

Research Paper

## Cash Waqf Management for Education: Challenges, Solutions and Strategies

Muhammad Ash-Shiddiqy <sup>a,1\*</sup>, Makhrus <sup>b,2</sup>, Muhammad Ghafur Wibowo <sup>c,3</sup>

<sup>a</sup> Postgraduate Program, UIN Sunan Kalijaga Yogyakarta, Indonesia

<sup>b</sup> Faculty of Sharia and Law, UIN Sunan Kalijaga Yogyakarta, Indonesia

<sup>c</sup> Faculty of Islamic Economics and Business, UIN Sunan Kalijaga Yogyakarta, Indonesia

<sup>1</sup> [muhammadashshiddiqy@uinsaizu.ac.id](mailto:muhammadashshiddiqy@uinsaizu.ac.id)\*, <sup>2</sup> [makhrus@uin-suka.ac.id](mailto:makhrus@uin-suka.ac.id),

<sup>3</sup> [muhammad.wibowo@uin.suka.ac.id](mailto:muhammad.wibowo@uin.suka.ac.id)

\*Corresponding author

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### ABSTRACT

In Indonesia, the potential for funding educational initiatives through the empowerment of cash waqf is considerable, with estimates reaching up to IDR 120 trillion annually. As of March 2022, cash waqf collections amounted to IDR 1.4 trillion, a notable increase from the IDR 855 billion accumulated between 2018 and 2021. Despite this growth, cash waqf collections remain far below their potential, limiting their impact on educational empowerment. While various researchers have proposed strategies to address these obstacles, there is a paucity of research on an ideal model for empowering education through cash waqf in Indonesia. This study aims to develop a model for the empowerment of cash waqf specifically for educational programs in Indonesia. The research utilizes the Analytic Network Process (ANP) methodology, aided by Super Decision software, which is a decision-making method based on priority scales. The study conducts a synthesis analysis of problems, solutions, and strategies related to this issue. The findings indicate that both internal and external challenges affect the empowerment of cash waqf in education, with management being the primary concern. Relevant strategies include waqf policy enhancement, *nazhir* (waqf managers) training and empowerment, strengthening educational programs, and promoting cash waqf. An investment-based model, coupled with partnerships, scholarships, and educational initiatives, offers insights into the management of cash waqf, from collection processes to empowerment within the educational sector.

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## Introduction

Cash Waqf is a unique financial instrument in Islamic finance that has been used for centuries to support various charitable activities. It involves the donation of a specific amount of money to a charitable endowment, where the generated profits are used for the benefit of society (Qurrata et al., 2021). In recent years, there has been a growing interest in utilizing Cash Waqf for educational programs in Indonesia (Lahuri & Lutfiah, 2024). This concept aligns with the Islamic principle of continuous charity, or *sadaqah jariyah*, which emphasizes the importance of creating sustainable benefits that extend beyond a one-time act of giving (Asni et al., 2024). In recent years, there has been a growing interest in utilizing Cash Waqf for educational programs in Indonesia, recognizing its potential to address critical gaps in educational funding (Haidlir, et al., 2021; Herianingrum & Widiastuti, 2016; Nour Aldeen et al., 2022).

Indonesia, as the world's largest Muslim-majority country, faces numerous challenges in its education system. Despite significant progress in recent years, access to quality education remains a major concern, especially for underprivileged communities (Rusdiman et al., 2023). The government's efforts to improve the education sector have often fallen short due to limited financial resources (Gunawan & Siahaan, 2021). This has led to a search for alternative funding mechanisms to address the educational needs of the country (Waluyo, 2018). Cash Waqf presents itself as a potential solution to this problem. It offers a sustainable and socially responsible financial model that can be utilized to support educational programs (Huq & Khan, 2017). By mobilizing idle funds from individuals and institutions, Cash Waqf can generate a continuous stream of income that can be directed towards improving the quality of education and enhancing access to educational opportunities, especially for marginalized communities.

