

INTEGRATED CASH WAQF HOUSE FINANCING IN  
JAKARTA PROVINCE: PROPOSED MODEL AND  
THEORY OF PLANNED BEHAVIOUR APPLICATION

BY

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## ABSTRACT

This study investigates the potential of waqf to address the escalating housing demand in Indonesia, with a focus on Jakarta, where homeownership rates fall below 50%. It introduces the Integrated Cash Waqf House Financing (ICWHF) Model as a conceptual framework to provide housing financial services in Jakarta. This model involves a Cash Waqf Institution (CWI) that raises funds through both direct cash contributions and Waqf Certificates. These funds are either invested to generate profit or directly allocated for housing development. Employing a mixed-method approach, including interviews and surveys, the research assesses the suitability, applicability, and future prospects of the ICWHF Model. Expert interviews revealed a favorable reception of the model, indicating its potential benefits for Jakarta's residents. Survey data, analyzed through multiple regression and based on the Theory of Planned Behaviour (TPB), demonstrate that Jakarta residents' willingness to support the ICWHF Model is positively influenced by their attitudes, subjective norms, perceived behavioral control, knowledge, and trustworthiness. The most significant predictors, in order of influence, are perceived behavioral control, subjective norms, trustworthiness, knowledge, and attitude. The study highlights the feasibility and acceptance of the ICWHF Model as a viable solution for Jakarta's housing finance issues, offering an alternative to conventional interest-based loans by adhering to Islamic financial principles. It addresses key challenges such as high interest rates and stringent requirements, thereby enhancing accessibility to home financing. For policymakers, the model provides a framework to improve corporate social responsibility, reduce housing development costs, and support broader homeownership goals. Future research should refine the model, address identified challenges, and improve public awareness to ensure its effective implementation and sustainability.

## ملخص البحث

تبحث هذه الدراسة في إمكانية الوقف لمعالجة الطلب المتزايد على السكن في إندونيسيا، ولا سيما في جاكرتا حيث يقل معدل ملكية المنازل عن 50 بالمائة. وتقدم نموذج تمويل المنازل المدمج بالوقف النقدي (ICWHF) كإطار مفاهيمي لتوفير خدمات التمويل العقاري في جاكرتا. يشمل هذا النموذج مؤسسة الوقف النقدي (CWI) التي تجمع الأموال من خلال المساهمات النقدية المباشرة وشهادات الوقف. يتم إما استثمار هذه الأموال لتحقيق الربح أو تخصيصها مباشرة لتطوير مشاريع الإسكان. باستخدام منهجية البحث المختلطة، التي تشمل المقابلات والاستبيانات، تقوم الدراسة بتقييم مدى ملاءمة وتطبيق وآفاق مستقبل نموذج تمويل المنازل المدمج بالوقف النقدي (ICWHF). كشفت المقابلات مع الخبراء عن استقبال إيجابي للنموذج، مما يشير إلى فوائده المحتملة لسكان جاكرتا. أظهرت بيانات الاستبيان، التي تم تحليلها باستخدام الانحدار المتعدد واعتمادًا على نظرية السلوك المخطط (TPB)، أن رغبة سكان جاكرتا في دعم نموذج تمويل المنازل المدمج بالوقف النقدي (ICWHF) تتأثر بشكل إيجابي بمواقفهم، والمعايير الذاتية، والتحكم السلوكي المدرك، والمعرفة، والمصدقية. أهم العوامل المؤثرة، حسب ترتيب التأثير، هي التحكم السلوكي المدرك، والمعايير الذاتية، والمصدقية، والمعرفة، والموقف. تسلط الدراسة الضوء على جدوى وقبول نموذج تمويل المنازل المدمج بالوقف النقدي (ICWHF) كحل ممكن لمشكلات تمويل الإسكان في جاكرتا، حيث يقدم بديلاً للقروض التقليدية القائمة على الفائدة من خلال الالتزام بمبادئ المالية الإسلامية. يحل هذا النموذج التحديات الرئيسية مثل ارتفاع أسعار الفائدة والمتطلبات الصارمة، مما يعزز الوصول إلى تمويل الإسكان. بالنسبة لصانعي السياسات، يوفر النموذج إطاراً لتحسين المسؤولية الاجتماعية للشركات، وتقليل تكاليف تطوير الإسكان، ودعم أهداف زيادة تملك المنازل. يجب أن تركز الأبحاث المستقبلية على تحسين النموذج، ومعالجة التحديات المحددة، وزيادة الوعي العام لضمان تنفيذه بشكل فعال واستدامته.

## APPROVAL PAGE

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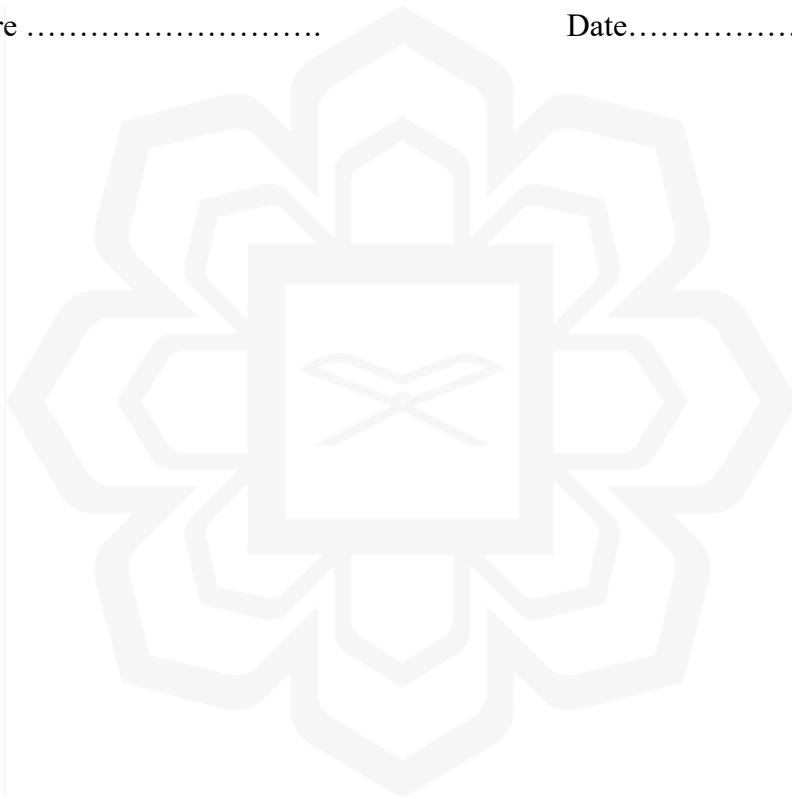
## DECLARATION

I hereby declare that this thesis is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

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*To my beloved parents Misno and Umayatul Fasihah, my loving wife Mega Tria Rizki  
Luik, my adorable daughter Valiqa, my dashing son Ibrahima and Nuha.  
Jazakumullah khairan for the sincere prayers, endless love, support and  
encouragement throughout my life. May Allah ta'ala bless all of us.*

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## LIST OF ABBREVIATIONS

AHP	Analytical Hierarchy Process
ANP	Analytical Network Process
BBA	<i>al-Bay' Bithaman Ajil</i>
BPS	Badan Pusat Statistik
BSI	Bank Syariah Indonesia
BTN	Bank Tabungan Negara
BWI	Badan Wakaf Indonesia
CWI	Cash Waqf Institutions
CWM	Cash Waqf Manager
CWRMF	Cash Waqf Model for Microfinancing for Refugees
DPRKP	Dinas Perumahan Rakyat dan Kawasan Permukiman
FLPP	Fasilitas Likuiditas Pembiayaan Perumahan
GRDP	Gross Regional Domestic Product
HPI	House Price Index
ICWHF	Integrated Cash Waqf Home Financing
ICWME-I	Integrated Cash Waqf Micro Enterprise Investment
IFI	Islamic Financial Institution
IMBT	<i>Ijarah Muntahiya Bitamlik</i>
ISEFID	Islamic Economic Forum for Indonesia Development
IWIMM	Integrated Waqf-based Islamic Microfinance Model
MMP	<i>Musharakah Mutanaqisah Partnership</i>
MUI	Majelis Ulama Indonesia
PBC	Perceived Behavioural Control
REI	Real Estate Indonesia
SMEs	Small to Medium-Sized Enterprises
TPB	Theory of Planned Behaviour
WIMM	Waqf-based Islamic Microfinance Model

# CHAPTER ONE

## INTRODUCTION

### 1.1 INTRODUCTION

This chapter presents the background of the study. It is divided into eight parts. The study's background is presented in the first section, followed by the problem statements in the second section. The research questions are discussed in the third section. The study's objectives are presented in the fourth section. The scope of the study is discussed in the fifth section, while the significance of the study is discussed in the sixth section. The final section of this chapter gives an overview of the study's structure.

### 1.2 BACKGROUND

Human life necessitates the existence of a place to call home. Humans require shelter for rest, sleep, comfort, and protection from the elements such as the sun and rain. Home is a relaxing place to spend time with family. According to Islam, housing is one of the elements of needs, or human Daruriyyat (necessities). Daruriyyat must be defined in Islam in order to protect Muslims' religion (al-Deen), life (al-Nafs), property (al-Mal), and intellect (al-Aql). Housing is essential to human life and society. Housing significantly impacts people's lives and lifestyles, both socially and economically. It immediately and directly impacts a society's health, education, economy, environment, politics, and social life (Sinha, 1978). It is mentioned in the hadith narrated by Uthman bin Affan *rhadhiyallahu 'anhu* that Prophet *sallallaahu 'alaihi wa sallam* said:

*“The son of Adam (A.S.) has no rights except for four things, i.e., a house in which to live; clothes by which to cover his ‘satar’ (private parts); a piece of bread and water.”* Sunan al-Tirmidhi, Hadith No.2341

House is a vital need besides the food and cloth, which has a structural function as a part of quality life and human's welfare. For many people, owning a house is a primary goal, and they are willing to go into debt to achieve it (Ismail et al., 2011). In

the Qur'an, the concept of a house is encapsulated by the term *al-Maskan* (المسكن), which signifies a place of tranquility and comfort. This term highlights that a house should provide both psychological and physical comfort to its occupants. Psychological comfort relates to aspects such as trust, religion, and cultural practices, offering emotional and spiritual satisfaction. This dimension emphasizes the qualitative, inner peace that a dwelling can provide. On the other hand, physical comfort is categorized into four key types: spatial comfort, which addresses the adequacy of space and functionality; visual comfort, which involves the aesthetics, lighting, and color schemes; audial comfort, which pertains to sound insulation and noise control; and thermal comfort, which involves temperature regulation and humidity control. Each of these physical dimensions contributes to creating a living environment that enhances the well-being of its occupants, ensuring that a house is not only a refuge but a space that supports both mental and physical health (Simbolon & Nasution, 2017).

People build their own houses, buy them, or rent them from others to achieve those goals. However, buying a house in cash is difficult, especially when the price of the house is on the rise. When purchasing a home, financial constraints such as income unaffordability are significant challenges closely related to financial factors, notably the availability of mortgage loans. Income plays a crucial role for the homeownership (Abidoeye et al., 2020). According to Kurniawan, Dewi, Maulatsih, and Gunadi (2020), other financial challenges include income unaffordability, which is commonly experienced, alongside issues such as the duration of installment payments, interest burdens, and additional constraints.

As one of the solution, a buyer can obtain financing from a financial institution, either for the purchase or secured against the property. The Islamic concept of financing differs from conventional financing; Islamic house financing, also known as Islamic mortgage financing is a Shariah-compliant house financing. Interest charging is not permitted (Khir et al., 2007). Unlike traditional mortgage loans, Islamic mortgage is based on a profit rate (Rosly, 1999).

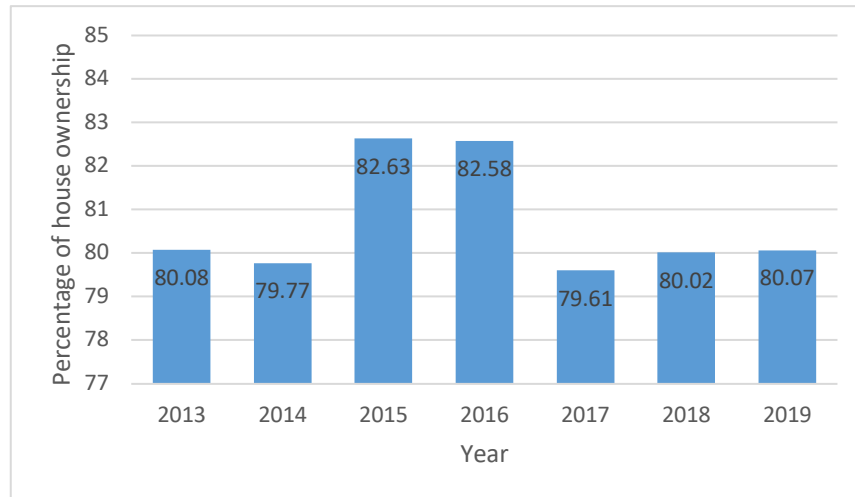


Figure 1.1 Percentage of House Ownership in Indonesia  
Source: BPS (2020)

Indonesian Central Bureau of Statistics (BPS) stated that only 80.08% of Indonesian people had houses in 2013, then decreased slightly to 79.77% in 2014. In 2015, the percentage of house ownership increased to 82.63% and was still almost the same in 2016. In 2017, house ownership was decreased by 2.97% to 79.61%. However, in 2018 and 2019, it slightly increased to 80.02% and 80.07%. In brief, until the end of 2019, 19.93% of Indonesians still do not have a house. Specifically, in Jakarta, 47.85% of its population had houses in 2018, and it was decreased to 45.04% in 2020. Meanwhile, the number of citizens renting houses increased from 35.63% in 2018 to 37.71 in 2020. Compared to other ASEAN countries, Indonesia ranks fifth in terms of home ownership. The highest rates are seen in Laos at 95.9%, followed by Vietnam at 88.1%, Singapore at 87.1%, and Myanmar at 85.5%. Malaysia stands at 76.9%, Thailand at 74.1%, Cambodia at 68.45%, Brunei Darussalam at 65%, and the Philippines at 62%.

In 2012, Real Estate Indonesia (REI) released the calculation of houses needed with a national backlog of 8 million units. Assuming that numbers can be fulfilled in 20 years, the number of backlogs is still 400 thousand in a year. In addition, a quarter of population growth also needs 729,000 units to be fulfilled, and 1,479,000 units need to be repaired. Therefore, Indonesia still needs 2,608,000 units of the house in a year.

Although the need for a house in Indonesia is high, the price of the house has also become more expensive; it can be seen from the chart House Price Index (HPI) below. From 2014 to 2020 quarterly, the chart showed a positive trend. HPI increased gradually throughout the year, with the lowest change being 0.3%, and the biggest change was 1.42%.

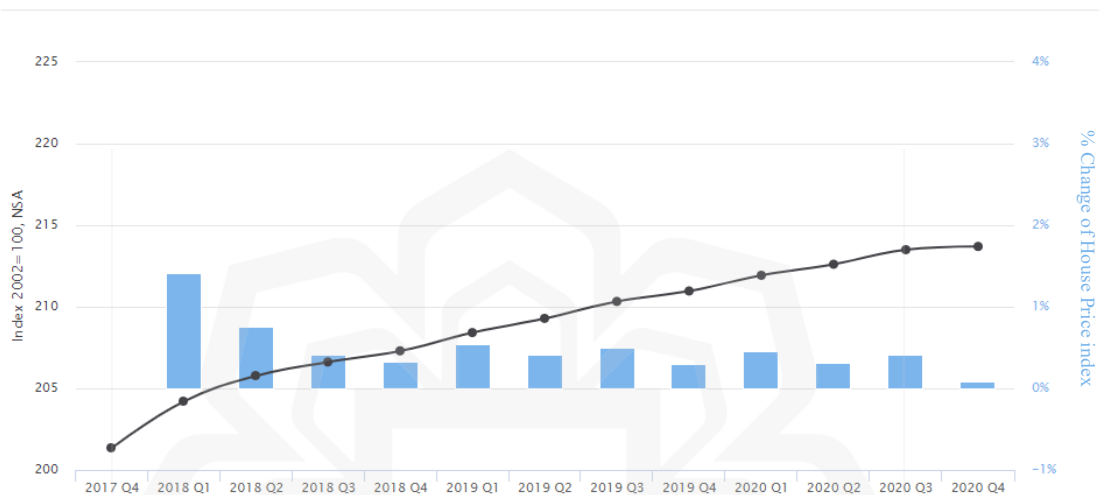


Figure 1.2 House Price Index in Indonesia  
Source: Moody's Analytics (2021)

The fulfilment of house needs also becomes more difficult because Indonesia has a population of 237 million people (BPS, 2012) with 207 million Muslims. According to data from BPS in March 2020, the number of people living in poverty in Indonesia was 26.42 million, or 9.78% of the population, an increase from 24.78 million (9.41%) in September 2019. This calculation is based on an average monthly per capita expenditure of approximately 343,646 rupiah (USD 24.6), as published by the World Bank (2017). Additionally, the Gini coefficient for Indonesia in March 2020 was reported at 0.381, indicating a relatively low level of income inequality.

After Indonesia's independence, various big cities in Indonesia experienced rapid development. The increase in population growth indicates this—one of the big cities in Indonesia is experiencing rapid growth with high population growth in Jakarta. In 1971 the population of Jakarta increased by around 135.9% of the population of

Botabek (Irsyam, 2017). At least three factors support the movement of people to Jakarta, namely economic, political, and socio-cultural factors (Balckburn, 2011). As a result of the continuous flow of urbanization in Jakarta, various social problems have arisen. One of the social problems arising from the increasing population of Jakarta is the housing problem.

To address the issue of housing scarcity, the government put forward the idea of building a new city (Irsyam, 2017). The new town is Kebayoran Baru which is intended as a residence for civil servants. However, the development of the Kebayoran Baru area cannot solve this housing problem. The government then cooperated with areas around Jakarta. Jakarta is surrounded by three cities: Bekasi, Tangerang, and Bogor. In 1965 the government approved the master plan for the development of DKI Jakarta (1965-1985). In this plan, Jakarta is developed in a balanced way in all directions, with the National Monument at Merdeka Square as the focal point. Its beam radius, initially 15km, was later expanded to 50km so that it includes Bogor (Depok), Tangerang, and Bekasi (Irsyam, 2017).

House prices have swung sharply in metropolitan areas (Abraham & Hendershott, 1994). Rahadi et al. (2016) stated that Jakarta, as one of the metropolitans in Indonesia, has an overpriced housing market, resulting in the consumers being unable to afford the housing product. The graph below shows that the HPI in Jakarta has increased throughout the years. It increased by 10.4 from the first quarter of 2017 (103.1) to the fourth quarter of 2021 (113.5). There are three other provinces with a HPI above the national average. Besides Jakarta, these include Riau Kepri with an index of 155.4, East Java with an index of 173.3, and Banten with an index of 156.8 (OECD, 2022).

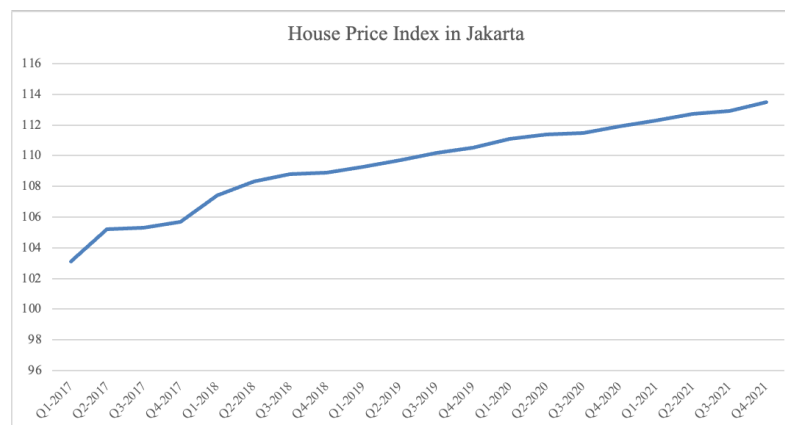


Figure 1.3 House Price Index in Jakarta  
Source: OECD's Statistics (2022)

Based on table 1.1 below, the Jakarta Central Bureau of Statistics (BPS) stated that only 46.18% of Jakarta's residents had houses in 2013, then increased slightly to 47.76% in 2014. Although there is a change in the ownership of houses or residential, it remains only 48.48% of Jakarta residents own their house. As for the rental house, the change in the percentage is quite significant, where in 2013 there were 36.70% become 50.34% in 2021.

Table 1.1 Percentage of Ownership of Residential Buildings Occupied in DKI Jakarta Province (Percent)

Ownership Status	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ownership	46.18	47.76	51.09	50.16	48.34	47.85	47.12	45.04	48.48
Rental	36.70	50.42	47.36	48.21	49.52	50.71	51.74	53.79	50.34
Government	14.65	1.42	1.29	1.43	1.78	1.36	0.91	1.17	1.18
Others	2.47	0.40	0.26	0.20	0.36	0.09	0.23	0.00	0.00
Total	100	100	100	100	100	100	100	100	100

Source: National Social Economy Survey (2021)

Given Jakarta's significant shortfall in homeownership compared to the national average of 80%, there is a pressing need for innovative solutions to address the city's

housing crisis (BPS, 2021). Despite the Indonesian government's efforts since 1974 through the establishment of Perumnas to provide low-cost housing, these initiatives have been hampered by insufficient funding, preventing them from meeting the growing demand for affordable homes.

To address the critical gap in housing finance, it is essential to explore alternative funding mechanisms that can effectively support housing development. One such promising mechanism is the utilization of waqf assets, which have traditionally been dedicated to religious and social purposes (Qardhawi, 2000). However, the Waqf Act No. 41 of 2004 significantly broadens the scope of waqf utilization, permitting the allocation of waqf assets to various economic activities, provided they are in accordance with Shari'ah principles.

The concept of cash waqf, in particular, offers a novel approach to house financing (Siswahyudianto, 2016). Unlike traditional waqf, which typically involves tangible assets such as land or buildings (Kahf, 2000), cash waqf consists of monetary contributions that can be invested or utilized directly (Cizakca, 1998). This flexibility allows for the deployment of cash waqf in funding housing projects, addressing the growing need for affordable and Shari'ah-compliant housing solutions.

By channeling cash waqf into housing finance, it is possible to leverage community resources to support housing development initiatives, including the construction of affordable housing units and the provision of financial assistance to low-income families in Jakarta. This approach not only aligns with the principles of social justice and equitable distribution inherent in Islamic finance but also enhances the capacity of waqf assets to contribute to pressing social issues, particularly to meet the Jakarta citizen's housing needs.

Waqf is an instrument to develop Muslim characters that release their wealth for the interests of others over the extended period and without gaining reciprocal except Allah ta'ala reply. Waqf not only has an *'ubudiyah* function to Allah *ta'ala* but also has a social function. In a social position, waqf is a worthy asset for development. Its role

as equality among the ummah and countermeasures of poverty is one of the objectives of waqf in Islam (Qardhawi, 2000).

The paradigm of waqf can be done only by immovable assets, now changed to moveable assets such as cash (money). Cash waqf is a particular type of waqf that different from immovable assets; in cash waqf, the amount of money should be steady (Cizakca, 1998).

Cash Waqf is a philanthropic fund that can be an alternative instrument for poverty alleviation worldwide, especially in Islamic countries. In cash waqf, *nazir* collects funds from *waqif* and invests these funds into the real sector and various shari'ah-based investment opportunities (Khademolhoseini, 2012).

In the case of Indonesia, the Indonesian Council of Ulama (Majelis Ulama Indonesia/MUI) issued a fatwa in 2002 that permitted cash waqf. Furthermore, Act No. 41 of 2004 concerning waqf is a historical sign of waqf in Indonesia that specific regulation to regulate waqf in Indonesia. The law about cash waqf is specifically mentioned in section 10 article No. 28 - 31, and further provisions about cash waqf are arranged by government regulation in Minister of Religious Affairs Regulation No. 4 the Year 2009, and based on this regulation, the director of Muslims guidance unit issued a letter decision with number DJ.II/420 the Year 2009 about the model, form, and specification of cash waqf form.

The Indonesian Waqf Board (Badan Wakaf Indonesia/BWI) was established in 2004 by Act No. 41. this board aims to develop and promote waqf in Indonesia. BWI also works to increase the capacity of nazir (waqf managers) to better manage waqf assets and provide more significant benefits to the community, such as social services, economic empowerment, and public infrastructure development. 187 nazir for cash waqf were registered in BWI until December 2017, and the potential of cash waqf in Indonesia is 60 trillion rupiahs (USD 4,3 billion) per year (Global Wakaf, 2018).

The vast potential of cash waqf will meet the need for a house in Jakarta. Therefore, *nazir* could collect the cash waqf, which intends to build a low-price house regarding the social function of cash waqf.

### 1.3 PROBLEM STATEMENT

The current state of homeownership in Indonesia reveals a significant concern, with nearly 20% of the population lacking access to adequate housing. Moreover, the complexity of securing housing finance exacerbates the issue, as the rising cost of homes continues to escalate annually. This trend suggests that housing affordability will likely become an increasingly critical issue in the future, further impeding the ability of many individuals to attain homeownership. Although the Indonesian government implemented a low-cost housing scheme in 2015, it has not adequately addressed the housing demand (Perumnas, 2016). This scheme relies on interest-based financing, which conflicts with Islamic principles prohibiting *riba*. Despite the presence of Islamic banking in Indonesia, it has not effectively resolved the issue of providing affordable housing. Consequently, integrating a cash waqf scheme into housing finance presents a promising alternative. By utilizing cash waqf as a capital source, it is possible to develop housing solutions that align with Islamic financial principles and better meet the housing needs of the population.

Statistical data indicates that Indonesia faces a substantial challenge with high poverty rates, which severely limits the ability of many individuals to purchase new homes, particularly in Jakarta, where homeownership is below 50% (BPS, 2021). The continuous increase in housing prices exacerbates this issue, making homeownership increasingly unaffordable for many residents. Although the Jakarta government has implemented various initiatives to address this problem—such as national housing schemes for government employees, zero down payment housing programs, and simplified housing options for the public (DPRKP, 2023)—the effectiveness of these measures has been limited. These programs have not significantly alleviated the housing crisis for Jakarta's residents, nor have they established sustainable, long-term solutions for housing finance.

According to Law No. 1 of 2011 on Housing and Settlements, the state is responsible for providing and facilitating housing assistance. In line with this, infrastructure development, including the provision of decent, safe, and affordable housing, has been identified as one of the five key directives in the President's Nawacita program and Indonesia's Vision 2045. The Indonesian government has launched several initiatives to enhance the availability of affordable housing, such as the 1 Million Houses Program, which ran from 2015 to 2022 with the goal of delivering one million housing units to low-income families. Additionally, housing subsidies and the Housing Finance Liquidity Facility (FLPP) have been introduced to assist low-income individuals in purchasing homes (Simbolon, 2024).

Several studies have investigated alternative models that incorporate various institutional frameworks, with particular attention given to both conventional and Islamic microfinance organizations. For instance, Ma and Taib (2023) proposed integrating Islamic cooperatives into housing finance schemes, while Virgiawan et al. (2024) introduced a model where developers offer housing directly to customers, bypassing traditional banking institutions. However, the alternative has not been applied yet; it is still just an idea. Currently, many house developers comply with Shariah principles either through direct transactions with customers or by engaging with Islamic banks.

In the realm of Islamic banking, Bank Tabungan Negara (BTN) Syariah has demonstrated a significant commitment to the housing sector, allocating more than 93% of its total financing portfolio to housing. This allocation amounts to approximately IDR 33 trillion, highlighting BTN Syariah's focus on supporting home ownership and development (BTNS, 2023). Similarly, Bank Syariah Indonesia (BSI) has also made substantial investments in housing, reporting a total of nearly IDR 50 trillion in housing financing. This considerable figure underscores BSI's dedication to facilitating access to Shariah-compliant housing solutions and contributing to the growth of the housing market within the framework of Islamic finance (BSI, 2023). Both institutions' significant investments in housing financing not only reflect their strategic priorities but also underscore the critical role of Islamic banks in supporting sustainable housing

development and enhancing home ownership opportunities in accordance with Shariah principles.

Still, the ideas have not completely overcome the challenges of housing financing in Jakarta. Jakarta has the lowest homeownership rate among provinces, with only 48.48% of residents owning their homes (BPS, 2021). In addition to the high rental costs, which account for 22.8% of total household expenditures, another significant factor contributing to the low homeownership rate in Jakarta is the prevalence of new families from low-income groups who opt to live with their parents or in inadequate housing conditions. According to BPS DKI Jakarta in 2022, of approximately 2.78 million households, 63% or about 1.77 million households do not have access to healthy and decent housing. This reality underscores a substantial challenge for the government in balancing supply and demand and ensuring that affordable, livable housing is accessible to all segments of the population. As a result, a viable model must be developed, and the extent to which such a model can address the problems of house financing in Jakarta must be investigated. Cash waqf is one method for increasing the productivity of waqf.

Therefore, there is a need to develop a viable model and to investigate the extent to which such a model can address the problems of house financing in Jakarta. Cash waqf is one solution to make waqf more productive. Cash waqf, which is managed and professionally empowered by an institution, will be able to provide welfare for the community (Medias, 2010). This is in line with the term "welfare" as contained in the act of Waqf, which is defined as the efforts of the parties, especially the waqf manager, to improve the quality of life of Muslims through the use of waqf objects Mubarak, 2008). Moreover, the vast amount of cash waqf potential with USD 4,3 billion per year is a solution for fulfilling the housing need (Nasution, 2011; Zabri et al., 2016; Hasanah, 2011). Cash waqf is also an alternative to riba-based financing, as Ahmad (2015) explains. Cash waqf can be helpful as social financing through different needs (Mohsin, 2013; Ibrahim et al., 2015), as well as for developing the ummah (Shaikh et al., 2017; Islam, 2015; Kachkar, 2017).

The identified research gap highlights the need for innovative solutions in housing finance, prompting this study to propose a model based on Cash Waqf. Given the precarious nature of current house financing options, this new approach is anticipated to offer long-term, cost-effective funding solutions. To explore the effectiveness of this approach, the study aims to conceptualize an Integrated Cash Waqf Home Financing (ICWHF) model and empirically evaluate its potential to enhance house financing development in Jakarta.

In addition, the Theory of Planned Behavior (TPB) will be employed to assess the behavioral intentions related to the adoption of the ICWHF model. TPB provides a framework for understanding how attitudes, subjective norms, and perceived behavioral control influence individuals' intentions and actions. By applying TPB, the study will investigate how these factors affect Jakarta residents' willingness to engage with and support the ICWHF model, thereby providing a comprehensive analysis of its feasibility and potential impact.

#### **1.4 RESEARCH QUESTIONS**

Many people in Jakarta face difficulties obtaining house financing, which prevents them from owning a house. Although literature reviews have identified these issues, they have paid less attention to how to develop a viable model to address them. In light of this research gap, the purpose of this study is to answer the following research questions:

1. What is the alternative model in effectively providing the house financing model with cash waqf fund?
2. What would be the perception of the relevant stakeholders about the suitability, applicability and prospects of the model developed in (1) above?
3. What is the relationship between the extended Theory of Planned Behaviour (TPB) component (attitude, perceived behaviour control, descriptive norm, knowledge, and trustworthiness) and intention to contribute to the model developed in (1) above?

