

CASH WAQF LINKED DEPOSIT POTENTIAL FOR REVITALIZING ISLAMIC BANKING IN INDONESIA

Gunawan Setyo Utomo^{1*}
Rifki Ismal²

^{1,2}University of Indonesia, Indonesia

*¹Corresponding Email: gunawan.setyo11@ui.ac.id

ABSTRACT – Despite existing for over two decades, the market share of Islamic banking remains stagnant. Conversely, Indonesia possesses immense, yet underutilized, potential for cash waqf (charitable endowments). This study investigates the Cash Waqf Linked Deposit (CWLD) product, an initiative by OJK, focusing on its potential to enhance Islamic bank participation in cash waqf management. The research explores the responses of cash waqf participants through in-depth interviews and Focus Group Discussions (FGDs) with seven key figures: two *waqif* (donors), three representatives from LKS PWU (waqf collecting institutions), and two *nazir* (managers). Descriptive qualitative analysis facilitated by NVivo software is employed to understand the responses. The findings reveal a high level of alignment (70% average word similarity) between the proposed CWLD product design and stakeholder expectations. All stakeholders expressed positive responses and support for CWLD. They perceive CWLD as a facilitator for waqf contributions through Islamic banks, a means to expand existing waqf assets, and an attractive option due to the temporary nature of the deposits with eventual return to the waqf. This study highlights the potential of CWLD to bridge the gap between Islamic banking and cash waqf in Indonesia, potentially contributing to a more dynamic Islamic banking landscape.

Keywords: CWLD, Cash Waqf, Nazir, LKS-PWU, NVivo

ABSTRAK – *Potensi Cash Waqf Linked Deposit dalam Revitalisasi Perbankan Syariah di Indonesia.* Pangsa pasar perbankan syariah menunjukkan stagnasi meskipun sudah beroperasi selama lebih dari dua dekade. Di sisi lain, potensi wakaf uang di Indonesia sangat besar, namun belum difasilitasi secara optimal oleh perbankan syariah. Penelitian ini bertujuan untuk mengevaluasi produk Cash Waqf Linked Deposit (CWLD) yang diinisiasi oleh OJK, dengan fokus pada respons para pemangku kepentingan wakaf uang. Data penelitian dikumpulkan melalui wawancara mendalam dan Focus Group Discussion (FGD) dengan tujuh narasumber kunci, yaitu dua *waqif* (pemberi wakaf), tiga perwakilan LKS PWU (lembaga pengumpul wakaf uang), dan dua *nazir* (pengelola wakaf). Untuk memahami tanggapan responden, penelitian ini menggunakan analisis kualitatif deskriptif dengan bantuan perangkat lunak NVivo. Hasil penelitian menunjukkan bahwa desain dan usulan produk CWLD yang diinisiasi oleh OJK telah sangat mengakomodasi aspirasi dan harapan para pemangku kepentingan. Analisis kesamaan kata antar wawancara menunjukkan rata-rata 70%, yang mengindikasikan kesesuaian produk dengan kebutuhan pemangku kepentingan. Para pemangku kepentingan memberikan respons positif dan dukungan terhadap usulan produk CWLD. Mereka memandang CWLD sebagai fasilitator bagi *waqif* untuk melakukan wakaf melalui bank syariah, produk alternatif untuk meningkatkan aset wakaf yang sudah ada, dan pilihan menarik bagi *waqif* karena dana wakaf bersifat sementara dan akan kembali kepada *waqif*. Hasil kajian ini menggarisbawahi besarnya potensi CWLD dalam menjawab persoalan stagnasi pangsa pasar perbankan syariah dengan memanfaatkan potensi wakaf uang yang besar di Indonesia.

Kata Kunci: CWLD, Cash Waqf, Nazir, LKS – PWU, NVivo

INTRODUCTION

Islamic finance, encompassing both social and commercial aspects, operates under a distinct set of principles and values. This core tenet of integration is enshrined in Indonesian law, with Law No. 21 of 2008 concerning Islamic Banking (amended by Law No. 4 of 2023 concerning the Development and Strengthening of the Islamic Banking Sector) outlining the mandate of Islamic banks. These institutions fulfill both commercial and social functions. Commercially, they collect and channel funds from the public. Socially, they manage resources derived from zakat (obligatory charity), infaq (voluntary charity), sadaqah (voluntary alms), grants, other social funds, and cash waqf (charitable endowments) – collectively known as Zakat, Infaq, Sadaqah, and Waqf (ZISWAF).

Despite this legal framework, the market share of Islamic banking in Indonesia remains relatively low (Nadia et al., 2019). Data from the Financial Services Authority (OJK) (2022) reveals a gradual increase, with Islamic banks holding market shares of 6.51%, 6.74%, and 7.09% in terms of total assets compared to national banks for the years 2020, 2021, and 2022, respectively. Similarly, their share of third-party fund deposits was reported as 7.02%, 7.21%, and 7.47% for the same period. These figures fall short of the projected 16.2% market share by 2022 established in the master plan for the architecture of Islamic finance in Indonesia (Bappenas, 2016). This discrepancy points towards limitations in deposit growth, a factor hindering the sector's expansion.

Table 1. Market Share of Indonesian Islamic Banking

| Period | Indicators | |
|--------|------------------|--------------------------------|
| | Total Asset* (%) | DPK (Third Parties Fund) * (%) |
| 2020 | 6.51 | 7.02 |
| 2021 | 6.74 | 7.21 |
| 2022 | 7.09 | 7.47 |

*Against national banking
(Source: OJK, 2022)

Conversely, Islamic social finance offers significant potential. The Indonesian Waqf Board (Badan Wakaf Indonesia - BWI) estimates a potential of Rp180 trillion in waqf funds for 2021, with endowable land exceeding 55,259.87 hectares (BWI, 2021). However, the realized waqf fund receipts for the same year stood at a mere Rp819.36 billion, representing a low 0.46% realization rate. This stark gap between potential and actualization highlights the need for



further development and optimization of Islamic social finance initiatives. Bridging this gap can contribute substantially to the growth of social finance within the Islamic context.