The urgency of conducting research on the empowerment model of Cash Waqf for educational programs in Indonesia stems from several critical factors that necessitate immediate attention. Firstly, Indonesia faces significant educational challenges, including unequal access to quality education, insufficient funding, and a lack of infrastructure, particularly in rural and underprivileged areas (Rusdiman et al., 2023). These challenges are compounded by the country's growing population and the increasing demand for educational services, which place additional strain on the already limited government budget allocated to education (Madhakomala et al., 2022). As a result, there is a pressing need to explore innovative and sustainable financing mechanisms that can supplement government efforts and bridge the funding gap. In this context, Cash Waqf presents a unique opportunity to harness community resources for educational development (Hasan et al., 2019). While Cash Waqf has historically been utilized for various charitable purposes, such as healthcare and poverty alleviation, its potential in the education sector remains largely untapped. Researching the empowerment model of Cash Waqf for educational programs is essential not only to unlock this potential but also to provide empirical evidence on its feasibility and effectiveness. Such research is crucial for policymakers who are seeking alternative funding sources to enhance the educational system, especially in light of budget constraints and the ongoing challenges posed by economic fluctuations and global crises, such as the COVID-19 pandemic.

In recent years, numerous studies have explored cash waqf, primarily concentrating on its historical origins and theoretical underpinnings. For instance, Adiguzel and Kuran (2024) provided an in-depth analysis of the historical development of waqf institutions,

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emphasizing their role in social welfare throughout Islamic history. Similarly, studies by [Rahmalan and Hussin \(2021\)](#) discussed the theoretical foundations of cash waqf, highlighting its potential as an alternative financing mechanism. While these studies offer valuable insights into the traditional and theoretical aspects of cash waqf, they often lack a focused discussion on its modern application in specific sectors like education. Moreover, [Lahuri & Lutfiah \(2024\)](#) examined the legal frameworks surrounding waqf in various Muslim-majority countries, which, while informative, remained largely confined to legal theory without addressing practical implementations in education. This theoretical orientation, though essential, leaves a significant gap in understanding the contemporary applications of cash waqf in educational settings, particularly in how it can be mobilized to address current educational funding challenges.

In addition to the historical and theoretical focus, recent research has also examined the application of cash waqf in various sectors, notably healthcare and poverty alleviation. Studies such as those by [Seprillina et al. \(2020\)](#) and [Raja Adnan et al. \(2022\)](#) have demonstrated the efficacy of cash waqf in funding healthcare services, particularly in rural and underserved areas. Another study by [Saiti et al. \(2019\)](#) highlighted the role of cash waqf in poverty reduction, illustrating how waqf funds have been successfully deployed to support microfinance initiatives. Similarly, [Qurrata et al. \(2021\)](#) discussed the use of cash waqf for social welfare projects, emphasizing its potential in addressing broader socio-economic issues. While these studies underscore the versatility of cash waqf in various sectors, there remains a notable paucity of research exploring its application specifically in the education sector. The limited attention given to educational programs suggests an untapped potential for cash waqf to contribute to solving the financial challenges faced by the education sector, especially in countries like Indonesia, where educational funding remains a critical issue.

Although the majority of recent studies have focused on other sectors, a few emerging studies have started to investigate the potential of cash waqf in educational empowerment. For example, [Allah Pitchay et al. \(2018\)](#) explored the feasibility of using cash waqf to fund scholarships and educational facilities in Malaysia, finding promising results in terms of stakeholder acceptance and financial sustainability. Similarly, a study by [Usman and Ab Rahman \(2023\)](#) examined the impact of cash waqf on educational accessibility in low-income communities, identifying significant benefits in terms of increased enrolment and reduced dropout rates. However, these studies are still limited in scope, often focusing on specific geographic regions or narrow aspects of education, such as scholarships or infrastructure. This highlights a gap in the literature where a comprehensive model of cash waqf's role in broader educational programs, including curriculum development, teacher training, and long-term financial sustainability, has not yet been fully developed. The existing research thus points to the need for further studies that not only explore the potential of cash waqf in education but also provide a holistic framework for its implementation across different educational contexts. Previous studies on Cash Waqf have primarily focused on its historical and theoretical aspects, as well as its application in other sectors such as healthcare and poverty alleviation. However, there is a significant research gap when it comes to the empowerment model of Cash Waqf specifically for educational programs in Indonesia. Limited empirical research exists on the implementation, challenges, and impact of Cash Waqf in the education sector. This

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research aims to fill this gap by providing a comprehensive analysis of the potential of Cash Waqf in empowering the educational system in Indonesia.