4. Which is the most influential factor influencing intention to contribute to the model developed in (1) above?

## **1.5 RESEARCH OBJECTIVES**

The objectives of this study are:

1. To develop an alternative model for financing house construction/ownership using cash waqf fund.
2. To validate the proposed model with the relevant stakeholders about the suitability, applicability and prospects of the model developed in (1) above.
3. To investigate the relationship between the extended TPB components (attitude, perceived behaviour control, descriptive norm, knowledge, and trustworthiness) and the intention to contribute to the model developed in (1) above.
4. To determine the most influential factor that influences intention to contribute to the model developed in (1) above.

## **1.6 SCOPE OF THE STUDY**

This research focuses on Jakarta citizens, excluding the thousand islands administrative regency. This area was excluded due to its remote location and is hard to reach (BPS, 2020)

In addition, most Jakarta citizens live in 5 administrative cities, including North Jakarta, South Jakarta, East Jakarta, West Jakarta, and Central Jakarta (BPS, 2020). Furthermore, because these issues are more prevalent among them, this study focuses solely on the challenges of house financing.

## 1.7 SIGNIFICANCE OF THE STUDY

According to many works of literature in the field, many studies on the potential and suitability of Waqf for financing, particularly for fulfilling the needs of the beneficiaries. As a result, the current research aims to find a viable and long-term alternative for house financing in Jakarta. This research is also expected to offer several results. In addition, the findings of this research can benefit (i) knowledge, (ii) housing developers and institutional players, (iii) the economy, and (iv) policymakers.

The conceptualized model contributes to the existing Cash Waqf literature in terms of knowledge. The conceptualized model contributes to the existing Cash Waqf literature by expanding the understanding of its practical applications in housing finance. Specifically, it enhances knowledge on how Cash Waqf can be effectively utilized to address housing deficits by providing a structured approach for mobilizing and allocating resources. This contribution is achieved through detailed empirical evaluation and theoretical integration, offering insights into the model's feasibility, implementation challenges, and potential benefits for improving access to affordable housing. In the meantime, this research could aid housing developers and institutional players in identifying sustainable and cost-effective sources for overcoming business challenges. In addition, this study reveals a new avenue for the effective application of Waqf to socioeconomic development, particularly in Jakarta. Waqf has historically been vital to the socioeconomic development of Muslims. This model is anticipated to alter the perceptions of stakeholders regarding the dynamics and potential of the nonprofit sector.

This research has significant implications for economic development. As a mechanism within the Islamic economic framework, Waqf plays a crucial role in wealth redistribution, fostering growth in consumption and investment, which in turn stimulates economic activity. By proposing Cash Waqf as a primary funding source, this study aims to enhance resource allocation efficiency within the economy.

Finally, the findings of this study can provide valuable guidance for policymakers in formulating and implementing effective strategies that leverage Waqf's

potential in development planning. The insights offered can assist in refining policies and strategies related to housing development, ensuring that they align with economic and social objectives. Furthermore, the study serves as a resource for policymakers at various government levels, as well as for developers and Waqf institutions, offering evidence-based recommendations for optimizing the use of Waqf in addressing housing needs and broader economic goals.

## **1.8 ORGANIZATION OF THE STUDY**

This thesis contains eight chapters. The introduction constitutes the chapter 1. It includes background information, a problem statement, research questions, research objectives, and the study's scope, significance, and organization. The chapter 2 provides a literature review pertinent to the topic. Chapter 3 begins by discussing the Theory of Planned Behaviour (TPB) theoretical framework and the development of hypotheses. In Chapter 4, the methodology of the study is described, along with data sources and analysis techniques. The Integrated Cash Waqf House Financing (ICWHF) model is developed in Chapter 5. In Chapters 6 and 7, the results and analysis of the empirical findings are presented. Chapter 8 presents the conclusion, policy implications, study limitations, and future research directions.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

To begin, the chapter reviews the literature on the concept of waqf. The definition of waqf and its pillars and conditions are provided in this section. The following section examines the development of waqf in Indonesia. Following that, the historical and fiqh debate on cash waqf are highlighted. Following up on these points, this chapter examines previous research aimed at integrating Cash Waqf into businesses through the provision of financial and house development. The chapter concludes with a conclusion that emphasises the need for a new model.

#### 2.2 THE CONCEPT OF WAQF

In terms of syara', waqf is a form of giving that involves deferring the (original) election (*tahbisul ashli*) and then making the benefits applicable to all. The purpose of *tahbisul ashli* is to prevent the represented object from being inherited, sold, granted, mortgaged, rented, etc. While how it is utilized is at the discretion of the waqif without compensation (Ali, 1976).

In explaining the meaning of waqf, Monzer Kahf (2000) began by explaining the understanding of waqf from the perspective of etymology and terminology. Then, define the synonyms of waqf in English terms: foundation, trust, and endowment. According to him, fiqh experts use two words: *habas* and waqf. While waqf and *habas* are nouns and plural are *awqaf*, *ahbas* and *mahbus*. Fairuzabadi reinforces this in Al-Muhith's dictionary, which states that *al-habsu* means *al-man'u* (prevent or forbid) and *al-imsak* (hold) as in the sentence *habsu al-syai'* (hold something). *Waqfuhu la yuba'wa la yurats* (waqf is not sold and not inherited) (Fairuzabadi, 1933). In the waqf of the house it is stated: *Habasaha fi sabilillah* (waqf it in the way of Allah Subhanahu wa

Ta'ala). Meanwhile, according to Ibn Mandzur about the word *habas*: *al-habsu ma wuqifa*, *al-habsu* means to hold something that is represented (Ibn Mandzur, 1301H).

Waqf is one of the elements in Islamic economic, legal institutions that come from the volunteer sector or *tabarru*. From a financial standpoint, the characteristics of waqf activities are activities that drive investment activities and are not consumptive. According to Monzer Kahf (2000), waqf institutions can be categorized as part of *sadaqah*. This is because there are essential things that need to be underlined concerns the relationship between waqf and *sadaqah*:

1. *Nash*, which discusses *sadaqah* and an excellent reward for issuing *sadaqah*, is actually on *sadaqah* itself and endowments.
2. The general rules governing *sadaqah* also apply to waqf. Ability as a condition for people who give *sadaqah* is also a condition for giving a waqf. When making a waqf, the general principles of releasing property from someone's hands also apply when someone gives *sadaqah*. Likewise, the conditions under *waqif* or those who are in *sadaqah* are still under surveillance, an illness that can bring death, the debt burden that they bear, including acting outside their authority, and the conditions set on the assets so that their *sadaqah* is legally carried out become a condition in giving waqf of assets.
3. In practice, it is necessary to distinguish between waqf and *sadaqah* because if not, it will be impressive that waqf is precisely the same as *sadaqah*. Globally, *zakat* can also be said as *Sadaqah*. However, it needs to be distinguished from ordinary *sadaqah*, which is done in general; of course, it remains based on the restrictions and laws set by the shari'a. Therefore, it is necessary to distinguish between waqf and *sadaqah* in general.

The difference between waqf and *sadaqah* can be seen from the different gift-giving models. Hadiths about *sadaqah jariyah*, in this case, can be used as a reference for that difference. *Sadaqah* is given by a person just once, even though the assets shared

are fixed assets that produce other goods or benefits, but the gift is only once, and the process is finished there (Ali, 1998).

As for waqf, *sadaqah* is repeatedly happens. It is because the recipient of the waqf gets a repetitive gift of goods produced by waqf or benefits that come out of this waqf. So obviously, waqf means repeatedly taking goods produced by waqf or its benefits. Even though the waqf is issued by the waqif only once, as in *sadaqah*, this is called *sadaqah jariyah*.

Meanwhile, the difference between waqf and *hibah*, *hibah* is the Provision of property for free in a state of life and health (Abdurrahman As-Sa'diy, 2003). In *hibah*, the substance/assets can be transferred from one person to another without any conditions, while in the endowments, there are conditions of use that have been determined by *waqif*. Then the difference between waqf with *zakat* is that there is no set recipient group in the waqf. The recipient of the waqf is freed on the wish of the *waqif* as long as it does not conflict with the role of shari'ah. While on the recipient's zakat group has been determined by the Al-Qur'an surah at-Tawbah verse 60, namely groups: 1) *faqir*, 2) *Miskin*, 3) *'amin*, 5) *muallaf*, 6) *gharim*, 7) *sabilillah* 8) *ibnu sabil*.

The commandment of waqf is not explicitly mentioned in the Qur'an and the hadiths. Therefore, in extracting the law regarding waqf, the ulama elaborated on the implicit messages in the Qur'an and the hadiths of the Prophet (Iqbal Malik, 2018).

The legal basis of waqf in the Qur'an:

*Never will you attain the good [reward] until you spend [in the way of Allah] from that which you love. And whatever you spend - indeed, Allah knows of it. (Ali 'Imran: 92)*

The legal basis of waqf in the hadiths

*Umar bin Khattab got some land in Khaibar, and he went to the Prophet (ﷺ) to consult him about it saying, "O Allah's Messenger (ﷺ) I got some land in Khaibar better than which I have never had, what do you suggest*

*that I do with it?" The Prophet (ﷺ) said, "If you like you can give the land as endowment and give its fruits in charity." So `Umar gave it in charity as an endowment on the condition that would not be sold nor given to anybody as a present and not to be inherited, but its yield would be given in charity to the poor people, to the Kith and kin, for freeing slaves, for Allah's Cause, to the travellers and guests; and that there would be no harm if the guardian of the endowment ate from it according to his need with good intention, and fed others without storing it for the future." (Sahih al-Bukhari No 2737)*

From this history, Umar bin Khattab gave land products to the poor and relatives and freed slaves for Allah, the displaced and guests (Encyclopedia Islam, 1994). Here it is implicitly seen that Umar carried out these investment activities to the groups mentioned above.

Uthman bin Affan also did waqf when he welcomed the Prophet's call to buy the Raumah's well and became a caliph. As narrated by Tirmidhi and Nasa'i from Abu Salamah bin Abdurrahman and Ahnaf bin Qais (Kahf, 2000). Rasulullah said, *"Who will purchase this well of Rumah and place his bucket alongside the buckets of the Muslims, in exchange for better than that in Paradise?"*

From the various descriptions above, Monzer Kahf (2000) concluded that the assets of waqf must be (1) objects that are eternal in substance (durable in form), not perishable after being exploited, (2) free from the power of the *waqif*, (3) cannot be exiled to parties others, both by way of buying and selling, grants and by inheritance, (4) for good deeds by the teachings of Islam.

### **2.2.1 The Pillars and Conditions of Waqf**

The definition and rationale of waqf law described in the previous section suffice to explain waqf itself. As a religious provision, waqf has its own management procedures. In managing waqf, it is necessary to be aware of the pillars and conditions that must be satisfied. Fuqaha' (jurists) have formulated the pillars and conditions of waqf based on the general provisions of the Qur'an and Sunnah, as well as the results of *ijtihad*, in

response to the constantly changing demands of the situation and circumstances. In the books of classical and contemporary jurisprudence, there are chapters on waqf whose contents, among others, discuss the procedure of waqf, including the explanation of the pillars and conditions of waqf. Pillars are the main joint and the main element in forming a thing (Prihatini, 2005). The word pillar comes from the Arabic word "*rukun*", which means pillar, prop, or backing (Moeliono, 1989). While in terms, the pillar is something that must be fulfilled for the legitimacy of the act (Prihatini, 2005).

Thus, an act cannot be called the intended act without fulfilling the pillars. Waqf, as an Islamic institution, has several pillars. Without the fulfilment of these pillars, then action cannot be called waqf. According to Abdul Wahhab Khallaf (1951), there are four pillars of waqf, namely *waqif*, *mauquf bihi*, *ma' uquf 'alaih*, and *shighat*.

#### **2.2.1.1 Waqif (The Person Creating Waqf/Donor)**

The practice of waqf is *tabarru'* (giving up a property without reward). A person can be *tabarru'* when the person is independent, really the owner of the endowed property, sane, *baligh*, and *rasyid*. *Tabarru'*'s ability in performing this act is essential because waqf is the release of objects from their owners for the public interest. Therefore, the essential condition of a *waqif* is the ability to act, the capacity to weigh the merits and demerits of his actions, and property ownership. In Islam, there are two terms for acting skill: *baligh* and *rasyid*. *Baligh* or puberty is a skill point that is generally emphasized at the age of 15 years. In addition, *Rashid* is an intelligent or mature actor (Prihartini, 2005).

In the case of waqf property ownership, there are differences of opinion. The Hanafiyah school argues that waqf cannot be accepted from a person in debt or declared bankrupt except with the permission of the person giving the debt (az-Zuhaili, 1985). From this explanation, it can be concluded that the person who is declared bankrupt or in debt can make waqf of his property if permitted by the person giving debt.

### 2.2.1.2 *Mauquf bihi (Waqf Objects)*

According to Abdul Wahhab Khallaf (1951), the conditions of the endowed thing are as follows:

- a. The Thing that is endowed or waqf must be *mutaqawwim*. *Mutaqawwim* is that the object can be used according to the sharia for the long term in any situation and not used up. This is because the nature of waqf is more concerned with the benefits of the object (al-Kubaisy, 1997).
- b. The thing that is endowed must have an apparent existence and definite boundaries. This condition is intended to avoid disputes and problems that may occur later after the property is given. In other words, this requirement aims to ensure legal certainty and certainty of the right for *mustahiq* (the person who is entitled to receive it) to use the waqf object. The fuqaha have agreed upon this condition.
- c. The waqf object can be owned by a person or group, or legal entity;
- d. The waqf object can be held and transferred ownership;
- e. The waqf object can be removed if it is clear for the greater *mashlahat*;
- f. The waqf object must remain.

In general, scholars argue that the substance of the waqf object must remain. However, Imam Malik stated that the waqf could be limited in time (Zahrah, 1971). Generally, in the case of objects, a waqf object is an immovable asset, such as land, buildings, and the like, because they require the object's permanence. Therefore, scholars differ on the waqf of movable assets, especially money that is considered to run out.

Hanafiyah scholars require three things for a moveable asset. First, the asset is a follow-up to a fixed waqf asset such as production tools that follow the factory waqf.

Secondly, as in the narration, some provisions allow it, which explains that it can provide waqf in terms of weapons and vehicles for jihad, as Khalid Bin Walid did. Third, the occurrence of waqf habits on the object such as waqf books and the like (az-Zuhaili, 1985)

### **2.2.1.3 Mauquf 'alaih (Objective/Waqf Goals)**

*Mauquf 'alaih* is the purpose of legally waqf property. As for the waqf object, among others, it should not be contrary to the values of worship. This is by the nature of the practice of waqf as part of worship. *Mauquf Ilaih* should also be clear on the allocation. Monzer Kahf (2000) stated that there are three types in allocating the waqf:

- a. General waqf, namely waqf, which has a purpose, includes everything that is in the goal of waqf; either this coverage is for all humans, Muslims, or people in their area. Suppose the purpose of waqf is generally for the poor. In that case, it needs to be clarified that it includes poor people from among Muslims and non-Muslims or poor people from among Muslims only, or Christians only, or poor people from among Muslims within the specific area.
- b. Special waqf or family waqf, namely waqf whose benefits and results are only given to a person or group of people based on the relationship and linkage referred to by wakif. Such as waqf for neighbours with the number and name specified by the waqf, waqf for his wife and children and their descendants.
- c. Combined waqf, namely waqf, where some of the benefits and results are given specifically for children and offspring of *waqif* and the rest is provided for the public interest. In reality, this combined waqf is more than family waqf. Because usually, *waqif* combines the benefits of waqf for general and special purposes, such as half for families and their children and a half for the poor.

#### **2.2.1.4 Shighat (Pledge/Waqf Contract)**

*Shighat* or pledge is a statement of the will of the *waqif* to donate his property (az-Zhuaili, 1985). *Shighat* or a statement must be clearly stated either orally or in writing, using the words "I donate" or "I hold back" or other sentences with the same meaning. With this *waqif*'s statement, the ownership right of the *waqif* will be annulled. Furthermore, the object is absolutely the property of Allah, which is used for the public and specific interest, which is the purpose of waqf.

#### **2.2.2 Nazir (Manager or Waqf Asset Management)**

The name *Nazir* is derived from the Arabic phrase *nazhara-yanzhuru-nazhran*, which means guarding, maintaining, managing, and supervising (Adams, 2011). *nazir* refers to a person who has the authority to act on waqf property, whether to manage it, maintain it, or distribute the proceeds of waqf to those who are eligible to receive them. Or do anything that enables the waqf property to grow in a sustainable manner (as-San'any, nd). *Nazir* is often called *mutawalli*, an empowered and committed manager, executive, manager or director (Khalil, 2008).

*Nazir* Based on Article 9 of Act Number 41 the Year 2004, *nazir* includes individuals, organizations or legal entities. What is meant by individuals, organizations, legal entities is individual Indonesian citizens, Indonesian organizations or Indonesian legal entities.

As the entity responsible for maintaining and caring for waqf, *nazir* has a crucial role because the function depends on *nazir*. Given that one of the goals of waqf is to make it a productive source of funds, *nazir* must be capable of carrying out his duties professionally and accountable.

### **2.2.2.1 Indonesian Waqf Board/Badan Wakaf Indonesia (BWI)**

In accordance with Act No. 41 of 2004, the Indonesian Waqf Board/Badan Wakaf Indonesia (BWI) is an independent institution tasked with promoting and developing national waqf. BWI is headquartered in the capital of the Republic of Indonesia and is able to form representatives in provinces and districts/cities based on demand.

The duties of the Indonesian Waqf Board are:

- a. To provide guidance for *nazir* in managing and developing waqf assets.
- b. Manage and develop waqf assets on a national and international scale.
- c. Give approval and or permit for changes in the allocation and status of waqf assets.
- d. Stop and replace *nazir*.
- e. Give approval for the exchange of waqf assets.
- f. Provide advice and considerations to the government in formulating policies in the field of waqf.

BWI collaborates with central or regional government agencies, community organizations, experts, international agencies, and other necessary parties to carry out its responsibilities. BWI must also consider the suggestions and concerns of the Minister of Religion, the Religious Council, and the Indonesian Ulama Council in carrying out their duties.

Act No. 41 of 2004 also stipulates that BWI and the minister are responsible for directing and supervising the implementation of waqf in order to realize its objectives and functions. The Indonesian Ulema Council's suggestions and considerations are incorporated into this form of advice and supervision. As deemed necessary, the Minister and the Indonesian Waqf Board may collaborate with community

organizations, international agencies, and other parties within the framework of guidance.

## **2.3 THE DEVELOPMENT OF WAQF IN INDONESIA**

### **2.3.1 Waqf and Customary Institutions in Indonesia**

Before the Dutch colonial rule in Indonesia, the practice of waqf, particularly regarding land ownership, has been prevalent among Muslims. The research results conducted by Dr H. Rahmat Djatnika in East Java proves that the practice of waqf based on Islam has existed since the 15th century (Anshori, 2005).

Even before Islam arrived in Indonesia, a social institution existed that was nearly identical to waqf. For example, Pareman land in Lombok and Tanah Pusako in Minangkabau (Anshori, 2005). Pareman land is state land exempt from the land tax, which is handed over to villages, subak (a traditional organization for maintaining irrigation and farmland), and temples for common interests (Abdurrahman, 1979). Tanah Pusako is property bequeathed by his ancestors for the benefit of family members that cannot be traded or individually inherited (Djatnika, 1982).

Additionally, there is a "Perdikan" in East Java. Perdikan is a plot of land given by a king to a villager or group of villagers who have contributed to the king or the state. During the Hindu-Buddhist era, the term "Sima" was also used to refer to a portion of a forest that a king granted to a person or group of people in order to harvest its produce (Djatnika, 1982). According to Rahmat Djatnika (1982), Perdikan and Sima's land is almost like a waqf ahli in terms of utilizing the land used as an object.

The existence of several institutions that are nearly identical to pre-Islamic waqf gives Indonesian Muslims a unique understanding of waqf. In Indonesia, waqf is founded not only on the Al-Qur'an, books of hadith, and books of fiqh, particularly the fiqh of the Syafi'ie mazhab, but also on tradition. Many Indonesian Muslim customs, including the custom regarding waqf, derive from or are influenced by Islamic teachings (Ali, 1994). On the other hand, religious institutions derived from Islamic teachings

have also been influenced by Indonesian traditions, particularly by the established principles of harmony, propriety, and harmony in resolving disputes over waqf.

In addition, Indonesian legal experts have a unique perspective on waqf institutions. According to some Indonesian legal experts, Waqf is a problem in Indonesian customary law, despite the institution's origins in Islamic law. This is due to the acceptance of the waqf institution and its recognition as a legal institution that arose from customary law (Abdurrahman, 1979).

According to Ter Haar Bzn (1974), waqf is an Islamic legal institution that has been accepted in numerous regions of Nusantara. The Dutch legal community referred to waqf as "*Vrome Stichting*." He also stated that a waqf is a unique act due to its dual nature. It is a legal action pertaining to land or property, but it is also a legal entity that has the right to participate in legal life because of that legal action (Bzn, 1974).

### **2.3.2 Waqf in the Role of Acts in Indonesia**

In Indonesia, the presence of social institutions that are nearly identical to waqf causes the subsequent development of waqf institutions. Therefore, the Dutch colonial government began to regulate waqf at the turn of the 20th century and continues to do so today (Siregar, 2013). Following the development of waqf regulations in Indonesia will be exceptional. Along with the changes in the law, it will be possible to observe the evolution of fiqh in the world of waqf.

Before the seventies, Syafi'ie school of thought was used to understand the fiqh of waqf in Indonesia. Still, after the seventies, when many Islamic universities alumni had held the judges of the Religious Courts, there was a change in orientation, no longer limited to Islamic fiqh of the Shafi school. However, it has been widespread, has grown to include understandings from other Islamic schools of law (fiqh) (Ali, 1998).

The most significant development related to the permissibility of cash waqf is stated in Act no. 41 of 2004 about Waqf. The following section presents the

periodization and regulation of Indonesian waqf. Siregar (2013) stated that waqf regulation in Indonesia is divided into three critical stages, namely:

- a. Regulation for Waqf before the enactment of Government Regulation No. 28 the year 1977 on Waqf land.
- b. Regulation for Waqf after the enactment of Government Regulation No. 28 the year 1977 on Waqf land.
- c. Regulation for Waqf after enacting Act No. 41 the year 2004 on Waqf.

#### ***2.3.2.1 Development of Cash Waqf in Review of Act Number 41 the year 2004 about Waqf***

The Government ratified Act Number 41 for the year 2004 regarding waqf on October 27, 2004. This is the initial act to regulate waqf. The legal substance of waqf is contained in Act No. 41 of 2004, which consists of 11 chapters and 71 articles. The 2004 enactment of Act No. 41 was motivated by the belief that waqf management was not yet fully organized and efficient. In several instances, waqf assets were improperly maintained, abandoned, or transferred to third parties in violation of the law. The function of the state in regulating or promulgating waqf is not to intervene in waqf but instead to maintain order in the implementation of waqf so that it runs according to the orientation it should be (Sulistiyani et al., 2020). The following are some of the main ideas that underlie the issuance of this act:

1. To create an orderly law and administration of waqf that can protect waqf property. This act states that waqf must be recorded, registered, announced, and implemented according to the act. This act does not separate between waqf ahli which manages and uses limited waqf property for relatives (heirs), and waqf khairi, which is intended for the general public interest by the purpose and function of waqf.

2. The conventional understanding of waqf has focused on waqf for immovable objects such as land and buildings.. However, *waqif* can also donate part of its wealth in movable property, either tangible or intangible, one of which is cash waqf.
3. Waqf assets are allocated not only for religious and social facilities, but also to advance the public good by realizing the economic potential and advantages of waqf objects. This permits the broad entry of asset management into the economic sphere, so long as the management adheres to management principles and shari'ah economics.
4. To safeguard waqf property, the professionalism of the waqf manager must be increased.
5. This also governs the formation of the Indonesian Waqf Board, which has regional representatives as needed.

The development of cash waqf, which is governed by Act No. 41 of 2004, includes the establishment of waqf institutions, the collection of cash waqf, the management of cash waqf, and the distribution of cash waqf benefits, according to Sulistyani et al (2020). The Ministry of Religion defines cash waqf as waqf performed by an individual, group of individuals, institution, or legal entity in monetary form. Cash waqf is a type of waqf in which waqif gives cash to nazir (Djunaidi, 2007).

#### ***2.3.2.2 Cash Waqf Regulation According to Government Regulation No. 42, the year 2006***

Article 15 of Government Regulation No. 42 from 2006 specifies the three types of objects that can be donated as waqf: immovable objects, moveable objects other than money, and moveable objects in the form of cash.

Article 16 of Government Regulation No. 42 for the year 2006 lists the following immovable objects:

- a. Land rights are by the provisions of the statutory regulations, either already registered or not
- b. A building or part of a building that stands on the ground
- c. Plants and other objects related to the soil
- d. Ownership rights over apartment units by the provisions of laws and regulations
- e. Other immovable objects follow the provisions of sharia principles.

Article 21 mentions movable objects other than money, with the primary requirement that they adhere to sharia principles. Included in this term are share certificates (which may be in the form of shares, government bonds, bonds, or other securities that can be valued in monetary terms), Intellectual Property Rights, and other similar objects (copyrights, brands, patents, industrial designs, trade secrets, integrated circuits, protection of rights to plant varieties). In addition, rights over other movable objects, such as lease rights, usufructuary rights and usufructuary rights over movable objects, and engagements, determine the amount that can be billed for movable objects.

Objects that are classified as moving because of their nature or because of statutory provisions can move or be moved. There are two types of movable objects: those that can be spent and those that cannot be spent due to use. Meanwhile, the currency rupiah can be used to represent cash waqf. For waqif who wish to perform cash waqf, they can visit the Islamic Financial Institution - Cash Waqf Manager (IFI-CWM) to deposit cash and declare the cash waqf's will.

#### ***2.3.2.3 Cash Waqf Regulation According to Minister of Religion Regulation No. 4, the year 2009***

Cash Waqf Statutes The year 2009 is governed by Minister of Religion Regulation No. 4 regarding the administration of money waqf registration. This regulation explains that the registration of cash waqf is performed by the IFI on behalf of the nazir through the

district/city Ministry of Religion office within seven (seven) business days of the issuance of the Cash Waqf Letter.

In terms of oversight, the head of the district/city office of the Ministry of Religion is required to periodically report the registration of cash waqf to the minister via the regional office of the Provincial Department of Religion every six months. Through the Director-General, the provincial director of the Ministry of Religious Affairs submits the report to the minister.

IFI-CWM is required to submit financial reports for cash waqf, including the amount of waqf, the value of waqf, and the value for the results of waqf management, at the end of each fiscal year to the minister via the Director-General, with a copy to BWI. The financial report is due within three (three) months of the end of the fiscal year. Then nazir is also required to submit a cash waqf management report to BWI and the Director-General every six months. The management report includes management implementation, development, cash waqf management results, and plans for the following year's development. The information must be submitted within three months of the end of the fiscal year.

In direct representation of the Minister, the Director-General supervises cash waqf. IFI-CWM carries out this oversight via annual reports, monitoring, and evaluation of cash waqf. In addition, the Minister may present a certified public accountant to review the financial statements of cash waqf created by IFI-CWM. If the results of the oversight indicate that the IFI-CWM has violated the applicable laws and regulations, the Minister has the authority to impose administrative sanctions.

In contrast to the IFI-CWM, which the Director-General oversees on behalf of the minister, the BWI has the authority to oversee *nazir's* management and development of cash waqf. *Nazir* exercises oversight by means of annual reports, monitoring and evaluating the administration and growth of cash waqf. The results of supervision are used as a basis for performance evaluation and as guidance for *nazir*. In order to fulfill its supervisory responsibilities, BWI can appoint a certified public accountant to review *nazir's* management, growth, and utilization of cash waqf management results. In

addition to BWI, the public can monitor the execution of *nazir's* duties. The district/city offices of the Department of Religion and BWI can carry out oversight by receiving written reports of potential violations of statutory provisions.

### **2.3.3 The Development of Cash Waqf in Jakarta**

Since the enactment of Law (UU) No. 41 of 2004 pertaining to waqf, the Indonesian Waqf Agency (BWI) has begun to socialize cash waqf extensively. This law was strengthened by a fatwa issued on 11 May 2002 by the Indonesian Ulema Council (MUI). This fatwa stated that waqf assets include money and securities, with the proviso that the principal value of the money must be guaranteed for its preservation and it cannot be sold, gifted, or inherited. Asori, 2013). Therefore, when waqf is made in the form of movable goods (money, securities, etc.) or immovable goods, the principal value of the two goods must be preserved forever.

Cash waqf is one of the productive waqf solutions because the collected funds can benefit the people in rotation or become the endowment fund for the people. Syakir (2018) explains that cash waqf is one of the solutions to societal issues because it can enhance the welfare of the ummah. Several methods of utilizing cash waqf to improve the welfare of the populace (Mu'alim and Abdur-Rahman, 2014) are as follows:

1. Many vacant waqf lands require more productive management, for example, for agriculture, building construction and other economic activities that require large funds, one of which can be obtained through cash waqf.
2. Waqf contributions can be made to Islamic educational institutions such as Islamic boarding schools, madrasas, etc.
3. The cash waqf can provide financing for small to medium-sized enterprises (SMEs).

BWI is optimistic about the growth of cash waqf because of its national potential. This is due to the fact that Indonesia has the largest Muslim population in the world and

the fourth largest population in the world overall. Indonesia's total population as of June 30, 2016 was 257,912,349 individuals (bps.go.id). About 85 percent of the population, or approximately 219 million people, are Muslims. If out of 5 percent of that amount, or around 11 million Muslim residents, donate Rp. 1000, - only every month or Rp. 12,000, - then every year a fund of Rp. 131,400,000,000 or at least around 1 billion rupiah more annually nationally.

Each region has the potential for cash waqf, including DKI Jakarta Province (Jakarta). Jakarta had a local revenue (PAD) of approximately 39.3 trillion rupiahs in 2016, making it the province in Indonesia with the highest PAD. The population of Jakarta was 10.08 million people in 2014, the largest in five municipalities (www.bps.go.id). Per capita income in 2012 reached 110.46 million/year (BPS, 2012). Jakarta's Muslim population was 83 percent in 2014 (BPS, 2016), or around 8.3 million. A simple calculation of the potential for cash waqf in Jakarta reveals that if 5% of the total Muslim population, or approximately 415 thousand Muslim residents, make cash waqf of Rp. 1000 each month, it will collect 415 million rupiahs each month, or 4.98 billion rupiahs annually. This number will increase if the amount of money donated and the number of people who donate increases.

Jakarta's huge potential in collecting cash waqf funds should be realized. The existence of beneficiary waqf institutions and cash waqf managers also supports the realization of this potential. Many waqf institutions in Jakarta that receive and manage cash waqf have been established, such as Al Azhar Waqf, Indonesian Waqf Tube, Nahdlatul Ulama Waqf and land institute, Muhammdiyah Waqf and Property Council, Baitul Maal Muamalat and so on. As of January 2023, there is 311 nazir for cash waqf, and 56 nazir are located in Jakarta, about 17.95% out of 100% nationally. Actions in realizing the potential of cash waqf are related to one's interest in cash waqf. Interest is one of the important things in influencing action because nothing will happen if there is no interest (Hasbullah et al., 2016).

