than forbidden purposes (Kahf, 1998).

Based on Indonesian legislation, the formulation of the definition of waqf is: (1) Government Regulation No. 28 of 1977, waqf is a legal act of a person or legal entity that separates part of their assets in the form of property and institutions for the benefit or needs of other people according to Islamic teachings; (2) Compilation of Islamic Law (KHI), waqf is a legal act of a person or group of people or a legal entity that separates part of their property and institutions for the benefit of worship or other public needs according to Islamic teachings; (3) Law of the Republic of Indonesia Number 41 of 2004 concerning waqf article 1 paragraph

1, the definition of waqf is the legal action of a waqif to separate and / or submit part of his property to be utilized forever or for a certain time in accordance with his interests for the purposes of worship or public welfare according to sharia; (4) Indonesian Waqf Regulation Number 4 of 2010 concerning Guidelines for the Management and Development of Waqf Property defines waqf as a legal action of a waqif to separate and / or submit part of his property to be utilized forever or for a certain period of time with his interests for the purposes of worship and / or public welfare according to sharia.

Waqf was introduced at the time of the Prophet Muhammad. The first waqf land was the Quba Mosque in Medina, a city 400 km north of Mecca. The Quba Mosque was built when Prophet Muhammad came from Mecca after Allah SWT sent a revelation to migrate to Medina. Although the Quran does not explicitly mention waqf, it strongly emphasizes the concept of wealth distribution.

Sabahat Umar bin Khattab ra. once made a waqf and appointed himself as the manager. (HR. Muslim). Likewise, Usman bin Affan ra. also endowed a well that supplied drinking water for the people of Medina which was managed by the community without the intervention of the government at that time. This was exemplified and practiced during the Ottoman period from the turn of the 17th century until the beginning of World War I in 1914, when the waqf system was transformed from one dominated by the political and religious elite to one heavily influenced and controlled by the state.

**Previous Research**

Rusydiana (2018) conducted a study entitled Analysis Of Cash Waqf Development In Indonesia Using Interpretive Structural Modeling (ISM). This research was conducted to identify factors that hinder the development of cash waqf implementation in Indonesia, the results of this study indicate that in terms of system aspects, products, regulations and information technology are the main problems faced by cash waqf institutions. The strategy is the need for transparency and accountability of waqf institutions, innovative marketing strategies, and improving the quality of nadzir.

Khairunisa et. al (2017) conducted a study entitled Exploring Strategies To Enhance Islamic Banking's Role To Raise Cash Waqf Funds. This research uses the ISM (Interpretive Structural Modeling) method. The results of this study indicate the importance of strong legal support to enhance the role of Islamic banks in raising cash waqf according to practitioners and experts, and the need for cooperation between BWI, OJK, BI, Ministry of Religion, LKS-PWU, and Nadzir to enhance the role of Islamic banks.

Hasim et. al (2016) conducted a study entitled Analysis of Factors Affecting the Collection of Waqf Money in Indonesia. This research uses the ANP (Analiytic Network Process) method. Factors that affect the level of collection are divided into three aspects, namely institutional, community, and government. The results of this study indicate that the priority of the institutional aspect has the greatest influence on the level of cash waqf collection and the three most influential factors are the focus of the nadzir institution, public understanding of cash waqf, and the completeness of cash legal instruments.

Muntaqo (2015) conducted research on Problematics and Prospects of Productive Waqf in Indonesia, this problem is motivated by several things, such as: Lack of socialization of waqf fiqh and laws and regulations; half-hearted waqf management, nadzir commitment issues, weak institutional monitoring systems, and funding problems. The enactment of the waqf law is believed to be an initial breakthrough that has significant and strategic meaning in order to strengthen the prospects of waqf institutions in Indonesia for the better.

Wadud (2013) conducted a study entitled Solutions to Productive Waqf Problems in Indonesia. This research uses the Analiytic Network Process (ANP) method. The results showed that the priority problems from the community aspect were the low public awareness of waqf and the low public understanding of waqf. The priority problems from the manager aspect are low operational costs and weak nazir resources. The government's priority problems are the lack of socialization of the Perwakafan Law and the low cost of the state budget for waqf land certification. Priority solutions to problems from the community aspect are socialization and education to the community as well as approaches from the religious side.

