

## **Effectiveness of Cash Waqf Management in Improving Community Welfare: Challenges and Opportunities**

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### **ABSTRACT**

Enhancing people's welfare has always been a topic that will never stop, especially in a developing country such as Indonesia. Indonesia is known as a country with a Muslim majority. Thus, it is necessary to have another strategy to encourage community productivity through waqf. Waqf is not only in the form of assets but also in cash. However, very few Indonesians know about Indonesia's waqf scheme. The waqf management has to be strengthened so that the waqf giver (wakif) believes that their funds can be used for productive activities and comply with waqf requirements. This study aims to analyze the effectiveness of cash waqf management in improving community welfare using the SWOT method. The waqf management has to be repaired in two strategies internally, namely transparent fund management and separate with donations or other community assistance schemes. While from the external side, there is a need for strengthening the understanding that cash waqf does not have to be in a significant amount for it to create benefits. This study enriches the literature on the effective management of waqf to improve the society's perceptions of waqf.

Keywords: cash waqf, public welfare, productivity, SWOT analysis.

### **1. INTRODUCTION**

The primary issue that many Muslim' countries faced is poverty. The policy fighting against those problems and the willingness to enhance community welfare is around the world. The poverty reduction and welfare increment not only depend on economic and social policies, population size, and resource endowments, but the types of economic undertakings are also being pursued. One study found that Muslim nations' condition is

deteriorating due to financial restrictions and poverty due to unrestrained corruption. Many do not have the capacity to necessities for their immediate families due to financial problems. Thus, it has an undesirable impact on their moral, religious, social, and mental (Ali, 2012).

Under those circumstances, waqf is considered to be an important institution in the Islamic social framework. Indahsari et al. (2014) studied the implementation of waqf, and it is concluded that if its well-managed, it can reduce the poverty problem. Waqf will allow an owner (wakif) to donate and dedicates an asset (movable or immovable) for permanent social benefit. Under the waqf management (nazir), the waqf will manage then the beneficiaries (mauquf alaih) can enjoy its usufruct or income perpetually. Nowadays, people can donate waqf as real estate, furniture or fixtures, other movable assets, and liquid forms of money and wealth like cash and shares (Shaikh et al., 2017).

The flexibility of waqf can be one solution to enhancing the community through cash waqf. Its new form of waqf can alleviate poverty through funding micro-enterprise or less fortunate communities. Waqf provides flexibility compare to zakah due to no specific beneficiary categories. On the contrary, Muslims must utilize zakah for a particular beneficiary (Azis et al., 2013; Abdel Mohsin, 2013; Sadeq, 2002). Cash waqf is viewed as a flexible alternative to the traditional waqf structure. It is allowed anyone to participate in voluntary donations with available cash. According to this circumstance, many researchers have been developed many potential models to distribute cash waqf. The funding distribution models example is Integrated Waqf Based Islamic Microfinance Model (IWIMM), Integrated Cash Waqf Micro Enterprise Investment (ICWME-I), Waqf-based Social Micro Ventura Fund (WSMVF), and many more (Haneef et al., 2014; Thaker et al. (2016); Hamber and Haneef, 2017). The waqf fundraising model includes Deposit Cash Waqf Scheme, Cooperative-waqf Model, Corporate waqf scheme, and many more (Abdel Mohsin, 2013; Pitchay, 2018).

Yet, the management of waqf institutions still debatable. Not only the management but credibility also become the major obstacle in cash waqf development. It is under circumstances in which waqf poor management and administration (Ihsan, 2011). It is reflected in the survey conducted in Indonesia. Indonesians did not have much trust in their existing public waqf institutions because waqf management committees are involved with endowments of a substantial number of properties (Masyita, 2005). This study describes the effectiveness of cash waqf management in improving community welfare using the SWOT method due to the current situation. The institution should organize professionals to handle the cash funds to avoid any potentially fraudulent activity among the manager (mutawallis) and perform assessments on the management (nazir). Therefore, ease in waqf institutions is essential so that they can improve community welfare.

This paper is organized as follows: the following section provides a brief review of waqf literature as a financing mode and cash waqf management. It then describes the research methodology utilized in conducting this research. The next section then presents the research findings and analyzes the results. In the last quarter, it will conclude the paper and provides some recommendations.