## 2.4 THE HISTORICAL AND FIQH DEBATE ON CASH WAQF

In the early eighth century Hijrah, Imam Zufar was asked how cash waqf could operate. The existence of this question suggests the existence of cash waqf at the time. There was a historical void concerning cash waqf within the Islamic world between the eighth and fifteenth centuries. Consequently, it is unknown how the return of cash waqf in the Ottoman Turkish empire was handled (Cizaksa, 1998).

The Islamic historical record, however, reveals that cash waqf has been practiced for a very long time, specifically since the beginning of the second century Hijriyah. Imam Bukhari narrated that Imam Az-Zuhri (died 124 H), one of the foremost scholars and founders of *tadwin al-hadith*, recommended the dinar and dirham waqf for the construction of *da'wah*, social, and educational means for Muslims. The method employs the funds as business capital, before distributing the profits as waqf (Al-Kabisi, 2004). Later, on 11 May 2002, the Fatwa of the Indonesian Ulama Council cited Imam Zuhri's opinion as one of the bases for cash waqf.

In connection with the debate on the fiqh of cash waqf, the previous fiqh experts were familiar with cash waqf. Some of them have allowed it, and some have forbidden it. Some Fiqh experts allow cash waqf when used for decoration based on the *qiyas* argument that renting the money for this purpose is permissible, although this is still debated. Some others also allow the business to be invested for profit (*mudarabah*), then the profits are distributed according to the purpose of waqf (Kahf, 2000). The essence of the problem is the possible damage to the item or not.

Ibn Abidin argued that cash waqf, which was said to be a prevalent social custom, was a prevalent social custom in Roman territory but not in other nations. Ibn Abidin believes that cash waqf is prohibited or unlawful (Djunaidi, 2007).

The reasons for the permissibility and prohibition of cash waqf revolve around the form of money, as stated in the preceding disagreement. Will the form of money after being used or paid for continue to exist and generate profits for an extended period of time? Although some Syafi'ie scholars do not allow cash waqf, some do, as narrated

by Abu Tsar (Mathraji, 1994). According to the Syafi'ie school of thought, money can be borrowed and used as decoration. Meanwhile, among those who say it is not allowed, and that is the most decisive opinion, issuing the argument that money is impermanent makes the benefits of cash impermanent (al-Kabisi, 2004). The ability to donate objects in the form of money conveyed by Abu Tsyar is also the basis of MUI Fatwa No. 11, the year 2002 about Cash Waqf.

Waqf in dinar and dirham is permitted, according to Shaykh Az-Zarqa. However, this waqf can be lost if it is stolen and the borrower is unable to return it, if the waqf is to be used as collateral for a loan, or if it is in the form of productive money whose profits are distributed to those who are entitled to the waqf's benefits (Kahf, 2000).

In responding to the opinion of the scholars above, Mundzhir Kahf, in his book *Productive Waqf Management* states that there are no limitations and conditions for good deeds other than the terms of ownership, ability and purpose to get closer to Allah. Therefore, a Muslim can offer a little or a lot, goods or benefits, immovable or moveable, because it is all in goodness. Everything that has been described above shows the flexibility in Islamic fiqh discourse and its ability to recognize all forms of good deeds (Kahf, 2000).

## **2.5 THE MECANISM OF CASH WAQF IN INDONESIA**

In Indonesia, the regulations governing Cash Waqf are detailed in Law No. 41 of 2004 on Waqf. According to this legislation: 1) The Waqif is permitted to endow cash through Sharia financial institutions designated by the Minister; 2) The endowment must be formalized through a written declaration of the Waqif's intention; 3) The endowment is documented via a cash waqf certificate; and 4) This certificate must be issued and delivered by the Sharia financial institution to the Waqif, and the Nazir must register the endowed cash with the Minister within seven working days from the certificate's issuance.

Regarding the technical and procedural aspects of Cash Waqf, Government Regulation No. 42 of 2006 on the Implementation of Waqf stipulates that: 1) The assets endowed by the Waqif must be in Indonesian Rupiah. Thus, any foreign currency must be converted into Rupiah before it can be endowed; and 2) Cash waqf transactions must be conducted through Sharia financial institutions appointed by the Minister of Religious Affairs as the Recipients of Cash Waqf (LKS-PWU).

The technical regulations for Cash Waqf specify that: 1) The Waqif must be present at the Sharia financial institution (LKS-PWU) to declare their intention. If unable to attend, the Waqif may appoint a representative or proxy; 2) The Waqif must provide information regarding the ownership and origin of the cash to be endowed; 3) The Waqif must deliver the cash directly to the LKS-PWU; and 4) The Waqif must complete a declaration form that serves as the Islamic Waqf Certificate (AIW). Cash waqf can be temporary (*muaqqat*), with the endowed funds required to be used as capital (*ra's al mal*) for business ventures, ensuring that the funds are not depleted but instead generate returns from the business activities conducted by the Nazir or manager. Cash waqf may be either absolute or limited (*muqayyad*), depending on the types of business activities permitted by the Nazir and the eligibility of the beneficiaries (specified or unspecified).

Cash waqf fundamentally encourages Sharia banks to act as professional Nazir. Banks, as custodians of waqf assets, can invest the funds in halal business sectors that yield benefits. As Nazir, the banks are entitled to a maximum remuneration of 10% of the profits obtained. Cash waqf funds may be invested in financial assets, such as stocks, bonds, warrants, and options, or in real assets, including productive asset purchases, factory establishment, mining, and plantations (Halim, 2005).

According to Muhammad Syafi'i Antonio, Sharia banks acting as Nazir can engage in various types of investments: 1) Short-term investments, such as microfinance; 2) Medium-term investments, such as financing for small industries or businesses; and 3) Long-term investments, including financing for manufacturing and large-scale industries (Hidayatullah, 2016).

Investments must be managed with careful consideration of security and profitability. This involves: 1) Analyzing investment sectors, managing risk, and spreading risk across potential investments; 2) Conducting market surveys to ensure the marketability of investment outputs/products; 3) Assessing investment feasibility; 4) Identifying partners for managing investments; 5) Monitoring the investment realization process; and 6) Tracking the profitability of the investments (Hidayatullah, 2016).

According to Zarka, as cited by Karnaen A. Perwataatmadja, waqf projects are divided into two types: 1) Service-providing projects, such as free schools for the underprivileged; and 2) Income-generating projects, such as shopping centers that produce income through leasing. Kahf (2000) categorizes waqf financing models into: 1) Traditional waqf financing; and 2) Institutional waqf financing.

Traditional waqf financing models include: 1) Creating new waqf assets to complement existing ones; 2) Loans for operational and maintenance costs to restore the original function of waqf assets; 3) Exchange or substitution of waqf assets; 4) Hukr (long-term lease with a substantial upfront payment); and 5) Ijaratain (long-term lease comprising a large lump-sum upfront payment for reconstructing waqf assets, and periodic annual rent) (Hidayatullah, 2016).

Institutional waqf financing models include: 1) Murabaha financing; 2) Istisna'a financing; 3) Ijarah financing; 4) Shirkah financing; 5) Muzara'ah profit-sharing; and 6) Long-term leasing and hukr (Hidayatullah, 2016). These various approaches to utilizing Cash Waqf, as proposed by Kahf offer valuable considerations for Sharia banks acting as Nazir (Mubarok, 2008).

## **2.6 JAKARTA: OVERVIEW OF SOCIOECONOMIC AND WAQF**

The Special Capital Region of Jakarta is the largest city and largest city in Indonesia. DKI Jakarta is the only city in Indonesia that has the status of a province but only consists of a municipality. As a port city formerly known as Sunda Kelapa under

colonial rule, it has undergone struggle after struggle to change its name to Jakarta. It has a surface area of 664.01 km<sup>2</sup> and a population density of 10,609,688. (Statistics, 2022). Making it the economic and political hub of the nation.

West Jakarta, Central Jakarta, South Jakarta, North Jakarta, East Jakarta, and Thousand Islands Regency are the five administrative city areas and one administrative district area that comprise Jakarta Province. According to article 6 of Law No. 29 of 2007 concerning the Provincial Government of the Special Capital Region of Jakarta as the Capital of the Unitary State of the Republic of Indonesia, the Jakarta Province has the following borders: to the north, the Java Sea; to the east, Bekasi Regency and Bekasi City, West Java; to the north-south of Depok City, West Java Province; and to the west, Tangerang Regency and Tangerang City, Banten Province. (Statistics, 2022).

Based on the quantity of population, Jakarta always experiences a level of increase from year to year. Based on the estimated population in 2019, the projected population from the 2010 Population Census will be 10,557,810 people, with an annual population growth rate of 1.19 percent. The population density of DKI Jakarta that occurred in 2019 was 15,900 people per one km<sup>2</sup> which was calculated through the results of the Population Census with an area of 664.01 km<sup>2</sup> which made this province the most populated area in Indonesia (Statistics, 2022).

Table 2.1 Population by Regency/City in the Province of DKI Jakarta (People)

<b>Regencies/Cities</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Thousand Islands Regency	24,295	27,749	28,240
North Jakarta	2,264,699	2,226,812	2,233,855
East Jakarta	2,937,859	3,037,139	3,056,300
Central Jakarta	928,109	1,056,896	1,066,460
West Jakarta	2,589,933	2,434,511	2,440,073
North Jakarta	1,812,915	1,778,981	1,784,753
Jakarta	10,557,810	10,562,088	10,609,681

Source: SP2020 and Population Projection

## 2.6.1 Economic Profile

According to the results of the Jakarta Provincial GRDP distribution at constant 2022 prices, the wholesale and retail trade sector and car and motorcycle repair contribute the most to GRDP in Jakarta Province, at 16.83 percent (the average for the last six years). The manufacturing sector is the second highest contributing sector to the GRDP of the Province of Jakarta with the same observation period, which is 12.62%, and the construction sector is the third largest sector to the GRDP of the Province of DKI Jakarta, which is 11.82%. In addition, the real sector has contributed 6.12% to the GRDP for the last six years, making it the seventh highest among the seventeen GRDP sectors.

Table 2.2 GRDP at Current Prices by Sectors (Million Rupiahs)

Sectors	2021	%	2020	%	2019	%	2018	%	2017	%	2016	%	Total Contribution	Average Percentage
Agriculture, Forestry and Fisheries	2,376,810	0.08%	2,237,535	0.08%	2,189,145	0.08%	2,124,822	0.08%	2,051,397	0.09%	1,985,830	0.09%	12,965,539	0.08%
Mining and excavation	6,360,699	0.22%	4,676,478	0.17%	6,165,314	0.22%	6,603,303	0.25%	5,746,496	0.24%	5,181,434	0.24%	34,733,724	0.22%
Manufacturing industry	357,912,035	12.28%	315,182,489	11.39%	346,970,049	12.32%	341,678,445	13.18%	317,512,261	13.42%	290,775,892	13.47%	1,970,031,171	12.62%
Supply of electricity and gas	7,615,106	0.26%	9,216,143	0.33%	10,308,310	0.37%	9,119,705	0.35%	7,449,251	0.31%	6,345,691	0.29%	50,054,206	0.32%
Water supply, waste management, waste and recycling	965,813	0.03%	925,262	0.03%	945,761	0.03%	907,627	0.04%	838,066	0.04%	798,273	0.04%	5,380,802	0.03%
Construction	326,459,161	11.20%	313,083,711	11.31%	329,925,735	11.72%	314,639,322	12.14%	291,528,362	12.52%	270,388,055	12.52%	1,846,024,346	11.82%
Wholesale and retail trade; Car and motorcycle repair	491,033,308	16.85%	460,402,064	16.63%	484,242,921	17.20%	439,673,470	16.96%	394,563,507	16.68%	358,462,736	16.60%	2,628,378,006	16.83%
Transportation and warehousing	111,061,140	3.81%	96,582,764	3.49%	104,471,889	3.71%	94,123,590	3.63%	85,669,283	3.62%	76,598,597	3.55%	568,507,263	3.64%
Provision of accommodation and meals	127,345,391	4.37%	115,213,510	4.16%	134,979,998	4.79%	123,876,878	4.78%	116,568,312	4.93%	108,895,786	5.04%	726,879,875	4.65%
Information and communication	272,008,106	9.33%	258,132,451	9.32%	230,913,687	8.20%	203,929,735	7.87%	180,743,711	7.64%	156,864,251	7.27%	1,302,591,941	8.34%
Financial and insurance services	324,289,492	11.13%	312,420,218	11.29%	297,561,962	10.57%	268,501,146	10.36%	251,597,313	10.64%	228,374,141	10.58%	1,682,744,272	10.78%
Real Estate	178,992,099	6.14%	174,304,028	6.30%	167,212,379	5.94%	156,224,845	6.03%	145,709,477	6.16%	133,854,878	6.20%	956,297,706	6.12%
Company services	248,415,192	8.52%	245,241,759	8.86%	243,676,272	8.65%	211,399,703	8.15%	187,465,870	7.93%	160,303,459	7.42%	1,296,502,255	8.30%
Administration of government, defense and social security is mandatory	142,143,633	4.88%	147,093,884	5.31%	153,892,500	5.47%	141,373,648	5.45%	122,371,391	5.17%	123,168,685	5.70%	830,043,741	5.32%
Educational services	146,662,633	5.03%	145,094,757	5.24%	140,519,361	4.99%	132,905,328	5.13%	124,037,304	5.24%	120,598,760	5.59%	809,818,143	5.19%
Health services and social activities	63,374,663	2.17%	58,739,477	2.12%	48,101,017	1.71%	44,091,600	1.70%	39,956,267	1.69%	36,606,201	1.70%	290,869,225	1.86%
Other services	107,565,801	3.69%	109,643,205	3.96%	113,559,856	4.03%	101,433,405	3.91%	91,545,587	3.87%	79,870,951	3.70%	603,618,805	3.87%
GRDP	2,914,581,083		2,768,189,733		2,815,636,157		2,592,606,572		2,365,353,855		2,159,073,618		15,615,441,018	

Source: Central Bureau of Statistic Jakarta (2022)

The water supply, waste management, waste, and recycling sector contributed the least (0.03 percent) to the distribution of GRDP in Jakarta Province. 0.08 percent was contributed by the agriculture, plantation, and fishing industry. However, there is a sector that is growing fast in its distribution to Jakarta Province's GRDP, namely the financial services and insurance sector and information and communication, in 2021, the sector distribution was 11.13% and 9.33%, respectively.

Table 2.3 Aggregate Income GRDP Constant Price and GRDP Per-capita in DKI Jakarta Province 2016-2021

Indicator	2021	2020	2019	2018	2017	2016
GRDP	2,914,581,083	2,768,189,733	2,815,636,157	2,592,606,572	2,365,353,855	2,159,073,618
GRDP per capita	274.7095867	262.0873574	266.6875192	247.6784926	228.0027255	210.0750891
Total Population	10,609,681	10,562,088	10,557,810	10,467,629	10,374,235	10,277,628

Source: Central Bureau of Statistic Jakarta (2022)

Table 2.3 shows an increase in GRDP according to constant prices each year, which is quite significant. However, this increase was also accompanied by an increase in the population in Jakarta, both from migrants and the birth rate, which also showed a relatively high speed. This also affects the composition of constant price GRDP and per capita GRDP. In 2016 the PDRB per capita of DKI Jakarta Province was IDR 2,159,073,618, - and there was a significant increase in the following year, namely IDR 2,914,581,083, - this was due to the relatively small increase in population in that year where in 2016 the population of DKI Jakarta Province was 10,277,628 million people and increased in the following year by 10,609,681 million people (Statistics, 2022).

Urban observers assess that the increase in population every year will have negative and positive sides (Disdukcapil, 2022). The negative side is density, BPS data shows that the highest density occurs in East Jakarta City, where every km<sup>2</sup> there are 15,124.15 residents or 27.94%; the second is West Jakarta, with a population density rate of 24.20% or per km<sup>2</sup> there are 19,017.92 inhabitants (Statistics, 2022). The density will impact the community's social life, where there will be a lot of crime, unemployment rates, and high demand for housing. On the positive side, if the Provincial Government can manage the demographic bonus, it will improve the economy rapidly (Disdukcapil, 2022).

## 2.6.2 Housing in Jakarta

According to Law No. 1 of 2011 regarding Housing and Settlements. Housing is a collection of houses serving as a residential area or residential area with environmental facilities and infrastructure.

Housing is a type of housing that has a close connection to the community. This means that housing in each area reflects the characteristics of its residents (Abrams, 1964, Santoso, 2015).

Housing can be interpreted as a reflection of the human person, both as an individual and as a part of the natural environment. It can also reflect the inhabitants' standard of living, prosperity, personality, and level of civilization (Yudhohusodo, 1991).

From the late 1970s to the late 1990s, the industry was relocated from Europe and America to Asia. Industrialization centers previously located in developed countries were relocated to developing countries. Indonesia is one of the developing nations that became a destination for relocation. As a result of the industrialization process, many industrial estates have sprung up in big cities, and Jakarta is no exception. In Jakarta, there are at least two industrial areas: the Pulo Gadung Industrial Area and the Nusantara Bonded Zone. The emergence of industrial sites attracts people from various regions to come and cause urbanization (Noviyanti, 2020).

The high urbanization process in the 1990s led to an increase in the population of Jakarta by 6% from the 1980s (BPS, 1997). The rapid population increase causes cities' physical growth to become irregular. One of the problems that occur is the lack of housing for residents. The lack of settlements has led to the emergence of densely populated slum areas in Jakarta. The appearance of this densely populated slum area became one of the problems for the Jakarta government at that time. If sites like this are not addressed, environmental quality will decrease, which will cause social problems and even social pathology (Bintarto, 1997).

To overcome the problem of densely populated settlements, the Government of Jakarta is working with the private sector to build many new territories. The settlement models constructed by the government are horizontal settlements (single-family houses) and vertical settlements (multi-family houses). These settlements were built in several Jakarta areas, including Kelapa Gading, Pondok Kopi, Klender, Tanah Abang, and Kampung Melayu (Perumnas Bulletin, 2013). Despite the fact that many settlements

have been constructed, many settlements still cannot accommodate Jakarta's rapidly expanding population.

The Jakarta government then cooperates with the central government to solve housing problems in the capital. There are three strategies to overcome this problem, including a) expansion; b) planological deconcentration; c) construction of a new city. Of the three strategies, the government of Jakarta and the central government chose a new city development strategy. The development of a new city is an effort to build new residential and housing complexes and their facilities and infrastructure, both in built-up areas or on vacant land on a large scale or a city scale (Ahmadi, 1991).

In 1973 the government formed the National Public Housing Company (Perum Perumnas). Perum Perumnas is a state-owned enterprise that provides decent, cheap, and quality housing for workers in the capital city. As a first step, Perum Perumnas chose Depok City as the first stage of the development area (Noviyanti, 2020). On 18 July 1974, the government and state-owned enterprise established Perum Perumnas, a financial institution that partnered with the State Savings Bank (BTN) to facilitate housing loans (KPR) with subsidized interest rates. BTN offers maximum annual interest rates of 5 to 9 percent and credit terms of up to 20 years (Budi, 2018). 80 percent of low-income families are targeted for public housing, 15 percent of middle-income families, and 5 percent of high-income families. Even though the target population for public housing has been restricted, the government continues to prioritize civil servants, military personnel, and fixed-income private employees.

Greater Jakarta, an urban area that supports the economy and is densely populated, is the initial focus of public housing construction. In 1979, 73,914 housing units were constructed, most of which were public housing units in Depok, Jakarta, Bekasi, Cirebon, Semarang, Surabaya, Medan, Padang, and Makassar. From 1984 to 1994, the number of public housing developments increased from 233,770 units to 300,280 units. Due to the economic crisis and regime change that occurred in 1998, development projects stalled (Pane, 2020).

After the regime change, public housing procurement continued on a smaller scale than under the New Order. Only when President Susilo Bambang Yudhoyono launched the Thousand Tower Simple Flats (Rusuna) Program for the community in 2007-2011 in Jakarta did this program receive significant attention (Pane, 2020). The program's target population has a maximum monthly income of IDR 5.5 million. During the implementation of the Rusuna program, there was a "revolutionary" mechanism consisting of the elimination of public housing subsidies. Instead, KPR documents are sold on the capital market and are available for purchase by investors on global financial markets. The mechanism is anticipated to raise capital for banks and the public housing sector. Thus, the state only supports an investment-friendly environment and provides public access to housing through investment credit loans in financial markets (Kusno, 2012).

In addition, to provide access for the public, there is a Housing Financing Liquidity Facility (FLPP) which addresses demand issues by lowering lending rates, thereby increasing the supply of houses. The community or homebuyers through FLPP must have a Taxpayer Identification Number (NPWP) and Annual Tax Return (SPT), neither of which may be owned by informal workers or individuals with irregular incomes (Kusno, 2012).

Currently, there are three products that the Jakarta government provides under the Department of Public Housing and Residential Areas (DPRKP), namely; a) Zero down payment house; b) Simple apartment owned; c) Simple apartment rent (DPRKP, 2023). However, based on the ownership percentage of the house in Jakarta shows that in 2021 the percentage of households living in their residential buildings (48.48%) was less than those in rental (50.34%) and government houses (1.18%). It appears that the number of households living in their own homes has not reached half of the total households in Jakarta (BPS, 2022). Moreover, when viewed by Regency/City in Jakarta, the Thousand Islands have a higher percentage of occupied residential buildings than other cities in Jakarta. In the Thousand Islands, 78.70 percent of residential buildings are privately owned, whereas in other cities only 40 to 50 percent are. Jakarta's land costs may continue to exceed those of the Thousand Islands Regency (BPS, 2022).

### 2.6.3 Waqf in Jakarta

Jakarta, as a city with a majority Muslim population, has a rich history of waqf (Islamic endowment). The city ranks 16th among the 33 provinces in Indonesia in terms of the number of waqf asset locations. This ranking is notable, given that land in Jakarta is relatively more expensive compared to other provinces, and much of it has already been utilized for government offices, business centers, and residential areas. Data from the Regional Office of the Ministry of Religious Affairs (Kantor Wilayah Kementerian Agama) of DKI Jakarta in 2022, which is also corroborated by the Directorate of Waqf at the Ministry of Religious Affairs in 2023, indicates that the total area of waqf land in Jakarta amounts to 273.93 hectares. This represents approximately 0.41% of Jakarta's total land area, with these waqf assets distributed across 6,785 locations in the city's five administrative regions.

The distribution of waqf assets in Jakarta is relatively balanced across three major city regions: East Jakarta, South Jakarta, and West Jakarta. Notably, East Jakarta holds the highest concentration of waqf locations, accounting for 27.47%, followed by West Jakarta at 16.43%. Despite this, the largest area of waqf land is found in South Jakarta, which constitutes 32.34% of the total waqf land area.

Table 2.4 Total Waqf Land in Jakarta

No	Region	Location	Area (Hectare)	% Area	% Location
1	South Jakarta	1,517	88.60	22.36	32.34
2	East Jakarta	2,104	75.24	31.01	27.47
3	Central Jakarta	748	21.60	11.02	7.89
4	North Jakarta	972	40.73	14.33	14.87
5	West Jakarta	1,392	45.01	20.52	16.43
6	Thousnd Island	52	2.75	0.77	1.00
	Total	6,785	273.93	100.00	100.00

Source: BWI (2023)

Regarding the use of waqf land, mosques account for the largest proportion at 50.57%, followed by mushallas (prayer rooms) at 32%, pesantrens (Islamic boarding schools) at 7.55%, cemeteries at 4.74%, schools at 2.34%, and other social activities. The data from the Regional Office of the Ministry of Religious Affairs of DKI Jakarta categorizes the use of waqf assets into the four 'M' categories: masjid (mosques), musholla (prayer rooms), madrasah (Islamic schools), and makam (cemeteries). Waqf assets used for purposes outside these categories, such as educational foundations, pesantrens, and kindergarten schools, fall into a general social/other category. Notably, there are also two cases where waqf is explicitly identified as productive waqf, indicating its use for income-generating activities.

Table 2.5 The Use of Waqf Land in Jakarta

<b>The Use of Waqf Asset</b>	<b>Total</b>	<b>%</b>
Mosque	4432	50.57%
Mushalla	830	9.47%
School	205	2.34%
Islamic Boarding School	662	7.55%
Graveyard	415	4.74%
Other Social	2220	25.33%
Total	8764	100%

Source: BWI 2023

Despite the extensive data on waqf land in Jakarta, there is currently no available data regarding the specific amount of cash waqf collected in the city. This presents an opportunity for further research and development in the management and optimization of cash waqf in Jakarta. The potential for cash waqf in Jakarta is significant, as evidenced by the city's strong waqf index score of 0.433, as reported by the Indonesia Waqf Board (BWI). This index suggests a robust foundation for the development of waqf in Jakarta, especially in the context of enhancing the management of cash waqf.

Given Jakarta's relatively high waqf index, there is considerable potential to optimize the management of cash waqf to support socio-economic development in the region. With better governance, transparency, and strategic utilization of cash waqf, Jakarta can leverage its strong waqf foundation to address critical social needs, such as education, healthcare, poverty alleviation, and especially house financing. The opportunities lie in building awareness, increasing stakeholder engagement, and developing innovative waqf-based financial instruments to maximize the impact of waqf assets in the city.

## 2.7 PREVIOUS RESEARCH ON CASH WAQF

The central theme of this research is the development of the cash waqf model as house financing in Indonesia. Cash waqf (*Waqf al-Nuquud*) is a waqf by person, group of person, institution or legal entity in cash (MUI, 2002).

There are still different fatwa from various scholars about this cash waqf. Some scholar who allowed cash waqf is Imam al-Zuhri, that giving dinar as waqf is allowed by making the dinar as a capital for business and the profit distributed to the *mauquf 'alaih* (beneficiaries) (Muhammad, 1997). Based on *Istihsan bi al-'Urfi, Mutaqaddimin* from Hanafi's madhhab (al-Zuhaili, 1985) permitted dinar and dirham for waqf as an exception. Abu Tsur also relayed from Imam al-Syafii that dinar may be used for waqf (al-Mawardi, 1994).

Since the 2002 establishment of cash waqf in Indonesia, numerous models of cash waqf have been developed. In addition, Mohsin (2013) examines the potential of cash waqf not only in financing religious areas, but also in financing various goods and services required globally, such as education, health, social care, and commercial activities, as well as basic infrastructures, which create employment opportunities for the majority of people. In addition, Mohsin described the various cash models utilized worldwide. According to Ahmad (2015), cash waqf could encourage entrepreneurship among the global population. People could obtain interest-free loans from cash waqf

institutions to use as capital for their businesses, thereby empowering the poor and promoting their independence.

Haslindar Ibrahim et al. (2013) published *Cash Waqf: An Innovative Economic Development Instrument*. The author explained the history of waqf, particularly cash waqf, to demonstrate that more people are concerned with waqf's significance today. This practice has been effective in Egypt, Bangladesh, and Kuwait, where the cash waqf has encouraged participation from people of all social classes. Through qualitative research, Shaikh et al. (2017) demonstrated that the average income in Muslim-majority countries is low. This resulted in financial institutions in the private sector denying them loans because their income did not qualify for income-based lending. Consequently, waqf institutions can fill this void with their social financing. For instance, the provision of social savings through intermediary services known as waqf banks and the adaptability of waqf institutions contribute significantly to the social impact of a variety of services.

Shahimi et al. (2013) utilised a System Dynamics Approach to unlock the potential of cash waqf payments to alleviate poverty in Malaysia. The simulation of the model demonstrated that cash waqf can reduce poverty by more than fifty percent. Haneef et al. (2015) also focused on poverty alleviation, but with different models, proposing a model for poverty alleviation through waqf in Bangladesh by Integrated Waqf-based Islamic Microfinance Model (IWIMM), with the conclusion that this integration can alleviate poverty in Bangladesh. Thus, Islamic microfinance and takaful, waqf resources and human resource development, takaful and human resource development, Islamic microfinance and human resource development, waqf resources and project financing comprise the integration model.

Ahmed (2015) also investigated waqf as a function for the sustainable development of economic and poverty alleviation in Bangladesh; thus, the study's conclusion was that waqf was the most effective Islamic instrument for poverty alleviation. Then, Abdullah and Ismail (2017) centered their attention on microfinance using the Waqf-based Islamic Microfinance Model (WIMM). This study determined that the revenue from waqf properties will provide entrepreneurs with low-cost capital

funds. In addition, the Cash Waqf Refugee Microfinance Fund established the cash waqf model for microfinancing for refugees (CWRMF). This model is promising as a solution to help refugees achieve independence in Kachkar (2017).

In addition, cash waqf can be used for education (Rahman, 2015). In-depth interviews with the universities' higher management and the board of trustees revealed that waqf is significant in providing financial assistance to their communities, and the positive impact of this resulted in the *waqif* (waqf donor) soliciting even more contributions. Aziz et al. (2013) also studied the possibility of cash waqf as a financing model in education. In brief, the study revealed that cash waqf is also possible as a financing instrument in education.

More focused on the cash waqf model on house financing, Zahdi et al. (2016) provided a potential joint venture between the financial institution and waqf institution for house financing in Malaysia. By offering the *musharakah mutanaqisah Partnership* (MMP) to low- and middle-income families. Thus, this model will be very effective for highly enthusiastic people to help each other acquire their house. Nasution (2011) attempts to promote the advantages of cash waqf, such as cash waqf as a source of inexpensive funds, cash waqf as a source of long-term funds, cash waqf as a source of subsidy funds, and cash waqf as a source of Public Housing Saving. Thus, cash waqf can increase the capital of Islamic banks that operate house financing. However, the author suggested using the term of selling and buying in this scheme, so the *nazir* of cash waqf fund can examine no risk of impairment.

Hasanah (2011) stated that poverty needs to be alleviated immediately. One of the ways to eradicate the poor is through housing, due to the house being one of the important basic needs to be fulfilled as the identity of a nation and the development of socio-economic life. This study revealed although the cash waqf for the development of public housing has been implemented in Indonesia, it still has the potential to be managed productively for housing development. In addition, the cash waqf profit must be allocated to socioeconomic development and poverty alleviation. According to Omar and Ismail (2017), cash waqf as a tool for developing property waqf have been effective. Since the 2007 issuance of the fatwa on the applicability of cash waqf in Malaysia, it

has been promoted and utilized for the development of real estate. The authors employed secondarily for the Iskandar Malaysia case study. Interestingly, cash waqf can contribute to the success of the Transformation Agenda of Affordable Residential Property Waqf in the country as an alternative. In addition, Ali et al. (2016) demonstrated that waqf can develop real estate. The study is conducted in Penang, which has successfully implemented nine housing projects utilizing *ijarah*-based contracts. Thus, low- and middle-income families are able to reside in safe and comfortable housing.

These previous articles examined the role of cash waqf in various needs, particularly housing. However, the author also needs a prior study on the shari'ah contract, which is used for home financing, in order to meet the cash waqf model. Therefore, Baber (2017) provided a comprehensive review of the Islamic housing finance model. The author attempts to compare the two Islamic models, *al-Bay' Bithaman Ajil* (BBA) and the *Musharakah Mutanaqah*, using extensive literature (MM). The study concludes that BBA does not follow shari'ah regulations, whereas the MM approach is relative to a new concept and strictly adheres to shari'ah regulations and guidelines. Edib Smolo and M. Kabir Hassan (2011) also recommend MM for Islamic housing finance due to the fact that MM is more in line with shari'ah regulation and should be implemented more frequently in Islamic Financial Institutions (IFI). IFI utilizes BBA and *murabahah* more frequently.