Suryadi (2017) conducted research on Productive Waqf Management Strategies in the Context of Community Empowerment in Pangkajene District, Pangkep Regency using field research (qualitative) methods, namely field research conducted by interviewing, observing, and describing the facts that occur in the field. The results of this study show that the obstacles faced in the implementation of waqf management in Pangkajene District are the lack of

public awareness to carry out waqf management activities in an open manner, the low quality of human resources (nadzir), productive waqf data is still minimal, meaning that there are still fewer people who want to endow productive waqf, lack of funds in the certification process so that many waqf certificates have not been issued. This research also presents solutions to optimize waqf management to be more productive, a comprehensive socialization and education strategy to all elements is the main priority in this research.

Purwanto (2017) conducted research on Obstacles in Productive Waqf Management using qualitative methods with an exploratory approach by conducting interviews and documentation, the results of this study were found that the obstacles in the management of the first productive endowment fund were human resources or Nazir factors. The job as Nazhir is a side job so that work like Nazhir is done if there is free time. Either allotment properties or waqf pledges. In general, waqifs when carrying out waqf pledges immediately mention the allocation of waqf assets. Third, socialization has not been maximized. The fourth is the financial factor or funds, because to manage waqf assets requires a lot of funds.

Rusydiana et. al (2019) conducted a study entitled How is the Cash Waqf Development Strategy in Indonesia? This study uses the IFAS EFAS Matrix and SWOT approach methods, the results of this study are based on the results of the IFE analysis, the highest rank of strength is the ability of cash waqf to expand the source base of waqf funds, while the weakness rank is the lack of socialization to the community. And the results of the EFE analysis the highest rank of the opportunity is the infinite cash waqf, while the highest rank of the threat is the relatively weak political will of the authorities.

Wilantoro (2018) conducted a study entitled Prioritization of Solutions to Waqf Management Problems in Banjarnegara Regency using the ANP (Analytical Network Process) method. The results of this study show that the priority of human resource problems is that the managerial ability of nazir is still low. The institutional problem that is the main priority is that the role of BWI Banjarnegara Regency is not optimal. While the priority of government problems is the lack of support and the role of the government. The solution priority of the most important problem is nazir coaching and mentoring.

# RESEARCH METHODOLOGY
## Data Collection Sources and Methods

The data used in this study are primary data obtained from interviews with practitioners, academics and regulations, questionnaires distributed to respondents, and literature studies related to the problems faced in the implementation of productive waqf management in Indonesia.

Some sub-elements of the Productive Waqf Management Analysis in Indonesia are obtained from literature studies and discussions, and will be outlined in the form of a questionnaire using the Delphi *Interpretive Structural Modeling* (ISM) approach, with three elements, namely, constraints or problems, possible strategies, institutions involved in program implementation.

### Overview of *Interpretive Structural Modeling* Methods *& Delphi*

According to Marimin (in Rusydiana, 2018) *Interpretive Structural Modeling* (ISM) is a modeling technique developed for strategic policy planning. ISM is included in the *soft operations research* group (Kanungo & Jain, 2009) or *Soft System Methodology (Marimin, 2004; Eriyatno & Sofyar, 2007)*. *Soft Systems Methodology* (SSM) was introduced by Peter Checkland in the late 1960s at the University of Lancaster UK (Wiliam, 2005).

While the concept of ISM was first introduced by J. Warfield in 1973, Warfield (in Rusydiana, 2018) argues that ISM is a computer-assisted learning process that allows individuals or groups to develop maps of complex relationships between various elements involved in complex situations. In terms of decision making, ISM has little in common with the *Analytic Network Process* (ANP) method developed by Thomas L. Saaty. In this study, researchers only took 2 of the 9 elements of the ISM structure, because researchers wanted to find out what were the obstacles/problems in productive waqf, as well as the related *institutions/stakeholders*.

Meanwhile, the Delphi method is a group process that involves interaction between a researcher and a group of experts related to a particular topic, and through the help of a questionnaire. This method is used to gain common ground on future trends using a structured information gathering process. This method is useful when the opinions and judgments of experts and practitioners are needed in solving problems. This is especially useful when experts cannot be present at the same time (Rum & Heliati, 2018).