The primary purpose of this research is to explore the empowerment model of Cash Waqf for educational programs in Indonesia. Specifically, the research aims to: (1) examine the current state of the education sector in Indonesia, identifying the key challenges and gaps that need to be addressed; (2) analyze the concept and principles of Cash Waqf, highlighting its potentials and solutions as a sustainable financing mechanism for educational programs, (3) develop an empowerment model and strategies of Cash Waqf for educational programs in Indonesia, taking into consideration the specific needs and characteristics of the country. By achieving these research purposes, this study aims to contribute to the existing body of knowledge on Cash Waqf and its application in the education sector. The findings and recommendations of this research can inform policymakers, educators, and stakeholders in Indonesia about the potential of Cash Waqf as a sustainable financing mechanism for educational programs.

## Method

The present research employs a grounded research approach aimed at developing a theory based on field data. The research seeks to explore the relationship between the empowerment of cash waqf and the enhancement of educational quality in Indonesia. The researchers conducted narrative descriptions based on data collected from staff members of three key institutions: the Indonesian Waqf Board (BWI), the Nahdlatul Ulama Land and Waqf Institute (LWPNU), and the Muhammadiyah Waqf Empowerment Council. The data was collected through interviews, questionnaires, and observations, which were then analyzed using the Analytical Network Process (ANP). ANP is a comprehensive framework that allows for decision-making by considering all relevant factors and criteria. It reveals the complex interactions between various stakeholders, such as the government, community, and businesses. The non-parametric or Bayesian nature of ANP provides a new approach to qualitative decision-making, enabling the analysis of interdependencies among elements at different levels, without assuming the independence of elements at higher or lower levels. This methodology aims to explore problems, identify solutions, and develop strategies for empowering cash waqf in educational programs across Indonesia.

The informants in this research were selected through purposive sampling, where informants were deliberately chosen based on their expertise in the field of cash waqf in Indonesia. For research utilizing the Analytical Network Process (ANP), it is essential that the informants possess specialized knowledge relevant to the topic being studied. Therefore, the informants selected for this study were experts, professionals, and Islamic economic researchers with significant experience related to cash waqf. A total of twelve informants were involved in this research, comprising three regulators, three practitioners, three community members, and three academicians (see [Table 1](#)). These informants were chosen to ensure a comprehensive representation of the entire population relevant to the study's objectives.

The data collection techniques in this research were conducted through several stages, including observation, interviews, and questionnaires related to the empowerment of cash waqf for educational programs in Indonesia. Observations were carried out systematically to record phenomena relevant to the research subject. The study employed

structured interviews, where the interviewer prepared topics and questions in advance to find answers to carefully constructed hypotheses. Additionally, the researcher used questionnaires to collect data on how cash waqf is utilized for educational programs in Indonesia, applying the ANP approach. These questionnaires were distributed to respondents, including regulators (government), practitioners, and experts in waqf institutions. The responses from the questionnaires were analyzed to understand the respondents' perspectives and priorities concerning the research subject. Lastly, documentation was used to collect various documents such as formal records, journals, books, photographs, and other relevant sources of information. This documentation process provided the researcher with a deeper understanding of the topic under investigation.