In Islamic housing finance, *murabahah* is not a new contract. This contract requires IFI to inform the customer of the house's cost and selling price (Antonio, 1999). Nevertheless, since this *murabahah* contract always uses the BBA form, it is not truly shari'ah compliant, as explained above. Another Islamic contract used in Islamic housing is *istishna'*, in which the customer orders the house based on the agreed-upon specifications. The payment will be made in installments, and the house will be delivered after construction (Haris, 2007). *Ijarah Muntahiyah Bi al-Tamlk*, also known as the Islamic contract in Islamic housing, is a combination of the lease contract (*ijarah*) and the sale and purchase agreement (*bai'*) (Baehaqi, 2013). People choose Islamic home financing due to the shari'ah principle, lower monthly payments, transparency practice, interest-free practice, and one hundred percent financing (Amin, 2008). Amin

et al. (2014) noted that the Islamic nature of the product encourages the customer to accept Islamic mortgage financing.

Furthermore, in the case of the intention to contribute to the model, the Theory of Planned Behavior (TPB) is utilized. TPB is a widely recognized framework used to understand the factors that influence an individual's intention to perform a specific behavior. This theory posits that intention is determined by three components: attitude toward the behavior, subjective norms, and perceived behavioral control. Numerous studies have applied the TPB framework to examine the factors that influence the intention to participate in waqf, including corporate waqf and cash waqf initiatives. For instance, Ahmad (2020) investigates the factors influencing Malaysian Muslims to participate in corporate waqf and finds a significant and positive relationship between "attitude" and the intention to contribute to corporate waqf. Hasbullah et al. (2015) corroborate these findings, demonstrating that a favorable attitude can positively explain the intention to contribute to corporate waqf among 148 respondents.

Attitude is a central component of the TPB and has been extensively studied in the context of Islamic social finance. For example, Asmy (2015) developed a model for Integrated Cash Waqf Micro Enterprise Investment (ICWME-I) aimed at enhancing financial and human capital development for microbusinesses. His findings show a significant correlation between "attitude" and the intention to use ICWME-I. The importance of attitude in shaping intention is further highlighted by Echchabi and Olaniyi (2012), who found a positive relationship between attitude and the adoption of Islamic banking services. These studies collectively suggest that attitude plays a crucial role in influencing individuals' intentions to engage in various Islamic financial practices, including cash waqf.

Subjective norms, another component of the TPB, refer to the perceived social pressure to engage or not engage in a behavior. Ahmad (2020) and Hasbullah et al. (2015) both find that subjective norms significantly influence the intention to participate in corporate waqf. Asmy (2015) also explores the role of subjective norms in the intention to use ICWME-I, finding that subjective norms are a significant factor that influences this intention. These findings underscore the importance of social influence

and the expectations of significant others in shaping individuals' behavioral intentions, particularly in the context of charitable giving and waqf contributions.

Perceived behavioral control, the third component of TPB, refers to the degree to which individuals believe they have control over performing a behavior. Studies by Ahmad (2020) and Hasbullah et al. (2015) demonstrate that perceived behavioral control significantly influences the intention to participate in corporate waqf. Other studies have extended this concept to different contexts. For example, Saad (2010) finds that perceived behavioral control positively influences zakah compliance, while Al-Ekam (2013) shows that it significantly affects online shopping intent among academic staff in Yemen. These findings suggest that perceived behavioral control is a versatile predictor of intention across various domains, including waqf and other charitable behaviors.

In addition to the three main components of the TPB, knowledge and trust have also been identified as important factors influencing behavioral intentions in the context of waqf. Ahmad (2020) highlights the significance of knowledge in shaping Muslims' intention to participate in corporate waqf, noting that a higher level of understanding is associated with greater participation. Similarly, Shukor et al. (2017) find that trust plays a crucial role in influencing Muslims' intentions to participate in cash waqf. The study by Dzuljastri et al. (2019) further supports this, demonstrating that trust has a significant relationship with the intention to perform cash waqf for microbusinesses. These additional factors enrich the understanding of TPB in the context of Islamic social finance, highlighting the multidimensional nature of the determinants that shape behavioral intentions.

Overall, the application of the Theory of Planned Behavior in understanding cash waqf intentions provides valuable insights into the underlying factors that drive charitable behavior. By examining the roles of attitude, subjective norms, perceived behavioral control, knowledge, and trust, researchers can better understand and predict the intentions of individuals to engage in cash waqf and other forms of Islamic philanthropy. This understanding is crucial for developing targeted strategies to

encourage greater participation in waqf-based initiatives, particularly in contexts like house financing, where collective contributions can lead to significant social impact.

The existing literature provides substantial insights into the application and development of cash waqf across various domains, including education, poverty alleviation, and housing finance. However, there is a notable gap in research specifically addressing the implementation and impact of cash waqf models tailored to the unique socio-economic and cultural characteristics of Jakarta. While several studies have explored the role of cash waqf in housing finance in broader or different contexts, none have focused exclusively on Jakarta. This city, with its distinct economic diversity, varying income levels, and unique housing challenges, presents a unique environment that could significantly influence the effectiveness and reception of cash waqf models.

To address this gap, the present study will focus specifically on Jakarta, investigating how a cash waqf model can be adapted to meet the city's unique needs and conditions. Jakarta's diverse economic landscape and complex housing issues necessitate a localized approach to the implementation of cash waqf. This study aims to develop and empirically assess a cash waqf model specifically tailored to Jakarta, providing insights into how such a model can be effectively employed to improve housing finance in the city. By focusing on the local context, this research will contribute to a broader understanding of the applicability and effectiveness of cash waqf, offering a more nuanced perspective that considers specific local factors and challenges.

Furthermore, this study will utilize an extended Theory of Planned Behavior (TPB) framework to examine the factors that influence stakeholders' intentions to participate in the developed cash waqf model for housing finance in Jakarta. The extended TPB framework incorporates additional variables such as knowledge and trustworthiness, which are particularly relevant in the context of Islamic social finance and can provide a more comprehensive understanding of the determinants of stakeholder intentions. By employing this extended TPB model, the research will capture a wider range of motivational factors that can influence behavioral intentions,

thus providing a deeper analysis of the potential success of the cash waqf model in Jakarta.

This research stands out due to its specific focus on Jakarta, its adaptation of the cash waqf model to meet the city's distinct needs, and its use of an extended TPB framework. It examines the cash waqf model for Islamic home financing by integrating a comprehensive set of variables that reflect the socio-economic realities of Jakarta. The scope of the research, objectives, research objects, methodologies, and theoretical frameworks distinguish this study from previous ones and offer new insights into how cash waqf can be leveraged to address housing finance challenges in a localized context.

By developing and empirically testing a context-specific cash waqf model for housing finance in Jakarta, this study aims to fill a crucial gap in the literature and provide a valuable contribution to the field of Islamic social finance. The findings will not only benefit policymakers and practitioners in Jakarta but also offer a framework that can be adapted to other cities with similar socio-economic and cultural characteristics.

## **2.8 CHAPTER SUMMARY**

This chapter consists of four sections. The initial section focuses primarily on the concept of waqf. The second and third sections discuss the evolution of waqf in Indonesia and the controversy surrounding cash waqf. The fourth section examined the critical review of previous studies that attempted to link Cash Waqf with mortgage financing, and the seventh section describes the research gap.

## CHAPTER THREE

### THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

#### 3.1 INTRODUCTION

The Theory of Planned Behaviour (TPB) establishes a link between the target population's beliefs, attitudes, intentions, and behaviour (Fishbein and Azjen, 1975). Due to its flexibility, which allows it to be applied in various situations, this theory is gaining in popularity and being used in various disciplines (Ramayah et al., 2008). As a result, the current study aims to use TPB to determine the Jakarta citizens' behavioural intentions to contribute in the model that has been developed.

#### 3.2 THEORY OF PLANNED BEHAVIOUR

Marketing researchers have found psychosocial theories to be extremely useful in comprehending consumer behaviour (Kashif, Sarifuddin, & Hassan, 2015). As depicted in Figure 3.1, the theory of planned behaviour (TPB) model is one of the well-established theories widely used to comprehend intentions and behaviour. Researchers have widely utilized the TPB model due to its predictive ability. The TPB clarifies the fundamental causes and underlying beliefs for the particular action and measures intention-behaviour.

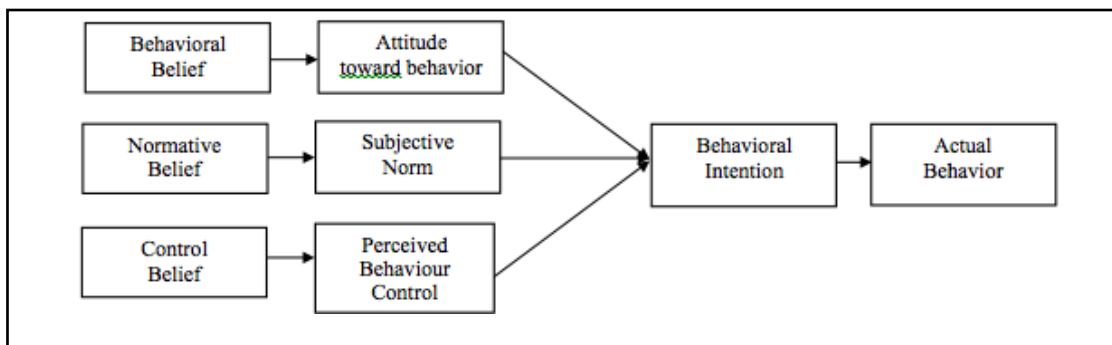


Figure 3.1 Theory of Planned Behaviour (Azjen, 2006)

The theory of planned behaviour (TPB) is predicated on the notion that behavioural decisions are not made impulsively but rather through a rational process (Kashif et al., 2015). Elements of the TPB impact individual decision-making. The TPB model consists of three components: attitude, subjective norm, and perceived behavioural control (PBC), which measures an individual's propensity to engage in a specific behaviour. The more intent one has to engage in a particular behaviour, the more likely they are to do so. Consequently, intention is considered to be the most influential determinant of behaviour.

According to Ajzen (1991), attitude is the favourable or unfavourable expression of a person's psychological disposition toward engaging in a particular behaviour. It refers to the person's overall evaluation of the action (Ferdous, 2010). In other words, a person's attitude toward a behaviour becomes more favourable the more they engage in it. Subjective norm, on the other hand, refers to an individual's perception of the opinions of others regarding whether or not to perform a particular behaviour. Social pressure can be interpreted as whether or not to perform the behaviour (Ajzen, 1991). It implies that the expectations of others may play a role in a particular behaviour.

According to Ajzen (1991), perceived behavioural control (PBC) is an individual's perception of how simple or difficult it is to perform the behaviour of interest. Perceived behavioural control evaluates an individual's perception of his or her ability to perform a behaviour and the perceived control of that behaviour. Individuals perceive a supportive subjective norm and have greater perceived behavioural control when their intention to perform the behaviour is stronger (Stauton et al., 2014).

Identifying the primary determinants of behaviour and theorising the beliefs that underpin these determinants, such as behavioural, normative, and control beliefs, is one of the TPB's strengths (Figure 3.1). A belief-based model can differentiate between individuals who intend to perform the behaviour and those who do not intend to perform the behaviour, as well as provide intervention and behaviour change opportunities.

Ajzen (1991) asserts that attitudes in the TPB model are formed by the expected outcomes of performing the target behaviour (behavioural beliefs), which are weighted by the evaluation of these outcomes (outcome evaluations). Subjective norms, on the other hand, depend on how much a person believes significant others think they should do something (normative beliefs), weighed by their motivation to adhere to these referents (motivation to comply). Lastly, PBC is supported by hypotheses regarding factors that facilitate or inhibit behaviour performance (control beliefs), weighted by the expected impact of these factors if they were present (perceived power).

Numerous pieces of evidence indicate a connection between the TPB theory's variables of attitudes, subjective norms, and perceived behavioural control and the individual's interest (Heikal, Khaddafi, & Lhokseumawe, 2014). In their TPB framework, additional predictors have been identified by other studies. Consequently, the TPB theory is still undergoing revisions. The expansion or modification of the planned behaviour theory results from the creation of this theoretical framework.

In addition, TPB founder Ajzen (1991) stated that the theory is amenable to expansion. Other necessary elements should be included if it is significant and improves the ability to predict. As a result of their comprehension of the theory of planned behaviour, several researchers examined the impact of another factor in conjunction with the TPB from various perspectives. For instance, knowledge, dependability, and awareness all contributed to TPB's strength (Asmy, 2015; Ahmed, 2020; Shukor et al., 2017)

### **3.3 EMPIRICAL APPLICATIONS OF THEORY OF PLANNED BEHAVIOUR AND HYPOTHESES DEVELOPMENT**

This theory was proposed by Fishbein and Ajzen in 1975 to establish a connection between beliefs, attitudes, intentions, and behaviours (Taib et al., 2008). Consequently, this theory has been implemented in numerous contexts, such as business, information technology (IT), health, banking, Islamic banking, etc.

Because the TPB does not focus on social norms, so it has several limitations when studying pro-social behaviour (such as monetary donation). However, according to Ajzen (1991), predictors can be found, and the TPB can be expanded. As a result, the current study proposes a revision of the TPB that incorporates variables related to charitable behaviour, supported by several studies in the field.

Based on the literature review, the variables listed in the following sections were developed as potential determinants of the behavioural intention to donate to a cash waqf. According to the revised model proposed by the TPB, individuals' contributions to cash waqf are influenced by five variables: attitude toward cash waqf giving, perceived behavioural control, knowledge, and trustworthiness.

### **3.3.1 Attitude**

Fishbein and Ajzen (1975) define attitude as a person's favourable or unfavourable feelings (evaluation effect) toward performing the desired behaviour. According to Ajzen (1991), attitude can account for over fifty percent of the variance in intentions (Ajzen, 1991). Consequently, a more optimistic outlook will result in a stronger intent.

Numerous studies in the past have documented the correlation between attitude and intent to use (Ahmad, 2020; Asmy, 2015; Hasbullah et al., 2015; Echchabi and Olaniyi, 2012).

For instance, Ahmad (2020) investigates the factors influencing Malaysian Muslims to participate in corporate waqf. His findings show a significant and positive relationship between "attitude" and the intention to give corporate waqf. Their findings are also consistent with those of Hasbullah et al's study (2015).

Hasbullah et al. (2015) investigate the factors that influence the intention of individuals to contribute to corporate waqf. According to the responses of 148 respondents, "attitude" can positively explain the intention to contribute to corporate waqf.

Asmy (2015) has created a model for Integrated Cash Waqf Micro Enterprise Investment (ICWME-I). He intends to improve microbusiness financial and human capital development services. There is a significant correlation between "attitude" and the intention to use ICWME-I, according to his findings.

In the interim, a few other studies have utilised "attitude" in Islamic Banking Services. The objective of Echchabi and Olaniyi's (2012) study is to identify the factors that influence the intention of Malaysian customers to adopt Islamic banking services. On the basis of questionnaire responses from respondents, they conclude that "attitude" has a positive effect on the adoption of Islamic banking services.

Based on the above literature, the hypothesis is:

H<sub>0</sub>1: Attitude does not significantly (positively) affect their intention to contribute in cash waqf for house financing.

H<sub>a</sub>1: Attitude does significantly (positively) affect their intention to contribute to cash waqf house financing.

### **3.3.2 Subjective Norm**

Subjective norms refer to an individual's perception of whether significant others believe they should or should not engage in the behaviour in question. (Fishbein & Azjen, 1975). It is believed that subjective norm is determined by the total set of available normative beliefs pertaining to the expectations of significant referents (Ajzen, 1991).

Ajzen (1991) clarified that for many practical purposes, generating intention can be improved and influenced by merely identifying attitude, subjective norm, and their relative significance. To understand the issue comprehensively, one must investigate the motivations and reasons behind people's beliefs, attitudes, and subjective norms. This study utilises donors' subjective norms to determine the impact of these norms on cash waqf giving behaviour.

Many scholars tested and documented this construct's importance (Ahmad, 2020; Asmy, 2015; Hasbullah et al., 2015; Echchabi and Olaniyi, 2012).

For instance, the study by Ahmad (2020) on participation in Muslims corporate waqf in Malaysia finds that subjective norm is influencing significantly toward the intention in participating in corporate waqf. Hasbullah et al. (2015) also find that the respondent is affected by subjective norms in participating in corporate waqf.

Asmy (2015) examine the role of subjective norm on the intention to use ICWME-I. His findings that subjective norm becomes a factor that gives more influence related to intention to us ICWME-I.

Echchabi and Olaniyi (2012) investigate the factors that influence customers' intentions to adopt Islamic banking services in Malaysia. In addition to the "attitude" factor, they conclude that the subjective norm factor significantly influences customer adoption of Islamic banking services in Malaysia. Hence, the next hypothesis is proposed as:

H<sub>0</sub>2: Subjective norm does not significantly (positively) affect their intention to contribute in cash waqf for house financing.

H<sub>a</sub>2: Subjective norm does significantly (positively) affect their intention to contribute in cash waqf for house financing.

### **3.3.3 Perceived Behavioural Control**

Perceived behavioural control refers to the extent to which an individual possesses the skills, resources, and alternative conditions necessary to perform a specific behaviour (Ajzen, 1991). According to Chang (1998), the perception of volitional control or the perception of a problem in relation to the behaviour can influence intention. Skills, abilities, time, and necessary data play a significant role in predicting and manipulating behaviour. Previous research found that perceived behaviour control was one of the crucial components of the giving behaviour (Linden, 2011; Smith & Mcsweeney, 2007).

Numerous studies have demonstrated a correlation between perceived behavioural control and actual behaviour (Ahmad, 2020; Hasbullah et al., 2015; Al-Ekam, 2013; Jamil, 2012; Saad, 2010).

Ahmad (2020) and Habusllah et el. (2015) both studies have perceived behavioural control as the independent variable. With the same intention related to the corporate waqf, both studies find that perceived behavioural control significantly influences the intention in corporate waqf.

Meanwhile, the study by Saad (2010) explores the factors that affect zakah compliance behaviour. The study finds that perceived behavioural control positively influences zakah compliance.

Moreover, Al-Ekam (2013) attempts to apply perceived behavioural control to a different field. The study was conducted in Yemen, and the respondents were the academic staff. He investigates the relationship between perceived behavioural control and online shopping intent. The academic staff's online purchasing behaviour is found to be significantly influenced by the perception of behavioural control.

Based on the above literature, the hypothesis is:

H<sub>0</sub>3: Perceived behavioural control does not significantly (positively) affect their intention to contribute in cash waqf for house financing.

H<sub>a</sub>3: Perceived behavioural control does significantly (positively) affect their intention to contribute in cash waqf for house financing.

### **3.3.4 Knowledge**

Many Indonesians believe that waqf can only be executed through the use of fixed assets. This paradigm is responsible for the slow establishment of waqf in Indonesia, and the management of waqf has not yet resulted in a productive type of waqf (Sururdin, 2010). For example, Puad et al. (2014) and Faiz (2014) find that a lack of knowledge or comprehension about waqf has led to a lack of awareness regarding waqf.

Moreover, many Muslims do not fully comprehend waqf (Ahmad, 2020; Mahmood, 2006; Nizar, 2017). According to Adewale et al. (2016), Muslims' lack of comprehension stems from the misconception that waqf pertains to religious rites. According to a study conducted by Pikkarainen et al. (2004), the quantity of information has the greatest impact on the acceptance of a service. Moreover, information plays a significant role in Pakistani customers' acceptance of online banking services (Qureshi, Zafar, & Khan, 2008). It can be concluded that a person's intention to participate can be affected by their level of knowledge.

Ahmad (2020), in his study regarding corporate waqf determinant factors, find that knowledge is significant to the intention of Muslims in participating in the corporate waqf.

To be more specific, Shukor et al. (2017) conducted a study titled Muslim attitude toward participation in cash waqf: causes and effects. They discover that the greater the waqif's knowledge of cash waqf, the greater their intention to give cash waqf.

A previous study demonstrates that individuals with greater knowledge tend to be more confident in their decision-making abilities and less interested in the information and viewpoints of others (Bearden et al., 1990; Clark & Goldsmith, 2006). Thus, it is believed that a thorough understanding of waqf, particularly cash waqf, may result in greater contributions from waqf. Consequently, the following hypothesis is formulated: Hence, the following hypothesis is developed:

H<sub>0</sub>4: Knowledge does not significantly (positively) affect their intention to contribute in cash waqf for house financing.

H<sub>a</sub>4: Knowledge does significantly (positively) affect their intention to contribute in cash waqf for house financing.

### **3.3.5 Trustworthiness (X5)**

Trust and generosity are sequentially related (Sargeant et al., 2006). Trust refers to the degree to which a donor believes a charity will act honourably and fulfil its obligations (Sargeant and Lee, 2004). Voluntary organisations are founded on the principle of trust.

In such an organisation, contracts governing formal exchange do not bring individuals together. Additionally, trust is the foundation of public goodwill. If the public has little faith in charity, they will be less willing to provide financial support (Sargeant & Lee, 2004). In such relationships, trust is considered especially crucial when intangible services are provided, as donors frequently lack objective performance evaluation criteria (Coleman, 1990).

Some studies specifically address the role of trust in fostering cash *waqf* giving behaviour, for instance, Dzuljastri et al. (2019) and Shukor et al. (2017). In addition, Ahmad (2020) also study the influence of trustworthiness in terms of corporate waqf.

Dzuljastri et al. (2019) investigate the factors that influence the intention to perform cash waqf for microbusinesses. The study finds that trust has a significant relationship with the intention to do cash waqf for microenterprise based on the responses of 200 individuals.

Shukor et al. (2017) investigate the effect of trust on the intention of Muslims to participate in cash waqf. His findings indicate that Muslims' intentions to participate in cash waqf are influenced more by the factor of trust.

Meanwhile, Ahmad (2020) utilize trustworthiness in term of corporate waqf. He finds that trust in the institutional waqf is a significant influence on the Muslims in Malaysia to participate in corporate waqf. This leads to the following hypothesis:

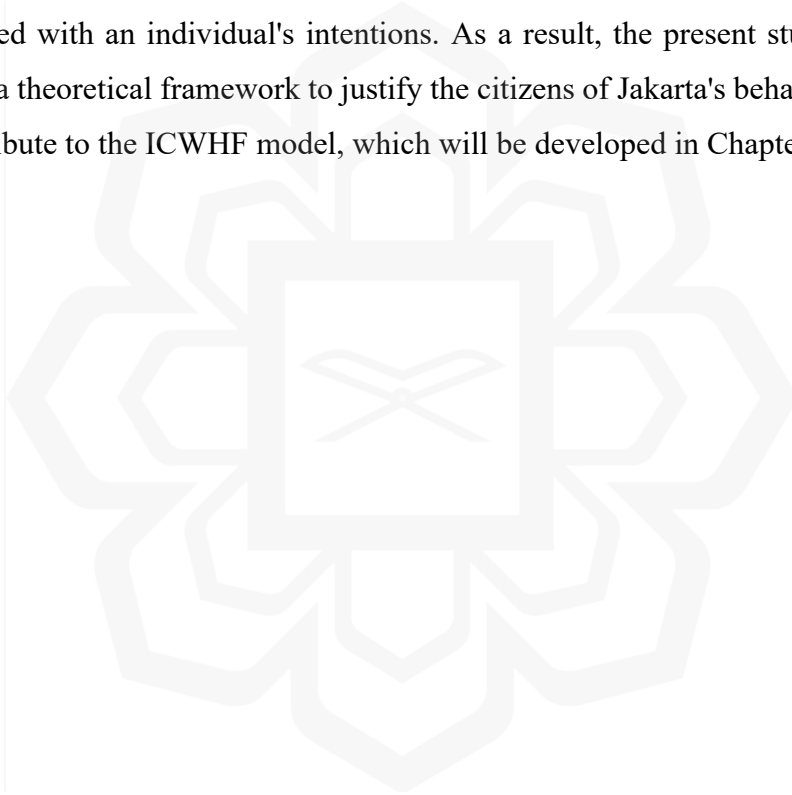
H<sub>0</sub>5: Trustworthiness does not significantly (positively) affect their intention to contribute in cash waqf for house financing.

H<sub>a</sub>5: Trustworthiness does significantly (positively) affect their intention to contribute in cash waqf for house financing.

### 3.4 CHAPTER SUMMARY

The preceding discussion illustrates the application of the Theory of Planned Behavior to the cash waqf domain. This theory is utilised due to its ability to predict the behavioural intentions of the target population.

The majority of studies utilising TPB confirm its applicability for predicting the behavioural intentions of the target population. Several empirical studies have demonstrated that these five constructs, namely attitude and subjective norms, perceived behavioural control, knowledge, and trustworthiness, are positively associated with an individual's intentions. As a result, the present study employs the TPB as a theoretical framework to justify the citizens of Jakarta's behavioural intention to contribute to the ICWHF model, which will be developed in Chapter 4.



# **CHAPTER FOUR**

## **RESEARCH METHODOLOGY**

### **4.1 INTRODUCTION**

This chapter discusses the research methodology employed to achieve the stated research objectives. This includes, among other things, the research design, the study's population, sampling and sampling technique, instruments, and data analysis techniques such as thematic analysis, descriptive analysis, and multiple regression.

### **4.2 RESEARCH DESIGN**

Research design aims to provide a study plan that enables precise evaluation of the research (Jang, 1980). According to Jang (1980), the objective of research design is to enable precise evaluation in answering a research question. Wyk (nd) also stated that research design is the overall plan to link conceptual research problems to a relevant (and realisable) empirical study. In other words, the research design describes the required data, the analysis methods, and how they all contribute to answering the research question. Thus, each researcher has a distinct and specialised approach to achieving their objectives (Muhammad, 2012).

To answer the research question, this study combines qualitative and quantitative research methods. The mixed-method is a procedure for collecting and analysing quantitative and qualitative data in a single study by "mixing" them at some point during the research process. This is to better comprehend the research problem (Tashakkori and Teddlie, 2003; Creswell, 2002).

In this study, the researcher uses qualitative data by interviewing the shariah scholars, practitioners, and academicians to gain a greater understanding and increase knowledge of the ICWHF model. Meanwhile, the quantitative instruments used in this study are using survey questionnaires obtained from the citizens of Jakarta province to

describe their intention to participate in the ICWHF model. This methodology enables the researcher to achieve a systematic and comprehensive study result. Figure 4.1 shows the research design that is used in this study.

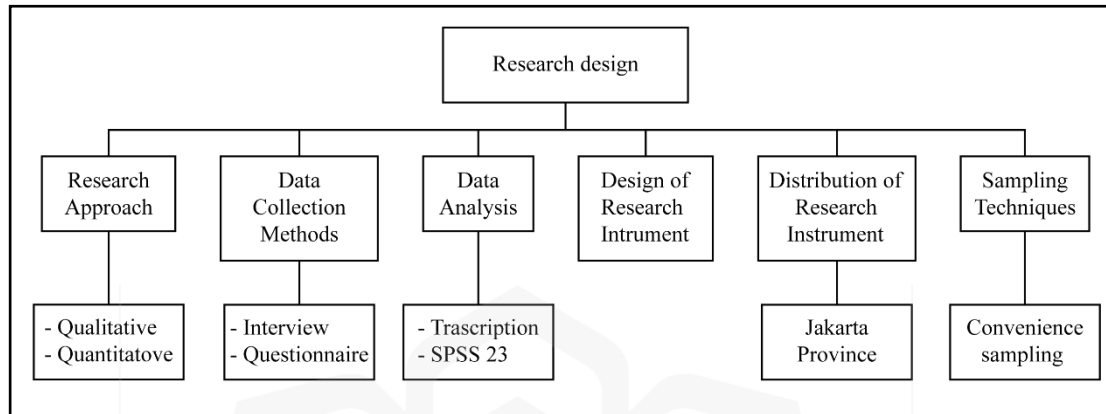


Figure 4.1 Research Design  
Source: Author's Illustration

### 4.3 QUALITATIVE RESEARCH METHOD

After the conceptual model, known as the ICWHF model, is developed in chapter 4, the model's suitability, applicability, and potential are enhanced. This approach is referred to as the qualitative research approach. The researcher has a solid grasp of the subject matter. Qualitative research seeks to comprehend the beliefs, experiences, attitudes, behaviour, and interactions of individuals (Pathak and Kalra, 2013; Muhammad, 2012). It can be accomplished by conducting interviews with experts from various fields and institutions, such as academicians, shariah scholars, practitioners, and regulators. In addition, whereas qualitative research was once thought to be philosophically incompatible with experimental research, it is now recognised for its capacity to add a dimension to interventional investigations that cannot be attained through the measurement of variables alone (Gibson et al., 2004).

According to Asmy (2015), one of the primary strengths of qualitative research is its capacity to provide detailed textual descriptions of how people experience a given study subject. Qualitative research can also aid in interpreting and comprehending the

complex reality of a situation and the consequences of quantitative data. In addition, qualitative methods aid in the development of a questionnaire pertinent to quantitative methods in this study.

Croswell (2002) explains that qualitative analysis consists of the following steps: (1) preliminary data exploration by reading transcripts and writing memos; (2) coding the data by segmenting and labelling the text; (3) using codes to develop themes by grouping similar codes together; (4) connecting and interrelating themes; and (5) constructing a narrative.

#### **4.3.1 Data Collection: Semi-Structured Interview**

This study gathers data for qualitative analysis through semi-structured face-to-face interviews. According to Zikmund (2000), personal interviews are direct communication that allow the interviewer to clarify any questions and provide feedback. The semi-structured interviews also permit the interviewees to express their views on the topics being discussed (Horton et al., 2004). At this stage, this study aims to determine how relevant stakeholders perceive the ICWHF model. The interview questionnaires assess the suitability, applicability, and potential of the ICWHF model.

To ensure that interviews are proceeding properly, interview protocols must include the list of questions, information about interviewees, their position, and the date and time of the interviews. In addition, all conversations are recorded with the appropriate equipment and transcribed for analysis. The table below illustrates the relationship between the research question and data sources.

Table 4.1 Research Question and Data Sources

Research Question	Data Sources	Justifications
<p>1. What would be the perception of the relevant stakeholders about the suitability, applicability and prospects of the model developed in this study?</p>	<p>Interview with experts:</p> <ul style="list-style-type: none"> <li>• National Shariah Economy and Finance Committee (KNEKS)</li> <li>• Indonesian Waqf Board</li> <li>• Ethis Investment Indonesia</li> <li>• Islamic Economic Forum for Indonesia Development (ISEFID)</li> <li>• Bank Syariah Indonesia</li> <li>• Local Universities</li> </ul>	<p>To find out what experts think about the model developed in this study's suitability, applicability, and future prospects.</p>

#### 4.3.2 Sampling Techniques

The selection of experts is based on techniques of purposive sampling, one of the most prevalent sampling methods for selecting participants based on a specific research question. As stated by Asmy (2015), sampling sizes are frequently determined based on theoretical saturation (the point in data collection when new data no longer bring additional insight to the research question). This study focuses on the subset of purposive sampling known as expert sampling. It is used for two purposes: (i) obtaining the opinions of individuals with specialised knowledge, and (ii) providing evidence for the validity of research outcomes (Schaffer, 2001).