The information generated from the Delphi method is highly dependent on the expert panelists seen

in the panel. As such, the composition of the panelists is related to the validity of the research results (Spencer & Cooke, 1989). Since in this method, the opinions and judgments of the panelists are taken and analyzed, it is largely determined by how the panel members are selected. According to Helmer (in Rum, 2018) the Delphi method identifies the reasons why there are differences in judgment among panelists and whether the differences are real or just semantic issues. So

convergence here would not adequately describe the validation of this method, because convergence should use real values.

The first measure of convergence assessment is when the answers or assessments of all respondents have a standard deviation value of less than 1.5 (<1.5). The standard deviation notation formula as already known is as follows.

$$s = \sqrt{\frac{\Sigma(x_i - \bar{x}).^2}{n-1}} \quad \text{o} \quad \text{r} \quad \sqrt{\frac{\Sigma x_i^2 - \frac{(\Sigma x_i)^2}{n}}{n-1}}$$

where:
$x$ = respondent A's answer to the instrument n
$\bar{x}$ = average of respondents' answers to the instrument n

The next measure of consensus or convergence assessment is when the answers or assessments from all respondents have an *Interquartile Range* (interquartile *range*) or IR value of less than 2.5 (<2.5). The calculation

of the IR value is the difference between the upper quartile and the lower quartile (IR = Q3 - Q1), where the quartile value formula is as follows.

$$Q_1 = \frac{x_{(\frac{n-1}{4})} + x_{(\frac{n+3}{4})}}{2}$$

$$Q_2 = x_{(\frac{2(n+1)}{4})}$$

$$Q_3 = \frac{x_{(\frac{3n+1}{4})} + x_{(\frac{3n+5}{4})}}{2}$$

The measurement to declare convergence or the level of consensus on all variables is when the standard deviation value is <1.5 and the *interquartile range* value is <2.5. If one of the indicators does not meet the requirements, then the variable is declared not converging or not agreed upon (divergent). Meanwhile, for variables that have reached the requirements, the next step is to rank with the highest average value for each variable that reaches consensus (convergent).

According to Loe et al (2016), the majority of research using the Delphi method uses a questionnaire with a Likert scale, preference ranking or a combination of scoring and reasoning. In this study, the authors used a preference ranking approach with weights from 1 to 9. The greater the weight value, the more important the variable is according to the respondents/expert panelists.

**Sampling Method**

The sampling method used in this research is *non probability sampling* where each element of the population does not have the same possibility to be sampled. *Non probability sampling* consists of *purposive sampling* used for filling out questionnaires with respondents taken from experts and practitioners who understand the issues raised. Experts who became respondents in analyzing positions and roles were selected based on the type of expertise as many as 7 people consist of: Dr. Imam Teguh Saptono, M.M; Prof. Dr. H. Nurul Huda, S.E., M.M., M.Si; Bayu Taufiq Possumah, PhD; Nashr Akbar, S.E.I., M.Ec; Abrista Devi, M.E.I; Dr. Tika Widiastuti; and Rama Wijaya, S.Sos.

The existing data is then processed using dDSS v.1 software, in order to get accurate results for research based on the perspectives of the respondents.

# RESULT AND DISCUSSION

## Delphi Method Results

### Phase I Questionnaire

At this stage, researchers identified problems that occur related to productive waqf collection in Indonesia, which are seen from the elements of constraints, strategies, and institutions. In the phase I questionnaire, researchers listed and determined the determining variables in the selection of objects related to constraints/problems and strategies, researchers collected as many variables as possible based on the results of the identification of literature studies related to the problems off waqf productive management. As the questionnaire contained in the attachment.

### Phase II Questionnaire

After determining the determining variables in object selection from the results of the phase I questionnaire, a phase II questionnaire will be carried out to determine the priority of each existing criterion with literature studies and the results of interviews with experts using Delphi. The Delphi method is a structured communication technique or forecasting method used to gather opinions from a group of experts on a particular topic. This method aims to achieve a convergence of opinion among experts through a series of questionnaires and controlled feedback. The Delphi method is widely used in various fields, including business, technology, and research, to make informed decisions and predictions.