Table 1. Informants

Informant	Role	Institution
Informant 1	Regulator	Director of Zakat and Waqf of Ministry of Religious Affairs
Informant 2	Regulator	Coordinator of Zakat and Waqf of Ministry of Religious Affairs
Informant 3	Regulator	Indonesia Waqf Agency (BWI)
Informant 4	Scholar	UIN Sunan Gunung Djati Bandung
Informant 5	Scholar	UIN Zaizu Purwokerto
Informant 6	Scholar	UIN Sunan Kalijaga Yoyakarta
Informant 7	Practitioner	Nahdlatul Ulama
Informant 8	Practitioner	Muhhamadiyah
Informant 9	Practitioner	Indonesia Waqf Agency (BWI)
Informant 10	Citizen	Community member (educator)
Informant 11	Citizen	Community member (student)
Informant 12	Citizen	Community member (Pesantren)

In this research, the construction of the ANP model was conducted through a literature review after the problem framework was created and verified by experts familiar with the context of the issues being studied. The researcher then proceeded to the quantification stage, which involved the development of a questionnaire distributed to respondents, including creative industry practitioners, creative economy experts, and economic regulators. The questions in the ANP questionnaire focused on pairwise comparisons of elements within clusters to determine their relative influence and the scale of differences. Subsequently, the researcher quantified the data by inputting it into ANP Super Decision software, calculating the average responses to derive the Geometric Mean and Rater Agreement values. The Geometric Mean was used to establish the priority of respondent groups concerning the issues under study, serving as a method to identify tendencies or specific values (Ascarya, 2005). Rater Agreement analysis was conducted to measure the level of agreement among respondents using Kendall's Coefficient of Concordance ( $W$ ;  $0 < W < 1$ ), where  $W = 1$  indicates full agreement among respondents, and  $W = 0$  or close to 0 indicates disagreement (Özdemir & Sagir, 2021). The Rater Agreement was assessed through steps including transposition, ranking from highest to

lowest values, summation, and final calculation of the W value using the formula provided. The results interpret  $W = 1$  as uniformity in respondent opinions, while  $W = 0$  or close to 0 indicates a lack of agreement among respondents' answers.

## Results

Table 2 summarizes the key challenges, solutions, and strategies identified in the research on the empowerment model of cash waqf for education programs in Indonesia. The challenges are divided into internal and external factors, with internal challenges being more influential, particularly those related to management, human resources, and program implementation. External challenges involve government policies, public awareness, and the role of the Indonesian Waqf Board (BWI). Table 2 also outlines potential solutions that focus on addressing both internal and external challenges. Internal solutions emphasize the importance of management transparency, human resource development, and effective program implementation, while external solutions highlight the need for stronger government regulations, improved public literacy, and enhanced efforts by BWI. Furthermore, Table 2 details specific strategies for empowering cash waqf in education, including training and empowerment of *nazhir*, clear capital policies, institutional strengthening, and socialization efforts. Table 2 serves as a comprehensive overview of the findings, offering a clear roadmap for the effective empowerment of cash waqf in Indonesia's education sector.

Table 2. Summary of the findings

Category	Details
Challenges	Internal challenges <ul style="list-style-type: none"> <li>• Management issues: Ineffective and underdeveloped management of waqf assets.</li> <li>• Human Resources issues: Lack of competency among <i>nazhir</i>, limited understanding of cash waqf.</li> <li>• Programmatic issues: Insufficient knowledge and clarity on cash waqf programs.</li> </ul>
	External challenges <ul style="list-style-type: none"> <li>• Government policies: Need for stronger regulations and focus on cash waqf development.</li> <li>• Public awareness: Low public understanding and interest in cash waqf due to traditional views.</li> <li>• Indonesian Waqf Board (BWI): Inadequate mobilization and management of cash waqf funds.</li> </ul>
Solutions	Internal solutions <ul style="list-style-type: none"> <li>• Management: Emphasis on transparency, accountability, and regular reporting.</li> <li>• Human Resources: Providing training and certification programs for <i>nazhir</i>.</li> <li>• Program: Strengthening the capacity of educators and effective program implementation.</li> </ul>
	External solutions <ul style="list-style-type: none"> <li>• Government: Strengthening regulations and literacy campaigns related to cash waqf.</li> <li>• Indonesian Waqf Board (BWI): Improving literacy,</li> </ul>