#### 4.3.3 Respondents

One of the objectives of this study is to investigate the perceptions of experts regarding the suitability, applicability, and potential of the ICWHF model. Thus, this study interviews five experts from various institutions: academicians, practitioners, shariah scholars, and regulators. The experts are from National Islamic Finance Committee, the

Indonesian Waqf Board, Ethis Investment Indonesia, Islamic Economic Forum for Indonesia Development (ISEFID), Bank Muamalat Indonesia and academicians from local universities, as shown in Table 5.2.

The selection criteria for experts are primarily based on their credentials, areas of expertise, and work experience. For qualitative research, Morse (1994) suggests interviewing five participants. Typically, the selection of respondents for qualitative studies is based on the notion of saturation, or the point at which no additional information is observed from respondents. Other researchers, including Muhammad (2012), Ahmed (2013), and Asmy, have utilised the six respondents (2015). With this number of respondents, they can study their topic in depth, which is sufficient for achieving the objectives of the study.

Table 4.2 Profile of the Interviewee

No	Institutions	Position	Experiences (years)	Codes
1	National Shariah Economy and Finance Committee (KNEKS)	Director	27	E1
2	Indonesian Waqf Board	Commissioner	24	E2
3	Ethis Global Investment	Managing Director	10	E3
4	Islamic Economic Forum for Indonesia Development (ISEFID)	Director	18	E4
5	Bank Muamalat Indonesia	Treasury	14	E5

In selecting experts for this thesis, several key considerations were taken into account to ensure that their contributions would provide substantial and relevant insights into the study of cash waqf models for housing finance. The chosen experts are distinguished by their extensive experience and roles in various domains related to social finance, waqf management, and Islamic economics.

1. National Shariah Economy and Finance Committee (KNEKS) - Director of Social Finance.

The selection of the Director of Social Finance from KNEKS is particularly appropriate due to their direct involvement in the formulation and oversight of social finance policies in Indonesia. Their role in KNEKS aligns closely with the objectives of this study, as their expertise encompasses the management and strategic direction of social finance initiatives, including waqf. Furthermore, their prior experience with Dompot Dhuafa, where they managed Islamic social finance projects, including waqf, underscores their deep understanding of both the theoretical and practical aspects of cash waqf.

2. Indonesian Waqf Board – Commissioner

The Commissioner of the Indonesian Waqf Board is an excellent choice due to their specific responsibility for managing waqf funds and assets in Indonesia. Their role involves overseeing the operational aspects of waqf, ensuring that the funds are utilized effectively to achieve socio-economic benefits. This hands-on experience in waqf management provides valuable insights into the challenges and opportunities associated with cash waqf, making their input crucial for understanding the practical implications of implementing cash waqf models.

3. Ethis Global Investment - Managing Director

The Managing Director of Ethis Global Investment brings a unique perspective with their experience in managing low-cost housing projects and working with government entities. Their expertise in both global and local crowdfunding for social projects, including housing, is essential for understanding how cash waqf can be leveraged to finance housing. Their background ensures that the study will benefit from a comprehensive view of fundraising and investment strategies that are relevant to the context of Islamic social finance.

4. Islamic Economic Forum for Indonesia Development (ISEFID) – Director  
The Director of ISEFID and Head of the Bank Syariah Indonesia (BSI) Institute offers both academic and practical insights into Islamic economics. Their dual role provides a balanced perspective, combining theoretical knowledge with real-world applications. This expertise is particularly valuable for assessing the theoretical foundations of cash waqf and its practical implementation within the framework of Islamic economic principles.

5. Bank Muamalat Indonesia - Head of Treasury

The Head of Treasury at Bank Muamalat Indonesia is a key figure for evaluating the management of cash waqf funds from a banking perspective. Their experience in treasury management and banking operations ensures that the study will be informed by a professional view on how cash waqf funds can be managed efficiently and effectively. This perspective is crucial for ensuring that the proposed models are both practical and aligned with banking standards and regulations.

Additionally, while these experts provide a comprehensive view of cash waqf models, the study also acknowledges a gap in understanding the perspective of potential waqf donors. To address this, the research will include a survey targeting potential waqf donors to gauge their intentions and willingness to contribute to the proposed models. This survey aims to provide insights into donor motivations and preferences, ensuring that the cash waqf models are designed with an understanding of the needs and expectations of potential contributors. By incorporating this perspective, the study will offer a more holistic view of cash waqf implementation and its potential impact on housing finance.

#### **4.3.4 Research Instrument**

The type of data required to address the research problem influences the choice of research instrument. For the purpose of this study, information from experts is gathered

via interviews. In the discussion, the responses of the experts to the specific research topic are covered. This method also permits the researcher to organise and invite the interviewee to participate (Morse and Richards, 2002).

Generally, the interview questions for experts focus on the ICWHF model's suitability, applicability, and prospects. This study uses semi-structured interviews, allowing interviewees to express their opinions on the topics under investigation freely (Horton et al., 2004). The researcher is aware of the study's framework in advance (Morse and Richards, 2002). It also helps in the formation of the survey questionnaire for quantitative analysis.

The pilot interview is conducted before the main interview with experts. The primary goal of conducting pilot interviews is to determine the questions' reliability and validity about the study objectives (Sekaran, 2003). Three specialists from different institutions (National Islamic Finance Committee, Indonesian Waqf Board, Ethis Investment) will participate in the pilot project. The pilot interviews took around an hour and a half to complete. The outcome suggests that the respondents' responses were consistent. It also showed that they could comprehend the questions within the study themes.

#### **4.3.5 Data Analysis**

The thematic analysis investigates the interview data that was transcribed into field notes. Thematic analysis is "a method for identifying, evaluating, and reporting patterns (theme) in data" (Braun and Clarke, 2006). Due to the following advantages, thematic analysis was chosen for this study: the ability to summarise significant elements of large data sets; the ability to highlight data similarities and differences; and the utility in adapting analysis to policy development (Braun and Clarke, 2006). The process of thematic analysis consisted of selecting, simplifying, and coding the collected data into common themes (Miles and Huberman, 1994).

According to Braun and Clarke (2006), there are six steps to conducting thematic content analysis. After each semi-structured interview session concludes, the

interviewer transcribed the data verbatim for proper coding. Second, the initial code represents any interesting features found across the entire data set. Third, the interviewer organizes the principles into potential themes. Fourth, the themes are examined alongside coded extracts and the whole data set. Each theme is defined and named in the fifth step. The final step is to write a summary of each theme.

#### **4.4 QUANTITATIVE RESEARCH METHOD**

After the ICWHF model's applicability, suitability and prospect are strengthened through interviews with experts. The quantitative will identify the problem based on testing theory, measured with numbers, and analyzed using statistical techniques. It also describes the quantity and tests relationships between variables with far greater precision than most qualitative studies (Muhammad, 2012). Quantitative research is used when comparing the attitudes and behaviours of people of different ages, genders, or income levels (Hague, 2006).

The quantitative research methodology is specific and is divided into three categories: (a) descriptive, (b) comparative, and (c) relationship (Onwuegbuzie and Leech, 2006). This study employs both descriptive and correlational research techniques. Descriptive questions, in essence, seek to quantify responses to one or more variables. The previous chapter's (Chapter 1) research questions reflect the descriptive nature of the investigation. Frequently, these inquiries begin with "what, who, when, where, and how." Survey research is a descriptive method of collecting information from or about people in order to describe, compare, or explain their knowledge, emotions, values, and behaviour (Babbie, 1990). In contrast, relationship questions focus on the relationships between (or among) two (or more) variables. In these questions, the terms "relate," "relationship," "association," and "trend" appear frequently. To estimate the results, descriptive analysis and multiple regression were utilised.

#### 4.4.1 Data Collection

Data for this study are gathered using self-administered questionnaires with items in various formats. The questionnaires contain various categories of information about demographic and occupational data.

The questions focus on their behavioural intention to contribute to the ICWHF model. The majority of questionnaire designs include dichotomous answers such as "Yes" and "No," and self-assessment items scored on a Likert scale. The questions are translated into Bahasa Indonesia (the national language) for ease of use and comprehension by the surveyors. The association between research topics and data sources is also shown below.

Table 4.3 Research Question and Data Sources

Research Question	Data Sources	Justifications
1. What is the level of knowledge on cash waqf and intention to contribute to the ICWHF model? 2. What is the relationship between the extended TPB component (attitude, perceived behaviour control, descriptive norm, knowledge and trustworthiness) and intention to contribute to the ICWHF model? 3. Which is the most influential factor influencing intention to contribute to the ICWHF model?	Survey: Jakarta citizens	<ul style="list-style-type: none"> <li>• To examine the level of knowledge on cash waqf and intention to contribute to the ICWHF model.</li> <li>• To identify the relationship between the extended TPB component (attitude, perceived behaviour control, descriptive norm, knowledge and trustworthiness) and intention to contribute to the ICWHF model.</li> <li>• To determine is the most influential factor that influences intention to contribute to the ICWHF model.</li> </ul>

#### 4.4.2 Population of Study

According to Sekaran (2003), a population is a collection of all possible individuals, objects, or measurements of interest. The study focuses on Jakarta citizens above 18 years old as a population. The current study's population consists of 6 regencies in Jakarta. According to the Indonesian Department of Statistics, the number of people in Jakarta is 10.6 million.

#### 4.4.3 Sample Size and Sample Technique

The sample size is essential when testing the proposed structural model and hypotheses. Although there is no standard sample size in the final evaluation that can be regarded as the exact formula, Hair et al. (2008) recommend a minimum sample size of 300 for constructs of seven or fewer. On the other hand, Baumgartner and Homburg (1996) stated that five samples should be collected for each parameter, which is agreed upon and supported by Hair et al. (2010). In other words, the greater the number of parameters, the larger the sample size required (Kline, 2011).

Meanwhile, the formula provided by Yamane (1967), which will be used to determine the sample size for this study, is another famous formula used by researchers. This formula is given below:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = desired sample size

N = the population size

e = level of precision or sampling error (sampling error in this study is 5 percent)

The population aged 18 and up in Jakarta is estimated to be 10,609,681 (BPS, 2021). As a result, the formula for calculating sample size with a margin of error of 5% is as follows:

$$n = \frac{N}{1 + N(e)^2} = \frac{10,609,681}{1 + 10,609,681(0.05)^2} = 400$$

According to the formula, "n", the desired sample size for this study is only 400. It is calculated with a 95% confidence level and a 5% margin of error. However, for this study, 500 questionnaires will be distributed.

Under the non-probability sampling strategy, there are three types of sampling: convenience sampling, quota sampling, and snowball sampling (Bryman, 2012). Convenience sampling is a readily available method for researchers due to its usability (Zikmund et al., 2013).

This method saves costs (Bradley, 2007) and obtains a high response rate because the researcher will receive all or nearly all of the questionnaires back (Bryman, 2012). As a result, the sample for this study was drawn from the general public aged 18 and up who lived in Jakarta. The primary reasons for this study's selection of the convenience sampling method are that it saves time and is very cost-effective compared to other sampling methods (Hair et al., 2009).

#### **4.3.4 Research Instrument**

The measurement of variables in the theoretical framework is the most crucial aspect of any quantitative research design (Sekaran & Bougie, 2010). To meet the research objectives, a questionnaire was produced based on the instruments created in this study. This study's questionnaire is divided into seven sections. Table 5.4 provides a summary of each section of the questionnaire.

Table 4.4 Questionnaire Questions

<b>Sections</b>	<b>Description</b>
PART A: Demographic profile	This section offers information on the respondents' backgrounds.
PART B: Intention	This section provides declarations on the intention to contribute to the cash waqf scheme. Respondents strongly agree with the statements indicating that they want to donate to cash waqf in the future.
PART C: Attitude	This section covers statements about an individual's psychological proclivity to participate in a cash waqf scheme. Respondents who strongly agree in this area say that cash waqf is the proper thing to do and have favourable impressions.
PART D: Subjective Norm	This section contains statements about respondents' perceptions of whether or not others contribute to the cash waqf scheme. Respondents who strongly agree in this section believe that other persons who are significant to them will influence their decision to contribute to cash waqf.
PART E: Perceived Behavioural Control	This section includes statements about respondents' perceptions of their ability to contribute to the cash waqf scheme. This portion is strongly agreed upon, demonstrating that respondents have the ability and control to give to cash waqf.
PART F: Knowledge	This section includes statements about respondents' knowledge about the cash waqf scheme as their decision to contribute to the cash waqf.
PART G: Trustworthiness	This section covers statements about an individual's trust to participate in a cash waqf scheme. Respondents who strongly agree to contribute to the cash waqf if the management is trustworthy.

The sources of the construct items utilised in this study are detailed in Table 5.5. Several of the questionnaire items were modified to meet the objectives of the study. On a 5-point Likert-Scale, with 1 indicating strongly disagree, 2 indicating disagree, 3 indicating neutral, 4 indicating agree, and 5 indicating strongly agree, the questionnaire items are scored as follows: 1 indicating strongly disagree, 2 indicating disagree, 3 indicating neutral, 4 indicating agree, and 5 indicating strongly agree. Whether data is collected offline or online, the Likert scale is suitable for measuring items in self-administered surveys (Hair et al., 2009). Furthermore, Cooper and Schindler (2011) claim that it is more reliable and provides more data than other scales. Parts A and B also included dichotomous and multiple-choice questions.

Table 4.5 Source of Constructs

<b>Construct</b>	<b>Sources of the items</b>
Intention	Ahmad, 2020; Asmy, 2015; Hasbullah et al., 2015; Echchabi and Olaniyi, 2012; Dzuljastri et al., 2019; Shukor et al., 2017
Attitude	Ahmad, 2020; Asmy, 2015; Hasbullah et al., 2015; Echchabi and Olaniyi, 2012
Subjective Norm	Ahmad, 2020; Asmy, 2015; Hasbullah et al., 2015; Echchabi and Olaniyi, 2012
Perceived Behavioural Control	Ahmad, 2020; Hasbullah et al., 2015; Al-Ekam, 2013; Jamil, 2012; Saad, 2010
Knowledge	Ahmad, 2020; Mahamood, 2006; Nizar, 2017; Shukor et al., 2017
Trustworthiness	Ahmad, 2020; Dzuljastri et al., 2019; Shukor et al., 2017

#### 4.5 PREVIOUS STUDIES

Research on public interest in contributing to cash waqf has been carried out by many researchers before. Of course, these studies became a lot of input in writing this research. In addition, the results of previous studies have provided many inputs in increasing public interest in contributing to cash waqf. Table 5.6 shows the results of previous research related to people's interest in cash waqf using the theory of planned behavior

Table 4.6 Previous Research Study

Researcher	Title	Variable	Methodology	Result
Mohamed Asmy Bin Mohd Thas Thaker (2015)	A Proposed Integrated Cash Waqf Micro Enterprise Investment (Icwme-I) Model For Mitigating The Financial and Human Capital Development Challenges of Micro Enterprises In Malaysia	Intention Attitude Subjective Norm Education Gender Annual Turnover Number of years in business	Structural Equation Modeling (SEM)	Family members, relatives, friends, neighbors, and coworkers are examples of social pressure groups that assert subjective norms and impact the decision-making process for micro-enterprises interested in implementing the ICWME-I Model in the future.
Nurul Adilah Hasbullah, Khairil Faizal	Intention To Contribute to Corporate Waqf: Applying The	Intention Attitude Subjective Norm	Multiple Regression Analysis	According to the findings of this study, attitude,

<b>Researcher</b>	<b>Title</b>	<b>Variable</b>	<b>Methodology</b>	<b>Result</b>
Khairi, Muhammad Ridhwan Ab. Aziz (2015)	Theory Of Planned Behaviour	Perceived Behavioural Control		subjective norm, and perceived behavioral control are all strongly associated to people's intentions to donate to corporate waqf.
Amirul Faiz Osman (2016)	Determinants of Cash Waqf Giving Behavior Intention in Malaysia: A Study of Donors In The State Of Selangor	Intention Attitude Subjective Norm Perceived Behavior Control Trust Religiosity Perceived Services Quality	Structural Equation Modeling (SEM)	According to the findings, purpose completely moderated the association between religiosity and monetary waqf giving behavior.
Nur Shafawati Binti Bahara (2017)	Using An Extended Theory of Planned Behaviour To Measure Intention To Contribute To Cash Waqf	Intention Cash Waqf Theory of Planned Behaviour Extended Theory of Planned Behaviour Attitude Perceived Behavioural Control Subjective Norms Injunctive Norms Descriptive Norms Moral Norms Past Behaviour	Multiple Regression Analysis	The data show that attitude, injunctive norms, perceived behavioral control, moral norms, and historical behavior all have a substantial effect on participation.

<b>Researcher</b>	<b>Title</b>	<b>Variable</b>	<b>Methodology</b>	<b>Result</b>
Dzuljastri Bin Abdul Razak, Mohamed Zakaria Fodol, Ahmed Abd Ilahi Jama, Ali Ahmad Burhan (2019)	Factors That Determine Donors' Intention to Endow Cash Waqf For Microenterprises in Malaysia	Intention Concept of Cash Waqf Trust Religiosity Social Culture	Multiple Regression Analysis	According to the findings, the concepts of financial waqf, trust, and social culture all have a substantial association with the intention to endow CWME.
Muhammad Fakhurrizi Ahmad (2020)	Determinants of Corporate Waqf Contribution From The Perspective of Muslims in Malaysia	Intention Attitude Subjective Norm Trustworthiness Knowledge Perceived Behavioural Control	Multiple Regression Analysis	It is proposed that three independent variables, namely knowledge, subjective norms, and attitudes, have substantial associations with the intention to donate to corporate waqf.

#### 4.6 MULTIPLE REGRESSION

The data from the questionnaires will be statistically analysed using regression analysis in this study. It's because this research is looking into variable relationships and attempting to explain how one variable affects another (Brinkerhoff, 2009). This study examines intentions to donate to cash waqf and intention act as they are influenced by other variables such as attitude, perceived behavioural control, subjective norms, knowledge, and trustworthiness.

In addition, regression analysis is used to forecast the explanatory value of one variable on another. The R-Squared statistic is a common regression analysis statistic (Skyles, 1993). According to him, the  $R^2$  statistic is a measure of how well the regression explains the total variation of the dependent variable. The  $R^2$  statistic value is clearly shown to be between zero and one. The high  $R^2$  value indicates that the regression model adequately explains the variation in the dependent variable.

#### **4.6.1 Type and Data Resources**

The collected and utilized data are primary data, or data obtained from the first source from individuals, such as the results of an interview or a questionnaire (Husain, 2009). The respondents, who were the subject of the study, were sent a questionnaire in the form of a question that served as a variable instrument. It is also possible to conduct in-person meetings with respondents if necessary.

#### **4.6.2 Data Collection**

This study's sampled respondents were selected using convenience sampling, a term that encompasses a broad range of procedures for selecting respondents. Convenience sampling is a method of selecting subjects because they are easy to reach, not difficult to measure, and cooperative (Hamid, 2007). Researchers utilize this sampling method because they can select samples rapidly from parts of the population for which data is readily available.

#### **4.6.3 Operational Research Variables**

Variables are attributes, characteristics, or values of people, objects, or activities with specific variations determined by research in order to study and determine conclusions (Sugiyono, 2014). The following operational research variables will be utilized:

#### **4.6.3.1 Dependent Variable**

The dependent variable is the variable whose value is affected or determined by the independent variable (Sugiyono, 2014). The dependent variable in this study is the Intention to Contribute to Cash Waqf for House Financing (Y). The questions used a 5-point Likert scale, where 1 indicates strongly disagree, 2 indicates disagree, 3 indicates between disagreeing and agreeing, 4 indicates agreement, and 5 indicates strongly agree.

#### **4.6.3.2 Independent Variable**

The independent variable, denoted by (X), is the variable that affects the dependent variable, whether it has a positive or negative effect. The independent variable in this study is Attitude (X<sub>1</sub>), Subjective Norm (X<sub>2</sub>), Perceived Behavioural Control (X<sub>3</sub>), Knowledge (X<sub>4</sub>), and Trustworthiness (X<sub>5</sub>). All the questions for these variables used a 5-points Likert scale, where 1 indicates strongly disagree, 2 shows disagree, 3 indicates in the middle of disagreeing and agree (neutral), 4 is for agreeing, and 5 indicates strongly agree.

#### **4.6.3.3 Research Model**

The general form of multiple linear regression models with p independent variables is as in the equation below (Kutner et al., 2004).

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + \dots + e$$

Where:

Y = Dependent Variable

b<sub>0</sub> = Constanta

b<sub>1</sub>, b<sub>2</sub>, b<sub>3</sub> = Coefficient

X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub> = Independent Variable

e = Standard Error

Thus, the research model for this research is:

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + \dots + e$$

Where:

Y = Intention

b<sub>0</sub> = Constanta

b<sub>1</sub>, b<sub>2</sub>, b<sub>3</sub>, b<sub>4</sub>, b<sub>5</sub> = Coefficient

X<sub>1</sub> = Attitude

X<sub>2</sub> = Subjective Norm

X<sub>3</sub> = Perceived Behavioural Control

X<sub>4</sub> = Knowledge

X<sub>5</sub> = Trustworthiness

e = Standard Error

The equation for testing the hypothesis analysis can be described through the following structure:

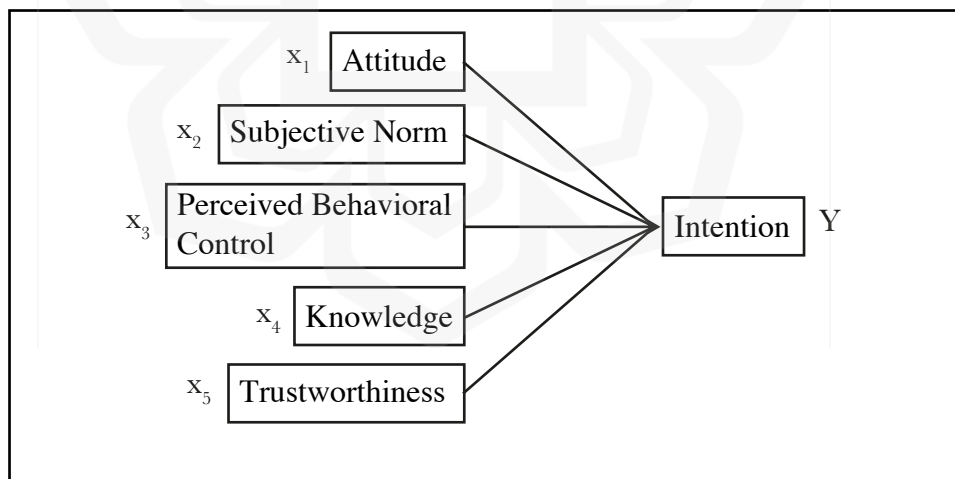


Figure 4.2 Research Model  
Source: Author's Illustration

#### **4.6.4 Data Analysis Techniques**

This research employs the quantitative technique for data analysis. Investigate data processing to reach a conclusion using specific formulas. This study utilized SPSS (statistical package for the social sciences) software for data processing due to its relatively advanced statistical analysis functionality.

#### **4.6.5 Classic Assumption Test**

The classic assumption test is used to determine whether or not the regression data contain errors. The classical assumption test is used to determine the influence of the independent variable (x) on the dependent variable (y). To compare the two variables, the researcher uses regression analysis. To obtain a regression model, the authors employ the following assumptions:

##### ***4.6.5.1 Normality Test***

The normality test aims to determine the data distribution for the study's variables. This research employs the Kolmogorov-Smirnov method, which determines whether or not the data is normal. The Kolmogorov-Smirnov test compares the normality test data and the normality standard data (Sujarweni, 2015).

- a. If  $\text{Sig} > 0,05$  then data is normal distributed.
- b. If  $\text{Sig} < 0,05$  then data is not normal distributed.

#### ***4.6.5.2 Multicollinearity***

Multicollinearity is the presence of a linear relationship between independent variables in a multiple linear regression model (Gujarati, 2003). Linear relationships between independent variables can exist as a perfect linear relationship (perfect) or a less perfect linear relationship (imperfect).

In addition, the variance inflation factor (VIF) and tolerance (TOL) values can be used to detect multicollinearity in the multiple linear regression model. If the VIF value exceeds 10, multicollinearity is present in the regression model. If the TOL value is 1, then the regression model does not contain multicollinearity.

#### ***4.6.5.3 Heteroscedasticity Test***

The objective of the heteroscedasticity test is to determine whether there is an inequality in variance between the residuals from one observation and another in the regression model. It is known as homoscedasticity if the variance and residuals from one observation to the next remain constant, and it is known as heteroscedasticity if they vary. Because this data gathers information that represents different sizes (small, medium, and large), homoscedasticity or heteroscedasticity that does not exist is a sign of a strong regression model (Ghozali, 2013). The following criteria are used to make decisions in the heteroscedasticity test by GLEJSER test:

- a. If the significance value  $> 0.05$ , it can be concluded that there is no problem in the heteroscedasticity test
- b. If the significance value  $< 0.05$ , it can be concluded that there is a heteroscedasticity problem.

#### **4.6.6 Determination Coefficient Test**

The determination coefficient is displayed by the R Square (R<sup>2</sup>). The correlation coefficient is typically given as a percentage and is used to determine how much influence variable X has on the dependent variable Y. The influence of all independent variables on the dependent variable will be less significant as the coefficient of determination decreases (gets closer to zero). The more substantial the impact of all independent factors on the dependent variable is, the closer the R<sup>2</sup> value reaches 100 percent (Priyatno, 2007).

#### **4.6.7 Hypothesis Test**

The author employs multiple linear regression analysis as the hypothesis testing approach. To determine whether there is a functional link between the independent variable (X) or more and the dependent variable (Y) or to predict the effect of two or more predictor variables on one criterion variable, multiple linear regression is beneficial (Husaini & Akbar, 2003).

##### ***4.6.7.1 Partial Significance Test (t-test)***

A hypothesis test is run to see if the independent variable has an impact on the dependent variable after running some of the tests mentioned above. In this investigation, a significant partial test was applied (t-test). The effect of attitude, subjective norm, perceived behavioral control, knowledge, and trustworthiness on cash waqf for house financing contribution (partial) was examined using the t-test (Sugiyono, 2014). The following information forms the basis for the judgments made during the t-test:

- a. If the significant probability value  $> 0.05$ , then  $H_0$  is rejected because it means that the independent variable has no significant effect on the dependent variable.

- b. If the probability significant value  $< 0.05$ , then  $H_a$  is accepted because it means that the independent variable has a significant effect on the dependent variable (Ghozali, 2013).

#### ***4.6.7.2 Simultaneous Significance Test (F-test)***

The F statistical test essentially determines if every independent variable present in the model has an impact on the dependent variable at the same time. The theory put forth is:

- a. If the sig value  $< 0.05$ , then  $H_a$  is accepted. So it can be interpreted that the variables  $X_1, X_2, X_3, X_4$  and  $X_5$  can affect the variable Y simultaneously.
- b. If the sig value  $> 0.05$ , then  $H_0$  is accepted. So it can be interpreted that the variables  $X_1, X_2, X_3, X_4$  and  $X_5$  cannot affect variable Y simultaneously.

### **4.7 CHAPTER SUMMARY**

Why qualitative and quantitative analysis is necessary to respond to research questions and test hypotheses is discussed in this chapter. Utilizing previously evaluated scales that are especially relevant to the Theory of Planned Behaviour (TPB), the anticipated measuring scales for each of the constructs in the conceptual model were developed. The data collection techniques and the pre-test and post-test survey tools have been discussed. The methodology, sample, and population that were employed have all been identified. The statistical methods used to empirically test the research hypotheses of the conceptual model have been covered in the chapter that follows, together with concerns of validity and reliability.

## **CHAPTER FIVE**

### **DEVELOPING INTEGRATED CASH WAQF HOUSE FINANCING MODEL**

#### **5.1 INTRODUCTION**

This chapter begins with the cash waqf as an innovative instrument in Islamic social financing, followed by the development of a conceptual model for the Integrated Cash Waqf House Financing (ICWHF) model and a discussion of its specifications and wide-ranging implications for Waqf, society, and the economy.

#### **5.2 CASH WAQF AS INNOVATIVE INSTRUMENT IN ISLAMIC SOCIAL FINANCE**

MA Mannan, an economist who pioneered the issuance of Cash Waqf Certificates (CWC) to maximize the potential of waqf funds, is indispensable when discussing cash waqf. Mannan established a bank in Bangladesh called Social Investment Limited Bank (SIBL), which raises waqf funds from wealthy and middle-class individuals to manage, and distributes the profits to needy poor people (Karim, 2013).

It is anticipated that the availability of cash waqf will dispel the notion that waqf is a privilege reserved for the wealthy. The availability of CWC in small denominations makes these certificates accessible to diverse groups. It is anticipated that the issuance of CWC will contribute to the social reconstruction and development of the majority of the population (Mannan, 2001).

As opposed to conventional waqf in the form of land or buildings, which have low liquidity. The creation of an investment in religion, education, and social services is made possible by cash waqf. CWC can be exchanged for the financial resources of high-income residents. The income obtained from managing cash waqf can be used for a variety of purposes, including the upkeep of the waqf property.

The target scope of cash waqf donors can be very broad compared to ordinary waqf. CWC can be made of various fractions adapted to the Muslim segment, making it possible to arouse the spirit of charity, for example, IDR 10.000 and IDR 25.000. Mustafa Edwin Nasution once mentioned that Indonesia's annual cash waqf potential is IDR 3 trillion (Nasution and Hasanah, 2005).

However, the money cannot be directly given to *the mauquf 'alaih*, but the Nazir must manage and develop it first. As for what is channelled to *mauquf 'alaih* is the result of an investment fund of IDR 3 trillion, while the cash waqf itself cannot be reduced in the slightest.

The cash waqf collection mechanism created by Mustafa E. Nasution seems to have been practised in Singapore. Even the collection of waqf funds in this lion country is unique. Even though it is not a country with a Muslim population the most, Singapore succeeded waqf as an important part of the life of Muslims. Shamsiah Abdul Karim from the *Islamic Religious Council of Singapore*, in his article entitled "*Contemporary Waqf Administration and Development in Singapore Challenges and Prospects explained*" that the practice of cash waqf in Singapore could be done by debiting the salaries of Muslim workers in Singapore.

175,000 Singaporean Muslim workers contribute funds for cash waqf. The cash waqf funds come from their salaries and are channelled through the CPF (Central Provident Fund), which acts as a waqf fund collection agent—from the collection of funds, received about \$ 6 million Singapore. The proceeds from these funds were then able to establish 22 mosques with an accumulation of around \$130 million in Singapore (Karim, 2013).

If the potential for cash waqf in Singapore is so large, it is not impossible to collect cash waqf in Indonesia, as explained by Mustafa E. Nasution. At least Indonesia has two advantages compared to Singapore: 1) Indonesia has a Muslim population the most in the world. 2) The willingness of Indonesian Muslims to donate is very high.

The great interest of the Indonesian population in waqf is indicated by the many waqf practices in Indonesia, for example, land waqf. According to data from BWI, if all land waqf in Indonesia is connected become one, so total wide land waqf in Indonesia will now have equivalent to the area of Singapore (Ministry of Religion, 2013).

Seeing the great potential of waqf, it is undeniable that the community has known waqf advantage Money, so the potency of cash waqf in Indonesia is now very large. The potential for such large funds is then expected can. Money can provide House occupancy, which is worthy for the construction of houses for low-income people through investment in waqf funds.