Table 1. Constraints/Problems of Waqf Productive

| No. | Problems of Productive Waqf | Informant/Source | | | | |
|-----|------------------------------|------|------|------|------|------|
|     |                              | N1 | N2 | N3 | N4 | N5 |
| 1 | Lack of Transparency in Waqf Management | 8 | 7 | 9 | 8 | 7 |
| 2 | Lack of *Nazir* Professionalism | 9 | 9 | 9 | 7 | 7 |
| 3 | Lack of Education or Public Understanding of Waqf | 9 | 9 | 9 | 9 | 9 |
| 4 | Lack of Coordination between *Nazir*, LKS-PWU, and Government | 8 | 8 | 6 | 7 | 6 |
| 5 | Lack of Public Trust in *Nazir* Institutions | 9 | 8 | 9 | 9 | 9 |
| 6 | Many Waqf Lands Are Not Registered as Waqf Lands or Have Waqf Land Certificates | 9 | 9 | 9 | 9 | 8 |
| 7 | The Land Certification Process is Expensive and the Procedure to Obtain Land Status is Difficult Due to Complex Bureaucracy | 9 | 8 | 9 | 9 | 8 |
| 8 | Differences in *Mazhabs* Followed by the Community | 3 | 2 | 3 | 5 | 8 |
| 9 | Weak Governance System | 7 | 6 | 7 | 6 | 7 |
| 10 | Weakness of the Law on Trusteeship | 7 | 6 | 7 | 7 | 7 |
| 11 | No Sharia Supervisor | 3 | 3 | 4 | 4 | 6 |
| 12 | Weak *Political Will of* Authority Holders and Limited Budget | 9 | 8 | 9 | 9 | 9 |
| 13 | Low Public Awareness | 7 | 9 | 8 | 9 | 9 |
| 14 | Low Operating Costs | 4 | 6 | 3 | 5 | 6 |
| 15 | *Nazir's* Lack of Understanding about Waqf | 5 | 5 | 4 | 6 | 9 |

Source: Data processed by the author, 2020

The values above are ranked from the highest to the lowest priority from interviews with respondents in the selection of objects of constraints/problems of productive waqf and productive waqf strategies to be prioritized as determining objects for the questionnaire. The following is the statistical calculation of the tabulation above:

Table 2. Statistical Calculation Results

| Average | Std. Deviation | Mode | Q1 | Q2 | Q3 | IR | Evaluation | |
|---------|----------------|------|----|----|----|----|------------|---|
| | | | | | | | Std. Deviation | *Interquartile Range* |
| **7,8** | 0,7483 | 9 | 7 | 8 | 9 | 2 | Convergent | Convergent |
| **8,2** | 0,9798 | 9 | 7 | 9 | 9 | 2 | Convergent | Convergent |
| **9** | 0 | 9 | 9 | 9 | 9 | 0 | Convergent | Convergent |
| **7** | 0,8944 | 8 | 6 | 7 | 8 | 2 | Convergent | Convergent |
| **8,8** | 0,4 | 9 | 8 | 9 | 9 | 1 | Convergent | Convergent |
| **8,8** | 0,4 | 9 | 8 | 9 | 9 | 1 | Convergent | Convergent |
| **8,6** | 0,4899 | 9 | 8 | 9 | 9 | 1 | Convergent | Convergent |
| **4,2** | 2,1354 | 3 | 2 | 3 | 8 | 6 | Divergent | Divergent |
| **6,6** | 0,4899 | 7 | 6 | 7 | 7 | 1 | Convergent | Convergent |
| **6,8** | 0,4 | 7 | 6 | 7 | 7 | 1 | Convergent | Convergent |
| **4** | 1,0954 | 4 | 3 | 4 | 6 | 3 | Convergent | Divergent |
| **8,8** | 0,4 | 9 | 8 | 9 | 9 | 1 | Convergent | Convergent |
| **8,4** | 0,8 | 9 | 7 | 9 | 9 | 2 | Convergent | Convergent |
| **4,8** | 1,1662 | 6 | 3 | 5 | 6 | 3 | Convergent | Divergent |
| **5,8** | 1,7205 | 5 | 4 | 6 | 9 | 5 | Divergent | Divergent |

