

Cash Waqf for Developing Islamic Economy: Case Study in Indonesia

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Abstract: *This study attempts to identify the causes and dominant factors that hinder the development of cash waqf in Indonesia, using the IFE-EFE Matrix and SWOT methods, while offering solutions to solve it. Based on the results of IFE analysis, the highest-rank of strengths is the ability of cash waqf in expanding the base of waqf fund sources followed by the ease and zero cost of funds. In comparison, the top weaknesses are the lack of socialisation to the community and the lack of professional nazhir human resources. The results of EFE analysis imply the highest-rank opportunity is the potential of unlimited cash waqf followed by the emergence of many sharia financial institutions and Islamic economics study programs in universities. Meanwhile, the top threat is a weak political will of authorities, followed by the majority of traditional nazhir. It is expected that there will be a joint commitment from various parties, both from policymakers and academics and practitioners to support and encourage efforts to develop the Islamic (social) finance industry, especially in developing cash waqf in Indonesia.*

Keywords: *Cash Waqf; Indonesia; IFE-EFE Matrix*

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Abstrak: *Studi ini mencoba mengidentifikasi penyebab dan faktor dominan yang menghambat perkembangan wakaf uang di Indonesia dengan menggunakan metode Matriks IFE-EFE dan SWOT, sekaligus menawarkan solusi untuk mengatasinya. Berdasarkan hasil analisis IFE, kekuatan tertinggi adalah kemampuan wakaf uang dalam memperluas basis sumber dana wakaf diikuti oleh kemudahan dan biaya dana nol. Sebagai perbandingan, kelemahan utama adalah kurangnya sosialisasi kepada masyarakat dan kurangnya sumber daya manusia nazhir yang profesional. Hasil analisis EFE mengimplikasikan bahwa peluang tertinggi adalah potensi wakaf uang yang tidak terbatas diikuti dengan munculnya banyak lembaga keuangan syariah dan program studi ekonomi Islam di perguruan tinggi. Sementara itu, ancaman teratas adalah kemauan politik yang lemah dari otoritas yang diikuti oleh mayoritas nazhir tradisional. Diharapkan adanya komitmen bersama dari berbagai pihak, baik dari pembuat kebijakan maupun akademisi serta praktisi untuk mendukung dan mendorong upaya pengembangan industri keuangan (sosial) syariah, khususnya dalam mengembangkan wakaf uang di Indonesia.*

Kata Kunci: *Wakaf tunai; Indonesia; Matriks IFE-EFE*

INTRODUCTION

The Islamic finance industry has always been an interesting object of study, especially if it is compared with the conditions of the conventional financial industry that have already existed before. For example, the results of research conducted by [Nurfalah & Rusydiana \(2018\)](#) which states that Islamic banking is relatively more stable compared to conventional banking in tackling external and internal shock.

Besides financial institutions such as Islamic banks, sharia insurance, sharia pawnshops, Islamic social finance institutions also have an essential role. The Islamic social finance industry comprises zakat institutions, waqf institutions, and baitul maal wat tamwiil. One crucial instrument and has enormous potential from a social and financial perspective is cash waqf.

The definition of waqf according to Law No. 41 of 2004 about Endowments, Article 1 paragraph (1):

Waqf is a legal act of wakif to separate and hand over a portion of his property to be used forever or for a certain period following his interests for worship and public welfare according to sharia.

Research on waqf has become a separate trend in various countries and evidenced by a large number of research about waqf and cash waqf, including [Ahmad \(2019\)](#), which examines the challenges of zakat in Nigeria. [Ayedh et al. \(2018\)](#) examine waqf accountability in Yemen; [Hossain \(2019\)](#) conducts microfinance-based research endowments in Bangladesh; [Hamber & Haneef \(2017\)](#) studied about waqf in Singapore. Furthermore, [Z. A. Hasan et al. \(2015\)](#), [Mikail et al. \(2017\)](#); [Pitchay et al. \(2015\)](#) studied the implementation of waqf in Malaysia and [Himam & Umam \(2018\)](#), [Oktarina & Asnaini \(2018\)](#), [Rusydiana \(2018b\)](#), [Rusydiana & Rahayu \(2019\)](#) and [Rusydiana et al. \(2019\)](#) studied waqf implementation in Indonesia.