Category	Details
Strategies	<p>simplifying regulations, and promoting waqf.</p> <ul style="list-style-type: none"> <li>Community: Enhancing public outreach and education to increase participation in cash waqf.</li> </ul> <p><b>Training and Empowerment:</b> Conducting modern zakat and waqf literacy programs, improving <i>nazhir</i> and amil potential.</p> <p><b>Capital Policy:</b> Implementing clear and supportive policies for cash waqf investments.</p> <p><b>Strengthening Institutions:</b> Enhancing the capacity and accountability of waqf institutions.</p> <p><b>Socialization and Promotion:</b> Increasing public awareness and understanding of cash waqf.</p>

### *Challenges of Cash Waqf Empowerment for Education*

The empowerment of cash waqf in the education sector in Indonesia faces significant challenges that can be categorized into internal and external factors. Internal challenges are primarily related to the management and implementation of cash waqf itself, while external challenges involve the various stakeholders associated with cash waqf. According to the results of questionnaires administered to individuals with expertise in cash waqf, internal issues are deemed more influential in hindering the empowerment of cash waqf in education than external factors. The analysis revealed that internal issues scored a 0.6, whereas external issues scored a 0.3, indicating a stronger impact of internal challenges.

This finding aligns with the perspectives of several informants in the study. For instance, Informant 3 emphasized that the main challenge in cash waqf empowerment lies in the competency of human resources, particularly the *nazhir* (waqf managers). The informant stressed the need for certification programs to enhance the *nazhir's* ability to manage and develop the waqf assets effectively. Another informant highlighted the importance of transparent management systems, noting that public trust in cash waqf is closely tied to how transparently the funds are managed and the visible results they produce. These interviews and data analyses underscore the critical need for strategic planning to address these internal challenges, which are pivotal in realizing the full potential of cash waqf in Indonesia's education sector.

This study identified three key variables within the internal challenges: management issues, human resource issues, and programmatic issues. Informant 1 pointed out that human resource limitations are a significant barrier to the effective empowerment of cash waqf in education, as many waqf educators lack a thorough understanding of cash waqf and its distinctions from other forms of waqf. Additionally, Informant 6 observed that the management of waqf assets, particularly in regions like Banyumas, remains ineffective and underdeveloped. This sentiment was echoed by Informant 5, who noted that many waqf properties are underutilized due to inadequate management, leading to low productivity. These findings highlight the need for improvements in the internal management of cash waqf to ensure its effective application in education.

Analysis of the respondents' feedback revealed that personal issues, such as individual competence and understanding, are the most significant internal challenge, scoring a 0.4. This was followed by management issues with a score of 0.3, while programmatic issues were the least prioritized, scoring 0.1. The high level of agreement

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among respondents (W: 0.54) indicates a consensus on the importance of addressing internal challenges in the development of cash waqf in Indonesia.

On the other hand, external challenges were grouped into issues related to government policies, the Indonesian Waqf Board (BWI), and public awareness. The government plays a crucial role in shaping policies that empower cash waqf in education. As noted by Informant 3, although existing regulations, such as Law No. 41, are adequate, there is still a need to strengthen opportunities for the development and expansion of cash waqf. This includes revising regulations to better accommodate the cash waqf framework. Informant 2 emphasized the importance of government focus on cash waqf through regulations, literacy campaigns, and the professionalization of *nazhir*.

Public perception and participation also significantly impact the empowerment of cash waqf in education. Informant 3 pointed out that the general public often associates waqf solely with land, leading to a lack of awareness and interest in cash waqf. This sociological challenge suggests that more effective outreach and education are needed to shift public perceptions and encourage greater participation in cash waqf for educational purposes. Informant 1 confirmed this, noting that the community's limited interest in cash waqf stems from their traditional association with land-based waqf.

The third external challenge concerns the performance of the Indonesian Waqf Board (BWI) in mobilizing cash waqf funds. Informant 2 criticized BWI for not fully capitalizing on the significant potential of cash waqf, which is estimated at IDR 180 trillion annually, yet only IDR 1.5 trillion has been collected to date. This gap highlights the need for BWI to enhance its efforts in promoting and managing cash waqf to reach its full potential.