Source: Data processed by the author, 2020

The standard deviation of the statistical results of the constraint questionnaire shows that the distribution of answers from each respondent tends to be small / less than (<1.5). It can be seen that if the standard deviation is <1.5 then the results are convergent (agreed), otherwise if the standard deviation is >1.5 then the results are divergent (disagreed). While for IR (Interquartile Range) if IR <2.5 then the results are convergent (agreed) and vice versa if IR>2.5 then the results are divergent (disagreed).

In the context of Delphi programming, the term "interquartile range" (IQR) typically refers to a statistical measure used to describe the spread or dispersion of a set of data values. The interquartile range is defined as the difference between the third quartile (Q3) and the first quartile (Q1) in a dataset.

Quartiles are values that divide a dataset into four equal parts. The first quartile (Q1) is the value below which 25% of the data falls, the second quartile (Q2) is the median (50% of the data falls below and 50% above), and the third quartile (Q3) is the value below which 75% of the data falls.

Table 3. Final Results of the Constraints Questionnaire

| No. | Productive Waqf Constraints | Average | Rank | Std. Deviation | IR |
|---|---|---|---|---|---|
| 1 | Lack of Education or Public Understanding of Waqf | 9 | 1 | Convergent | Convergent |
| 2 | Lack of Public Trust in *Nazir* Institutions | 8,8 | 2 | Convergent | Convergent |
| 3 | Many Waqf Lands Are Not Registered as Waqf Lands or Have Waqf Land Certificates | 8,8 | 3 | Convergent | Convergent |
| 4 | Weak *Political Will of* Authority Holders and Limited Budget | 8,8 | 4 | Convergent | Convergent |
| 5 | The Land Certification Process is Expensive and the Procedure to Obtain Land Status is Difficult | 8,6 | 5 | Convergent | Convergent |
| 6 | Low Public Awareness | 8,4 | 6 | Convergent | Convergent |
| 7 | Lack of *Nazir* Professionalism | 8,2 | 7 | Convergent | Convergent |
| 8 | Lack of Transparency in Waqf Management | 7,8 | 8 | Convergent | Convergent |
| 9 | Lack of Coordination between *Nazir*, LKS-PWU, and Government | 7 | 9 | Convergent | Convergent |
| 10 | Weakness of the Law on Trust | 6,8 | 10 | Convergent | Convergent |
| 11 | Weak Governance System | 6,6 | 11 | Convergent | Convergent |

Source: Data processed by the author, 2020

## ISM (Interpretive Structural Modeling) Method Results

This method uses two elements for its programming. Each element consists of sub-elements that have contextual relationships with each other that have been validated by experts. The results obtained from this ISM analysis are information about the analysis of productive waqf collection in the era of the industrial revolution 4.0 in the form of an arrangement of sub-elements among other sub-elements.

Interpretive Structural Modeling (ISM) is a method used in system analysis and decision-making to understand and represent the relationships among different elements within a complex system. It helps in identifying the hierarchical structure of these elements and their interdependencies. ISM is particularly useful when dealing with complex systems where there are numerous factors influencing each other.

Classification of sub-elements based on characteristics expressed by the level of driver power and the level of dependency of each sub-element in one element and the identification of key elements. ISM processing will classify the sub-elements into four

sectors in a two-dimensional graph with the x-axis of dependence and the y-axis of driver power, namely :

• Autonomous (I): This section consists of variables that have low driver power values and low dependence values (≤ 0.5). Variables included in this group have little relationship with other variables.

• Dependent (II): The variables contained in this section are variables that have a low driver power value (≤ 0.5), but have a high dependence value (≥ 0.5).

• Linkage (III): This section consists of variables that have high driver power and dependence values (≥ 0.5). The variables included in this section have a relationship in the system and have a strong influence on other variables.

• Independent (IV): Variables in this section have high driver power values (≥ 0.5), but low dependence (≤ 0.5). After that, a structural model was created, which is a tiered structure to facilitate understanding of the substance of productive waqf collection in Indonesia.