The Indonesian Ulema Council (MUI) has defined the waqf in its fatwa about waqf permits on 11 May 2002. Cash waqf (waqf al nuqud) is an endowment by a person, group of people, institution or legal entity in the form of cash, including

securities. The Government Regulation (Peraturan Pemerintah No. 41 2004 and 42 2006) about endowments state money as part of waqf objects. Hence, cash waqf is an asset in the form of money that is used productively in the halal sector for the benefit of Muslims, especially mauquf alaih. The value on the cash waqf must not be reduced or lost.

Cash waqf is an innovation in the Islamic social financial system sector besides zakat, infaq, and sadaqah. These instruments not only break stereotypes against waqf institutions in various Muslim countries but also show tremendous opportunities for the entire socio-economic development of the ummah. According to [Rusydiana & Devi \(2018\)](#), cash waqf also provides an opportunity for people from various circles to participate in carrying out cash waqf regardless of numbers. Recently, cash waqf is one of the most popular issues among the Islamic economics researchers within the last ten years on waqf topic ([Atan & Johari, 2017](#)). Even, cash waqf has been assured as one of the victorious financial institutions in Muslim countries or countries in which Muslim as a minority group ([Mohsin, 2013](#)).

In Indonesia, cash waqf began to be developed in 2001 when Islamic economists saw the number of waqf assets in Indonesia not being used optimally. Therefore, in 2002, the Fatwa Commission of the Indonesian Ulema Council (MUI) issued a fatwa on cash waqf, which included: (1) cash waqf/waqf al-nuqud is an endowment by a person, institution or legal entity in the form of cash, (2) securities are also included "money" term, (3) money endowments including jawaz (4) cash waqf can only be channelled and used for things that are allowed by syar'i, (5) principal value endowments must be guaranteed for sustainability, may not be sold, granted and or inherited. Cash waqf innovation can be in the form of *shared waqf* ([Suhaimi et al., 2014](#)) financing for micro-businesses ([Thaker et al., 2016](#)), educational purposes ([Bahroni, 2012](#) also [Harun et al., 2016](#)) that collected by various methods ([Shulthoni & Saad, 2018](#) and [Habibi & Yudha, 2017](#)).

According to Mu'alim in [Haura et al. \(2015\)](#), several ulamas allow cash waqf, including Imam al-Zuhri (d. 124 H) who explained that legal dinar is permissible as cash waqf, by making the dinar as venture capital then the profits are channelled to mauquf 'alaih. Meanwhile, the mutaqaaddimin (classical) ulama from the Hanafis, allow dinar and dirham waqf as cash waqf. It is based on Isthnan bi al-rUrf in the atsar of Abdullah bin Mas'ud r.a. *"What is considered good by the Muslims is also considered good by God, and what is considered bad by Muslims is also bad in the eyes of Allah."* Some scholars of the al-Shafi'i madhab, Abu Tsaur narrated from Imam al-Shafi'i, also stated about the permissible of waqf dinar and dirham (money).

[Budiman \(2011\)](#) revealed several causes that make waqf ineffective. On one side, the cause is related to human resources, especially on the management side (Nazir). Meanwhile, the other cause is the weak accountability of waqf institutions. This study shows that in PKPU, the manager applies transparency and accountability in managing waqf within the institution. The principle of accountability is implemented in the form of audits, both internal and external by public accountants. The application of the accountability principle has increased public trust in waqf institutions.

Other studies related to waqf and cash waqf have been carried out by [Alias et al. \(2015\)](#), [Harun et al. \(2016\)](#), [Aziz et al. \(2014\)](#), [Rusydiaana & Devi \(2018\)](#), [Permaisela \(2019\)](#) and [Pitchay et al. \(2014\)](#). Research conducted by [Rusydiaana & Al Farisi \(2016\)](#) shows that waqf research is still dominated by discussions regarding non-cash waqf (62%) compared to research on cash waqf (38%). This provides a general view for researchers to create better research related to cash waqf. Also, waqf research with quantitative methods is fewer than waqf research with qualitative methods.