Table 1. Potential and Realization of Waqf Fund in Indonesia

| Reception | Potential | Realization | Percentage |
|-----------|-----------|-------------|------------|
| Waqf | Rp 180 T | Rp 0.82 T | 0.46% |

(Source: BWI, 2021)

Cash Waqf presents a promising avenue to bridge this gap. Cash waqf represents an innovation that integrates social and commercial finance within an Islamic financial institution. The Indonesian government has introduced a cash waqf product known as Cash Waqf Linked Sukuk (CWLS). Several studies have explored the role of CWLS in the economy and society from an Islamic economic perspective (Rahayu & Agustianto, 2020; Tanjung & Windiarso, 2021). CWLS has been identified as a means to promote economic development and international trade. The issuance of CWLS has shown promising results, with significant sales in the retail bond market (Sa'idaturrohman, 2022). Retail waqf issuances through Islamic bonds in 2021 and 2022 generated a combined Rp24.1 billion and Rp38.25 billion (Kisihandi, 2023).

Recognizing the limitations of current models, the OJK introduced the Cash Waqf Linked Deposit (CWLD) program to address these challenges. The Mudarabah Cash Waqf Deposit Product model, successfully implemented in Islamic banking in Bangladesh, demonstrates how mobilizing savings and investments within the voluntary sector can contribute to economic growth (Rahman & Sohel, 2019). However, for this model to flourish in Indonesia, Islamic banks must meet specific criteria related to ethical conduct, board integrity, and effective communication (Hasan & Hassan, 2019), as these factors significantly influence depositor trust in Islamic banking institutions.

Beyond CWLD, other proposed waqf models exist. Kachkar (2017) suggests the Cash Waqf Refugee Microfinance Fund (CWRMF) to provide microfinance for refugee entrepreneurs, while Haneef et al. (2015) highlight the potential for poverty alleviation through integrated waqf-based Islamic microfinance models (IWIMM). Furthermore, Mohd Thas Thaker et al. (2016) propose the Islamic Crowdfunding for Small and Medium Enterprises (ICSMEs) model to assist



SMEs in Malaysia. These models demonstrate the diverse applications of waqf in finance and

This current research distinguishes itself by focusing on a regulator-issued program (CWLD by OJK). Employing a content analysis model with NVivo, this study delves into the acceptance and perception of CWLD among its stakeholders, including *nazir* (waqf managers), *waqif* (waqf donors), and Islamic banks acting as LKS PWU (waqf collectors). It expects to provide a critical analysis that strengthens and refines the CWLD program for optimal future implementation, ultimately benefitting all stakeholders involved.

This study addresses a gap in understanding stakeholder acceptance of CWLD, a recent initiative by the Indonesian Financial Services Authority (OJK) to revitalize Islamic banking. Following a review of relevant literature on Islamic finance and cash waqf models, the research employs content analysis with NVivo to explore stakeholder (*nazir*, *waqif*, LKS PWU) perceptions of CWLD. The analysis and discussion of findings will be presented, followed by a section exploring implications and recommendations for strengthening the program. The concluding section summarizes key findings and their contribution to a more holistic and sustainable approach to Islamic banking development.

LITERATURE REVIEW

Islamic Social Finance Theory

Islamic social finance theory encompasses various aspects of financial practices within the Islamic framework, aiming to achieve social welfare and economic development through financial products and services that comply with Sharia principles. Studies have investigated the determinants of customers' intention to use Islamic personal financing, highlighting variables such as attitude, social influence, religious obligation, government support, and the pricing of Islamic personal financing (Amin et al., 2011). Furthermore, literature reviews on Islamic social finance have identified future research directions, particularly in zakat and waqf, which could influence Islamic social finance and Islamic finance research (Kuanova et al., 2021). Additionally, Walaa (2021) highlights the critical role of WAQFs, Islamic social finance institutions, in achieving sustainable development in Islamic society.



Cash Waqf Models

Cash Waqf Linked Sukuk (Islamic Bonds) (CWLS) Model

Cash Waqf Linked Sukuk (CWLS) is an innovative approach to developing waqf that integrates waqf funds with Shariah-compliant government securities, or sukuk (Rahayu and Agustianto, 2020). This instrument has been implemented in Indonesia as a means to expedite waqf and optimize the mobilization of waqf funds through Sukuk (Ismal, 2022). CWLS can be structured for a specific period (temporary) or in perpetuity (permanent). A diagram illustrating the CWLS scheme in Indonesia can be included next.

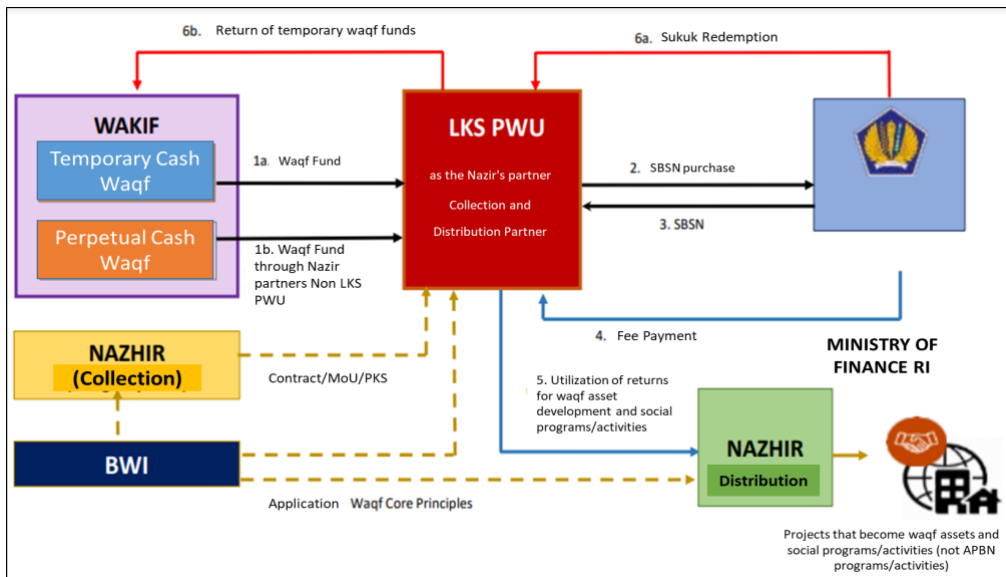


Figure 1. Cash Waqf Linked Sukuk scheme

(Source: Badan Wakaf Indonesia, 2021)