## Element Constraints/Problems

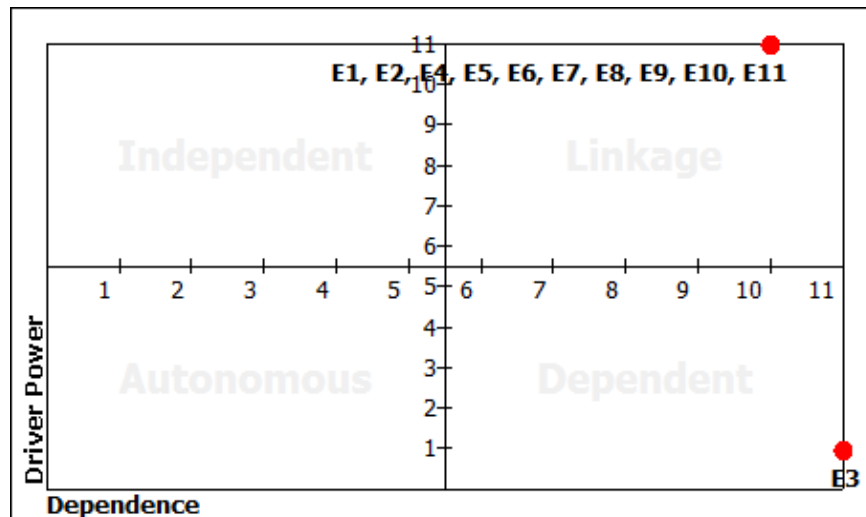The results of ISM processing for the constraints/problems element can be seen from the graph below:

Figure 2. Constraint Element Power-Dependence Driver Matrix Chart

Of the eleven sub-elements, none of the elements are in the autonomous group. From these results it can be seen that there are no elements that have low driver power and dependence values, meaning that all elements have a relationship with the system.

Meanwhile, sub-element (E3) uncertified waqf land is in the dependent group, which means that it has a close relationship with other elements, but is not the main driver of the system or can be interpreted as a result of other elements. The third group is linkage, there are ten sub-elements of constraints or problems included in the linkage group, namely (E1) lack of public education, (E2) lack of public trust, (E4) weak political will of the authorities, (E5) complicated certification procedures, (E6) low public awareness, (E7) lack of nazir

professionalism, (E8) lack of transparency in waqf management, (E9) lack of coordination between nazir, LKS-PWU, and the government, (E10) weak waqf law, (E11) weak governance system. Where these sub-elements have a strong driving force and can provide impact and feedback to the system.

**Institutional Elements/Stakeholders**

The institution/stakeholder element in the analysis of productive waqf collection in Indonesia is described in 7 (seven) sub-elements, as follows: BWI, Ministry of Religious Affairs, LKS-PWU, DSN-MUI, Nazir, Wakif, and Society. The results of the ISM processing for the institution/stakeholder element can be seen from the graph below:
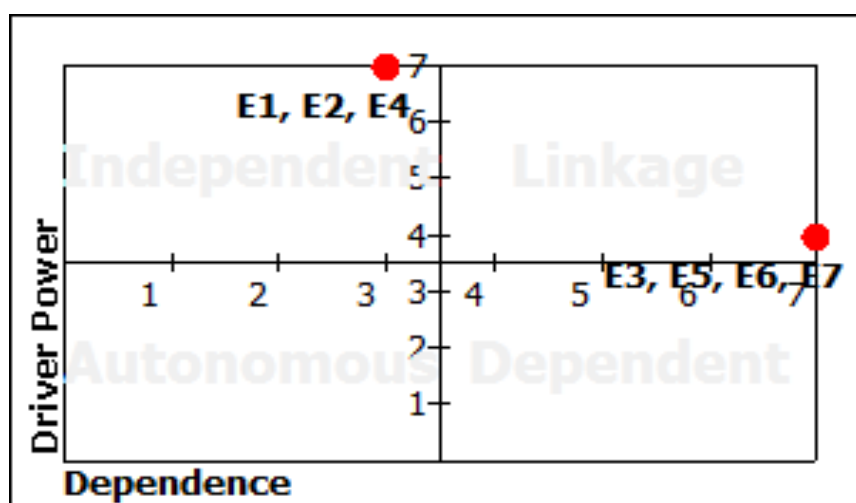