Research on various kinds of waqf innovations has developed such as the use of waqf as a social-economic institution ([Haneef, 2018](#)), waqf to help refugees ([Kachkar, 2017](#)), waqf as an instrument towards zero-waste economy ([Khan, 2019](#)), waqf for increasing intellectual capital ([Laallam et al., 2020](#)), waqf as endowments sourced from salaries ([Pitchay et al., 2018](#)), waqf as endowments to fund social activities ([Shaikh, 2017](#)), waqf as more applicable endowments ([Sulaiman et al., 2019](#)), waqf as endowments for the *pesantren* (Islamic boarding school) ([Winarsih et al., 2019](#)) and waqf as endowments managed by blockchain technology ([Rashid, 2018](#)).

Indonesia, as a Muslim majority country, certainly has a massive potential of cash waqf. However, in addition to its great potential, there are many challenges and threats faced in developing this Islamic social, financial instrument. For example, the detail about endowments related to waqf in general as well as cash waqf is not being stated clearly. Other challenges faced in developing cash waqf in Indonesia include its systems, regulations, products and information technology. Moreover, the next challenges are trust, sharia aspects and human resources ([Rusydiaana, 2018a](#)). Researchers have conducted several studies related to cash waqf. However, few researchers use the IFE-EFE matrix approach combined with the SWOT quadrant strategy, especially with the case of cash waqf in Indonesia. Hence, this research tries to fill that research gap. This study attempts to identify the causes and dominant factors that hinder the development of cash waqf in Indonesia, using the IFE-EFE Matrix and SWOT methods, while offering solutions to solve it.

RESEARCH METHODS

The stages of the research begin with creating the preliminary survey and literature study, identifying and formulating the problem, determining the method, compiling the questionnaire, collecting data, analysing the data and process the results, creating a SWOT analysis, and compiling conclusions and suggestions. Researchers use the identification and formulation of the problem to facilitate in determining problem-solving.

Expert judgment (assessment of experts) is used to find out how the probability of the consequences that will arise due to an event. This method gives confidence to experts to find out the consequences that will occur. The questionnaire was then compiled after determining the sample of respondents. Data analysis consists of several stages including the analysis of the matrix of Internal Factor Evaluation (IFE), External Factor Evaluation (EFE), the Internal External (IE) matrix analysis, and the SWOT matrix analysis.

Internal and external environmental analysis of cash waqf is carried out by giving the weight based on the urgency level to internal and external factors; then the rating is carried out on these external and internal factors. The total of all internal factor weights is 1; the total weight of external factors is 1.

The total score in the IFE and EFE matrix is used to determine the current position and condition of cash waqf, and what strategies can be applied. The parameters used in the IE matrix include parameters of internal strength and external influences faced. The purpose of using this model is to obtain a macro-level strategy in more detail.

The next step after determining the position of cash waqf development using the IE matrix is the preparation of the SWOT matrix. The SWOT matrix is arranged based on factors of strength, weakness, opportunity and threat obtained from the results of analysis and discussion with experts. The preparation of the SWOT matrix aims to develop alternative strategies that can be used for the development of cash waqf in Indonesia. The tool used to develop strategic factors is the SWOT matrix which can clearly illustrate how the external opportunities and threats faced by cash waqf instruments can be resolved with their strengths and weaknesses.

The application of the IFAS-EFAS method in Islamic economic and financial research, for example, can be seen in the research conducted by [Widiastuti et al. \(2017\)](#) and [Rusydiana & Firmansyah \(2018\)](#) regarding the development strategy of Islamic microfinance institutions in Indonesia and [Widiastuti et al. \(2018\)](#) in zakat institution management. In general, research using IFAS-EFAS is widely used in the framework of strategic management research and decision making.

RESULTS AND DISCUSSION

In this study, internal and external problems identification is needed to find out strengths, weaknesses, opportunities and threats in the context of developing cash waqf in Indonesia. The internal and external factors can be seen from the cash waqf as the object of study. The internal factors include the strengths and weaknesses of the cash waqf instruments, and external factors include the opportunities and threats to be faced. The formulation of the strategy will take into account these two factors to determine the most appropriate strategy in order to develop cash waqf in Indonesia.