In conclusion, the research findings indicate that internal challenges, particularly those related to human resources and management, are the primary obstacles to the empowerment of cash waqf in Indonesia's education sector. However, external factors, such as government policies and public awareness, also play a critical role. Addressing these challenges requires a comprehensive strategy that includes improving *nazhir* competencies, enhancing management transparency, and increasing public awareness through targeted outreach and education. By overcoming these hurdles, cash waqf has the potential to become a significant source of funding for educational programs in Indonesia, contributing to the overall development and accessibility of education in the country.

### ***Potential Solutions of Challenges in Cash Waqf Empowerment for Education***

Based on literature reviews and in-depth interviews with various experts and stakeholders, several priority solution variables were identified, categorized into internal and external solutions. After analyzing responses from all respondents, it was found that internal solutions were the top priority in empowering cash waqf for education, with a score of 0.57. External solutions followed with a score of 0.32. The small difference in importance indicates the diversity among respondents, resulting in a low overall agreement score among evaluators (W: 0.25).

The Internal Solutions cluster includes Management Solutions, Human Resources Solutions, and Program Solutions. Management was identified as a crucial factor in addressing internal challenges. As Informant 7 mentioned, "*Transparency and accountability through regular reports on the use of waqf funds, along with routine supervision and audits, are essential. Incentives and benefits should be clearly communicated, highlighting the social and religious advantages of cash waqf.*" Another informant suggested addressing internal issues related to Human Resources by stating, "*Educators need to be well-informed to provide accurate guidance.*"



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Currently, many educators themselves require further training to avoid misinformation. Strengthening the capacity of these educators is crucial before they can effectively engage in outreach activities" (Informant 1).

The overall respondent feedback highlighted that Management Solutions received the highest priority with a score of 0.46, followed by Human Resources Solutions at 0.26, and Program Solutions at 0.14, which was the lowest priority. The consensus among respondents for this ranking was strong (W: 0.44).

The External Solutions cluster comprises three variables: Government Solutions, Indonesian Waqf Board (BWI) Solutions, and Community Solutions. The analysis of respondent answers revealed that the BWI-related external solutions were the top priority, with a score of 0.46, followed by Government Solutions at 0.30, and Community Solutions at 0.13. The consensus among respondents in this ranking was very strong (W: 0.67). The analysis of external factors highlighted the Indonesian Waqf Board (BWI) as the main actor, especially in the development and governance of cash waqf in education. The informants in this study emphasized BWI's crucial role in addressing external challenges related to the empowerment of cash waqf in education. Informant 3 stated, "BWI has already made significant strides, especially with the introduction of a mobile application that allows for quick and easy donations without limitations. The efforts have been quite extensive and effective in promoting cash waqf." Supporting this view, Informants 5 and 2 also acknowledged BWI's steps in overcoming external challenges in the empowerment of cash waqf for education in Indonesia. Informant 5 noted, "BWI has been instrumental in raising awareness about waqf and demonstrating the tangible outcomes achieved through cash waqf." Informant 2 added, "BWI has been proactive in expanding literacy, simplifying regulations, and creating a conducive ecosystem for cash waqf. Practical waqf programs in education are implemented through partnerships."

In conclusion, the analysis indicates that internal management and human resources are the primary areas requiring attention for the effective empowerment of cash waqf in education. However, the external role of BWI, along with government support and community participation, remains critical. Addressing these challenges through targeted internal and external solutions can significantly enhance the impact of cash waqf in Indonesia's educational sector. The study underscores the need for continued efforts in transparency, education, and community engagement, spearheaded by key institutions like BWI, to fully realize the potential of cash waqf in educational empowerment.

### ***Strategies of Cash Waqf Empowerment for Education***

The strategy variables for the development of cash waqf include training and empowerment, capital policy, strengthening of cash waqf institutions, and socialization and promotion of cash waqf. During interviews with informants, several strategies were suggested to address the challenges faced in empowering cash waqf within the education sector. Informant 5 emphasized the importance of training *nazhir* to enhance their ability to empower cash waqf for educational purposes. The informant stated, "...often conducting modern zakat and waqf literacy programs, also improving the quality and potential of *nazhir* and *amil* so they can operate in a modern way, and initiating programs that help the community and convince people to donate zakat and waqf." Additionally, Informant 1 highlighted the need for outreach to ensure the community is well-informed about cash waqf, saying, "The challenge requires extensive outreach so that the public understands cash waqf.."