CWLS operates as a social investment scheme in Indonesia. Cash waqf collected by the Indonesian Waqf Board (Badan Wakaf Indonesia) as Nazir, is channeled through Islamic Banks acting as Cash Waqf Recipient Sharia Financial Institutions (LKS PWU), for investment in State Sukuk or Sharia Securities (SBSN) issued by the Ministry of Finance (MoF) (Source: Badan Wakaf Indonesia, 2021). Despite its innovation, CWLS faces limitations. Incoming waqf funds cannot be invested in LKSPWU (Fauzi & Tanjung, 2021), and limited distribution partners and low public awareness hinder its potential (Tanjung & Windiarto, 2021; Yasin, 2021; Ismal, 2022).



Cash Waqf Refugee Microfinance Fund (CWRMF) Model

The Cash Waqf Refugee Microfinance Fund (CWRMF) utilizes the concept of cash waqf for microfinance services specifically targeted towards refugees (Kachkar, 2017). Donations are used to provide small loans, enabling refugees to start or expand businesses and achieve financial independence. However, this model's weakness lies in its narrow segmentation, limiting waqf proceeds solely to refugees and restricting the involvement of waqif (donor) and nazir (manager).

Integrated Waqf-Based Islamic Microfinance (IWIMM) Model

The Integrated Waqf-Based Islamic Microfinance Model (IWIMM) combines waqf resources, Islamic microfinance, takaful (Islamic insurance), project financing, human resource development, and poverty alleviation efforts (Haneef et al., 2015). While a promising model, its effectiveness can be hampered by the lack of Islamic microfinance institutions in certain regions, as discussed by Mamun et al. (2017).

Integrated Cash Waqf Micro Enterprise Investment (ICWME-I) Model

The ICWME-I model, designed by Mohd Thas Thaker et al. (2016), aims to utilize cash waqf funds to provide microfinance for marginalized communities, particularly micro-enterprises, to improve access to finance and enhance skills (Duasa & Thaker, 2016). While expected to contribute to micro-enterprise development in Malaysia, the model's operational and structural issues, market applicability, and behavioral intention for micro-enterprise adoption require further investigation (Hayati et al., 2022; Thaker, 2018; Thaker et al., 2016).

Integration of Social Finance with Commercial Finance in Islam

Studies have explored the integration of Islamic social finance and Islamic commercial finance, proposing various models and strategies to address challenges in Sharia-compliant financing instruments, financial markets, and regulations (Bose et al., 2022). Research suggests that Islamic finance can stimulate economic growth and contribute to poverty alleviation (Siswantoro, 2022). Overall, this integration holds promise for achieving sustainable development and addressing social and economic challenges.



METHODOLOGY

This research employs a qualitative approach to explore stakeholder acceptance and perception of Cash Waqf Linked Deposits (CWLD) in Indonesia. The study utilizes a combination of in-depth interviews and Focus Group Discussions (FGDs) to gather rich and nuanced data from key stakeholders.

Data Collection

The research targets seven participants representing key stakeholder groups in the CWLF program: 1) Three Shariah Bank Officials (LKS-PWU) from different Islamic banks, 2) Two Cash Waqf *Nazirs* (managers) representing different waqf institutions, 3) Two *Waqifs* (donors) contributing to cash waqf funds. This selection ensures a balanced perspective from those involved in the program's design, implementation, and utilization.

Table 3. Respondents of the Study

| No | Name | Code | Institution |
|-------------------------------------|------|----------|------------------------|
| I. Waqif | | | |
| 1 | FF | Waqif 1 | OJK |
| 2 | IFM | Waqif 2 | Ministry of Religion |
| II. Islamic Banking – LKSPWU | | | |
| 3 | AA | LKSPWU 1 | KB Bukopin Syariah |
| 4 | SO | LKSPWU 2 | Bank Syariah Indonesia |
| 5 | TIS | LKSPWU 3 | Hijra Bank |
| III. Nazir (waqf manager) | | | |
| 6 | AS | Nazir 1 | Salam Waqf Board |
| 7 | KAY | Nazir 2 | Sinergi Foundation |

The research employs two primary data collection methods: in-depth interviews and focus group discussions (FGDs). Semi-structured interviews will be conducted with each participant. A pre-defined interview guide will ensure consistency while allowing flexibility to explore emerging themes. Meanwhile, FGD will be conducted with a group of participants representing different stakeholder groups. FGDs facilitate discussion and encourage the exchange of ideas and perspectives among participants.



Analysis Description

Thematic analysis will be conducted using NVivo software to analyze interview transcripts and FGD recordings. This process involves identifying, categorizing, and interpreting recurring themes within the data (Figure 2). The analysis will focus on understanding:

- Stakeholder perceptions of the CWLD model and its design.
- Experiences with applying CWLD.
- Perceptions and expectations regarding CWLD benefits and challenges.
- Recommendations for strengthening the program.

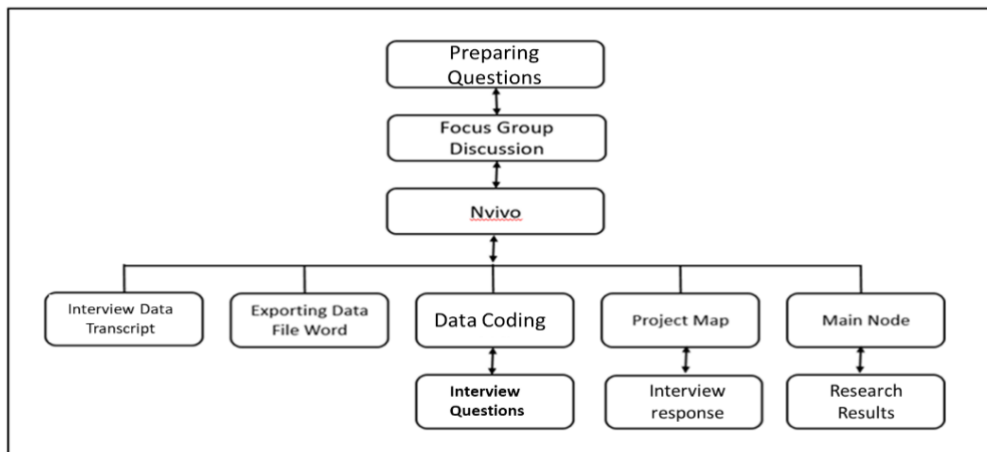


Figure 2. Nvivo Method
(Source: Ali et al., 2019)