The analysis of internal factors (strengths and weaknesses) and externals (opportunities and threats) was obtained through a literature review and in-depth interviews with five expert respondents from waqf institution who understood the problem of developing cash waqf in Indonesia. Thus, identifying strategic factors will be quick and precise.

Internal Factor

The internal factors that become strengths include: 1) Variation management framework 2) Existence of MUI fatwa and cash waqf law, 3) Cash waqf-friendly facilities and zero cost of funds, 4) Extended waqf fund source base, and 5) The concept of waqf fiqh flexibility, dynamic and open. Meanwhile, the weaknesses include: 1) Lack of socialisation of cash waqf to the public, 2) Lack of professional HR and Nazhir, 3) Strategic and potential waqf assets have not been appropriately

identified and certified, 4) Weak business networks, and 5) Weak response on compliance of waqf institutions.

In terms of varied investment instruments, cash waqf has a variety of funds mobilisation instruments including cash waqf certificates, investment waqf, share waqf, waqf properties investment fund" and other instruments. The fatwa of the MUI and the 2004 Law No. 41 became the strength factors underlying the legality of cash waqf in Indonesia. Cash waqf also receives a small number of funds and even with 'instalments'. It also can expand the base of the waqf fund source significantly because nominal cash waqf is much lower and varied compared to endowments of physical assets such as land and buildings. Finally, cash waqf has a fiqh concept that is quite flexible, dynamic and open, making it more comfortable in terms of innovation and development.

Apart from the above strengths, there are some weaknesses in cash waqf. Human or Nazhir resources that will manage cash waqf must be trustworthy and accountable because it involves managing the trust fund of the ummah. Besides, many potential waqf assets in some regions have not been appropriately identified and certified. Data from the Ministry of Religion's waqf information system states only around 63% of waqf land has been certified. Another cash waqf institution's weakness is less effective business networks and investments in the development of cash waqf. Moreover, the cash waqf institution's flaw is related to the weak response of the waqf compliance system, especially related to institutional and management of cash waqf investments.

External Factor

External factors that influence the development of cash waqf in Indonesia consist of opportunities and threats. Opportunity factors including 1) The majority of Indonesia's population is Muslim, 2) Support from the government and regional government, 3) Potential of infinite cash waqf, 4) Community's interest in the Islamic economy is growing, and 5) Many emergences of financial institutions sharia and study programs related to Islamic economics in public and private universities. Meanwhile, the threat factors are: 1) uncertain economic conditions, 2) the majority of Nazirs who are still traditional, 3) lack of public understanding of cash waqf, 4) weak political will of authority holders, and 5) existing waqf laws are currently incomplete.

It is known that Indonesia is the largest Muslim country in the world, with the majority of the population being Muslim. This is a significant opportunity for the development of cash waqf in the future. Support from several local governments also becomes an excellent opportunity for cash waqf. Also, the potential for 'unlimited' cash waqf is a different opportunity that needs to be optimised. Recently, the community is stretching towards sharia-based transactions so that the existence of cash waqf is expected to be one of the instruments that can be developed. There are many emerging Islamic financial and economic institutions (*Lembaga Keuangan Ekonomi Syariah*) and study programs related to Islamic economics and their derivatives in public and private universities.

In the other side, there are several threats faced in the framework of cash waqf development in Indonesia. The influence of the domestic political economy crisis

is one of them. A traditional and less innovative waqf nazhir becomes the next challenge for cash waqf improvement. Another challenge for cash waqf development is the Muslim ignorance of towards the understanding of waqf, such as the belief of some Muslims that waqf assets should not be exchanged for any reason and most people entrust their waqf assets to someone who is considered a figure in their environment. Finally, the lack of political will and incomplete regulation regarding the cash waqf law is the last challenge that needs to be answered.

Strategic Factor Evaluation

Strategic factor evaluation consists of Internal Factor Evaluation (IFE), and External Factor Evaluation (EFE) can be done by assigning weight values and ratings to each internal factor (strengths and weaknesses) and external factors (opportunities and threats). The results of the evaluation are the values obtained have a relatively higher degree of importance than other factors.