The analysis of responses from all respondents identified the priority criteria for cash waqf development strategies. Training and empowerment were deemed the highest priority, with a score of 0.46, followed by capital policy with a score of 0.21. The lowest priority was given to socialization and promotion, with a score of 0.08. The overall agreement among experts, as reflected in the respondents' consensus, was moderate, with

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a W score of 0.575, indicating a relatively low level of respondent agreement on the priority of these strategies.

In summary, while training and empowerment emerged as the most critical strategy for the development of cash waqf in education, the need for a cohesive approach that includes capital policies and effective outreach cannot be overlooked. The moderate level of consensus among respondents suggests that while there is agreement on the importance of these strategies, more work may be needed to align perspectives on their implementation and prioritization.

## Discussion

The data analysis revealed that the empowerment of cash waqf for educational programs in Indonesia is primarily confronted with two major challenges: internal and external issues. Internal challenges include human resources, management, and program implementation within the context of cash waqf in education. On the other hand, external challenges involve the government, the Indonesian Waqf Board, and the broader community. Among these, internal issues were identified as the most significant factors influencing the empowerment of cash waqf in the education sector.

Human resources emerged as the most prominent internal factor affecting the empowerment of cash waqf in education. Human resources serve as the driving force behind any system, playing a crucial role in planning, managing, and evaluating the empowerment of cash waqf in education (Huq & Khan, 2017). If the capacity of the human resources involved is lacking in quality, it will inevitably impact the success of cash waqf empowerment in the educational sector. This finding aligns with previous studies that highlight the competency of human resources in managing cash waqf collections as a key factor for the successful implementation of cash waqf (Jatmiko et al., 2024; Sulistyowati et al., 2022). Furthermore, research by Harahap and Darwanto (2021) echoes similar sentiments, noting that one of the challenges faced by *nazhir* (waqf managers) in managing waqf is their limited knowledge. Many *nazhir* still lack sufficient understanding of waqf, particularly regarding their roles and responsibilities in waqf management (Bachri & Rosyadi, 2024). This lack of knowledge results in diminished credibility and creativity in waqf management practices.

Additionally, from a theoretical perspective, the management of waqf is often not conducted optimally because *nazhir* are not considered a fundamental pillar of waqf. However, professional *nazhir* view waqf management as crucial, not merely as a secondary job but as a vital occupation that sustains their livelihood and that of their families (Nofianti et al., 2024). Consequently, the lack of productive waqf management is largely attributed to non-professional *nazhir*. According to Bahri (2023), several factors contribute to the unprofessionalism of *nazhir* in managing waqf, including: (1) The strong belief that waqf prioritizes perpetuity over utility, (2) The low quality of *nazhir's* human resources in managing waqf assets, and (3) The tendency of *nazhir* to prioritize personal interests over public welfare.

Moreover, the analysis from this study concluded that there are two pillars crucial for achieving the priority solutions for empowering cash waqf in educational programs: internal and external solutions. The data processing using the Super Decision software in this study indicated that the highest priority in addressing the challenges of cash waqf in Indonesia is internal factors, with a score of 0.83333, followed by external factors with a

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score of 0.16667. This finding was further confirmed by the unanimous agreement among respondents (W: 1), indicating a 100% degree of consensus. Based on these results, internal solutions are deemed the most appropriate approach for addressing the development challenges of educational waqf in Indonesia, as the success of waqf development heavily depends on its management (Rafita et al., 2023). This conclusion aligns with the research conducted by Ambarwati and Hasanuddin (2021), which suggests that the factors influencing individual perceptions towards an object are both internal and external. Internal factors involve individual perceptions, while external factors originate from outside the individual or the object of perception.