Preparing Interview Questions

This stage involves developing interview questions based on the research questions. The goal is to encourage open responses from interviewees, allowing them to provide critiques, suggestions, and potential solutions to the research problem. Questions are designed to explore four key areas:

1. CWLD Model and Design
2. CWLD Application
3. Respondent Perceptions and Expectations of CWLD
4. Respondent Feedback on CWLD Application



Focus Group Discussion (FGD)

FGDs involve bringing together a small group of resource persons for a focused discussion. By asking prepared open-ended questions, the discussion generates diverse perspectives and suggestions to address the research problem. The discussions continue until a point of saturation is reached, ensuring all relevant viewpoints are captured.

Data Analysis with NVivo

1. **Interview Data Transcription:** Audio and video recordings from FGDs are transcribed using data transcription software to generate text data. The transcribed data is edited to ensure accuracy and reflect the actual discussion flow.
2. **Exporting Data:** The cleaned data is exported to NVivo for analysis.
3. **Data Coding:** Key words and phrases relevant to the research questions are coded in NVivo. This coding facilitates analysis of frequently occurring words and themes. Saldaña (2013) emphasizes the importance of coding for identifying patterns and extracting meaningful insights. A minimum of 100 coded words (including the term "CWLD") are used to ensure robust analysis.
4. **Project Map:** The project map is a central tool in NVivo analysis. It visually represents frequently occurring words, key themes, and relationships between concepts. This map serves several purposes as outlined by Priyatni et al. (2020): exploring and organizing data, developing research ideas and decisions, identifying patterns and explanations, visualizing relationships between data points, and recording research progress.
5. **Main Node:** The Main Node aggregates responses from all sources, highlighting common themes and perspectives regarding the discussion. This aggregated data can then be used to identify potential solutions, policy recommendations, and areas for future research improvement.
6. **Literature Analysis:** Literature analysis serves as a validation tool for interview and FGD findings. By comparing research results with existing literature (Chouabbia et al., 2023), this analysis strengthens the credibility and generalizability of the study's conclusions. Literature analysis involves referencing relevant academic sources to compare your findings and enhance the overall analysis.



RESULT AND DISCUSSION

Basic Concept of Cash Waqf Linked Deposit (CWLD) Product Design

Cash Waqf Linked Deposit (CWLD) is an innovative product designed by the Financial Services Authority (OJK) to support the role of Islamic banks as Islamic financial institutions receiving cash waqf (LKS PWU). These banks contribute to the synergy between Islamic commercial finance (represented by the Islamic banking industry) and Islamic social finance (represented by the cash waqf industry). Figure 3 illustrates the CWLD product design model that will be implemented by LKS PWU.

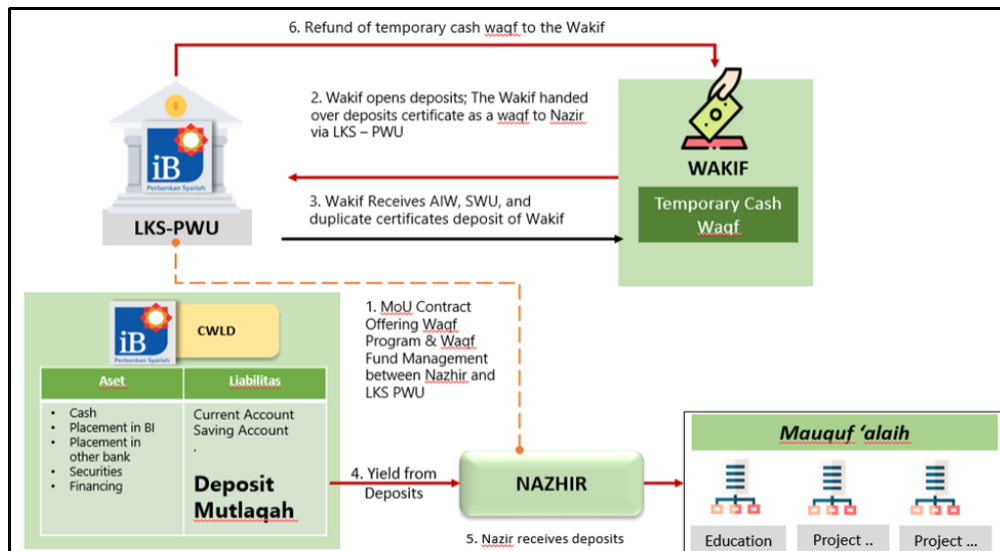


Figure 3. CWLD Product Design

This research will explore stakeholder responses, namely LKS PWU, Nazir (waqf manager), and Waqif (donor), to the CWLD model issued by OJK. In-depth interviews facilitated by the NVivo software will be used to gather stakeholder perceptions. The following section will discuss the results obtained by processing interview data using NVivo.

NVivo Analysis

The NVivo analysis explored stakeholder discussions regarding the Cash Waqf Linked Deposit (CWLD) program.



Frequency of Word Mentions

The analysis revealed that the word "CWLD" was mentioned most frequently by all stakeholders (Nazir, Waqif, and LKSPWU representatives). Notably, LKSPWU 3 displayed the highest frequency of CWLD mentions, suggesting their eagerness to implement the program. Conversely, Waqifs mentioned CWLD less frequently compared to the existing CWLS product. This might indicate a lack of familiarity with CWLD, a new program still under development. Additionally, the low frequency of "CWLS" mentions from LKSPWU and Nazir suggests their greater focus on CWLD's potential to attract waqf contributions. This suggests a potential information gap regarding CWLD among Waqifs. Targeted communication strategies are crucial to address this gap. Educational workshops or informational brochures explaining CWLD's benefits and operation could be developed for Waqifs. Increased awareness could lead to greater participation from this critical stakeholder group.