## **2. LITERATURE REVIEW**

### **2.1 Waqf and Its Types: Cash Waqf**

Waqf is one of the essential institutions in Islam. It is an inseparable form of the Islamic way as it is an ongoing activity for the sake of God and augmented by the prevailing spirit of altruism (Khan, 2014). Subsequently, waqf involved providing access to various socio-economic infrastructures for society's benefit (Ahmed et al., 2015). Cash waqf is one of several types of waqf.

Cash waqf formed, such as a trust fund. This monetary fund is collected and managed in the name of Allah. The manager (mutawalli) from one of the waqf management institutions (nazir) collected this fund then invested in other types of assets to generate income for the needed society (mauquf alaih). The manager will use return for all sorts of pious and social dedications (Chowdhury et al., 2011).

Cash waqf is required one condition. It has to infinity in nature. The essential characteristics of cash waqf are perpetuity, irrevocability, and inalienability (Osman, 2012). Due to its factors, the donors will receive God's continuous intangible reward as long as the waqf is utilized. Irrevocability means that the donated fund could not be taken back by its owner. Inalienability will ensure a manager (mutawalli) will handle cash waqf and invest it, then generate income given to the beneficiaries. The income received shall be used for social community purposes (Osman, 2012).

The manager should invest cash waqf through the mudarabah principles, and the return received should be distributed to the poor as a charity (Chowdhury et al., 2011). There are six types of cash waqf schemes: waqf share scheme, deposit cash waqf scheme, compulsory cash waqf scheme, corporate waqf scheme, deposit product waqf scheme, co-operative waqf scheme. Nevertheless, not all forms of cash waqf are practiced by Muslim countries. It might differ from country to country (Abdel Mohsin, 2013).

## 2.2 Case Study on Cash Waqf in Several Country

Several countries, such as Malaysia, Indonesia, Bangladesh, Singapore, and Morocco, have established the cash waqf system. It is considered a success in alleviating poverty and enhancing social welfare.

### 2.2.1 Malaysia

Cash waqf is a flexible alternative to the traditional waqf structure, allowing anyone to participate in voluntary donations with available cash. Cash waqf collection in Malaysia can grow (Abdullah, 2009), and nowadays, it is progressively acknowledged and recognized (Saiti et al., 2019). In Malaysia, cash waqf is restructured to waqf property development financing through mudharabah and musharakah methods (Beik and Arsyianti, 2013). In Malaysia, cash waqf managed by Bank Muamalat Berhad (BMMB) alongside Perbadanan Wakaf Selangor (PWS), a state waqf manager, served as the significant gatherer of cash waqf. The bank developed a shared deposit account for accumulating cash waqf. Since the bank acts as the fund's accumulator, transparency of cash waqf operation is needed more (Bank Muamalat Malaysia Berhad, 2014).

BMMB managed the cash waqf fund in Malaysia, but several institutions also control it with various model management. For example, the waqf management institution will transform the cash waqf raising in Malaysia into an abiding property used for the community's interest and welfare, and Yayasan Wakaf Malaysia supports it. A waqf fund, or mentioned as Kumpulan Wang Wakaf, is formed to save the donation of money and properties or any other income or proceeds obtained from Mawquf or Istibdal, and it is administered by several statues (Saad, Kayadibi, &

Hamid, 2017). The State of Selangor Islamic Religious Council (MAIS) announced a waqf scheme called Skim Saham waqf (waqf Shares Scheme). The other states in Malaysia that also applied a related waqf shares scheme are Malacca, Johor, Pahang, Terengganu, and Penang.

The cash waqf projection in Malaysia could reach a total of RM4.3 billion a year if every full-grown Malaysian Muslim contributed at least RM1 per day or RM30 per month to the cash waqf fund. Ibrahim et al. (2013) projected that the cash waqf fund could extend to RM7 million per year. Moreover, Penang's state has a great prospect to improve a cash waqf fund due to the utilization of marketing and planning strategy for advertising cash waqf funds.

### **2.2.2 Bangladesh**

The development of cash waqf in Bangladesh is a growing trend, and many people are aware of cash waqf in Bangladesh. Cash waqf finances many private universities in Bangladesh. The cash waqf funds are reserved in the investment fund of an Islamic bank, which functions on the foundation of Mudarabah. The profits are used for accomplishing stipulated Islamic goals. The cash waqf management has a distinctive characteristic that is conceptually dissimilar to the power of charities, donations, or foundation funds (Ahmad & Safiullah, 2012). In Bangladesh, cash waqf permits people to provide little contributions to waqf.