This research identifies that the vast potential of cash waqf in Indonesia faces complex challenges, particularly in the context of its empowerment within the educational sector. To address these challenges, the study proposes an empowerment model of cash waqf for educational programs, structured around four key components: investment, partnership, scholarship, and education programs. This model leverages the significant potential and flexibility of cash waqf, which allows donors to contribute without a minimum donation requirement, making it an accessible form of waqf. The cash waqf model functions as an open-ended fund that combines elements of cash waqf and benevolent loans. The process involves collecting cash waqf from individuals or institutions, which is then invested in halal sectors according to Islamic law. The returns from these investments are directed towards educational initiatives, such as scholarships and educational programs, benefiting both individuals and institutions. This cycle of empowerment aims to create a sustainable and impactful system that enhances educational opportunities through the effective use of cash waqf.

One of the innovative strategies within this model is the use of cash waqf for educational investment. This approach supports educational programs by investing waqf funds in sharia-compliant financial instruments or projects that have the potential to generate financial returns (Ajib, 2022; Qurrata et al., 2021). The primary goal is to create a sustainable source of funding for educational activities without depleting the principal waqf funds (Mohd Thas Thaker et al., 2021). These funds, managed by *nazhir* or waqf institutions, can be invested in various sharia-compliant financial instruments such as *qardhul hasan* financing, sharia securities, Islamic deposits, and sukuk (Azrak, 2022). These investments not only provide long-term benefits to the community but also promote economic independence in education by supporting financial instruments aligned with Islamic values (Rusydiana et al., 2021). By targeting these sharia-compliant investment portfolios, the program helps develop the Muslim economy and ensures that investments are both financially rewarding and socially just. The model also incorporates the concept of *musyarakah* and *mudharabah*, enabling collective participation in investments and equitable profit-sharing, which strengthens social values and justice within society.

Furthermore, the model emphasizes the importance of building strong partnerships with Islamic financial institutions, educational institutions, government bodies, and civil society organizations to enhance the effectiveness and impact of cash waqf programs. Collaboration between these entities is crucial for the successful implementation of the model. Key institutions like BWI, LWPNU, and Muhammadiyah's MPW are expected to serve as exemplary *nazhir*, managing waqf funds with integrity and professionalism. Transparency and accountability are fundamental to this model, requiring regular reporting to waqif (donors) and beneficiaries on the use of funds and investment

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performance. The empowerment of cash waqf for educational programs through this partnership model can be a viable solution to address educational challenges in Indonesia, ensuring that more children and adolescents have access to quality education. The management of these funds must be professional and sustainable, with a focus on transparency and accountability, which are critical to enhancing the value and wealth generated through cash waqf for educational purposes.

## Conclusion

The findings of this study emphasize the significant potential of cash waqf as a sustainable funding mechanism for educational programs in Indonesia, particularly through a model that integrates investment, partnerships, scholarships, and educational initiatives. The research identified internal challenges, especially those related to human resources and management, as the primary obstacles to effectively leveraging cash waqf in the educational sector. External factors, such as government policies and the role of the Indonesian Waqf Board (*Badan Wakaf Indonesia*), also play crucial roles in this empowerment process. The proposed empowerment model aims to address these challenges by creating a cycle of sustainable financial support that enhances educational opportunities, ensuring that the benefits of cash waqf are maximized for both individuals and institutions.

However, this research acknowledges several limitations, including the narrow scope of empirical data and the focus on specific regions within Indonesia. Future research should aim to expand the geographical scope, include diverse educational contexts, and explore the long-term impacts of cash waqf investments on educational outcomes. Additionally, there is a need for further studies to refine the proposed model, considering the evolving socio-economic and legal landscapes in Indonesia. By addressing these limitations and pursuing comprehensive research, future studies can provide deeper insights and more robust strategies for empowering cash waqf to support education across the nation.

## Authors' Declaration

The authors made substantial contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

## ORCID

Muhammad Ash-Shiddiqy  <https://orcid.org/0009-0001-7477-7010>

Makhrus  <https://orcid.org/0000-0002-5466-4596>

Muhammad Ghafur Wibowo  <https://orcid.org/0000-0003-4921-7828>

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