Internal Factor Evaluation

Internal factor evaluation can be started by giving of weight and ranking carried out by respondents to each of the factors of strengths and weaknesses. The results of the evaluation of internal factors can be seen in Table 1. From the table, we can see that internal factors have the highest degree of urgency, namely expanding the base of the source of waqf funds and the ease & zero cost of funds each have an average weight of 0.152 and 0.144—then followed by a flexible and dynamic factor of waqf fiqh concept with an average weight about 0.102 and a variation management framework with a weight about 0.094. The MUI fatwa and cash waqf law are factors that have the lowest degree of importance in terms of the power of cash waqf with an average weight of 0.085.

Whereas, the weakness factor which has the highest degree of importance in developing cash waqf is the lack of socialisation to the community with an average weight of 0.127 and followed by the lack of professional nazhir which has an average weight of 0.110. The weak waqf institution's business networks become a factor that weakens the development of cash waqf has an average weight of 0.102, and the level of compliance is still weak with weight about 0.085. The unidentified problem and the certification of strategic waqf assets were the lowest factors in terms of cash waqf weaknesses with an average weight of 0.084

The results of the IFE analysis also show that the expansion of the waqf fund base has the highest rating of 4.5, which means it has the most decisive influence on the internal factor in the context of developing cash waqf. The second rank is that cash waqf has a variation management framework with a value of 2.8, which means it has a strong influence. Furthermore, the third and subsequent rankings are the MUI fatwa and the cash waqf law, the ease and flexible fiqh concept which both have a 2.0 rating. It means that these three factors are rated the lowest by respondents from an important perspective.

Furthermore, it is also known that the lack of socialisation to the community has the highest rating of 3.8, which means that this factor has the most significant influence in weakening the development of cash waqf. Then the second rank is the

lack of professional Nazhir and the level of obedience of waqf institutions which is equal to 3.3, which means it has a considerable impact. The business network factor that has not been so strong has a rating value of 3.0, and the lack of certification of strategic waqf assets is in the next rank which is 2.3, which means that respondents give this factor the lowest value from the perspective of cash waqf weaknesses.

Waqf socialisation and education to the community is essential. This finding relevant to [Furqon \(2011\)](#). He examines the practice of cash waqf in sharia financial institutions (Bank Syariah Mandiri).

External Factor Evaluation

The external factor evaluation can be done by determining weight and rank made by respondents to each of the opportunities and threats. The results of evaluating external factors can be seen in table 1. We can see that the external opportunity factors that have the highest rank are the potential of infinite cash waqf with an average weight about 0.139—then it is followed by the emergence of sharia economic, financial institution and Islamic economics study programs at universities with 0.113, and the majority of the Muslim population factors with 0.098. Furthermore, government support and public interest in Islamic economics weight 0.090 and 0.089.

The highest threat comes from a weak political will of the authority with an average weight of 0.146. It is followed by the traditional work system of nazhir with value about 0.122, and a lack of community understanding toward cash waqf with value about 0.113. The uncertain economic conditions and incomplete waqf laws have an average weight of 0.090 for each.

Furthermore, the results of the EFE analysis show that the 'unlimited' cash waqf has the highest rating of opportunity with 4.3 The rise of Islamic finance institution and Islamic economics study programs in higher education is the second rank and the high population of Muslimin Indonesia is the third rank with value about 3.8 and 2.8 respectively. The fourth rank is the government support with a rating of 2.5 and the public's interest in the sharia economy with a rating of 1.8 or the lowest opportunity factor.

From the threat side, it is known that the weak political will of the authorities has the highest-rank about 4.5, which means it has the highest factor in threatening the development of cash waqf. The second rank is the majority of nazhir who are still traditional, with a score of 3.8 and the lack of public understanding of cash waqf with a score of 3.5. A fluctuating economic condition and incomplete existing waqf law also threatened its development with a rating of 2.5 and 1.8, which means that this factor is rated the lowest by the respondents from a threat perspective. Table 1 shows a complete result of weights and rating measurement of each element in IFE-EFE.