Figure 3. Institutional Element Power-Dependence Driver Matrix Chart

The Matrix Graph above explains that none of them are in the autonomous group. From these results it can be seen that none of these elements has a low value

of driver power and dependence, meaning that all elements have a relationship with the system. While the sub-elements (E3) LKS-PWU, (E5) Nazir, (E6) Wakif,

and (E7) Community are in the dependent group which means they have a close relationship with other elements, but are not the main drivers of the system or can be interpreted as a result of other elements. The independent group is a free variable element that affects other elements if changes occur. The sub-elements included in the independent group are (E1) BWI, (E2) MoRA, and (E4) DSN-MUI, thus they are designated as key sub-elements.

A structural model of strategy elements that is a tiered structure for easy understanding of the substance:
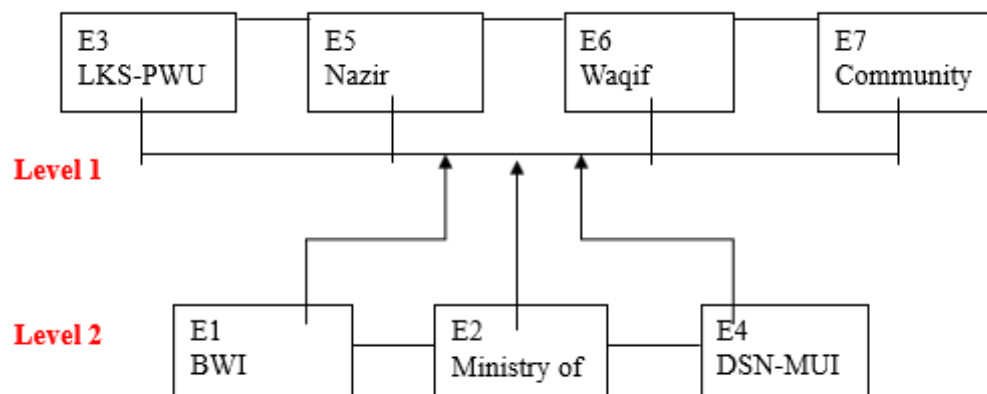


Figure 4. Model Structure of Institutional/Stakeholder Elements

**Discussion**

Relevant to the results of research conducted by Rusydiana & Rahayu (2019), Ali et.al (2018), Khairunisa et. al (2017), Hasim et. al (2016) from the structural results of the elements of constraints in this study, we can take the most important point, namely the lack of socialization of education or public understanding of waqf, if education / socialization about waqf to the public is more intensified, the public's interest and awareness of waqf will be higher. Education and socialization can be done early in school and lectures.

In addition, the lack of public trust in nazir institutions is also still an obstacle, because there are still many nazir who lack professionalism in carrying out their duties, besides that the nazir's knowledge of waqf management is also still low, as well as the lack of transparency in waqf management so that many people still doubt their assets to be endowed. (Hasim et. al, 2016)

And the weak political will of the authorities is also still an obstacle or threat, this is relevant to the results of research conducted by Rusydiana & Rahayu (2019). How big is the role of political will from the government to encourage the realization of certain ideas or programs. So it needs to be optimized to encourage more ideas and programs that can encourage productive waqf in Indonesia, not only good policies, but also must be wise so that they can provide broad benefits.

Meanwhile, from the structural results of the institutional elements, the most important stakeholder points in the sustainability of productive waqf in Indonesia are BWI, the Ministry of Religious Affairs, and DSN-MUI. The Indonesian Waqf Board and the Ministry of Religious Affairs coordinate together in monitoring the development of waqf collection and coordinate to make rules for the sustainability of productive waqf in Indonesia and appoint LKS-PWU as a place to invest waqf funds. (Khairunisa et. al, 2017)