Numerous Islamic banks operate cash waqf pool and management. The contributors can open the waqf cash account by putting a fixed amount or paying a minimal amount every month, which they are not permitted to withdraw (Aziz, Yusof, Johari, & Sabri, 2014). It is a common practice in Bangladesh to use banks as agents for collecting cash waqf. Consequently, using Islamic banks is the starting point for collecting cash waqf in Bangladesh (Ameen, 2004).

### **2.2.3 Indonesia**

To some extent, the development of waqf in other Muslim countries has inspired some Indonesian waqf institutions to manage waqf. For instance, the achievement of cash waqf in Bangladesh has encouraged one Indonesian waqf institution to announce cash waqf (Prihatini et al., 2015). Bangladesh and Egypt also inspired one of Indonesia's waqf foundations to adapt their system in managing waqf assets into the education sector (Abubakar, 2005). If waqf is managed and collected correctly, the potential waqf reaches 3 trillion rupiahs. Nevertheless, in 2017, according to the Indonesia Waqf Board (BWI), the accumulated number of cash waqf is only 2 million rupiahs. It was a vast difference between the estimation and reality numbers (Qurrata et al., 2020).

In Indonesia, mostly cash waqf is managed by a non-government organization. The management of those institutions is currently debatable due to their lack of skill to manage cash waqf funds (Hasanah, 2003). In the same line, Prihatna (2005) admitted that Indonesia's role waqf was not maximum potential not because of lack of collected waqf, but rather due to the improper management and unskilled manager (mutawalli).

### **2.2.4 Singapore**

The development of waqf in Singapore is according to the Administration of Muslim Law Act (AMLA). Singapore is a small country with limited land width, and

Muslims become a minority. However, they can be an example to the world on effective waqf management and development. It is due to the role of Majlis Ulama Islam Singapura (MUIS), which is started a subsidiary company known as Wakaf Real Estate of Singapore (WAREES Investment Pte. Ltd) to ensure waqf properties are developed to the highest level. The outcome is that waqf property's value has increased tenfold and generates a higher income towards waqf fund. This success experience made MUIS export their expertise and expertise. Currently, 200 waqf property under the management of WAREES, and it cost SG\$250 million. This achievement made Singapore one of the most developed countries in handling waqf. Thus, MUIS becomes an international player in exporting expertise and waqf management globally (www. Singstat.gov.sg; Karim, 2010).

### 2.3 Cash Waqf and Funding

**Liquid Fund as Corpus:** In a "cash waqf," the main corpus is a "cash capital," which is disputed to standard immovable waqfs in which the canon is usually a "real estate." The legality of the cash waqf debatable since the early sixteenth century, the fact remains that "cash waqfs" are being endowed worldwide, and it is gaining acceptance and popularity to a broader audience (Cizakca, 1998). Any corpus should be waqf able, as long as it gives some usufruct for others to benefit.

**Immediate Usufruct:** The benefit from cash waqf follows almost immediately after creating it, and this is unlikely the real estate waqf. The property, such as a house, maybe worth millions, but it cannot give any consistent benefit unless developed into an income-generating project. Even a small amount of cash waqf may generate income through investment right from its inception due to its character.

**Affordability and Convenience:** Land waqf likely buying real property and dedicating it as charity transfer is only affordable to the rich people. It is much more comfortable and affordable with cash waqf than real estate due to the high expense and scarcity of immovable properties. Many Muslims who wish to contribute to poverty alleviation through waqf cannot afford to buy such property due to its expensive and scare. If they have to collect small money, it will take much time. Then cash waqf brings a convenience that even not-so-rich can willing to donate though they have budget constraints.

**Remarkable Mobility of Cash Waqf:** It enables the transfer of waqf capital across economic sectors only by moving their investments from one set of borrowers to another. The most significant aim of waqf is to be a welfare source for those who need it. Thus, it can achieve better by cash waqf.