Table 4. Matrix Coding Query Result

| | A: LKSPWU | B: LKSPWU | C: LKSPWU | D: Nazir | E: Nazir | F: Wakif (1) | G: Wakif | Total |
|-----------------------|--------------|--------------|--------------|-------------|-------------|--------------------|-------------|-------|
| 1: Bank | 12 | 9 | 8 | 8 | 5 | 16 | 16 | 74 |
| 2: CWLD | 11 | 13 | 20 | 16 | 21 | 17 | 9 | 107 |
| 3: CWLS | 3 | 6 | 0 | 2 | 0 | 15 | 7 | 33 |
| 4: Deposit | 3 | 3 | 2 | 1 | 1 | 8 | 0 | 18 |
| 5: LKSPWU | 1 | 3 | 6 | 8 | 8 | 0 | 4 | 30 |
| 6: Interesting | 0 | 0 | 2 | 13 | 1 | 12 | 1 | 29 |
| 7: Nazir | 15 | 11 | 3 | 7 | 10 | 1 | 23 | 70 |
| 8: Financing | 16 | 2 | 6 | 9 | 2 | 5 | 0 | 40 |
| 9: Product | 10 | 15 | 1 | 3 | 3 | 14 | 11 | 57 |
| 10: Program | 3 | 2 | 6 | 17 | 16 | 7 | 2 | 53 |
| 11: CWLD Program | 1 | 0 | 1 | 2 | 8 | 1 | 1 | 14 |
| 12: CWLS Program | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 2 |
| 13: Socialization | 1 | 1 | 0 | 0 | 0 | 8 | 11 | 21 |
| 14: Temporary | 2 | 3 | 3 | 4 | 0 | 0 | 6 | 18 |
| 15: Waqf | 22 | 10 | 11 | 15 | 8 | 22 | 46 | 134 |
| 16: Temporary Waqf | 2 | 0 | 3 | 2 | 0 | 0 | 3 | 10 |
| 17: Cash Waqf | 1 | 6 | 0 | 0 | 3 | 0 | 22 | 32 |

(Source: Data processing using Nvivo, 2023)



Similarity in Word Usage

The Jaccard Similarity Coefficient analysis revealed significant similarities in word usage between certain stakeholders. For instance, Nazir 1 and LKSPWU 3 displayed a high coefficient (86.7%), suggesting shared discussions about CWLD advantages and implementation preparations. Similarly, high similarities were found between Nazir 2 and LKSPWU 3 (78.6%), possibly due to their planned collaboration on the program. However, a lower coefficient emerged between Waqif 2 and Nazir 2 (62.5%), indicating a potential difference in priorities. Waqif 2 might prioritize convenience in waqf management, while Nazir 2 focuses on program outcomes. Notably, a significant difference in word similarity exists between LKSPWU 2 and LKSPWU 3 (58.8%). This suggests that LKSPWU 3 is more proactive in pursuing collaboration with Nazirs for CWLD implementation, while LKSPWU 2 prioritizes clarification of program regulations.

Table 5. Similarity of Discussion between Interviewees

| File A | File B | Jaccard's coefficient |
|------------------|------------------|-----------------------|
| Files\\Nazir 1 | Files\\LKSPWU 3 | 0.866667 |
| Files\\LKSPWU 2 | Files\\LKSPWU 1 | 0.8125 |
| Files\\Wakif 2 | Files\\LKSPWU 1 | 0.8125 |
| Files\\Nazir 2 | Files\\LKSPWU 3 | 0.785714 |
| Files\\Nazir 1 | Files\\LKSPWU 1 | 0.764706 |
| Files\\LKSPWU 3 | Files\\LKSPWU 1 | 0.75 |
| Files\\Wakif (1) | Files\\Nazir 2 | 0.714286 |
| Files\\Nazir 1 | Files\\LKSPWU 2 | 0.705882 |
| Files\\Wakif 2 | Files\\Nazir 1 | 0.705882 |
| Files\\Nazir 2 | Files\\LKSPWU 1 | 0.6875 |
| Files\\Nazir 2 | Files\\Nazir 1 | 0.6875 |
| Files\\Wakif (1) | Files\\LKSPWU 1 | 0.6875 |
| Files\\Wakif (1) | Files\\Nazir 1 | 0.6875 |
| Files\\Wakif 2 | Files\\LKSPWU 3 | 0.6875 |
| Files\\Wakif (1) | Files\\LKSPWU 3 | 0.666667 |
| Files\\Wakif 2 | Files\\LKSPWU 2 | 0.647059 |
| Files\\Nazir 2 | Files\\LKSPWU 2 | 0.625 |
| Files\\Wakif (1) | Files\\LKSPWU 2 | 0.625 |
| Files\\Wakif 2 | Files\\Nazir 2 | 0.625 |
| Files\\Wakif 2 | Files\\Wakif (1) | 0.625 |
| Files\\LKSPWU 3 | Files\\LKSPWU 2 | 0.588235 |

Source: Data processing using Nvivo (2023)



Analysis and Implications

The analysis revealed overall stakeholder enthusiasm for CWLD. The frequent mention of "CWLD" across interviews suggests positive initial reception. Furthermore, the treemap diagram provides valuable insights. Stakeholders perceive CWLD as:

- A positive development for waqf customers by facilitating waqf contributions through Islamic banks.
- A potential source of funding for waqf institutions.
- An alternative to existing products.
- An opportunity to maximize the impact of waqf funds.
- A pilot project with the potential to become a permanent financing solution.
- A marketing tool for promoting waqf products.
- A program with the potential for significant social impact.

The high similarity in stakeholder discussions regarding CWLD suggests a shared understanding of its potential benefits. This finding strengthens the case for CWLD as a program of interest to all stakeholders. Moreover, the focus on CWLD as a potential financing tool highlights its potential contribution to sustainable waqf development.