The result shows that the weak political will of the authorities has the highest factor in threatening the development of cash waqf. This result relevant to [Hasbullah \(2012\) study](#). He conducted a study on the dynamics of cash waqf management that focused on the behaviour of cash waqf management after the Enactment of Law No. 41 of 2004 about endowments. The results showed that cash waqf regulation did not support the realisation of cash waqf as a means of

empowerment and economic alignment in the community. The scheme of cash waqf management needs to be refined by making Islamic finance institution as nazhir and enable cash waqf funds to become an integrative social business capital. Cash waqf for the development of productive economic facilities and social development in the community needs to be accommodated as a waqf model with nazhir besides Islamic finance institution.

Table 1. IFE – EFE Score

| INTERNAL FACTORS EVALUATION (IFE) | WEIGHT | RATE | WEIGHT* RATE |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------|-------------------------|
| STRENGTHS | | | 1.605 |
| 1) Variative management framework | 0.094 | 2.8 | 0.258 |
| 2) The fatwa of the MUI and the cash waqf law | 0.085 | 2.0 | 0.171 |
| 3) Simplicity and zero cost of funds | 0.144 | 2.0 | 0.288 |
| 4) Expanding the source fund base of endowments | 0.152 | 4.5 | 0.685 |
| 5) Flexible, dynamic & open concept of fiqh waqf | 0.102 | 2.0 | 0.204 |
| WEAKNESSES | | | 1.606 |
| 1) Lack of socialisation to the community | 0.127 | 3.8 | 0.476 |
| 2) Lack of professional HR / Nazhir | 0.110 | 3.3 | 0.357 |
| 3) Strategic and potential waqf assets that have not been appropriately identified and certified | 0.084 | 2.3 | 0.190 |
| 4) A business network that is not yet strong | 0.102 | 3.0 | 0.306 |
| 5) The level of adherence of waqf institutions to rules of representation (i.e., institutional & investment management) is still weak | 0.085 | 3.3 | 0.278 |
| TOTAL | 1.085 | | 3.211 |
| EXTERNAL FACTORS EVALUATION (EFE) | MEAN | MEAN | |
| OPPORTUNITIES | | | 1.665 |
| 1) Muslim population majority | 0.098 | 2.8 | 0.269 |
| 2) Support from the government and regional government | 0.090 | 2.5 | 0.224 |
| 3) Infinite cash waqf potential | 0.139 | 4.3 | 0.590 |
| 4) The growing interest of the community in sharia economy | 0.089 | 1.8 | 0.157 |
| 5) The emergence of many LKES & EI Study Programs at state and private universities. | 0.113 | 3.8 | 0.425 |
| THREATS | | | 1.892 |
| 1) Uncertain economic conditions | 0.090 | 2.5 | 0.224 |
| 2) The majority of traditional Nazhirs | 0.122 | 3.8 | 0.457 |
| 3) Lack of public understanding of cash waqf | 0.113 | 3.5 | 0.397 |
| 4) Weak political will from the authority | 0.146 | 4.5 | 0.657 |
| 5) The existing waqf law (No.41, 2004) is incomplete | 0.090 | 1.8 | 0.157 |
| TOTAL | 1.090 | | 3.557 |

After evaluating the strategic factors above, we can see the IFE-EFE quadrant to determine the rating of the position of cash waqf objects in Indonesia. Assessment of the result of the evaluation of internal factors (IFE) is 3.211, and the total value of the external factor is 3.557. This value is in the green quadrant I, which is "growing and developing" (see Figure 1). The existence of cash waqf in this phase shows that the development of cash waqf in Indonesia is in *the growth stage* and must be developed because it has enormous potential for public welfare. The existence of internal and external factors is tremendous support for cash waqf.