**Benefits from Cash:** The manager can transform waqf into numerous activities. If cash waqf is invested in growing, a regular usufruct can be earned and spent on social welfare. That flexibility is unavailable when the waqf is land or property waqf. Suppose the manager cannot utilized the ground and produced regular harvests or otherwise earning a steady income from rentals. If a land-based waqf is not at its best in terms of its location, size, and productivity, it cannot be a steady source of regular usufruct, and the land, despite its current value, lies worthless.

Nowadays, a fluent class of the society and the middle and lower-middle feel more convenient with cash waqf. The level can only afford to donate a small amount of cash willing to participate in cash waqf. As more people can contribute to cash Waqf quickly to build a collective fund corpus or single fund, cash waqf compare to general waqf will

achieve social welfare faster. Cash waqf will share some of the government's expenses directly linked to social safety net programs. In other words, cash waqf impacts reduce government expenditures and interest rates by taking care of some of the spendings that the government would have to spend under social safety programs in the absence of cash waqf. Thereby, a cash waqf-based system can reduce and even eliminate *riba* by providing services. The cash waqf significantly assists the government in economic growth cross-country (Sanusi and Shaiai, 2015).

## 2.4 Cash Waqf Management

Cash waqf is a flexible alternative to the traditional waqf structure, allowing anyone to participate in voluntary donations with available cash. Waqf management requires three essential resources: people, money, and property or assets (Iman and Mohammad, 2014). Htay, Mohamed, & Osman (2012) identified trustworthiness and cash waqf management as determinants of the level of cash waqf giving in Malaysia. Cash waqf management institution needs people with proper educational background, professional training, and certification programs. Those useful human resources will ensure the effectiveness and efficiency of management. Qurrata et al. (2020) also found that media information and Islamic religion have a substantial impact on the perception of cash waqf, which also plays a role in Indonesia's Muslim waqf behavior. As mentioned above, the statement factors that influence Muslim behavior to donate cash waqf need management.

Kahf (1999) mentioned that one requirement to manage cash waqf is enhancing efficiency and minimizing the corruption of Nazir. It is highlighted that the waqf institution shall provide a new management style that will uphold Amanah (trustworthy). In several countries, management is one of the major obstacles affecting cash waqf. Those problems, namely lack of administrative and organizational experience, ineffective supervision, lack of shariah and advisory board, and the aptitudes and qualification of Mutawallis in effectively managing cash waqf for the continued flow of funds for their sustainable future are questionable (Saiti et al. (2109); Qurrata et al. (2019). For example, in Malaysia, cash waqf management's decision-making process is time-consuming, ineffective, and inefficient cash waqf accumulation. Due to a lack of experienced personnel, the cash waqf process is not consistent, making difficulties, coordination, and evaluation. Then, no master plan nor target on the cash waqf management is compatible with Malaysia Vision 2020 (Saiti et al., 2019).

The cash Waqf management system in Indonesia, proposed by Masyita et al. (2005), comprises six interrelated components. These include Waqif (donors), cash Waqf fund, investment portfolios, investment profits, available funds for the poverty programs, and the poor. Since Waqf institutions serve as the third sector of non-profit organizations, Waqf institutions should be independent, committed, specialized, and altruist to be more effective and efficient in socio-economic development (Iman & Mohammad, 2014).

## 3. RESEARCH METHODOLOGY

The present study used the qualitative (interview) approach to achieve its objective. It is due to its vivid and insightful results (Burns and Bush, 2010). This method has a dynamic character of the interview process, which engages respondents more actively and enables the researcher to reach beyond initial responses and grounds (Burns and Bush, 2010).

Therefore, this research is exploratory, which is involved two stages of data collection; exploratory (information gathering) and Semi-Structured Interview. Experts from various fields across different related institutions such as practitioners conducted these processes.

The steps in the qualitative analysis include:

1. preliminary exploration of the data by reading through the transcripts and writing memos;
2. coding the data by segmenting and labeling the text;
3. using codes to develop themes by aggregating similar principles together;
4. connecting and interrelating themes; and
5. constructing a narrative (Creswell, 2003).

Purposive sampling is used to select experts. Purposive sampling is one of the most common sampling strategies whereby the group of participants is pre-selected based on a particular research question. Purposive sample sizes are often determined based on theoretical saturation (the data collection point when new data no longer brings additional insight into the research questions). The experts were from the different institutions shown in Tabel I. Qualification, area of specialization, and working experience are based on experts' selection criteria.