DSN-MUI acts as a supervisor of waqf activities and as a mediator in case of misunderstanding between the parties involved because the influence of DSN-MUI is very strong on the sustainability of waqf in Indonesia. In addition, the task of the nazir is to be able to invite people to waqf, so that if the nazir can collect as many wakif as possible, productive waqf collection can be realized. Therefore, cooperation between all parties is needed so that it can create productive waqf management in IndonesiaCash

# CONCLUSION

From this research using the ISM method, the main key sub-elements were obtained. The main key sub-element in this study is the need for support for waqf regulations or laws. In this case, the need for support for waqf regulations / laws, especially the most important institutions, namely BWI and Kemenag, which are able to encourage the role of LKS-PWU, Nazir, Wakif, and the community. In order to create

transparency at every stage of implementation, standardize the role of LKS-PWU, optimize the function and role of BWI, conduct training and improve the nazir recruitment system, and foster good relations between stakeholders in order to create productive waqf sustainability and not highlight their respective institutions, these parties must agree. And DSN-MUI has an important role in influencing society by issuing MUI fatwa.

In addition, problems/constraints that often occur in productive waqf management are weak governance systems, lack of professionalism of nazir in waqf management, lack of public education about waqf and public trust in nazir institutions, weak political will of the authorities, and lack of public awareness in waqf. So the results of research using the ISM method (Interpretive Structural Modeling) experts agree that by supporting the regulation of waqf laws can create productive waqf sustainability.

### Recommendation

The suggestions related to the research conducted by the author are to increase socialization and education from various parties, especially policy alignments in encouraging education to be carried out massively at all levels, because the most important main point is the support of waqf regulations / laws.

The introduction of waqf from an early age through school and campus curriculum is also very necessary to add insight and education so that the level of public awareness of waqf becomes higher and understand that waqf is not only in the form of direct waqf so that it can be optimized into productive waqf.

In providing easy access to waqf anytime and anywhere, it is better to use digital devices and collaborate with various related parties, through IT systems, a transparent and accountable waqf governance system will be realized, reflecting the advancement of waqf management.

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## APPENDIX

| No | Obstacles / Problems | Source | Rank |
|----|----------------------|--------|------|
| 1 | Lack of Transparency in Waqf Management | Khairunisa et.al (2017), Purwanto (2017), Muntaqo (2015) | |
| 2 | Lack of *Nazir* Professionalism | Hosen (2016), Hasim (2016), Siska (2018), Ahmad (2015), Rusydiana (2017), Purwanto (2017), Muntaqo (2015), Ali (2018), Hamzah (2016), Fanani (2011), Suryadi (2017). | |
| 3 | Lack of Education or Public Understanding of Waqf | Rusydiana (2017), Hosen (2016), Hasim (2016), Ahmad (2015), Purwanto (2017), Muntaqo (2015), Ali (2018), Hamzah (2016), Fanani (2011), Suryadi (2017) | |
| 4 | Lack of Coordination between *Nazir*, LKS-PWU, and Government | Khairunisa et. al (2017) | |
| 5 | Lack of Public Trust in *Nazir* Institutions | Rusydiana (2017), Hasim (2016) | |
| 6 | Many Waqf Lands Are Not Registered as Waqf Lands or Have Waqf Land Certificates | Hosen (2016), Rusydiana (2019), Suryadi (2017) | |
| 7 | The Land Certification Process is Expensive and the Procedure to Obtain Land Status is Difficult Due to Complex Bureaucracy | Hosen (2016), Hasim (2016), Ali (2018) | |
| 8 | Differences in *Mazhabs* Followed by the Community | Hasim (2016) | |
| 9 | Weak Governance System | Muntaqo (2015), Rusydiana (2017), Fanani (2011) | |
| 10 | Weakness of the Law on Trust | Rusydiana (2017), Khairunisa et. al (2017), Ali (2018) | |
| 11 | No Sharia Supervisor | Rusydiana (2017) | |
| 12 | Weak *Political Will of* Authority Holders | Rusydiana (2019) | |
| 13 | Low Public Awareness of Waqf | Ali, et. al (2018) | |
| 14 | Low Operating Costs | Ali, et. al (2018), Suryadi (2017) | |
| 15 | *Nazir's* Lack of Understanding about Waqf | Ali, et. al (2018) | |