Cash waqf investments can be made directly or indirectly. Investments in cash waqf are directly carried out in projects managed by Nazirs. In contrast, investments in cash waqf are indirectly carried out through institutions that meet the eligibility and institutional criteria and are profitable (BWI, 2009). Here are some possible schemes in building a house for financing housing areas for the recipient benefits:

- 1) Fund Cash Waqf invested For Development House
- 2) Fund Waqf Direct Used For Development House

### **5.3 INVESTMENT CASH WAQF FOR DEVELOPMENT HOUSE**

From the description above then, it appears that the main issue of cash waqf is not only the formation of the cash *waqf* asset itself but also how to manage this waqf so that the unity of value from the start is intact also how to make this cash waqf get even bigger funds so that it can return principal waqf. So, the most important and inseparable function of cash waqf is investment activities. So far, several waqf investment patterns can be selected and then used, including :

1. Investment Cash Waqf Through Islamic Banks
2. Investment Cash Waqf Through Real Sector
3. Investment Cash Waqf Through Islamic Mutual Funds

The following will describe the investment of cash waqf using the pattern above based on a comparative study with a comparative study of Social Investment Limited in Bangladesh, investment through sector real as done by Singapore, as well as a review of investment in Cash Waqf through Islamic mutual funds.

### **5.3.1 Investment Cash Waqf Through Islamic Banks**

Banks and waqf naturally cannot be separated from the study of Social Investment Limited Bank (SIBL) established by MA Mannan in Bangladesh. SIBL is a pioneer in social bank with innovative financial products that have succeeded in mobilizing waqf funds. By opening an account cash waqf, SIBL has encouraged people to take advantage of waqf funds so that they have the opportunity to create prosperity for the people.

Waqifs with a cash waqf account at SIBL can deposit their money. The cash waqf fund is then kept in the SIBL waqf deposit for subsequent investment by SIBL by Sharia. With this investment, SIBL will be able to generate profits so that the amount of waqf funds remains intact, and the profits can be used for the waqf determined by the waqif when donating the money. Waqif can also instruct the Bank to spend all profits for specific purposes he chooses. The book holds Account waqf cash separately, and management costs are separated from the waqf fund itself (SILB, 2013).

Mannan (1999) explains that in the SIBL scheme, for example, there are 32 targets for using cash waqf funds, namely:

Table 5.1 Objective Investment Cash Waqf on Social Investments Limited Bank (SIBL) in Bangladesh

Program	Target Program
Empowerment Family	<ul style="list-style-type: none"> <li>• Increase well-being clan poor Rehabilitation of people with disabilities Rehabilitation of the homeless</li> <li>• Rehabilitation Woman poor</li> <li>• Improving the welfare of residents of urban slum areas</li> </ul>
Education and Culture	<ul style="list-style-type: none"> <li>• Education for orphans Development of education Providing education informal Provide formal education</li> <li>• Support the development of local art And culture local Support da'wah activities</li> <li>• Provide Scholarship Support education vocationally</li> <li>• Provide education in areas neglected Funding for educational institutions Education for poor children</li> <li>• A project in memory of the heroes of Building various levels of education</li> </ul>
Health and Sanitation	<ul style="list-style-type: none"> <li>• Maintenance of health environment Water supply</li> <li>• Building hospitals, clinics, etc. Financing study in the field of health</li> </ul>
Service Social	<ul style="list-style-type: none"> <li>• Resolving community disputes Legal assistance to women Organizing wedding bulk</li> <li>• Organize transportation general and plantations</li> <li>• Help to person non-Muslims Protect against anti-social activities Public services</li> <li>• Project development mosque</li> <li>• Project provision land grave</li> </ul>

If this deposit model is applied in Indonesia to build a cash waqf scheme to provide housing for low-income people, several things must be analyzed first, including:

1. Institutions such as the SIBL do not yet exist in Indonesia. SIBL has a different concept from banks in general, even with Islamic banks.
2. SIBL is a three-sector banking model different from conventional banking and cooperatives. SIBL aims to eradicate poverty and empower society

through social investment based on a participatory economy (Mannan, 1999).

SIBL is a draft alternative bank Islam with an approach humanitarian to credit, banking based on interest-free transactions, and cooperation with the sharing of profits and losses through financing and humanity as reflected in the name of the Bank. Thus, the target or target main scope from operationalization SIBL is non-profit. Meanwhile, Islamic banks are institutions that still have banking characteristics in general, namely seeking profit.

3. Perhaps because of these considerations in Law Number 21 of 2008 (from now on referred to as the Islamic Banking Law), Islamic Banks can collect waqf funds, but Islamic Banks cannot act as nazir waqf. As stated in the Law Number 21 of 2008, chapter 4:
  - a. Islamic Banks and windows are required to carry out their functions and collect and distribute public funds.
  - b. Islamic banks and windows can carry out social functions in the form of *baitul mal* institutions, namely receiving funds from zakat, infaq, alms, grants, or other social funds and channelling them to zakat management organizations.
  - c. Islamic banks and windows can collect social funds from cash waqf and channel them to manage waqf (nazir) according to the will of the waqf giver (waqif).
  - d. Implementation function social as meant in paragraph (2) and paragraph (3) by the provisions of the legislation

Based on this article, Islamic Banks are not nazir waqf as the scheme in SIBL. When referring to Government Regulation Number 42 of 2006 concerning Regulations for Implementing Law Number 41 of 2004 in Article 23 states that the waqif can

endow movable objects in the form of money through an IFIs designated by the Minister as a manager, this IFIs is not a nazir who will manage cash waqf, IFIs only functions as a recipient of cash waqf not as a nazir.

If using a mechanism like this, utilization of Cash Waqf for provision House can be done with the following methods:

1. Waqifs who wish to donate their money can appear through an IFIs designated by the Minister as manager. Cash waqf deposits from waqifs are addressed to cash waqf nazirs registered with BWI and entered into a cooperation contract with IFIs.
2. The waqif must fill out a statement of waqif's will that functions as an AIW, followed by depositing money according to what has been promised (BWI, 2009).
3. Waqf funds placed in the next Islamic Bank will be placed in a *wadiah* account on behalf of the nazir appointed by the waqif.
4. One of the nazir and the objective of waqf management that can be presented is BWI as nazir for housing provision. It is hoped that customers can fill out the waqif will statement form and choose the designation of cash waqf to construct houses for low-income people.
5. Waqif's intention to designate his waqf for the provision of housing must be written in the waqif's will statement form.
6. Banks issue CWC, submit the certificate to the waqif, and submit a copy of the certificate to Nazhir, who is appointed by BWI in this case (BWI, 2009).
7. Next, the Islamic Bank must register cash waqf with the Minister on behalf of Nazhir (BWI, 2009).

Because the construction of houses for housing financing requires a large number of funds, cash waqf deposits can be made collectively, namely cash waqf originating from more than 1 (one) waqif. If the transfer of cash waqf is carried out collectively, then the form of the statement of the will of the waqif is made in one *copy* attached and intended for the public interest. CWC for collective waqifs is also made in one *copy* accompanied by a list of waqif names and administered by BWI. Registration of collective cash waqf is submitted to the Minister and BWI every 3 (three) months. BWI maintains the permanence of cash waqf and creates funds from investment waqf House. Then BWI must do investment. The BWI investment can also be integrated with existing products within the Islamic Bank itself, including:

#### ***5.3.1.1 Investment Cash Waqf kindly No Direct Through Mudharabah Savings or Deposits***

Article 10, paragraph (4) of BWI Regulation Number 1 of 2009 states that Cash Waqf can invest through deposit in Bank Sharia with n expectations for the most profitable results. In this transaction, BWI acts as *shahibul mal* or owner of funds, and the Bank acts as *mudharib* or fund manager. In their capacity as *mudharib*, banks can carry out various types of business that do not conflict with Sharia principles and develop, including *mudharabah*, with other parties.

Capital must be stated in the amount, in cash and not accounts receivable. Profit sharing must be stated as a *nishbah* in the account opening contract. Bank as *mudharib* covers the operational costs of savings, demand deposits, or time deposits using the profit ratio to which they are entitled. Banks are not allowed to reduce their profit ratio, which is their right. BWI uses the profits obtained from the profit sharing to construct houses.

Meanwhile, the cash waqf funds continue to be rotated using the *mudharabah giro* savings mechanism. Suppose the management and development of cash waqf in Islamic Banks are not included in the deposit insurance institution. In that case, Nazir is still obliged to guarantee no reduction in the money waqf deposit funds referred to (BWI, 2009).

Cash waqf investments through Islamic banking institutions, according to BWI Regulations Number 1 of 2009, can be done if the institution meets the following criteria:

1. most, not enough has operated during 2 (two) year
2. own completeness, legal formal
3. enclose report audits independent during 2 (two) year final

Overall, the advantages of the cash waqf investment model through banks have advantages, one of which is the widespread network of offices and ATMs. Relatively wide network of Islamic banking offices compared to others Islamic finance institution is superior separately for Islamic banking, especially cash waqf management. In addition, ATM facilities that can provide convenience endowment spread out will also facilitate the collection of cash waqf.

#### ***5.3.1.2 Investment Cash Waqf Through Mudharabah Muqayyada***

*Mudharabah Muqayyadah* is a business cooperation commercial contract between *Shahibul Mal* and *Mudharib* (entrepreneur) in a designated business with a specified ratio and period. Entrepreneurs only run and use capital provided by *Shahibul Mal* for mutually agreed businesses. In this transaction, if BWI acts as *shahibul mal* and also *nazir*, BWI has an alternative investment of cash waqf funds outside Islamic banks, so BWI can also use one of the products in Islamic banks, namely *mudhrabah muqayyadah contracts* (Antonio, 2001). Due to the *mudharabah* mechanism, *muqayyadah* is a form of special investment, then BWI can submit special conditions. BWI then submits these special requirements to the Bank for the Bank to then look for a third party (*mudharib* candidate) to do *mudharabah. muqayyadah*.

For example, BWI is collaborating on the construction of shophouses with Mr Ahmad. In this scheme, there is a cooperation agreement between BWI and Mr Ahmad that BWI will channel the funds for the construction of shophouses which Mr Ahmad

will then manage for 15 years. Mr Ahmad will then return *mudharabah* financing for the construction of the shophouse in instalments from the profit sharing from the shop management to the BWI account in the Bank. The Bank records all transactions from shop management carefully. Banks benefit from fees. Furthermore, after 15 years of managing the contract, the shop management ends so that BWI can manage the shop management, and the profits can then be used for *mauquf alaih*. From scheme *mudharabah muqayyadah*. With this, BWI will avoid the risk of unprofessionalism in the construction and management of shophouses.

### 5.3.2 Investment Fund Waqf Through Real Sector

Regulation BWI No. 1 of 2009 stipulates that the management of cash waqf is directly done through which projects managed by Nazir that meet the following requirements:

1. A business project run following Islamic principles;
2. The project feasibility level meets the eligibility requirements project according to principles 5 C (*Character, Condition, Capital, Capacity, Collateral*) and 3 P (*People, Purpose, Payment*);
3. Source return can be counted based on the study's appropriateness.

Cash waqf investments are directly guaranteed by Cash Collaterals whose funds are obtained from the benefits of cash waqf investments that are reserved for 100% (one hundred percent) of the total waqf funds invested or investments guaranteed by insurance. If Nazir points to something institution or individuals as project executors to utilize or receive waqf funds as financing, then the financing is paid in terms of work performance. Distribution of funds waqf for investment to parties related to Nazir only allowed a maximum of 10% (ten percent) of the managed waqf funds.

Regarding the direct investment model, according to the author's opinion, it is very good to learn from the success of Singapore. Although it's not a Muslim-majority

country, Singapore can optimize the potential of waqf in its country. The total waqf assets of Singapore to date have reached SGD 800 billion (BWI, 2022).

The success of managing cash waqf and other waqf assets in Singapore cannot be separated from the skills of nazir waqf. Waqf management in Singapore is carried out under the Singapore Islamic Ulema Council (MUIS). The publication of the regulations of The Administration of Muslim Law Act (AMLA) in 1968 strengthened MUIS To take care of everything matter which related with waqf. Article 58 AMLA specifically states that all waqf matters are in the management of MUIS (MUIS, 2013).

In general, waqf institutional managers invest a lot in direct investment, such as setting up real estate, plantation and so on, hoping that these funds can disburse the results (earnings) to ensure the continuity and expansion of this institution and its operations. In traditional cases such as gardens, waqf of garden products, which is its mainstay, is increased in investment leasing, *mudharabah*, *musyarakah* and so on (Batubara, 2007).

Likewise, Singapore has decided to invest its waqf in the property sector. Then to make more effective and efficient management and to reduce investment risk, MUIS created a subsidiary, Warees Investment Pte Ltd (Karim, 2013). It is making property company Warees needed for managing the portfolio and complexities of real estate and waqf management. Warees is made to be more focused and creative and present new solutions for successfully managing waqf funds.

So far, MUIS and Warees have also succeeded in building a twelve-storey hotel called Bancellon Street Apartments built using waqf funds and utilizing SUKUK using Musyarakah contracts. The apartment is rented out, and for managing the rental of the apartment, MUIS and Warees work the same as Ascott Investments Pte Ltd. (Karim, 2013).

To build a twelve-storey hotel, MUIS does not only rely on fund waqf but also depend on the fund from investors with by issuing *Musyarakah* Sukuk. The funds collected from the capital joint venture between MUIS waqf funds and Sukuk

Musyarakah funds amounted to \$35 billion. The profit-sharing ratio profit sharing between MUIS and investors is 73.5% compared to 26.5 %. Hotel construction of two mercy floors carried out by Warees Investment Ltd, which is a construction company which is subordinate to MUIS. Warees Investment Ltd ensures that the waqf and investor funds used for hotel construction can return and make a profit. Benefits can be obtained from leasing the twelve-floor hotel. Warees Investment Ltd is collaborating with Ascott Investment Plt to make hotel management more professional. The contract used between Ascott Investment and Warees Investment Ltd is an *Ijarah contract*. Profits earned by MUIS through leasing the 12-floor hotel are then used for various social programs such as prayer room maintenance, health, etc.

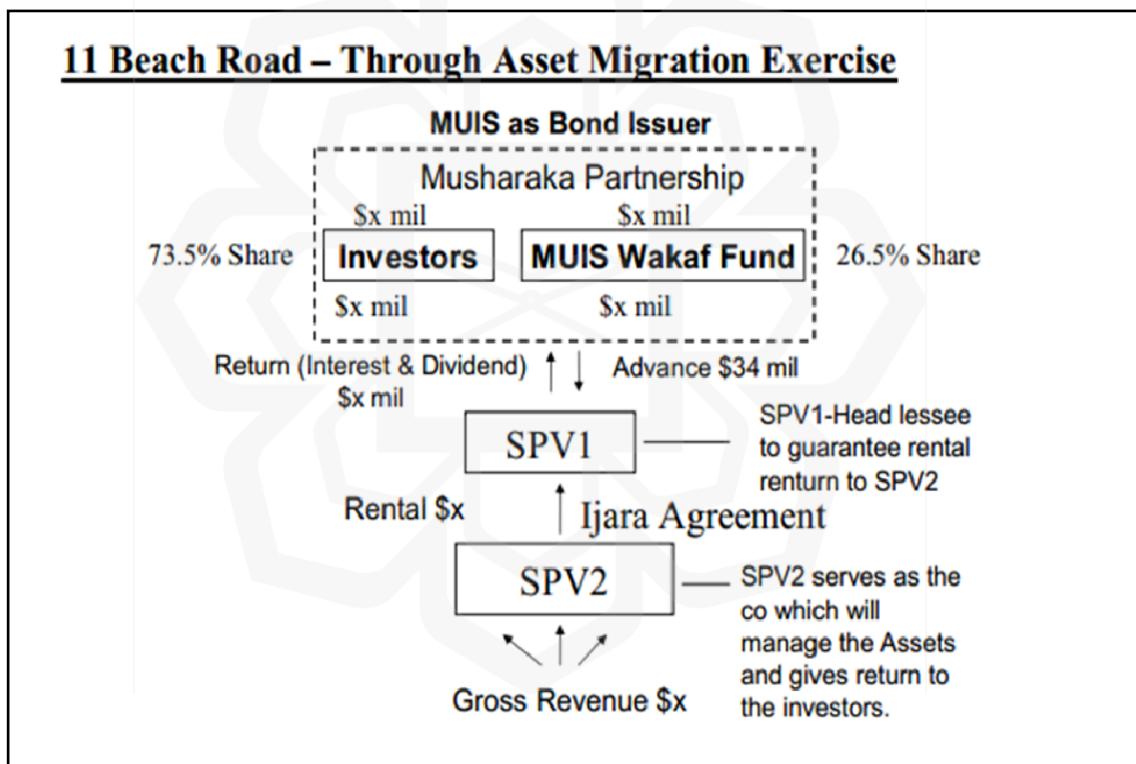


Figure 5.1 Investment Cash Waqf for Development Bancellon Street Apartments, Singapore

The development waqf in Singapore seen that an interesting investment option is investing in waqf funds, which is an investment in real estate. According to Budi Santoso, the real estate business is not affected by any condition on whether the

economy is good or bad, high-interest rates, low booming and sluggish markets for property, it makes no difference (Santoso, 2009).

The benefits derived from real estate investment results are generally 20% after tax. The yield can even exceed the yield of this figure, reaching infinity. In the real estate business, also known leverage is power pull alone from investment in the field of real estate. Leverage uses a capital owner's loan funds to increase property investment (Santoso, 2008).

According to David Sirota (2006) in his book entitled "Principles Real Estate Investment Success", from several cases, 100% of leverage gains worth 20%, and the yield can buy other properties, the process of leverage, namely small amounts of money to acquire valuable properties through funding. Through a down payment of 10%, one can buy A property worth \$100,000, with only an investment of \$ 10,000 and a loan of \$ 90,000. Thus leverage has two functions that can be mutually beneficial between sellers and buyers (Sirota, 2006).

Singapore's experience can also be used as a guide; one form of investment cash waqf funds is to invest it in the property business. From investment, the latter obtained that result. Then the proceeds can be used for specific purposes according to the will of the waqif. In the beginning, he hands over his waqf, in this case, the provision of a house.

But until now, the management of waqf funds does not yet cover the real sector as is done in Singapore. The human resource factor and the relatively small amount of waqf funds are obstacles to investing cash in the property business. However, BWI has channelled waqf funds for capital for small and medium enterprises within BWI (BWI, 2022).

### 5.3.3 Investment Cash Waqf Through Islamic Mutual Fund

As previously stated, one of BWI's obstacles is that there has been very little cash waqf collected so far. According to the authors, it is wrong that cash waqf investments can be made indirectly or through portfolio investment. One type of portfolio that is relatively safe to be used as an investment vehicle for cash waqf is Sharia mutual funds.

*Islamic Mutual Funds are Mutual Funds that operate according to terms and principles of Islami, both in the form of a contract between investors as property owners (sahib al-mal / Rabb al-Mal) with the Investment Manager as sahib's representative al-mal, as well as between Investment Managers as sahib representatives al-mal with investment users (MUI, 2001)."*

Islamic Mutual Funds invest the funds collected into shares (equity) that comply with Islamic principles, bonds, and the money market (*mudharabah* deposits). Apart from being unable to carry out speculative transactions, must clean from element non-halal, and apply principal prudence, Islamic mutual funds may not invest with a debt ratio greater than the capital (Nasaruddin, 2007).

Wardhani (2011) states that at least there are several advantages of cash waqf investment through Islamic mutual funds, including:

1. Amount fund No too big

A limited amount of funds can become an obstacle for small investors to do investments directly in an individual manner in exchange. This matter can be overcome through mutual funds because mutual funds enable small investors to participate in professionally managed investments.

2. Access To diverse investment

Individual investors may not have access to certain investments. The difficulty can be due to a lack of resources and geographical boundaries. Through Mutual Fund collective funds

### 3. Diversification Investment

Diversification manifested in the form of a portfolio will reduce the level of risk. Mutual Funds diversify into various securities instruments, so they can spread risk, in contrast to individual investors who, for example, can only buy one or two types of securities.

### 4. Convenience Investment

With mutual funds, we will have ease of investment reflected in the ease of administrative services in buying and reselling units inclusion. Convenience is also obtained; investors reinvest the income it earns so their participation units can continue growing.

### 5. Managed by Management and Professional

Fund portfolio management is carried out by the Fund manager, who specializes in their skills in managed fund management. Role of Funds Manager This is very important, considering that individual investors generally have limited time, making it difficult to conduct in-depth research directly to analyze securities prices and access information on the capital market. Also, it will be cheaper for investors to join other investors in Mutual Funds than hiring personal investment professionals to manage the assets owned. Fund manager Mutual Funds carry out the function of managing investments supported by in-depth research, analysis and evaluation as well as administration.

### 6. Transparency Information

Mutual funds are required to provide periodic and continuous information on portfolio changes and costs so that unit holders can monitor the fund's benefits, costs, and risks. Daily net asset value (NAV) announcements, quarterly, semiannual, and annual financial reports, and periodic prospectus

distributions are required. The purpose of transparency is to enable investors to monitor the performance of their investments regularly.

#### 7. Liquidity

By allowing investors to redeem shares/participation units at any time, mutual funds make managing their cash easier. Mutual funds must repurchase their participation units in order to become liquid.

#### 8. Low cost

Due to the fact that mutual funds are a collection of funds from numerous investors, transaction cost efficiency will be generated commensurate with the substantial capacity to make these investments. The transaction costs are lower than when investors conduct transactions individually on the stock exchange.

#### 9. The return which competitive.

Several studies have shown that the average mutual fund historically has outperformed compared to deposits (traditionally fixed deposits). There are even some who will outperform the market portfolio. Of course, returns. This attractiveness comes with an added risk.

According to DSN Fatwa No. 20/DSN-MUI/IV/2001 on Investment Implementation Guidelines for Islamic Mutual Funds, the operational mechanism of Islamic Mutual Funds consists of investors and Investment Managers with a *wakalah* system, while between Investment managers and investment, users are carried out with a *mudharabah* system.

As nazir of cash waqf funds, BWI acts as an investor who delegates the management of waqf funds to the Sharia Investment Manager via this mechanism. Profit sharing between investors (*shahibul mal*) is represented by Manager Investment, and user investment is based on a proportion agreed upon by both parties through the

investment manager. Investors have no assurance of success with certain investments (MUI, 2001).

#### **5.4 CONCEPTUAL FRAMEWORK OF INTEGRATED CASH WAQF HOUSE FINANCING (ICWHF) MODEL**

As elaborated in Chapter 2, Cash Waqf serves as a form of productive capital that can be effectively utilized to facilitate financing through Shariah-compliant contracts. Building upon this premise, the current study proposes a novel integration of Cash Waqf into a house financing model, referred to as the Integrated Cash Waqf House Financing (ICWHF) model. This model, illustrated in Figure 4.2, leverages Cash Waqf as a foundational element to provide alternative housing financing solutions that align with Islamic principles.

The development of the ICWHF model is directly aimed at addressing the first research question of this study, which seeks to explore viable alternative models for house financing using Cash Waqf funds. The model represents a strategic approach to utilizing Islamic social finance instruments to address housing needs, offering a practical framework that combines the ethical considerations of Shariah with the financial mechanisms needed to support homeownership. The ICWHF model's unique design is intended to align with the socio-economic context and needs of the target population, thereby contributing to the broader discourse on innovative Islamic financing solutions.

This model is being conceptualized as an alternative to Jakarta's citizens for house financing to fulfil their basic needs. This conceptual model is also meant to function as a joint venture between the parties involved. The Donor, Cash Waqf Institution, Shariah banks, and home developers are this model's three most essential components.

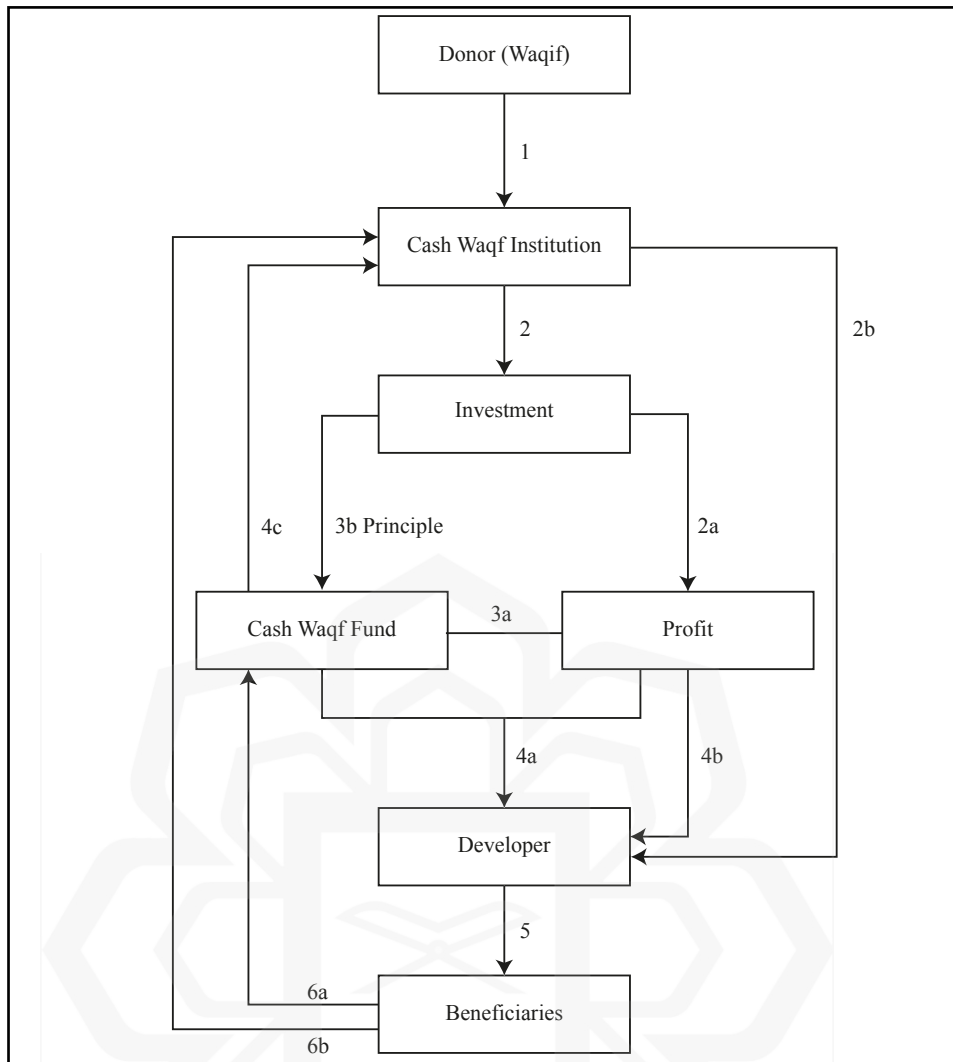


Figure 5.2 Conceptual Framework of ICWHF Model

The concept of ICWHF model involves the following stages:

- Cash Waqf is donated to Cash Waqf Institution (CWI) by donors (public, corporate, government) to create a perpetual Waqf (1). The public can contribute to cash waqf as their intention to participate in this model by cash or by purchasing waqf certificate offered by CWI voluntary. The government can make a voluntary Cash Waqf contribution based on their budgeting, whereas businesses can make a voluntary Cash Waqf contribution as part of their corporate social responsibility (CSR). The CWI takes on the role of Nazir (fund manager) and is in charge of making investment decisions with the funds collected.

- CWI uses the Cash Waqf Fund to invest (2). A property can be purchased, shares or equity from Shariah compliance companies can be bought, or potential Shariah compliance companies and unit trust funds can be acquired. After the investment generates a profit (2a), CWI retains a portion of the profit that represents the principal amount of the Cash Waqf Fund to ensure Waqf's perpetuity (3a). Indeed, if the cash waqf is sufficient for the development of the house, it can be utilized directly by the developer (2b). Furthermore, when the investment period ends, the Cash Waqf principal is retained and returned to the Cash Waqf fund (3b). Together with the cash waqf fund, the profits are used to develop houses (4a). Otherwise, it can be done by utilizing the gain only (4b), while the cash waqf fund then reinvested (4c).
- After the houses are ready, the developer then offers the house financing to the beneficiaries with the proposed contracts, for instance, *ijarah*, *murabahah*, and *musyrakah mutanaqisah* (5). The instalment, including the profit, can be returned to cash waqf to be reutilized as a developing fund to build other units (6a) and or go back to the CWI to reinvestment (6b).

## 5.5 MODEL SPECIFICATION

This study proposes a new model, the Integrated Cash Waqf House Financing (ICWHF) model. The donors, Cash Waqf Institution (CWI), public, corporate, and government. As previously stated, they are the most important components

### 5.5.1 Waqif (Donor) Requirements

The individual who contributes to the Waqf fund is known as an *al-Waqif*. They must be in sound mental and physical health. Donations should not be obtained through coercion. Due to the charitable nature of Waqf, contributors (Al Waqif) should not expect returns.

Waqif can work in either the public or private sectors under this model. Al-Mawquf is the technical name for the Waqf fund. The existence of Al-Mawquf must be specific and long-lasting. Waqf benefits are primarily divided into waqf *khairiy* and waqf *dzurri*. The Waqif in Waqf *Khairiy* does not limit their Waqf benefits distribution target.

In contrast, the *waqif* in waqf *dzurri* restricts the distribution of waqf benefits to their immediate family. This research focuses on the former. Therefore, once the Cash waqf fund has been collected from the donor, CWI will be able to invest it or provide housing assistance to the beneficiaries.

Meanwhile, there are two types of *waqif* interests in waqf management. The waqif fully delegated his waqf management authority to Nazir or Mutawali first. This is known as waqf *mutlaq*. The second practice is waqf *muqayyad*, and it requires the Waqif to specify how the donated funds should be managed and how the profits should be distributed. The *waqif* chose the former practice for this study. As a result, CWI financed the beneficiaries with cash waqf and provided the necessary assistance to the relevant process.

### **5.5.2 Cash Waqf Institution (CWI)**

There is a need for private participation in various development initiatives, such as NGOs (non-governmental organisations). This requirement arises due to inefficient government agency management, which has decreased public participation in development initiatives (Hassan, 2010).

Considering these factors, this study proposes that CWI be made a subsidiary of the Badan Waqf Indonesia (BWI), Indonesian Waqf Agency, or the corporate sector's entity to implement the ICWHF model. BWI should also consider appointing an entity, such as a Special Nazir.

Cash Waqf Institutions (CWI) collect cash donations and issue Waqf Certificates to raise funds. After collecting the Cash Waqf fund, CWI manages the Waqf

fund to maximise the utility of the collected funds. As a Waqf fund manager, CWI is obligated to work the funds efficiently and ensure that the total amount does not fall below the initial or principal amount. Therefore, CWI, as a Mutawali, must demonstrate infallibility and be competent and efficient in providing the developer with houses.

CWI allocates collected funds to assist developers in providing houses and financing them to the beneficiaries. The profit generated by the financing arrangement can be used to cover the expenses. CWI may use a specific amount of money or a percentage of Waqf investment to compensate the Mutawali. The Mutawali, on the other hand, is not permitted to take any part of the Waqf fund.

### **5.5.3 House Developer**

For this study, the ICWHF model is proposed for existing house developers. However, this model can be extended to new house developers who want to start their businesses. The developer in this model must adhere to Shariah-based activities and Waqf objectives. The developer's actions must not violate Shariah principles, for instance, free ribawi transaction, no penalty, and no bathil contracts.