**Tabel 1. Profile of the interviewees**

No	Institutions	Position	Code
1	RZ	Branch Manager	E1
2	YM	Fundraising Officer	E2
3	DDRF	Branch Manager	E3
4	BMH	Branch Manager	E4

Note: Author's source

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This study selects several experts who used purposive sampling. This sampling is one of the most common sampling strategies whereby the group of participants is pre-selected based on a particular research question. Purposive sample sizes are often determined based on theoretical saturation (the data collection point when new data no longer brings additional insight into the research questions). In table I, we can see experts from various institutions.

The participant number chosen for the study follows Morse's suggestion (1994), who recommends a minimum of four participants for qualitative studies. Furthermore, the selection of the informant's number is considered enough when no new information or themes are observed in the informant's data. In their view, researchers work with a small sample size to study their subject matter in-depth, and it is sufficient to achieve the study's objectives.

During the interview, data were collected, transcribed into notes, then analyzed using the chosen thematic. Thematic analysis is a method for identifying, analyzing, and reporting patterns (theme) within data (Braun and Clarke, 2006). This study used thematic analysis due to the following advantages:

1. ability to summarize key features of extensive data;
2. highlighting the similarities and differences of data; and

3. usefulness in making analysis suited to policy development (Braun and Clarke, 2006).

The thematic analysis process involved selecting, simplifying, and coding the data collected into common themes (Miles and Huberman, 1994). SWOT analysis can analyze the strengths and weaknesses and the opportunities and threats in this cash waqf. Kotler (2013) argues that SWOT analysis evaluates overall strengths, weaknesses, opportunities, and threats. At the same time, Sutojo and Kleinstueber (2012) said that SWOT analysis is determining realistic business objectives under the company's conditions, and therefore it is expected to be more easily achieved.

#### 4. RESEARCH FINDINGS

This chapter is presenting identified seven major themes from the data analysis, as presented in Table II.

**Table II. Categorical Themes and Interview Questions**

No	Categorical Themes	Interview Questions
1.	The Purpose of Cash Waqf	What the purpose of this Non-Government Organization in collecting cash waqf?
2.	Cash Waqf Distribution and Supervision	How the distribution and supervision of cash waqf on the institution?
3.	Cash Waqf Fund Management	How can the institution manage the cash waqf fund?
4.	The Strength of Cash Waqf Management (CMW) program	a. From the point of view, what are the factors that contribute to the institution's management ability? b. So far, what benefits that already taken by the beneficiaries (mauqf alaih) due to cash waqf management?
5.	Cash Waqf Management Weakness	From the point of view, what are the obstacles to the cash waqf program?
6.	Cash Waqf Management Sustainability Program	a. From the point of view, what factors contribute to the sustainability of the institution's cash waqf? b. Since the cash waqf fund is collected from the public and corporate sectors to assist micro-enterprises, how can the brand awareness of cash waqf institutions affect the wakif perception?
7	Cash Waqf Management Challenges	a. What are the likely challenges in raising cash waqf in society? b. What are the likely challenges in implementing cash waqf on improving community welfare?

##### 4.1 The Purpose of Cash Waqf

The participants in the interview were asked about their institution's purpose to manage cash waqf. In general, the participants (n=4) strongly agree that their goal is to mobilize and manage cash waqf funds and redistributes them to outcome community needs. Below are some of their responses:



Our aim is [...] cash waqf distribution is used to develop rural areas' potential [...]; therefore, it can be an economic activator and welfare booster. (E1)

[...] cash waqf is an economic catalysator that creates employment opportunities [...] then, and people do not have to look for a job in the town. (E2)

Cash waqf model is community development [...]; thus, it impacts society's economic independence. (E3)

Low society is helped by cash waqf [...] reduce unemployment [...] generate income to people and improve living standards. (E4)

According to the interviewees, their purposes of distributing cash waqf are developing the area's potential, generating income, creating job opportunities, enhancing welfare, and improving living standards. The importance of cash waqf is consistent with past studies such as Hassan et al. (2019), Nabi et al. (2019), and Ahmad et al. (2019).