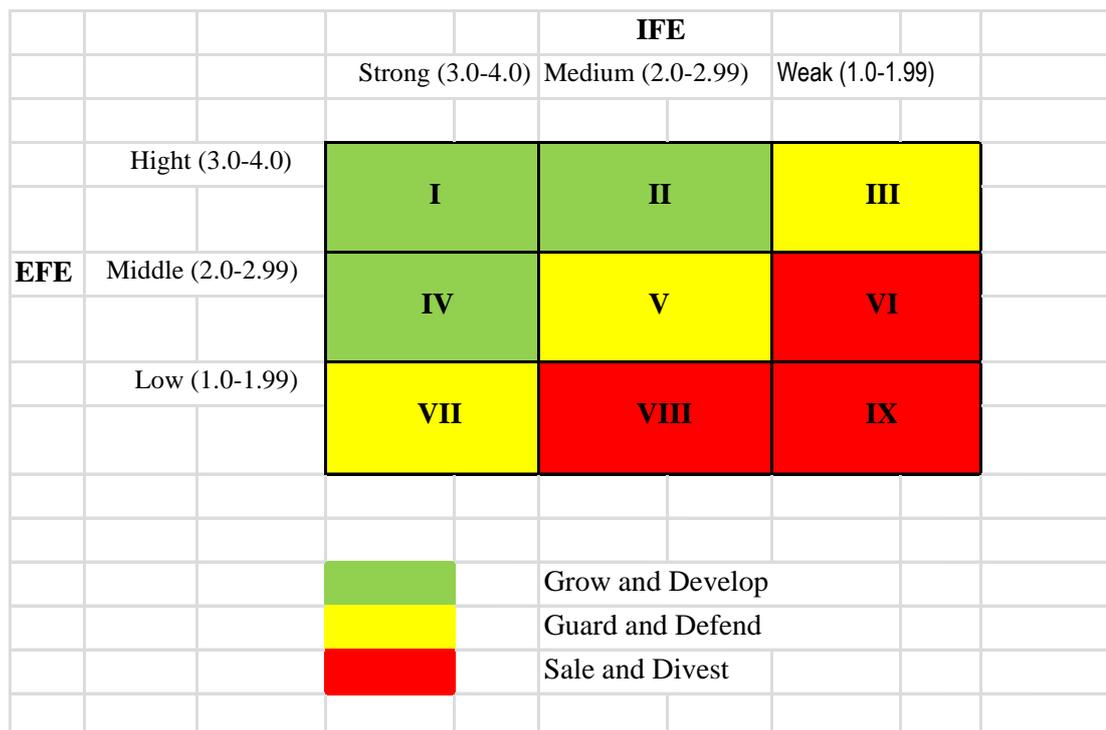


Figure 1. IFE – EFE Matrix Quadrant

Each SWOT component in the IFE-EFE quadrant is given a weight and rating according to expert assessment. Weight is obtained from the rotation value of the factor multiplied by the variance value (eigenvalue). Rating is obtained from the results of an assessment of the variables tested. The weighting results and subsequent assessments are summed for each SWOT component and then the difference between the internal components (S and W), and the difference between the external components (O and T). The internal component difference then becomes the value of the x-axis (value = 0.44), and the results of the subsequent external component difference become the value of the y axis (value = 0.35) so that the Survival position in the IIIB quadrant is shown in the IFE-EFE quadrant.

Based on table 2, it can be seen that cash waqf in Indonesia is in IIIB Quadrant or called a *Survival Guerilla Strategy*. In this quadrant, the existence of cash waqf shows that they have a smaller or balanced power in the external environment, but the threat faced is greater than the strength possessed. Therefore, massive and

structured socialisation of cash waqf will provide a comprehensive understanding of society about its significant and broad benefit.

Table 2. Cash Waqf Strategy Quadrant

| Technical Strategies | Score | Quadrant | Strategic Choice |
|----------------------|-------|----------|------------------------|
| Growth | S>O | I A | Rapid Growth |
| | S<O | I B | Stable Growth |
| Survival | W>T | III A | Turn Around |
| | W<T | III B | Guerilla |
| Diversification | S>T | IV B | Conglomerate |
| | S<T | IVA | Concentric |
| Stability | O>W | II A | Aggressive Maintenance |
| | O<W | II B | Selective Maintenance |

The alternative strategy that can be used as an input is the S-T strategy because the S-T strategy is a strategy to utilise the strengths/advantages possessed to avoid or minimise the impact of substantial threats. The alternative S-T strategy can be seen in the results of the SWOT strategy analysis.

Furthermore, the alternative formulation of cash waqf development strategies in Indonesia with SWOT analysis is a combination of internal factors (strengths and weaknesses) with external factors (challenges and threats) consisting of:

- 1) Combined factors of strength and opportunity.
- 2) Combined factors of weaknesses and opportunities.
- 3) Combined factors of strength and threat.
- 4) Combined factors of weaknesses and threats.