Socialization and Stakeholder Cooperation

A critical recommendation from all stakeholders (Nazir, LKS PWU, and Waqif) is the need for increased socialization regarding CWLD. Given the program's recent launch by OJK in early 2023, regulators like OJK, BWI, and the Ministry of Religion can play a crucial role by conducting intensive socialisation about CWLD. This aligns with research by Ascarya and Masrifah (2023) who emphasize the importance of stakeholder education and awareness programs for successful cash waqf initiatives. Stakeholders also highlighted the importance of collaboration between Nazir, LKS PWU, and Waqif. Table 6 summarizes potential areas for collaboration, emphasizing the roles of each stakeholder group.

This collaborative approach aligns with existing literature. For instance, Kasri dan Chaerunnisa (2021) highlight the importance of effective communication among stakeholders, especially regarding Islamic values embedded within cash waqf products. Similarly, Wulandari et al. (2022) emphasize the need for



socialization programs to increase understanding of cash waqf sukuk among stakeholders.

Table 6. Cooperation between Nazir, LKS PWU, and Waqif

| | Nazir | LKS PWU | Waqif |
|---------|---|--|--|
| Nazir | | <ul style="list-style-type: none"> • Competitive yield from deposit • Assist in marketing to waqif via bank channel • Equipped with financing facilities for the CWLD program | <ul style="list-style-type: none"> • Support CWLD program • Provide feedback to CWLD program |
| LKS PWU | <ul style="list-style-type: none"> • CWLD programs that suit the bank's customer segments • Promote CWLD program to waqifs • Involved in intensive supervision of CWLD program | | <ul style="list-style-type: none"> • Support CWLD program • Provide feedback to CWLD program |
| Waqif | <ul style="list-style-type: none"> • CWLD program that is in accordance with the waqif segment • The existence of a transparent and accountable CWLD program activity report | <ul style="list-style-type: none"> • Transparent and accountable CWLD program activity report • Certainty that CWLD deposits can be returned upon completion of the program. | |

Synergy with Islamic Social Finance

The CWLD program aligns with the broader goals of Islamic social finance, aiming to accelerate waqf development and optimize cash waqf collection for community benefit. This focus on social impact resonates with Ismal's (2022) study on the CWLS model, which highlights its potential to enhance waqf collection and serve the community.

Furthermore, the collaborative nature of CWLD aligns with the principles of Islamic social finance. As Adinugraha et al. (2023) point out, Islamic social finance plays a strategic role in community empowerment and poverty alleviation. By directing resources towards impactful and socially responsible



initiatives, CWLD has the potential to contribute significantly to social finance goals.

Addressing Research Gaps and Implications

CWLD offers an innovative financing model that could address research gaps within Islamic finance and social finance. As a potential alternative model for financing micro-enterprises (Duasa & Thaker, 2016), CWLD has the potential to contribute to the development of new financial instruments in Islamic finance (Kresnowati & Berakon, 2017). Furthermore, its potential to alleviate poverty and empower communities aligns with broader social finance objectives (Adinugraha et al., 2023; Ibragim & Benazir, 2017). Building on the identification of key stakeholders, this study highlights some key implications and a multifaceted approach to promote CWLD in Indonesia.

1. For Regulators and Policymakers. The identified emphasis on stakeholder socialization underscores a potential knowledge gap regarding CWLD. Regulatory bodies like OJK, BWI, and the Ministry of Religion can play a crucial role by initiating targeted educational programs. These programs, delivered through workshops, seminars, or informational brochures, should aim to educate Nazirs (Waqf managers), LKSPWUs (Islamic Banks), and Waqifs (donors) about CWLD's features and potential benefits. Furthermore, the findings suggest a need to foster collaboration among stakeholders. Regulators can facilitate this by organizing workshops or conferences that bring together Nazirs, LKSPWUs, and Waqifs. These events can serve as platforms to discuss potential collaboration models and best practices for effective CWLD implementation.
2. For Islamic Banks (LKSPWUs). The observed disparity in understanding CWLD regulations among LKSPWUs underscores the need for clear guidelines and procedures. LKSPWUs can collaborate with regulators to develop a comprehensive framework that addresses industry concerns and ensures program efficiency. The study also identified a lower awareness level of CWLD among Waqifs. To address this, LKSPWUs can develop targeted marketing campaigns. These campaigns, delivered through brochures, social media initiatives, or collaborations with Waqf institutions, should aim to educate potential Waqifs about CWLD and its advantages compared to existing Islamic banking products. Finally, considering the emphasis on convenience expressed by Waqifs, LKSPWUs can explore



offering flexible contribution options within CWLD. This might involve streamlining contribution procedures or allowing for smaller minimum contributions.

3. For Nazirs (Waqf Managers). The emphasis on transparency throughout the study suggests a need for Nazirs to prioritize clear communication with Waqifs. This includes providing clear explanations on how CWLD contributions will be utilized for social impact projects and ensuring transparent reporting on program activities. Collaboration with LKSPWUs can be beneficial for Nazirs. LKSPWUs possess expertise in managing financial deposits, and collaboration can ensure smooth program operation. This collaboration could take the form of joint marketing initiatives or knowledge-sharing sessions with LKSPWUs.

CONCLUSION

This study examined the Cash Waqf Linked Deposit (CWLD) program, a new initiative by OJK, as a potential solution to stagnant Islamic banking market share. Stakeholder analysis revealed high agreement (70% word similarity) on CWLD's design and purpose, suggesting broad stakeholder support. Stakeholders perceive CWLD benefits for Waqifs (convenient contributions), Islamic Banks (stronger funding base), and the overall attractiveness of the program compared to existing waqf offerings.

Successful implementation hinges on collaborative program design (compelling waqf programs and competitive profit-sharing), financial attractiveness (significant profit-sharing and returns), and enhanced liquidity for Islamic Banks. The research offers actionable insights for stakeholders: Islamic Banks should collaborate on public awareness campaigns and offer competitive rates. Waqifs can participate and provide program input. Nazirs should design attractive waqf programs and collaborate on public education. Regulators can partner on awareness initiatives, formulate supportive regulations, and advocate for tax exemptions for CWLD deposits. This study is limited by focusing on stakeholder expectations. Future research should investigate CWLD's societal impact to solidify its potential for Islamic banking and social finance growth.