#### **4.2 Cash Waqf Distribution and Supervision**

The participants revealed their way to distribute and supervise cash waqf. They all (n=4) explained many approaches to maximize cash waqf utilization. We collected the following answer:

We have a voluntary team (called "Relawan Inspiratif") placed in every district. Their roles are to supervised the beneficiary parties' (mauquf alaih) commitment and progress. The waqf institutions picked the voluntary team from each section. They have to pass several tests to become a voluntary team. Not only supervised, but the voluntary team has to assess the location's potential and society's characteristics. Thus, our institution will distribute the right form of cash waqf [...] mostly in financial, business training, or tangible asset (mechanic) to the society whose needed. (E1)

Our team will assess the beneficiary parties (mauquf alaih) through society information. After we distribute the cash waqf in the form of a tangible asset (mechanic or seed), our team will visit them (mauquf alaih) monthly to supervise their progress. (E2)

Our institution used the ABCD approach, which needs community involvement to identify and mobilize cash waqf on the potential area. [...] due to the different needs of the community itself. Community members are required to participate in all matters related to the utilization of cash waqf. They will take part in decision-making, shared responsibility, and control over what they do. Our role is to supervise the process. (E3)

We manage the cash waqf fund to 3 types of investment, namely Islamic financial portfolio, global fund management, microfinancing portfolio, and direct investment portfolio. The profit investment from cash waqf fund and distribute the funds to poverty alleviation programs in Indonesia. (E4)

The above findings reveal that all the participants have their style to distribute and supervise cash waqf funds. Even they have an unconventional approach, and they have

one similarity: society's participation and the ability to maintain the fund. Earlier studies support this finding by Gunadi (2011), Al Hasan (2017), Ihsan (2011).

#### **4.3 Cash Waqf Fund Management**

The participants in the interviews were asked to provide their answers on the cash waqf fund management. The participants (n = 4) explained that cash waqf management could implement various models. We collected the following views:

Many people want to donate their money to cash waqf, but they have a constraint. Due to its condition, we accept its fund, not regarding the nominal. We adjust the donors' (wakif) wills; thus, we run various programs. However, the implementation is based on the contract (akad) and the location we decide. (E1)

[...] we separate our zakah and waqf bank account to make it clear in an accounting process. Then, we report it separately. Our main program is education; therefore, mostly the cash waqf is collected and distributed to build education facilities. We are also allocating a few cash waqf to trained the students to run their own business. If the business is profitable, we will give half of the profit to the students and their families, and then the rest is for operational in education facilities. (E2)

[...] due to its nature, the cash waqf fund allocated to 4 direct investments, likely Islamic Portfolio, Global Fund Management, Microfinancing Portfolio, and Direct Investment Portfolio. From those investment models, we share a different percentage of each. We invest 30 percent to property, 20 percent to global fund management, 45 percent to microfinancing, and 5 percent to trading syariah bond. We will distribute the benefit from those investments for education and economic empowerment programs. (E3).

Our institution started collecting cash waqf in 1999 [...] in 2005, and the management initiated a new division to administer cash waqf separately from zakah. This new division is headed by a director appointed by the head of administration and responds to it. (E4)

Based on the above statements, the participants have a different management system. However, above all, they have made efforts to regulate, collaborate, duration of cash waqf implementation, and strategic planning. We can see that the cash waqf institution professionally manages the cash waqf from the course. Thus, their institution is growing day by day. This finding is supported by Hassan and Shahid (2010) which is argue that professional business management would improve the institutional quality, service delivery, and effective delegation of the responsibilities, thus facilitating accountability of the waqf management.

#### **4.4 The Strength of Cash Waqf Management (CMW) program**

We sought the views of participants in the interviews on the strength of the cash waqf management program. This theme emerged by answering two main questions, as mentioned earlier in Table II:

Q1. From the point of view, what are the factors that contribute to the institution's management ability?

Q2. So far, what benefits that already taken by the beneficiaries (mauquf alaih) due to cash waqf management?

All the participants (n = 4) affirms that the strengths are the team and the program itself. Below are excerpts of their views.