Furthermore, the developer should ensure that their businesses bring a socially beneficial house to the marketplace and community. Their companies are also expected to have high developmental and social impacts such as low-cost housing and job creation. Besides, the developer needs to ensure that their businesses are technically sound, economically, and financially viable, environmentally safe and socially desirable.

### **5.5.4 Beneficiaries**

In Arabic, the recipient of the waqf or, in other words, the recipient of the *mauquf* is called *mauquf alaih*. The scholars divide *mauquf alaih* into two groups: *mauquf 'alaih muayyan* and *mauquf alaih ghoiru muayyan*.

*Mauquf alaih muayyan* is the beneficiary of the waqf mentioned other than the *wakif* himself at the time of sighat or waqf pledge. However, under certain conditions, the *wakif* may benefit from his waqf property if he is included in the group entitled to waqf benefits. In the case of land waqf used to construct a mosque, for instance, the *wakif* is permitted to pray in the mosque because he is entitled to the benefits of the waqf. At the same time, *Mauquf alaih ghoiru muayyan* are waqf beneficiaries, which are not explicitly mentioned or, in other words, a collective social group. Examples of *mauquf alaih ghoiru muayyan* are poor people, people who strive for the cause of Allah, etc.

Thus, *mauquf alaih ghoiru muayyan* is the focus of the model. To be more specific, the beneficiaries are those who face the problem of accessing house financing.

## **5.6 CONTRACTS ON ICWHF MODEL**

The ICWHF model will use *Musharakah Mutanaqisah* (Diminishing Partnership), *Bai' Bithaman Ajil* (Deferred Payment Sale), and *Ijarah Muntahiya Bittamlik* (Leasing Ending with Ownership) financing arrangement as the model's contract.

### **5.6.1 *Musharakah Mutanaqisah* (Diminishing Partnership)**

The first contract that can be applied to house financing products is the *Musharakah* contract, where *Musharakah* is a form of cooperation between two or more parties to own a house by sharing profits and losses according to the initial proportion of investment, when the *Musharakah* contract is made (Antonio, 2001).

Nevertheless, *Musharakah* contracts are insufficient for use with home financing products. *Musharakah Mutanaqisah* (MM) contract is a contract formed through cooperation between a bank and a home buyer to share ownership of a house, followed by a monthly payment of ownership and transfer of ownership after a proportion has been paid. So that the MM contract is said to be a contract with a reduced

partnership concept (Meera & Razak, 2009). Most Islamic scholars agree with this *Musharakah Mutanaqisah* agreement.

The financing scheme for this MM contract is in the form of a partnership between CWI and beneficiaries, who both have ownership of the house that the beneficiaries want to own. Here is the schematic of this MM.

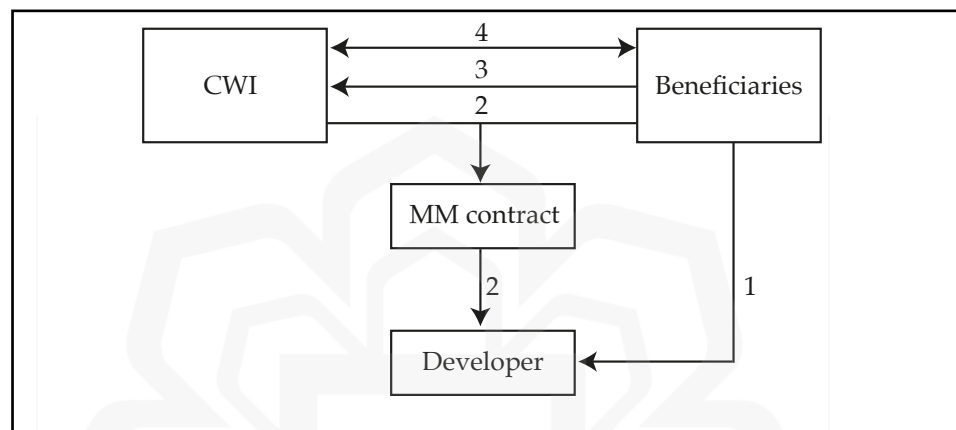


Figure 5.3 *Musharakah Mutanaqisah* (Diminishing Partnership) Financing Arrangement  
Source: Author's Illustration

The stages of the scheme described above are as follows

1. Beneficiaries identify and choose the desired house
2. Beneficiaries and CWI enter a partnership for house ownership so that both CWIs and beneficiaries own houses according to the proportion of investment made.
3. The beneficiaries pay a monthly rental fee to the CWI according to the proportion of ownership.
4. Beneficiaries also make payments to CWIs for ownership of houses that the CWI still owns

Two contract agreements must be made from these stages so the MM contract can work. The first agreement is a partnership agreement between the CWI and the beneficiaries to own a house jointly. And gradually, beneficiaries will pay the agreed amount of funds to purchase the status of house ownership owned by the CWI.

The second agreement is the leasing agreement (*Ijarah*), where the beneficiaries pay a monthly rental fee to the house owner. Because the house owners are the CWI and the beneficiaries, the rent must be divided in proportion to the ownership of the house. And this activity is carried out until the beneficiaries have a proportion of ownership of 100%.

### **5.6.2 Bai' Bithaman Ajil (Deferred Payment Sale)**

By definition, Bai' Bithaman Ajil (BBA) can be seen from three different words. *Al-Bai'* means selling, *Thaman* means price, and *ajil* means delaying. The *Bai' Bithaman Ajil* contract is a sale and purchases transaction contract selling at an agreed profit rate with deferred payment. So BBA is not a loan transaction (Rosly, 2007). In other words, BBA is a *Murabaha* contract with deferred payment. In several countries in the Middle East, this contract is known as *Bay' Muajjal*.

This contract uses sharia financing to help the community have the desired house according to their abilities. One of the facilities provided is in the form of sharia financing with a BBA contract.

If the house buyer does not have the ability to pay in full, then the CWI can also provide relief to the house buyer where the house buyer owes the CWI for the agreed amount of money after the house purchase is made. And from this loan, CWI is not allowed to take usury in the form of interest from house buyers. *Murabaha* sale and purchase transactions with deferred payments are commonly known as BBA contracts (Antonio, 2001).

Many Muslims view this transaction as similar to a loan's interest. But according to Muslim scholars, this transaction has fulfilled several conditions which do not violate sharia rules. House sales by CWI to house buyers are made after the CWI receives the house from the developer. And when the CWI has sold the house to the house buyer accompanied by the agreed profit taking, the current status of house ownership has moved to the house buyer.

The scheme of the *Bai' Bithaman Ajil* contract, can be seen in the following scheme.

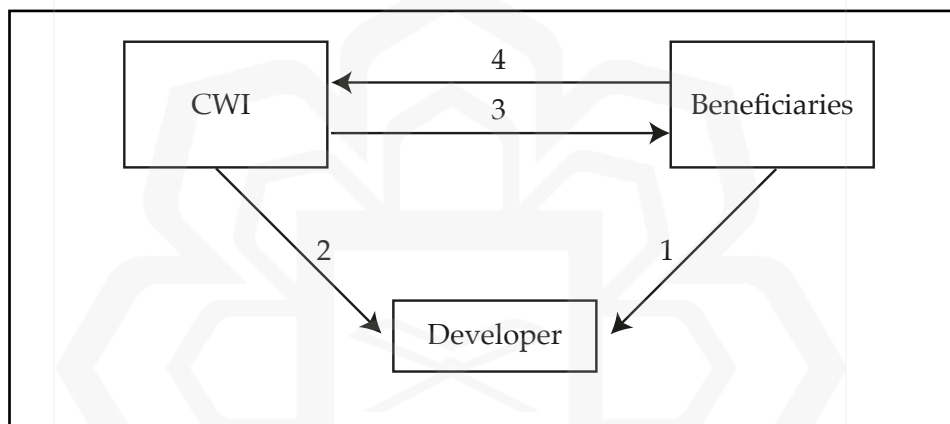


Figure 5.4 *Bai' Bithaman Ajil* (Deferred Payment Sale) Financing Arrangement  
Source: Author's Illustration

The stages of the scheme described above are as follows:

1. Beneficiaries identify and choose the house to be purchased
2. The CWI receives the house from the developer
3. CWI sells houses to beneficiaries at a selling price which is the sum of the purchase price and the profit
4. Beneficiaries pay for the house purchased by the CWI in instalments.

Three contract agreements must be carried out from these stages so that the *Bai' Bithaman Ajil* contract can work. The first agreement is the Property Purchase Agreement, where this agreement involves a CWI and developer and includes property received by CWI.

The second is the Property Sales Agreement, which involves the CWI with the beneficiary, where the CWI sells the house to the beneficiary at a price agreed upon in the *Bai' Bithaman Ajil* contract.

The last agreement is the Guarantee Agreement, which involves the CWI and beneficiaries in terms of housing guarantees. The consumer guarantees his house to the CWI until the consumer completes the payment.

### **5.6.3 *Ijarah Muntahiya Bittamlik* (Leasing Ending with Ownership)**

*Ijarah Muntahia Bittamlik* (IMBT) contracts can also be used for sharia-compliant housing financing. This contract is a leasing agreement (*Ijarah*) for a real estate asset, in which the homebuyer rents a house received by the bank and ends with the bank transferring ownership to the homebuyer. This IMBT contract has two contracts: the Sale-Purchase contract (*Al-Bai'*) and the IMBT contract itself, which is a leasing agreement with an ownership transfer at the end of the lease period (Karim, 2006).

Linguistically, IMBT means breaking two words in it. The first is the word *al-ijaarah*, which means wages given as wages for work. And the second word is the word *at-tamliik*. Linguistically it has a meaning that can make other people have something. Meanwhile, according to the term *at-tamliik*, it can be in the form of ownership of objects and benefits, whether in return or not (Hussein & Mat, 2019).

This contract is also known as *Ijarah Wa Iqtinah*, in which it is agreed that the rented house will be purchased at the end of the lease term. Monthly payments consist of the cost of renting the home plus the purchase price, divided by the agreed-upon rental period. The house price is calculated by subtracting the buyer's down payment

from the house's cost price from the bank to the developer. After the lease term expires, the bank must transfer property ownership to the purchaser. Thus, IMBT is optional for the beneficiary, regardless of whether they wish to own or rent the property.

In this IMBT contract, the process and stages of the contract will be explained using the following scheme.

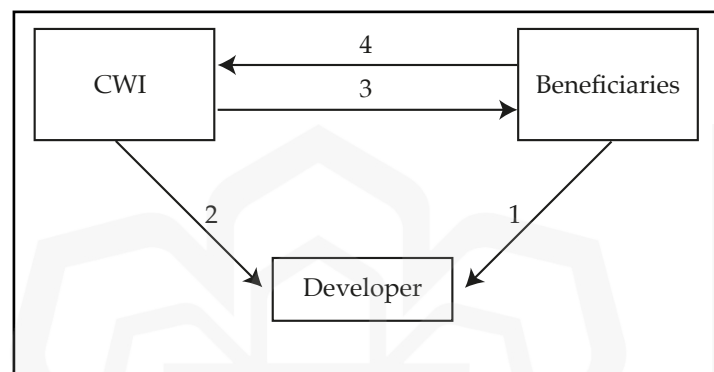


Figure 5.5 *Ijarah Muntahiya Bittamlík* (Leasing Ending with Ownership) Financing Arrangement  
Source: Author's Illustration

The stages of the IMBT scheme described above are as follows.

1. Beneficiaries identify and choose the house to be purchased.
2. The CWI receives the house from the developer.
3. CWI rents houses to beneficiaries at an agreed rental price and term.
4. Beneficiaries pay the house rental price every month, ending with buying a house at the agreed price at the end of the rental period.

At this stage of the IMBT scheme, three contracts must be executed. The first contract is between the CWI and the developer, including the house's construction process.

The second contract is the Lease Agreement, an agreement between the CWI and the beneficiary where the CWI rents out a house to the beneficiary at a monthly rental fee. The rental period is agreed upon in this contract. And the last agreement is the Property Sale Agreement, in which the CWI sells the house rented out to the beneficiary after the lease period agreed upon at the beginning ends

## **5.7 THE SIGNIFICANCE OF ICWHF MODEL**

The ICWHF model illustrates how cash waqf and house financing can work in tandem. Housing financing stimulates the economy, and Cash Waqf can assist developers in providing housing by providing financial assistance. Consequently, the ICWHF model has the potential to substantially impact Waqf, developers, society, and the economy.

### **5.7.1 Impact on the Waqf**

This model is expected to benefit the Waqf institution as a whole. Waqf investment in houses projects, specifically Cash Waqf investment, can be aligned with Waqf objectives. It can, for example, contribute to community development by creating jobs, increasing economic output, and providing low-cost houses. This type of investment also provides Waqf with a consistent income and cash flow source. It does help to diversify and spread risk. Furthermore, the Cash Waqf investment for house financing promotes Islamic value and Shariah compliance.

Due to this investment, Waqf receives a steady stream of income and cash flow. It does, in fact, aid in risk diversification and spread. Furthermore, the Cash Waqf that has been investing promotes Islamic value and Shariah compliance from such investments.

### **5.7.2 Impact on the Developers**

This model is advantageous to developers because it incorporates the use of Cash Waqf for them. This integration of Cash Waqf with the developer, for instance, will raise the profile of the involved business.

Furthermore, Waqf's focus on project investment and house financing eliminate financial institutions' negative perceptions of developers as risky businesses. Again, by assisting developers in their development, this model can help them succeed. The ICWHF model can also help developers grow from micro to small, medium, and large-scale businesses.

### **5.7.3 Impact on the Society and Economy**

The model is also anticipated to have economic and societal benefits. This model promotes economic innovation and diversification by focusing on home financing. It facilitates the beneficiaries' access to mortgage financing.

By establishing more sustainable developers, the ICWHF model grants the poor access to affordable housing. This model provides seed capital to enable microbusinesses to grow and obtain credit. In addition, because this model incorporates Cash Waqf, it can act as an intermediary, assisting corporations in fulfilling their corporate social responsibility through donations to Cash Waqf.

In contrast, this model generates jobs and helps the developer generate income, thereby reducing poverty. In the meantime, because Waqf is one of the redistribution schemes of the Islamic economy, it contributes to the growth of wealth, consumption, and investment, all of which stimulate the economy. Moreover, because this study proposes Cash Waqf as the primary source of funding, it improves the economy's resource allocation efficiency.

## 5.8 CHAPTER SUMMARY

In summarizing, the chapter discussed the Integrated Cash Waqf House Financing (ICWHF) model's conceptual model. Cash Waqf Institutions are expected to be able to overcome problems of house financing. ICWHF model, its specifications, and its importance to the Waqf, developer, society, and the economy.

Nonetheless, through focus groups and surveys, experts' opinions on the suitability, applicability, and prospects of the ICWHF model should be elicited. To do so, the model has been validated for suitability, applicability, and prospects through interviews and surveys with relevant stakeholders to determine their intentions. As mentioned in Chapter 3, the researcher uses the Theory of Planned Behaviour (TPB) in this study. This theory is essentially a method for testing Jakarta citizens' intentions empirically to use the ICWHF model developed by this study.



## CHAPTER SIX

### RESULT AND ANALYSIS OF INTERVIEWS

#### 6.1 INTRODUCTION

The research employed semi-structured interviews with specialists to pinpoint potential challenges faced by cash waqf institutions, with a particular focus on issues related to housing finance. Additionally, the interviews were designed to gather insights on the ICWHF model. The anticipated outcome was to offer a robust understanding of the model's market relevance, feasibility, and future potential in addressing the second research question.

Five experts are interviewed, including practitioners, academicians, and Shariah scholars. Experts from National Islamic Finance Committee, the Indonesian Waqf Board, Ethis Investment Indonesia, Islamic Economic Forum for Indonesia Development (ISEFID), Bank Muamalat Indonesia, and academicians from local universities are present.

Table 5.2 of Chapter 5 contains information on the interviews. Quotes from participants appear in the discussion of the results. To make references to the responder profile, each interviewee's quotation is numbered (E1 to E5). The interviews were conducted in English and Bahasa. After data collection by video recording, the data is thematically analysed to identify common themes representing participants' perspectives.

The interviewer discovered eight main distinct topics after thematic analysis. These themes include the importance of house financing, financial challenges, the suitability of the ICWHF model, the institutional platform, the importance of the ICWHF model, the sustainability of the ICWHF model, the challenges of the ICWHF model, and the cultivation of awareness. Table 6.1 summarises these concepts.

Table 6.1 Categorical Themes and Interview Questions

Categorical Theme	Interview Questions
Importance of house financing	a. Why do you think that House Financing is important for the development of the economy??
Financial challenges	a. Why do you think that access to finance has become a significant problem for the community?
Importance of ICWHF Model	a. What is your view on the importance of the conceptual Integrated Cash Waqf House Financing (ICWHF) Model?
Suitability of ICWHF Model	<p>a. How can the Waqf fund be utilized to resolve the problem of accessing finance faced by the community?</p> <p>b. This model incorporates <i>Musharakah Mutanaqisah</i> Partnership (MMP)/<i>Bai' Bithaman Ajil</i> (BBA)/<i>Ijarah Muntahiya Bitamluk</i> (IMBT). What is your view on this arrangement? And which one is better?</p>
Institutional Platform	a. To operate this model, should this model involve government or corporate sector? Why?
Sustainability of ICWHF Model	a. From your point of view, what are the factors that might contribute to the success of adopting the Integrated Cash Waqf House Financing (ICWHF) Model?
Challenges of the ICWHF model	a. What likely challenges may arise in materializing the Integrated Cash Waqf House Financing (ICWHF) Model
Cultivation of awareness	a. Since the Waqf fund is collected from the public and corporate sectors to assist beneficiaries, how can the attitude of 'giving' and 'helping others' among the public and corporate sectors be promoted?

## 6.2 FINDINGS

The discussion on the proposed model of ICWHF in Jakarta hinges on understanding the views and perspectives of key stakeholders. Through semi-structured interviews, this study seeks to explore the opinions of various stakeholders on the model's practicality, relevance, and potential for implementation within the framework of Islamic social finance. The primary goal of these interviews is to capture the diverse thoughts, experiences, and insights of the interviewees, which will provide a nuanced understanding of the perceived strengths, challenges, and opportunities associated with the model. By engaging with these stakeholders, the study aims to highlight the real-world considerations and reflections that can influence the acceptance and effectiveness of the proposed model.

The discussion on the model of integrated cash waqf house financing in Jakarta involves gathering insights from various stakeholders to understand their perspectives on the model's feasibility, applicability, and potential impact. This study employs a qualitative approach through semi-structured interviews, allowing for in-depth exploration of stakeholders' views. The interview process is a critical component of this research, as it provides valuable qualitative data that complements the quantitative findings from the survey. The objective is to obtain a comprehensive understanding of the stakeholders' opinions, concerns, and suggestions, which will help refine the proposed model and assess its potential for practical implementation in the context of Islamic social finance.

During the interview process, each participant will be asked a series of questions designed to gather their perspectives on the proposed model of integrated cash waqf house financing. The interviews will be conducted in a semi-structured format, allowing for open-ended responses to ensure that participants can provide comprehensive insights based on their knowledge and experience. All conversations will be recorded, with the participants' consent, to ensure the accuracy of the information captured.

Following the recording, the interviews will be meticulously transcribed, and the content will be analyzed to extract specific opinions and viewpoints expressed by

each interviewee. This process will involve identifying key themes, patterns, and any unique perspectives that emerge regarding the suitability, applicability, and potential impact of the proposed model. To facilitate a clearer understanding and comparison of the findings, a summary of each interview will be compiled and presented in a tabular format. This table will provide a concise overview of each interviewee's opinion, highlighting the main points and insights.

In instances where interviewees do not provide a clear opinion or if their responses are ambiguous, these instances will also be noted and included in the table. Documenting the absence of opinion or unclear responses is crucial, as it adds depth to the study by acknowledging diverse perspectives, including neutral or uncertain viewpoints. This comprehensive approach ensures that all relevant data is captured and considered, thereby strengthening the overall analysis and contributing to a more robust understanding of the stakeholders' perceptions of the model.

### **6.2.1 Importance of House Financing**

The interviewees were asked about their perspectives on the importance of housing financing to develop Jakarta's economy. In general, the majority of participants (n=5) strongly feel that housing finance benefits the province's economy. Some of the responses from the interviews are listed here:

"A house is a basic need for the community, especially for the lower middle class, so the financing program for them has a vital role in the economy. Housing finance is necessary to provide financing services that are affordable and easily accessible to all levels of society. In addition, wider access to housing finance can also have a positive impact on urban development". (E1)

"Specifically in Jakarta, the house financing will help low-income families eventually. The role of this house financing is to achieve stability and more security for the family. This achievement then will overcome the issue where if the house ownership is not stable, then the economy will not be stable". (E3)

"As for the impact or role of the housing sector on the economy, it can be seen from various things. Apart from being a government program, housing is also a potential real estate business for the private sector. Furthermore, from the demand side, today's demand also comes from young people who are just starting their independent lives. Housing is also an indicator of economic success because the existence of demand from housing will result in a multiplier effect, such as construction workers meeting household furniture needs, such as electronic devices, furniture, and others. So that starting from the beginning of the house-building work, there are already necessary needs, or in general, it can be concluded that when there is a demand for housing, there will be a demand for other things related to the housing". (E4)

Based on the above findings, the interviewees highlighted that house financing contributes to urban development, economic stability, the creation of multiplier effects on employment opportunities, business related to housing, and improvement in the standard of living. These significances of house financing, as highlighted by the interviewees, are consistent with the previous studies by Renaud (1990), Anenberg & Ringo, (2019), Doling et al. (2013), Wardrip et al. (2011).

House financing is able to generate the multiplier effect, where it can create job opportunities and be able to develop income. As for the community, house financing will help them to fulfill their basic needs and increase their standard of living. Thus, it can be seen that house financing makes a significant contribution towards the objective of increasing the standard of living of the community, particularly.

Table 6.2 Importance of House Financing to the Economy

Expert's Opinion	E1	E2	E3	E4	E5	Total
a) Urban development	√	n.a	√	n.a	√	3/5
b) Multiplier effect (job creation, business related to house financing)	n.a	√	√	√	√	5/5
c) Economy stability	√	√	√	n.a	√	4/5
d) Improve the standard of living	√	√	√	√	√	5/5

## 6.2.2 Financial Problems

The interviewees were questioned about their perspectives on the financial difficulties that the community encountered while seeking house financing. Most participants (n=5) stated that the community experienced significant financial challenges, particularly in obtaining external financing. Based on the interviews, the following perspectives have been gathered:

"Those who do not have a steady income make them non-bankable. So, they not only cannot access financing from banks, but they also cannot access financing services that prioritize profitability in their business operations. We need a method to help them with cheap and affordable financing". (E1)

"The problem is because most of them are informal workers or jobs with irregular income every month. Thus, their income cannot meet the requirements set by financial institutions". (E2)

"It is because the bank does not consider them to be bankable in the house financing contracts. Thus the bank is not confident in terms of stability. In addition, major financing available is only for those with a regular job. Thus, it is necessary to provide the option for those who cannot afford the house because of their income restriction". (E3)

"Regarding house financing, another reason why some people cannot afford it is the high margin in the market. This might be because the community cannot tolerate the interest rate. Even though they have a decent income, they still cannot afford it". (E4)

Based on the above facts, all participants agreed that the community faces difficulties in obtaining financing. According to the respondents, the funding problem arises due to their status as non-bankable. The uncertainty of their income becomes the primary cause of this difficulty. Furthermore, high interest or margins provided by financial institutions also contribute to their plight. This finding is corroborated by previous research by Buhaerah, (2019), Ehlers, (2014), OECD, (2015).

Many people wish to be able to use external financial services that will allow them to own their own houses. Typically, people seek external funding when their

internal funds (savings) are insufficient to pay for the construction of their house. However, in affording house financing from financial institutions, the community usually faces the problem of financing, as highlighted by the interviewees. It limits their capability to afford the financing.

Table 6.3 The Financial Problems

Expert's Opinion	E1	E2	E3	E4	E5	Total
a) Non-bankable	√	√	√	√	√	5/5
b) High-interest rate	√	√	√	√	n.a	4/5

### 6.2.3 Importance of ICWHF Model

Participants in the interview are asked their thoughts on the significance of the ICWHF model provided in this study. Most participants (n=5) think this model is essential and relevant for cash waqf institutions' requirement to provide financial facilities. Based on the interviews, the following perspectives were gathered:

"The use of cash waqf in housing finance is not new, but there are still few implementations. This model describes a more complete and innovative choice by combining investment models and direct financing. So, the alternative becomes more than the model I know". (E1)

"This model is a model that is already good and following what I said earlier, which is related to corporate waqf in providing the financing. This model also describes a comprehensive model by combining several alternatives in one model. In addition, this model describes good collaboration and can become a sustainable ecosystem". (E2)

"If the model is implanted in a good manner and governance, it is essential. Ethis Indonesia also intends to run a similar program to this model because many people want a house but cannot afford it. Thus, this model may incorporate with one of the projects now run by the government in Jakarta specifically. In Indonesia, financing the community in need will generally be more attractive and innovative". (E3)

"To be honest, the model will be tough to be implemented. It is because the institution needs to be like the bank function. However, if we talk about the model, the model is quite good enough as a reference and the best. In addition, this conceptual model should make sure to have the appropriate stakeholder". (E5)

Based on the findings presented above, the interviewees concluded that the conceptual model in this study is essential. Experts believe that there is a need for an alternative model to replace the current paradigm of financial services. Thus, the ICWHF model takes all of this into account by offering financial help to the community. According to the respondents, the model will channel resources correctly based on the community's needs.

Table 6.4 Importance of ICWHF Model

Expert's Opinion	E1	E2	E3	E4	E5	Total
a) Attractive	√	√	√	√	√	5/5
b) Assisting in financial services	√	√	√	√	√	5/5
c) Relevant and needed at the moment	√	n.a	√	√	n.a	3/5
d) Applicable	√	√	√	n.a	n.a	3/5
e) Innovative	√	√	√	√	n.a	4/5

#### 6.2.4 Suitability of ICWHF Model

The respondents were questioned regarding their opinions of the ICWHF model's suitability for aiding the neighborhood in offering house financing services. As shown in Table 6.1, there are two key questions that are related to this theme. i). How can the Waqf fund be utilized to resolve the problem of accessing finance faced by the community? ii). This model incorporates *Musharakah Mutanaqisah* (MM)/ Partnership (MMP)/*Bai' Bithaman Ajil* (BBA)/*Ijarah Muntahiya Bitamlik* (IMBT). What is your view on this arrangement? And which one is better? All the participants (n=5) affirmed the suitability of the ICWHF model in assisting the community. Below are the respondents' views that were generated from the interviews:

"With the existence of cash waqf in house financing, at least it can reduce the selling price by reducing the margin in it. By applying sharia principles in its implementation, there is certainly no usury in the transactions. About contracts used in the sales process to beneficiaries, IMBT is a more appropriate choice because the rental fee is usually lower than the installment fee. Still, the beneficiary can own it at the end of the period.". (E1)

"It takes courage and the ability to manage or professional waqf management. Waqf is an attempt to retain the principal or asset so that it is useful and productive it can be enjoyed by the *mauquf alaih* (beneficiary). This is where the competency of the nazir (waqf manager) is needed. Moreover, if nazirs are able to develop cash waqf, then they function as investment managers. Waqf assets that are less productive if they are in the public interest may be converted. This house financing with cash waqf is doable, and it helps the community to afford the house with the lower price and no *riba*. In addition, IMBT is the best option in choosing this contract. This is due to the option at the end of the period by simply pay the rent at a lower price than the purchase. In addition, tax and other costs are still borne by the management". (E2)

"The priority objective of waqf is not profit but social benefit and sustainability. Because the objective is not fully commercial, if the beneficiaries are unable to pay the installment, nazir can extend the period but, of course, for the right justification to not disrupt the project. The benefits of having this waqf in house financing will certainly make housing prices cheaper. It is not better or worst if it is about the contract, but it depends on the risk of the contract. Thus, BBA typically has less risk if the waqf is stricter to sustainability." (E3)

"This waqf is a mechanism regulated in Islam, and the procedures for its implementation must also follow Islam. As for the impact of waqf, the answer is very impactful if managed properly. Especially concerning cash waqf and housing financing, this will certainly really help people who need a house at a lower price. Thus, it is necessary to prepare good formal legal so that it can be realized properly, especially how the forbidden elements in Islam can also be avoided. All of these contracts are allowed, but the objective of the contract also needs to be considered if it is more beneficial to protect the value of the cash waqf. I believe all three contracts are doable, and each is designed for the specific market ". (E5)

The results show that the respondents agreed that the ICWHF approach is appropriate for helping the neighborhood supply financial services through Cash Waqf. The decision to employ Cash Waqf exclusively for financing is consistent with the

opinions of earlier researchers like Elgari (2004), Cizakca (2004), Ahmed (2007), Dusuki (2008), and Hasan (2010).

It also seemed that most of the interviewees preferred the idea of using BBA and IMBT as financial arrangements. This perhaps is due to the clarity of BBA in its operation, where the sale and purchase transaction is clear in advance, and the IMBT can give the lower rent price compared to the installment cost. In addition, MM, which is commonly used for house financing, is favored as the second option.

Table 6.5 Suitability of ICWHF Model

<b>Expert's Opinion</b>	<b>E1</b>	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>Total</b>
a) Financing						
• Interest-based free	√	√	√	√	√	5/5
• Easy Collateral	n.a	n.a	√	√	√	3/5
• Affordable price	√	√	√	√	√	5/5
b) Type of contract						
• MM	n.a	n.a	√	n.a	√	2/5
• BBA	n.a	n.a	√	√	√	3/5
• IMBT	√	√	n.a	n.a	√	3/5

### 6.2.5 Institutional Platform

The participants' opinions on the institutional framework for establishing the ICWHF model were solicited. The respondents were offered the choice of operating the ICWHF model under a corporate or governmental body. ICWHF should be run as an independent organization from the public and private sectors, according to the majority of participants (n=5). The opinions of the respondents that were gleaned from the interviews are listed below:

"The government and corporate need to be invited to participate in this cash waqf program, especially when collecting waqf funds. This way, the more stakeholders participate, the faster funds can be collected for this

housing finance program. But institutionally, apart from being a donor of funds, the government is expected to be a supervisor". (E1)

"The private sector and the government need to be involved; this is related to how to invite companies to want to channel their CSR in the form of waqf so that it can last forever. Likewise, government funds in the form of grants or cash assistance can also be used as waqf funds so that they can last forever too. However, what is noteworthy is that Nazir or management is a professional in managing all the funds obtained. In addition, utilizing and collaborating with technology companies can accelerate the collection of cash waqf funds, both crowdfunding and investment". (E2)

"The government should be involved with the project. Especially for the lower income housing, the government can support them from their subsidy fund. As for the corporate sector, we can invite them to put their CSR fund as waqf to run the model, contributing significantly to the cash waqf. In terms of institutions, the ICWHF should be independent and supervised by the government". (E3)

"In my opinion, the government does not need to interfere in this program. Institutions that run this model must be independent with good transparency. As for funds, it is highly recommended that funds from the government or companies be included, but still with an independent management model. The government can be used as a supervisor in terms of waqf management". (E5)

According to the findings, while the interviewees' opinions on who should operate the ICWHF model vary, they prefer a separate company and independently. However, the role of the corporate sector and government is to contribute to fundraising, while the government still needs to become a supervisor.