REFERENCES

- Adinugraha, H. H., Shulhoni, M., & Achmad, D. (2023). Islamic Social Finance in Indonesia: Opportunities, Challenges, and Its Role in Empowering Society. *Review of Islamic Social Finance and Entrepreneurship*. <https://doi.org/10.20885/risfe.vol2.iss1.art4>
- Ali, H., Abdullah, R., & Zaini, M. Z. (2019). *Fintech and Its Potential Impact on Islamic Banking and Finance Industry: A Case Study of Brunei Darussalam and Malaysia*. 2(July), 73–108.
- Ascarya, A., & Masrifah, A. R. (2023). Strategies Implementing Cash Waqf System for Baitul Maal Wat Tamwil to Improve Its Commercial and Social Activities. *International Journal of Islamic and Middle Eastern Finance and Management*, 16(1), 130–153. <https://doi.org/10.1108/imefm-10-2020-0504>
- Badan Wakaf Indonesia. (2021). *Cash Waqf Linked Sukuk*. <https://www.bwi.go.id/wp-content/uploads/2021/01/CWLS-Final-New-Jan-2021.pdf>
- Badan Wakaf Indonesia. (2023). *Indeks Wakaf Nasional 2022*. <https://www.bwi.go.id/8706/2023/04/16/indeks-wakaf-nasional-2022/>
- Bappenas. (2016). *Masterplan Arsitektur Keuangan Syariah Indonesia* (2nd ed.). https://perpustakaan.bappenas.go.id/e-library/file_upload/koleksi/migrasi-data-publikasi/file/Policy_Paper/Masterplan_Arsitektur_Keuangan_Syariah_Indonesia.pdf
- Benazir, & Ibrahim, A. (2017). *Analisis Faktor-Faktor yang Mempengaruhi Kemiskinan di Kabupaten Pidie Jaya*. Paper presented at the Seminar Nasional Pascasarjana (SNP) Unsyiah 2017, Banda Aceh.
- Bose, P., Ningsih, S., Prasetyo, A., Mawardi, I., Herianingrum, S., Robani, A., Mustofa, M. U. Al, & Hady, A. F. (2022). Developing an Integrated Model of Islamic Social Finance: Toward an Effective Governance Framework. *Heliyon*. <https://doi.org/10.1016/j.heliyon.2022.e10383>
- Chouabbia, K., Slimani, R., Saighi, O., & Boudemagh, P. S. S. (2023). Exploring Relationship Between Urban Renewal and Stakeholder Engagement: Bibliometric Analysis. *International Journal of Innovative Studies in Sociology and Humanities*. <https://doi.org/10.20431/2456-4931.080140>



- Duasa, J., & Thaker, M. A. M. T. (2016). A Cash Waqf Investment Model: An Alternative Model for Financing Micro-Enterprises in Malaysia. *Journal of Islamic Monetary Economics and Finance*. <https://doi.org/10.21098/jimf.v1i2.533>
- Edwards-jones, A., & Edwards-jones, A. (2017). *Qualitative data analysis with NVIVO Qualitative data analysis with NVIVO*. July. <https://doi.org/10.1080/02607476.2013.866724>
- Fauzi, A., & Tanjung, H. (2021). Risk Management in Cash Waqf Linked Sukuk Based on the Waqf Core Principle: A Preliminary Study. *JES (Jurnal Ekonomi Syariah)*, 2(1), 1–29.
- Haneef, M., Pramanik, A., Mohammed, M. O., Bin Amin, M. ., & Muhammad, A. . (2015). Integration of waqf-Islamic microfinance model for poverty reduction: The case of Bangladesh. *International Journal of Islamic and Middle Eastern Finance and Management*, 8(2), 246–270. <https://doi.org/https://doi.org/10.1108/IMEFM-03-2014-0029>
- Hasan, R., & Hassan, M. K. (2019). *Mediating Role of Trust in Cash Waqf Donations: Vol. II*. Springer International Publishing. <https://doi.org/10.1007/978-3-030-18449-0>
- Hayati, I., Sihotang, M. K., & Hamdani, L. (2022). Management Model of Cash Waqf for University. *Indonesian Interdisciplinary Journal of Sharia Economics (Iijse)*. <https://doi.org/10.31538/ijse.v5i2.2356>
- Ismal, N. D. R. R. (2022). Identifying the Optimal Cash Waqf Linked Sukuk: Indonesian Experience. *Hamdard Islamicus*, 45(3), 9–27. <https://doi.org/10.57144/hi.v45i3.500>
- Kachkar, O. A. (2017). Towards the establishment of cash waqf microfinance fund for refugees. *ISRA International Journal of Islamic Finance*, 9(1), 81–86. <https://doi.org/10.1108/IJIF-07-2017-007>
- Kasri, R. A., & Chaerunnisa, S. R. (2021). The Role of Knowledge, Trust, and Religiosity in Explaining the Online Cash Waqf Amongst Muslim Millennials. *Journal of Islamic Marketing*. <https://doi.org/10.1108/jima-04-2020-0101>
- Kisihandi, F. (2023, May). Prestasi CWLS Mendunia. *Republika*. <https://news.republika.co.id/berita/rv77c2472/prestasi-cwls-mendunia>
- Kresnowati, A. M., & Berakon, I. (2017). Forecasting the Potential Role of Cash Waqf as A Islamic Social Fund in Eradicating Poverty and