Voluntary members have played a vital role in supporting members of their community. Because they are spreading in every district to manage, train, and report to head management if something goes wrong. [...] by informing all of the programs of the necessities to the donors. [...] Our microfinance partner gets the economic benefit, and this program is increasing their religiosity. (E1)

The beneficiary parties of our organization are mostly students. They get free education and trained skill from our business programs. We have a department which is supervised their training process in developing business. (E2)

Experienced and willing to learn are the combination of enhancing our management ability. [...] by developing the hospital network based on the waqf concept. (E3)

[...] we are prioritizing those (the preacher) who are involved in the productive economic program to join with the "Dai Preneur" program. They will have a crucial role in economic development. (E4)

Based on the above findings, the participants opined that they have various strategies to improve their services. This circumstance can be their greatest strength.

#### **4.5 Cash Waqf Management Weakness**

The participants were asked their opinions of the institution's weakness for strengthening the program. In general, the participants (n = 4) fully agree that funding, human resources, management strategies, and technology utilization are tremendous weaknesses. We collected the following views :

The biggest first obstacle is lack of funding [...]; not many programs can run well without funding. Second, training for human resources is a must to support the program's success. Third, management strategies need to manage well, and the last one is technology utilization need to implement. (E1)

Monetary resources, human resources capability, management strategies, and technology utilization are our most significant problems. (E2)

[...] professional knowledge and skills to keep the assets highly productive and income-generating. (E3)

We need a reliable information system to aid in development planning and proper risk management. (E4)

Based on the findings, the informants confirmed that funding, human resources, management strategies, and technology utilization are significant weaknesses. It is related to previous research, likely Iman and Mohammad (2014), and Rozalinda (2012).

#### 4.6 Cash Waqf Management Sustainability Program

As many programs were deemed to be implemented, the informants (n = 2) were further asked their sustainability views. The interviewees raised several aspects of sustainability. Among them were:

Q1: From your perspective, what factors contribute to the sustainability of the cash waqf in your institution?

Q2: Since the cash waqf fund is collected from the public and corporate sector to assist micro-enterprises, how can the brand awareness of cash waqf institutions affect the wakif perception?

Our institution achieved world rank legalities by United Nations and certified institution by the Indonesian government. Thus, society will recognize our brand, and it enhances their trust to donate. (E1)

Transparency is our primary purpose [...] to maintain wakif' trust we have to enhance our brand awareness. (E3)

#### 4.7 Cash Waqf Management Challenges

The majority of participants (n = 3) mentioned that cash waqf management, followed by society's perception, characteristics of beneficiary parties, and the absence of standardized waqf law. This issue developed by answering two main questions, as mentioned earlier in Table II:

Q1: What are the likely challenges in raising cash waqf in society?

Q2: What are the likely challenges in implementing cash waqf on improving community welfare?

The biggest obstacles are the society assumption [...]; therefore, we provide a waqf program in the smallest nominal to facilitate everyone. (E1)

[...] not only economic development but their (the beneficiaries) mindset. The tricky thing is not about the financial, but it is their way of thinking. (E2)

In our country, we have no standard waqf law to wealth distribution (E3)

#### 4.8 SWOT Analysis

The SWOT matrix is a decision-making formulation instrument to determine strategies based on logic to maximize strengths and opportunities and minimize weaknesses and threats. The stages of compiling the SWOT matrix are as follows: compile a list of company and company external opportunities and threats, as well as the company's internal strengths and weaknesses, develop a SO strategy (Strength-Opportunity) by matching internal forces and external opportunities, develop WO strategies (Weakness-Opportunity by matching internal faults and external opportunities, develop ST (Strength-Threat) strategies by matching inner strengths and external threats, and develop WT (Weakness-Threat) techniques by matching internal weaknesses and external threats.

<p style="text-align: center;">Internal</p> <p style="text-align: right;">External</p>	<p><b>Strengths (S)</b></p> <ol style="list-style-type: none"> <li>1. solid team</li> <li>2. good offered program</li> <li>3. good management</li> <li>4. economic growth of beneficiary parties</li> <li>5. transparency</li> </ol>	<p><b>Weakness (S)</b></p> <ol style="list-style-type: none"> <li>1. funding</li> <li>2. human resources</li> <li>3. Management strategies</li> <li>4. Technology utilization</li> </ol>
<p><b>Opportunities (O)</b></p> <ol style="list-style-type: none"> <li>1. world rank legalities</li> <li>2. certified institution</li> </ol>	<p><b>Strength to Opportunity Strategy</b></p> <ol style="list-style-type: none"> <li>1. transparent fund management</li> <li>2. separate with donations or other community assistance schemes</li> <li>3. networking</li> </ol>	<p><b>Weakness to Opportunity Strategy</b></p> <ol style="list-style-type: none"> <li>1. strengthening of understanding to the public that cash waqf does not have to enormous nominal</li> </ol>
<p><b>Threats (T)</b></p> <ol style="list-style-type: none"> <li>1. The society perception</li> <li>2. characteristics of beneficiary parties</li> <li>3. The absence of standardized waqf law</li> </ol>	<p><b>Strength to Threat Strategy</b></p> <ol style="list-style-type: none"> <li>1. Good supervision to the beneficiary parties</li> </ol>	<p><b>Weakness to Threat Strategy</b></p> <ol style="list-style-type: none"> <li>1. Developed the standardized waqf law</li> <li>2. Scheduling regular training for both management and beneficiary parties</li> </ol>