Based on the strengths, weaknesses, opportunities and threats that have been identified, through the SWOT analysis we can formulate seven alternative cash waqf development strategies in Indonesia: (a) transparency and accountability of waqf institutions, (b) improved quality of cash waqf managers, (c) innovative marketing strategies from waqf institutions and (e) endowment regulation support. The next priority strategies are (d) development of waqf educational institutions, (g) technology and computerisation of waqf management and (f) updated and validated waqf data and cash waqf.

Transparency and accountability of waqf institutions are one of the essential things. [Haura et al. \(2015\)](#) conducted an analysis of cash waqf management in the Islamic Financial Services Cooperative (Analytical Network Process approach). The results of this study describe the process of Islamic Financial Services Cooperatives as nazhir cash waqf who analyse the priorities of related internal and external factors. The priority of strategic factors in managing cash waqf in chronological order from the internal side such as accountability, products, and human resource. Meanwhile, from the external side such as regulations, society, and demographics for example the regulation of asset based on sharia policy guidelines.

Educated and qualified waqf management is another important matter. (Nizar, 2014) analysed the factors that influence the perceptions of cash waqf using logistic regression methods. The results of the data analysis show that the education variable has a greater and significant opportunity to explain the perceptions of waqif about cash waqf. This is because the higher level of education can process information better than the lower level of education.

In general, some essential criteria must be owned by waqf institutions such as leadership factors, understanding related to waqf fundamentals, management structures, professionalism, good governance, accountability factors and innovative programs ((Ramli et al., 2018), (Hassan et al., 2018), (Baqutayan et al., 2018), (Daud et al., 2011).

CONCLUSION

In order to obtain a cash waqf development strategy in Indonesia, it must be considered first two essential factors: internal factors (as a factor of strengths and weaknesses) and external factors (as a factor of opportunities and threats). The evaluation results of internal factors show that the highest strength of cash waqf is its ability to expand the waqf fund source base. At the same time, the highest weakness is the lack of socialisation to the community. The results of the IFE analysis or evaluation of internal factors indicate that the highest rating of strength is the ability of cash waqf in expanding the base of waqf funding sources followed by the simplicity and zero cost of funds. At the same time, the most visible weaknesses are the lack of socialisation to the community, followed by the lack of professional Nazir HR.

The results of the evaluation of external factors (EFE) show that the highest opportunity, namely the potential of unlimited cash waqf followed by the emergence of sharia financial institutions and Islamic economics study programs at universities both public and private. At the same time, the highest-ranking considered a threat, namely the relatively weak political will of the authorities followed by the majority of Nazhir who are still traditional in the management of waqf in general.

After knowing the important factors above, the cash waqf development strategy in Indonesia was obtained using the SWOT analysis as follows: (a) transparency and accountability of waqf institutions, (b) nazhir quality improvement for cash waqf managers, (c) innovative marketing strategies from waqf institutions and (e) endowments regulation support. The next priority strategies are (d) development of waqf educational institutions, and (g) technology and computerisation of waqf management. The last but not least important is (f) Updates and validations regarding waqf data and cash waqf.

Transparency and accountability of waqf institutions included in good corporate governance of Nazhir are important and crucial in maintaining public trust. Likewise, the quality of nazhir is a professional waqf manager. No less important is the creative and innovative marketing and development strategy of philanthropic institutions such as waqf institutions, which are important things that need to be owned.

Meanwhile, some suggestions that can be given by the author are expected to be the mutual commitment from various parties both from policymakers and academics and practitioners in supporting and encouraging efforts to develop the Islamic finance industry. This research is expected to expand academic research studies related to cash waqf in particular findings regarding the best strategies in improving the development of cash waqf in Indonesia. Future research can use the same method or other methods by increasing the number of respondents from related parties who are seen to have an understanding of cash waqf problems in Indonesia. This study has limitations, especially in terms of the number of expert respondents that need to be added. To improve its robustness, research methods can be combined with other strategy modelling such as Analytical Network Process (ANP)-Saaty methods or institutional strategy models with the Interpretive Structural Modeling (ISM) method.

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