- Improving Social Welfare: The Use of Weighted Moving Average Method Study at Special Region of Yogyakarta (DIY). *Global Review of Islamic Economics and Business*. <https://doi.org/10.14421/grieb.2017.051-04>
- Mamun, A., Uddin, M. R., & Islam, M. T. (2017). An Integrated Approach to Islamic Microfinance for Poverty Alleviation in Bangladesh. *Üniversitepark Bülten*. <https://doi.org/10.22521/unibulletin.2017.61.3>
- Mohd Thas Thaker, M. A. Bin, Mohammed, M. O., Duasa, J., & Abdullah, M. A. (2016). The behavioral intention of micro enterprises to use the integrated cash Waqf micro enterprise investment (ICWME-I) model as a source of financing. *Gadjah Mada International Journal of Business*, 18(2), 111–130. <https://search.informit.org/doi/10.3316/informit.363285484846722>
- Nadia, S., Ibrahim, A., & Jalilah, J. (2019). Analisis Hambatan Pertumbuhan Perbankan Syariah Di Indonesia (Kajian Terhadap Perbankan Syariah Di Aceh). *JIHBIZ: Global Journal of Islamic Banking and Finance.*, 1(2), 153-176.
- Otoritas Jasa Keuangan. (2022). *Snapshot Perbankan Syariah Maret 2022*. <https://www.ojk.go.id/id/kanal/syariah/berita-dan-kegiatan/publikasi/Pages/Snapshot-Perbankan-Syariah-Maret-2021.aspx>
- Otoritas Jasa Keuangan (OJK). (2022). *Statistik Perbankan Syariah*. [https://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/statistik-perbankan-syariah/Documents/Pages/Statistik-Perbankan-Syariah---Februari-2023/STATISTIK PERBANKAN SYARIAH - FEBRUARI 2023.pdf](https://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/statistik-perbankan-syariah/Documents/Pages/Statistik-Perbankan-Syariah---Februari-2023/STATISTIK%20PERBANKAN%20SYARIAH%20-%20FEBRUARI%202023.pdf)
- Priyatni, E. T., Suryani, A. W., Fachurnnisa, R., Supriyanto, A., & Zakariya, I. (2020). *Pemanfaatan Nvivo dalam Penelitian Kualitatif (Nvivo untuk Kajian Pustaka, Analisis Data, dan Triangulasi)*. Lembaga Penelitian Dan Pengabdian Kepada Masyarakat (LP2M) Universitas Negeri Malang (UM). [https://fip.um.ac.id/wp-content/uploads/2021/10/b5-Pemanfaatan-an-NVIVO-dalam-Penelitian-Kualitatif.pdf](https://fip.um.ac.id/wp-content/uploads/2021/10/b5-Pemanfaatan-NVIVO-dalam-Penelitian-Kualitatif.pdf)
- Rahayu, R. D., & Agustianto, M. A. (2020). Analisis Implementasi Cash Waqf Linked Sukuk (CWLS) Perspektif Prinsip Ekonomi Syariah. *Management of Zakat and Waqf Journal (MAZAWA)*, 1(2), 145–161. <https://doi.org/10.15642/mzw.2020.1.2.145-161>
- Rahman, M., & Sohel, M. N. . (2019). Cash Waqf Deposit Product: An Innovative Instrument of Islamic Banks for Socio-Economic



- Development in Bangladesh. *Springer International Publishing*.
<https://doi.org/https://doi.org/10.1007/978-3-030-18445-2>
- Rohman, P. S., Fianto, B. A., Kayani, U. N., Kayani, U. N., Supriani, I., & Supriani, I. (2021). A Review on Literature of Islamic Microfinance From 2010-2020: Lesson for Practitioners and Future Directions. *Heliyon*. <https://doi.org/10.1016/j.heliyon.2021.e08549>
- Sa'idaturrohmah, N. (2022). Cash Waqf Linked Sukuk (CWLS) untuk Ketahanan Ekonomi di Masa Pandemi Covid-19. *ADILLA : Jurnal Ilmiah Ekonomi Syari'ah*, 5(1), 39–50. <https://doi.org/https://doi.org/10.52166/adilla.v5i1.2890>
- Saldaña, J. (2013). *The Coding Manual for Qualitative Researchers* (J. Seaman (ed.); 2nd ed.). SAGE Publications Asia-Pacific Pte Ltd. <http://emotrab.ufba.br/wp-content/uploads/2020/09/Saldana-2013-TheCodingManualforQualitativeResearchers.pdf>
- Siswanto. (2022). *Can the integration between Islamic social finance and Islamic commercial finance tackle poverty in Indonesia ?* 8(2), 236–249.
- Tanjung, H., & Windiarso, A. (2021). Role of Cash Waqf Linked Sukuk In Economic Development and International Trade. *Signifikan: Jurnal Ilmu Ekonomi*, 10(2), 275–290. <https://doi.org/10.15408/sjie.v10i2.20493>
- Terwase, J. M., Terwase, I. T., Puldu, G. S., & Abdul-Talib, A. (2018). Unemployment, Psychological Trauma, Militancy and Boko Haram Conflict in Nigeria. *Ira International Journal of Education and Multidisciplinary Studies*. <https://doi.org/10.21013/jems.v13.n3.p1>
- Thaker, M. A. M. T. (2018). A Qualitative Inquiry Into Cash<i>waqf</i>model as a Source of Financing for Micro Enterprises. *Isra International Journal of Islamic Finance*. <https://doi.org/10.1108/ijif-07-2017-0013>
- Thaker, M. A. M. T., Amin, F., Thaker, H. M. T., Khaliq, A., & Pitchay, A. A. (2020). Cash Waqf Model for Micro Enterprises' Human Capital Development. *Isra International Journal of Islamic Finance*. <https://doi.org/10.1108/ijif-08-2018-0091>
- Thaker, M. A. M. T., Mohammed, M. O., Duasa, J., & Abdullah, A. (2016). The Behavioral Intention of Micro Enterprises to Use the Integrated Cash Waqf Micro Enterprise Investment (ICWME-I) Model as a Source of Financing. *Gadjah Mada International Journal of Business*. <https://doi.org/10.22146/gamaijb.12565>



Vaterlaus, J. M., & Assistant, G. E. (2011). Qualitative Program Evaluation Methods. *The Forum for Family and Consumer Issues*, October.

Wulandari, N. S., Rachman, Y. T., & Kurniaputri, M. R. (2022). Public Intention in Buying Cash Waqf Linked Sukuk: Modification of Theory of Reasoned Action (Tra). *Jurnal Ekonomi Dan Bisnis Islam (Journal of Islamic Economics and Business)*. <https://doi.org/10.20473/jebis.v8i2.37794>

Yasin, R. M. (2021). Cash Waqf Linked Sukuk: Issues, Challenges and Future Direction in Indonesia. *Jurnal Ekonomi Dan Bisnis Islam (Journal of Islamic Economics and Business)*. <https://doi.org/10.20473/jebis.v7i1.24818>