The majority of Waqf institutions have made efforts to promote cash Waqf based on its regulation, financial sources, collaboration, duration of cash Waqf implementation, and strategic planning. However, the current human resource practices, documentation, and reporting are not suitable for the current evolution pace to fully realize the benefit of cash Waqf (Khamis and Salleh, 2018). Cash Waqf and other Islamic finance sources perform better in poverty alleviation, resource allocation, savings and investment, economic stability, and economic growth (Farooq and Zaheer, 2015). Seprillina et al. (2020) stated that cash waqf is sufficient to enhance welfare.

Regarding the administration and governance of waqf in contemporary times, many scholars emphasize the importance of professional management and transparent administration of waqf to ensure its effective outcomes. Alpay and Haneef (2015) accentuate that the transparency and accountability of the funding and the implementing agencies are crucial for waqf to achieve its ultimate poverty reduction goal. In the same line of thought, a sound corporate structure is vital in ensuring that the waqf is managed professionally and operates in perpetuity. Sulaiman and Abdul Manaf (2009) argue that transparency is essential not only in the operation of the management of waqf but also in its reporting, as it reduces the discrepancy between the donors and the waqf administration. Thus, under the supervision of, for instance, a professional fund manager, waqf management would have better accountability and transparency towards adding value and promoting wealth (Mohd Ramli and Jalil, 2014).

The effectiveness of Waqf institutions can also be measured by the aspects of fundraising and program efficiency (Shafii et al., 2014; Sulaiman and Adnan, 2009), which could help determine the needed allocations for the programs and the ability to yield surplus from the contributions (Arshad and Zain, 2017). Performance efficiency ratio and operating expenses ratio are two main aspects of measuring Waqf management effectiveness (Atan, Aliman, Zainon, and Theng, 2013). Based on all the above, there is a need to set a systematic standard for using financial elements to measure Waqf management effectiveness and performance (Sulaiman and Zakari, 2018).

Networking could result in a positive environment leading to the Waqf institutions' effectiveness in discharging its obligations to the society (Arshad, Zain, Urus, and Chakir, 2018), such as collaborations with government and non-government sectors (Arshad et al., 2018). Waqf management effectiveness is also created via the element of the outcome. Outcome entails 'specific behavioral changes influenced by service and product deliveries' (Epstein and Mcfarlan, 2011). The outcome is the perpetual impacts and benefits created by the stakeholders' output (Cordery and Sinclair, 2013).

## 5. CONCLUSION AND RECOMMENDATION

The waqf management has to be repaired in two strategies internally, namely transparent fund management and separate with donations or other community assistance schemes. While from the external side, there needs to be a strengthening of understanding that cash waqf does not have to be in significant amounts but still benefits from waqf. This study enriches the literature on the effective management of waqf to improve society's perceptions of waqf. There is a need to prepare well-trained human resource to handle cash waqf to make it a robust institution. The cash waqf management has developing managerial skills, advertising waqf, and making sound investment plans while using knowledgeable persons in all the fields involved. They should take advantage of the flexibility in Islamic law and not be confined to previous opinions.

To conclude, cash waqf is essential to help the poor develop. When considering the cash waqf models in selected countries, the study indicates a similar Indonesia experience if the above recommendations are implemented correctly. Consequently, if each institution can avoid the problems faced by the studied countries' structures, they will achieve greater benefits. Lastly, effective cash waqf management can improve the community welfare and standard of living and reduce Indonesia's poverty level.

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