Table 6.6 Institutional Platform

<b>Expert's Opinion</b>	<b>E1</b>	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>Total</b>
a) Independent	√	√	√	√	√	5/5
b) Supervised by the Government	√	√	√	√	√	5/5
c) Support by the corporate sector	√	√	√	√	√	5/5

## 6.2.6 Sustainability of ICWHF Model

Because the ICWHF model has been suggested and can be implemented, participants were questioned about their thoughts on the concept's long-term viability. The interviewees bring up several aspects of sustainability. Among these are the project's objective, (ii) funds, and (iii) management and administration. The majority of participants (n=5) stated that money is vital for the sustainability of the ICWHF model (n=5), followed by the objective of the project (n=3) and management and administration (n=4). Based on the interviews, the following perspectives were gathered:

"The most important factor is conveying the social benefit aspects of each waqf activity so that it is literate to the community that each beneficiary must be properly explained and how many of these benefits will occur. Regarding the fund for cash waqf, the cash waqf institution should prepare all the reports needed and become transparent to gain the public's trust". (E1)

"It is important to build competent or competence of the nazir. This is a capacity-building process so that Nazhir is trusted and competent. This program can be carried out by providing training so that the quality of waqf managers (nazir) increases in waqf management, mentoring supervision, and coaching about waqf. Next, increase Sharia knowledge and financial management skills, branding and reporting as well as waqf accounting." (E2)

"Ideally, it is about having more transparent reporting of the impact, thus making the donor well aware of the used money. This also will encourage more people to join the program because it will help them fulfill their needs. It can utilize social media or influencers to get people's awareness, making it a trending movement. In addition, it is required to visit the government and corporate sector to ask them to join the program regarding cash waqf". (E3)

Table 6.7 Sustainability of ICWHF Model

Expert's Opinion	E1	E2	E3	E4	E5	Total
a) Potential house financing	√	√	√	√	n.a	4/5
b) Continuous Waqf Fund	√	√	√	√	√	5/5
c) Good management/administratio	√	√	√	√	√	5/5

### 6.2.7 Challenges of the ICWHF Model

The participants were then asked about the obstacles to realising the ICWHF model. Most participants (n=5) predicted that the ICWHF model would face public awareness challenges. The following are the responses from the interviews:

"The first problem is fundraising. The low level of public understanding of waqf causes this. There are even some understandings that do not accept waqf as a concept of business activity. In addition, the campaigns carried out by the waqf organizers were not systematic and structured. In addition, the next challenge is to ensure that the house's selling price or rental price must be cheaper than the market price". (E1)

"The very small initial source of the fund will be made a huge difference. Therefore, the campaign for this project should be done pretty well. In addition, the people still lack understanding of the concept of waqf. Lastly, the challenge is a high capital incentive in the beginning". (E3)

"Public understanding of waqf is still an obstacle because many people still do not understand the concept of waqf properly. Especially regarding waqf for house financing, I think many people still don't understand it well. Furthermore, it is related to governance; this model needs to prepare good governance so that the cash waqf funds used can be sustainable and then be used again to carry out the next program. Finally, in terms of price, this model must be able to ensure that the price of the house to be transacted must be able to have a higher price compared to the price of commercial housing". (E4)

Table 6.8 Challenges of the ICWHF Model

Expert's Opinion	E1	E2	E3	E4	E5	Total
a) Cash Waqf fund	√	√	√	√	√	5/5
b) Awareness	√	√	√	√	√	5/5
c) House Price	√	n.a	√	√	n.a	3/5
d) Governance	√	√	√	√	√	5/5

### 6.2.8 Awareness Cultivation

The participants are asked about their views regarding cultivating the attitude of 'giving' and 'helping others' among the public and corporate sectors. Most respondents (n=5) cited that waqf literacy and the campaign should be carried out together. Below are the respondents' views generated from the interviews:

“Submission of narratives from religious leaders as well as waqf practitioners to invite the public, government, and the private sector to participate in waqf activities is important. Apart from that, building an understanding of the strength of the ummah also lies in the mastery of assets cumulatively, which is also important and needs to be done”. (E1)

“Literacy in waqf is critical to increase public awareness. Faith, knowledge, and charity need to be instilled in the community so that their understanding of giving and helping others becomes high. Furthermore, there needs to be a narrative in the form of a success story to make the public aware of this waqf’s benefits, including the nazir’s accountability. In addition, it does not make every activity in this waqf easy”. (E2)

“Accountability and transparency, more stories and emotional feelings from the religious perspective in promoting the waqf are needed. For instance, the waqf is sadaqah *jariyah*, which helps the community to have their own house. Educating and marketing are very important to promote the cash waqf for house financing.”. (E3)

Table 6.9 Awareness Cultivation

Expert’s Opinion	E1	E2	E3	E4	E5	Total
a) Waqf Literacy	√	√	√	√	√	5/5
b) Campaign	√	√	√	√	√	5/5
c) Accountability and transparency	√	√	√	√	√	5/5

### 6.3 CHAPTER SUMMARY

This chapter revealed the findings of an in-depth interview with five experts from diverse institutions. The findings provided significant proof of the importance of house financing in the economy. Consequently, insight into how financing problems affect the community to have a house in Jakarta is demonstrated. According to the findings, the issue of financing faced by the community is caused by its non-bankable status and high interest.

The study later discovered that the ICWHF model is essential for offering financial services. The results further emphasize how crucial it is to run the ICWHF model as a distinct government or private sector entity. In contrast, the respondents underlined the ICWHF model's primary drivers, which were focused on the goal of house finance, fund, management, and administration. The cash waqf fund, public awareness, the cost of the house, and governance are further possible obstacles that could emerge in the process of implementing the ICWHF concept.

## CHAPTER SEVEN

### FINDING AND ANALYSIS ON THE QUESTIONNAIRE SURVEY

#### 7.1 INTRODUCTION

The findings and analysis of the survey data are covered in this chapter. The study's data were analyzed with SPSS version 26.0. The study's findings are organised in the following order: respondents' demographic profile information, cash waqf practice, and data preparation. There is also a detailed explanation of normality testing, reliability analysis, factor analysis, and correlation. This chapter also includes the results of hypotheses testing using multiple regressions to answer the third and fourth research .

#### 7.2 OVERVIEW OF RESEARCH OBJECTS

##### 7.2.1 Place and Time of Questionnaire Distribution

This study was conducted in the five different regencies/cities of Central Jakarta, West Jakarta, East Jakarta, South Jakarta, and North Jakarta in the province of Jakarta. The respondents in this survey are Jakarta residents. Direct surveys and online forms are used to collect data. Questionnaires were sent starting on April 7th, 2022, and lasting through September 10th, 2022. The distribution of the completed questionnaires is displayed in table 7.1 below.

Table 7.1 Research Sample Distribution Data

No	Regencies/Cities	Direct Questionnaire	Online Form
1	West Jakarta	47	37
2	Central Jakarta	40	47
3	South Jakarta	56	34
4	East Jakarta	51	86
5	North Jakarta	54	26
Total		248	230

Source: Primary Data

## 7.2.2 Respondent Profile

The demographic breakdown of the 478 survey respondents from the general public is shown in Table 7.2. The majority of respondents (57.83 percent) were female and between the ages of 25 and 35 (59.08 percent), and the majority of them lived in East Jakarta (28.60 percent). Among the responders, 64.51 percent were single and 57.83 percent had a degree. Most respondents earned between IDR5,000,000 and IDR6,999,999 per month, with the majority of respondents working in the private sector (43.22%) and the government (24.22%). (25.68 percent )

Table 7.2 Demographic Profile of Respondents

Demographic	Categories	Frequency	Percentage
Region	West Jakarta	84	17.54%
	Central Jakarta	87	18.16%
	South Jakarta	90	18.79%
	East Jakarta	137	28.60%
	North Jakarta	80	16.70%
Gender	Male	201	41.96%
	Female	277	57.83%
Age	Less than 25	41	8.56%
	25 - 35	283	59.08%
	36 - 50	67	13.99%
	51 and above	87	18.16%
Marital Status	Married	309	64.51%
	Single	169	35.28%
Education Level	Senior High School	36	7.52%
	Diploma	61	12.73%
	Degree	277	57.83%
	Master	90	18.79%

Demographic	Categories	Frequency	Percentage
	PhD	11	2.30%
	Others	3	0.63%
Occupation	Student	56	11.69%
	Private Sector	207	43.22%
	Government Sector	116	24.22%
	Self Employed	80	16.70%
	Others	19	3.97%
Monthly Income	Below IDR2,000,000	55	11.48%
	IDR2,000,000 - IDR3,499,999	132	27.56%
	IDR3,500,000 - IDR4,999,999	118	24.63%
	IDR5,000,000 - IDR6,999,999	123	25.68%
	IDR7,000,000 and above	50	10.44%

### 7.2.3 Descriptive Analysis of Research Variable Data

The conversation can be made more interesting by using the description of the research data. How respondents react to each variable indicator under study is described in the respondent response data. The respondent's score was categorised in order to make it simpler to interpret the factors under investigation. Cooper & Schindler (2006) claim that the distribution of the ranges between quartiles can be used to calculate the concentration for ordinal or interval/ratio data having an asymmetric distribution. The following criteria were used to classify the respondents' average answer scores in this study using quartile values:

	Description	Value	Category
SA	= Strongly Agree	4,1 - 5	High
A	= Agree	3,1 - 4	Good
N	= Neutral	2,1 - 3	Enough
D	= Disagree	1,1 - 2	Less
TD	= Strongly Disagree	0 - 1	Low

Respondent's statements regarding the variables used in this study will be revealed through the respondents' answers to the statements submitted in the questionnaire. This study used six variables and operationalised them into 27 statement items. Following are the results of categorising the average score of respondents' responses to each research variable.

Table 7.3 Recapitulation of the Mean Score of Respondents' Answers Regarding Research Variables

<b>Variables</b>	<b>Mean Score</b>	<b>Category</b>
Attitude (X1)	4.25	High
Subjective Norm (X2)	4.20	High
Perceived Behavioural Control (X3)	3.63	Good
Knowledge (X4)	3.45	Good
Trustworthiness (X5)	3.69	Good
Intention (Y)	3.78	Good
<b>Grand Mean</b>	<b>3.83</b>	<b>Good</b>

Table 7.3 shows that the results of the calculation of the grand mean score of respondents' responses regarding the variable of 3.83 are at a value of 3.1 - 4. Thus, it can be concluded that the variables used in this study are good. Likewise, based on each variable, the average score of respondents' responses to attitude and subjective norms is included in the high category. Meanwhile, perceived behavioural control, knowledge, trustworthiness, and intention are in a good category.

### 7.2.3.1. Attitude

Attitude is operationalized into five statement items. The following describes the distribution of respondents for each statement item on the attitude variable.

Table 7. 4 Recapitulation of the Distribution of Respondents for Each Statement Item on the Attitude Variable

	Description		SD	D	N	A	SA
1	I have a positive perception on cash waqf for housing donation	F	0	0	57	229	192
		%	0.00%	0.00%	11.92%	47.91%	40.17%
2	Getting involved in cash waqf for housing donation is beneficial	F	2	4	33	174	265
		%	0.42%	0.84%	6.90%	36.40%	55.44%
3	Getting involved in cash waqf for housing donation is rewarding	F	0	19	146	242	71
		%	0.00%	3.97%	30.54%	50.63%	14.85%
4	I believe I have responsibility to give back to my community	F	0	9	58	253	158
		%	0.00%	1.88%	12.13%	52.93%	33.05%
5	I believe it is important for me to contribute for cash waqf for housing	F	2	0	36	128	312
		%	0.42%	0.00%	7.53%	26.78%	65.27%

Based on the distribution of respondents for each statement item on the attitude variable, it is obtained that the respondents have a favourable view of cash waqf. This can be seen from the respondents' answers which show that, out of 478 respondents, namely 192 respondents (40.17%) and 229 respondents (47.91%), the community has a positive level of perception, only 57 respondents (11.92%), respondents who stated a neutral attitude towards that perception.

Most respondents, namely 265 respondents (55.44%) and 174 respondents (36.40%) and 33 respondents (6.90%) stated that they strongly agreed, agreed and were neutral that being involved in cash waqf would bring benefits. Respondents also believed that being involved in cash waqf would also get good returns as seen from respondents who agreed with 242 respondents (50.63%) and strongly agreed with 71 respondents (14.85%).

Regarding the responsibility of respondent, they believe that they need to contribute to the community. 158 respondents (33.05%), 253 respondent (52.93%) and 58 respondent (12.13%) who strongly agree, agree, and neutral in this statement. Lastly, most of the respondent want to contribute to the cash waqf for housing with 312 respondents (65.27%) as majority who responded the statement.

### 7.2.3.2 Subjective Norm

Subjective Norm is operationalized into four statement items. The following describes the distribution of respondents for each statement item on the attitude variable.

Table 7.5 Recapitulation of the Distribution of Respondents for Each Statement Item on the Subjective Norm variable

	Description		SD	D	N	A	SA
1	Most people who are important to me think that I should perform cash waqf for housing	F	0	5	48	233	192
		%	0.00%	1.05%	10.04%	48.74%	40.17%
2	My friends would think that I should perform cash waqf for housing	F	0	2	46	248	179
		%	0.00%	0.42%	9.62%	51.88%	37.45%
3	It is expected of me that I should perform cash waqf for housing	F	0	17	96	214	151
		%	0.00%	3.56%	20.08%	44.77%	31.59%

	Description		SD	D	N	A	SA
4	People who I listen to could influence me to give donations for cash waqf for housing	F	0	6	60	251	161
		%	0.00%	1.26%	12.55%	52.51%	33.68%

Based on the distribution of each statement above, it is concluded that most respondents have a good perception of the Subjective Norm. It is important to involve the cash waqf project in the project housing, where 233 respondents (48.74%) and 192 (40.17%) agreed and strongly agreed. In addition, most respondents think it is very important to perform the cash waqf, and more than 75% of the respondents agreed with the idea of cash waqf for housing.

### 7.2.3.3 Perceived Behavioural Control

Perceived Behavioural Control is operationalized into five statement items. The following describes the distribution of respondents for each statement item on the attitude variable.

Table 7.6 Recapitulation of the Distribution of Respondents for Each Statement Item on the Perceived Behavioural Control Variable

	Description		SD	D	N	A	SA
1	I have ability to perform cash waqf for housing donation	F	0	5	44	251	178
		%	0.00%	1.05%	9.21%	52.51%	37.24%
2	I have knowledge to perform cash waqf for housing donation	F	0	10	131	250	87
		%	0.00%	2.09%	27.41%	52.30%	18.20%
3	I have financial resources to perform cash waqf for housing donation	F	10	93	199	130	46
		%	2.09%	19.46%	41.63%	27.20%	9.62%

	Description		SD	D	N	A	SA
4	Performing cash waqf for housing donation is within my control	F	13	97	199	122	47
		%	2.72%	20.29%	41.63%	25.52%	9.83%
5	I don't feel any burden to perform cash waqf for housing donation	F	3	4	195	238	35
		%	0.63%	0.84%	40.79%	49.79%	7.32%

The table above concludes that the respondent can perform the cash waqf for the housing; 178 respondents (37.24%) strongly agree with the statement, and 251 respondents (52.51%) agree. The statement follows this conclusion that the respondent knows to perform the cash waqf four housing, where 250 respondents (52.30) agreed to this statement. However, the number is different to the financial resources, control gets involved, and feeling a burden to the cash waqf for housing. The respondent prefers to become neutral, with more than 40% for each statement.

#### 7.2.3.4 Knowledge

Knowledge is operationalized into five statement items. The following describes the distribution of respondents for each statement item on the attitude variable

Table 7.7 Recapitulation of the Distribution of Respondents for Each Statement Item on the Knowledge Variable

	Description		SD	D	N	A	SA
1	The asset donated for waqf is for sale	F	3	14	247	188	26
		%	0.63%	2.93%	51.67%	39.33%	5.44%
2	Cash waqf for housing is a form of charity	F	0	12	145	276	45
		%	0.00%	2.51%	30.33%	57.74%	9.41%

	Description		SD	D	N	A	SA
3	Everyone can participate in cash waqf for housing donation	F	3	9	178	242	46
		%	0.63%	1.88%	37.24%	50.63%	9.62%
4	Individuals or organisations donate cash for cash waqf for housing	F	9	121	156	182	10
		%	1.88%	25.31%	32.64%	38.08%	2.09%
5	Cash waqf for housing means the confinement of an individual's or organisation's money to build a house for the benefit of others	F	7	87	164	213	7
		%	1.46%	18.20%	34.31%	44.56%	1.46%

It is important to have the knowledge of the respondent regarding the cash waqf for housing. For instance, most respondents still do not fully understand that the concept of this model is to sell the asset, with 247 respondents (51.67%) becoming neutral to the statement. However, the respondent believes that the cash waqf is from a charity, and more than 68% of the respondent agree and strongly agree with the statement. In addition, the respondent also strongly agrees and agrees that not only individuals can participate in the cash waqf for housing, but also organization can participate. More than 40% of the respondents strongly agree and agree with the statements. The respondents also strongly agree and agree that cash waqf for housing is for the benefit of others, with more than 45% out of 100%.

#### ***7.2.3.5 Trustworthiness***

Trustworthiness is operationalized into four statement items. The following describes the distribution of respondents for each statement item on the attitude variable

Table 7.8 Recapitulation of the Distribution of Respondents for Each Statement Item on the Trustworthiness Variable

	Description		SD	D	N	A	SA
1	The fund management of cash waqf for housing institution is trustworthy	F	17	68	200	176	17
		%	3.56%	14.23%	41.84%	36.82%	3.56%
2	The management of Cash waqf for housing institution meets my expectations	F	3	23	172	247	33
		%	0.63%	4.81%	35.98%	51.67%	6.90%
3	I trust that cash waqf for housing institutions are doing their best to serve the beneficiaries	F	0	9	121	252	96
		%	0.00%	1.88%	25.31%	52.72%	20.08%
4	I think I can trust cash waqf for housing institution	F	0	12	87	262	117
		%	0.00%	2.51%	18.20%	54.81%	24.48%

The table above concluded that the respondents have good trust in the cash waqf management, with the majority agreeing to each statement more than 50%. The respondents become neutral in terms of the trustworthiness of the institution with 200 respondents (41.8%), and it is higher with the combination of agreeing and strongly agreeing with a total of 193 respondents (40.36%). However, the expectation of the respondent is good, where 247 respondents (51.67%) agree with the statement. In addition, the respondent trust that the cash waqf institution will handle the project well, with more than 250 agreeing with the statement out of 478 respondents.

### 7.2.3.6 Intention

The intention is operationalized into four statement items. The following describes the distribution of respondents for each statement item on the attitude variable.

Table 7.9 Recapitulation of the Distribution of Respondents for Each Statement Item on the Intention Variable

	Description		SD	D	N	A	SA
1	My general intention to give donation for cash waqf for housing is high	F	5	13	103	245	112
		%	1.05%	2.72%	21.55%	51.26%	23.43%
2	I plan to give donation for cash waqf for housing	F	2	0	40	239	197
		%	0.42%	0.00%	8.37%	50.00%	41.21%
3	I will choose cash waqf for housing as a way of charity	F	0	41	181	209	47
		%	0.00%	8.58%	37.87%	43.72%	9.83%
4	My motivation to give contribution to cash waqf for housing is high	F	9	98	154	173	44
		%	1.88%	20.50%	32.22%	36.19%	9.21%

The respondents have a high intention of giving cash waqf for housing. It is represented by the number that 112 respondents (112%) and 245 respondents (51.26%) strongly agree and agree with the statements, while 103 respondents (21.55%) become neutral. 50% of respondents then said they would donate cash waqf for housing. Regarding the option to the charity, the respondents agree to have the cash waqf for housing 43.72% out of 100%, and most of the respondents agree that they have high motivation to contribute cash waqf for housing, where 36.19% agree to the statement.

### 7.3 RESEARCH DATA TEST RESULTS

#### 7.3.1 Validity Test

The validity of a questionnaire is crucial to ensure that the survey effectively measures what it is intended to measure. In this study, the validity test is conducted to evaluate whether the questions in the survey are capable of capturing relevant and accurate information about stakeholders' attitudes, perceptions, and intentions toward the

proposed model of ICWHF. A questionnaire is considered valid if its questions can reliably provide data that reflects the constructs under investigation, such as attitudes, perceived behavior control, descriptive norms, knowledge, and trustworthiness.

To determine the validity of the survey, Pearson Correlation analysis is employed. This method assesses the strength and direction of the linear relationship between individual question responses and the overall construct they are meant to measure. A significant Pearson Correlation value ( $p < 0.05$ ) indicates that there is a statistically significant association between the responses to a question and the intended construct, thus confirming the question's validity (Ghozali, 2005). If the correlation coefficient is below 0.05, it suggests that the question is valid and effectively contributes to measuring the construct in question.

The significance of these validity results lies in their direct impact on the reliability and credibility of the study's findings. If the survey questions are valid, the data derived from them will accurately represent the stakeholders' attitudes and beliefs regarding the proposed model. This, in turn, ensures that any conclusions drawn about the suitability, applicability, and potential success of the model are grounded in reliable and robust data. The validity results, therefore, are foundational to the study as they underpin the entire analysis process, from understanding the relationship between Theory of Planned Behaviour (TPB) components and stakeholder intentions to identifying the most influential factors that could drive the adoption of the proposed model.

Table 7.10, which is presented below, summarizes the results of the validity test for the "attitude" construct. This table provides an overview of the Pearson Correlation values for each question related to attitude, helping to illustrate which questions are valid and thus valuable for further analysis. Ensuring the validity of these questions is particularly significant as it reinforces the integrity of the research outcomes, guiding practical recommendations for the implementation of the model in the context of Islamic social finance.

Table 7.10 Validity Test Result: Attitude, Subjective Norm, Perceived Behavioural Control, Knowledge, Trustworthiness, and Intention

Questions	Pearson Correlation	Sig (2-Tailed)	Information	Questions	Pearson Correlation	Sig (2-Tailed)	Information
Attitude				Knowledge			
Item1	.833**	0.000	Valid	Item1	.755**	0.000	Valid
Item2	.912**	0.000	Valid	Item2	.752**	0.000	Valid
Item3	.834**	0.000	Valid	Item3	.771**	0.000	Valid
Item4	.873**	0.000	Valid	Item4	.776**	0.000	Valid
Item5	.869**	0.000	Valid	Item5	.593**	0.000	Valid
Subjective Norm				Trustworthiness			
Item1	.858**	0.000	Valid	Item1	.648**	0.000	Valid
Item2	.870**	0.000	Valid	Item2	.802**	0.000	Valid
Item3	.904**	0.000	Valid	Item3	.725**	0.000	Valid
Item4	.911**	0.000	Valid	Item4	.775**	0.000	Valid
Perceived Behavioural Control				Intention			
Item1	.539**	0.000	Valid	Item1	.782**	0.000	Valid
Item2	.778**	0.000	Valid	Item2	.739**	0.000	Valid
Item3	.854**	0.000	Valid	Item3	.830**	0.000	Valid
Item4	.826**	0.000	Valid	Item4	.847**	0.000	Valid
Item5	.636**	0.000	Valid				

Source: Processed data

The results presented in the table indicate that all variables—attitude (X1), subjective norm (X2), perceived behavioral control (X3), knowledge (X4), trustworthiness (X5), and intention (Y)—have a Sig (2-Tailed) value of less than 0.05. This finding is significant as it demonstrates that each instrument used to measure these variables is both valid and reliable. A Sig (2-Tailed) value below 0.05 suggests that there is a statistically significant relationship between the survey items and the constructs they are intended to measure. In other words, the responses to the survey questions are not random but are meaningfully correlated with the constructs being studied.

The significance of these results lies in their implications for the robustness and credibility of the study's findings. Since all variables demonstrate significant validity,

we can be confident that the instruments effectively capture the intended constructs—attitudes, subjective norms, perceived behavioral control, knowledge, trustworthiness, and intention—related to stakeholders’ perspectives on the proposed integrated cash waqf house financing model. This reliability is crucial because it directly affects the study’s ability to accurately identify the factors that influence stakeholders' intentions to support and contribute to the model.

Moreover, the significance of these variables is essential in the context of the extended Theory of Planned Behaviour (TPB), which serves as the theoretical framework for this study. The TPB posits that intention, influenced by attitude, subjective norms, and perceived behavioral control, is a key predictor of behavior. By confirming the validity of the instruments for these variables, the study strengthens its capacity to explore the relationships between these components and determine which factors most significantly impact stakeholders' intentions to engage with the proposed financing model.

Additionally, knowledge (X4) and trustworthiness (X5), as extensions of the traditional TPB framework, are shown to be reliable constructs in this context, providing a more comprehensive understanding of what drives stakeholder intention. This reinforces the relevance and applicability of the extended TPB model in the context of Islamic social finance. Ultimately, the reliability of these variables is foundational for generating meaningful insights, guiding policy implications, and recommending practical strategies for implementing the ICWHF model effectively.

### **7.3.2 Reliability Test Result**

The consistency of respondents' responses is examined and measured using this technique. The consistency or stability of the respondents' responses over time is a sign that a questionnaire is dependable. There are two methods for determining reliability, namely:

- a. Repeated Measure
- b. One Shot or measurement is done only once, i.e. the measurement is done once and then the results are compared with other questions or measure the relationship between the answers to the questions asked.

In this study, reliability measurements were conducted using a "one-shot" approach, meaning that reliability was assessed based on a single round of data collection. The reliability of each variable was tested using Cronbach's Alpha ( $\alpha$ ), a widely recognized statistical method for determining the internal consistency of a set of items within a questionnaire. A variable is considered reliable if its Cronbach's Alpha value is greater than 0.6; if it falls below this threshold, the data is deemed unreliable (Megasari, 2010).

The significance of using Cronbach's Alpha in this study lies in its ability to ensure that the survey instruments are consistently measuring the intended constructs—such as attitude, subjective norms, perceived behavioral control, knowledge, trustworthiness, and intention—related to stakeholders' views on the integrated cash waqf house financing model. A high Cronbach's Alpha value indicates that the items within each variable are highly correlated, suggesting that they reliably capture different facets of the same underlying construct. This internal consistency is essential for drawing meaningful and valid conclusions from the data.

Reliable measurements are particularly important in the context of this study, which aims to explore the factors influencing stakeholders' intentions to contribute to the proposed model within the framework of the extended Theory of Planned Behaviour (TPB). If the survey instruments are not reliable, any relationships identified between variables—such as attitudes and intentions—could be questioned, weakening the overall validity of the study. By confirming that all variables have a Cronbach's Alpha value above the acceptable threshold, the study ensures that its findings are based on stable and dependable data.

Table 7.11 Reliability Test Result

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>
Attitude (X1)	0.915	5
Subjective Norm (X2)	0.914	4
Perceived Behavioural Control (X3)	0.79	5
Knowledge (X4)	0.763	5
Trustworthiness (X5)	0.709	4
Intention (Y)	0.809	4

The reliability test results indicate that all variables in the study have Cronbach's Alpha values greater than 0.6, confirming that the questionnaire items are highly reliable. Cronbach's Alpha values above this threshold suggest a strong internal consistency among the items within each variable, meaning that the questions are consistently measuring the same underlying construct. This high level of reliability is crucial for ensuring that the data collected is dependable and accurately reflects the constructs of interest, such as attitudes, subjective norms, perceived behavioral control, knowledge, trustworthiness, and intention.

### **7.3.3 Classic Assumption Test**

According to Sunyoto (2007), a good regression equation is an equation that satisfies the following assumptions: data is normally distributed, no multicollinearity and heteroscedasticity occur, and there is no autocorrelation. Therefore, the model in this research will see how far the regression equation is meet or fail to meet the assumptions.

#### **7.3.3.1 Normality Test Result**

To determine the distribution of data—whether it follows a normal, Poisson, uniform, or exponential pattern—the Kolmogorov-Smirnov One Sample Test is employed. This test specifically assesses whether the residuals (the differences between observed and

predicted values) are normally distributed. A significance value greater than 0.05 indicates that the residuals conform to a normal distribution. This means that the data distribution is consistent with the assumptions of normality, which is crucial for ensuring the validity of statistical analyses that assume normally distributed residuals.

Table 7.12 One-Sample Kolmogorov-Smirnov Test

		Unstandardised Residual
N		478
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	.09616228
Most Extreme Differences	Absolute	.035
	Positive	.034
	Negative	-.035
Test Statistic		.035
Asymp. Sig. (2-tailed)		.200
a. Test distribution is Normal.		
b. Calculated from data.		

From the output, the significance value labeled Asymp. Sig (2-tailed) is 0.200. This value is obtained from the Kolmogorov-Smirnov One Sample Test, which is used to assess the distribution of residuals in relation to a normal distribution.

In this test, a significance value greater than 0.05 indicates that the residuals follow a normal distribution. Since the obtained significance value is 0.200, which is greater than the 0.05 threshold, it suggests that the residuals are normally distributed.

In practical terms, this result means that the differences between the observed and predicted values are consistent with a normal distribution. This is important because many statistical analyses, including regression and hypothesis testing, assume that residuals are normally distributed to ensure the validity and reliability of the results.

### 7.2.3.2 Multicollinearity Test Result

When more than two independent variables exhibit almost perfect linear correlation, this is referred to as multicollinearity. The goal of the multicollinearity test is to determine whether the independent variables in the regression model are correlated (independent). There shouldn't be any association between the independent variables in a suitable regression model. If zero is the value of the independent variable. Indicators of multicollinearity can be found by examining the variance inflation factor and tolerance value (VIF). The regression model is said to possess multicollinearity if the independent variables in the regression model that is created exhibit strong or perfect correlation.

Every other independent variable is represented by these two measurements. In a straightforward sense, each independent variable is regressed to other independent variables to become the dependent variable (bound). The chosen independent variability that cannot be explained by other independent variables is measured by tolerance. Because  $VIF = 1 / \text{tolerance}$ , a low tolerance value is equivalent to a high VIF value. A tolerance value of less than or equal to ten is known as the cutoff value, and a number more than ten is known as the VIF cutoff value. Table 7.6 illustrates as follows:

Table 7.13 Multicollinearity Test  
Coefficients<sup>a</sup>

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Attitude	0.558	1.791
	Subjective Norm	0.439	2.277
	Perceived Behavioural Control	0.471	2.124
	Knowledge	0.487	2.052
	Trustworthiness	0.488	2.051

a. Dependent Variable: Intention

Based on the table above, the VIF value for each variable is:

1. VIF value for Attitude is  $1.791 < 10$  and the tolerance value is  $0.558 > 0.10$ , thus the attitude variable is declared not to occur multicollinearity.
2. VIF value for Subjective Norm is  $2.277 < 10$  and the tolerance value is  $0.439 > 0.10$ , thus the attitude variable is declared not to occur multicollinearity.
3. VIF value for Perceived Behavioural Control is  $2.124 < 10$  and the tolerance value is  $0.471 > 0.10$ , thus the attitude variable is declared not to occur multicollinearity.
4. VIF value for Knowledge is  $2.052 < 10$  and the tolerance value is  $0.487 > 0.10$ , thus the attitude variable is declared not to occur multicollinearity.
5. VIF value for Trustworthiness is  $2.051 < 10$  and the tolerance value is  $0.487 > 0.10$ , thus the attitude variable is declared not to occur multicollinearity.

### ***7.3.3.3 Heteroscedasticity Test Result***

The objective of the heteroscedasticity test is to determine whether there is an inequality between some observations or the residuals in the regression model. If there is homoscedasticity or no heteroscedasticity, the regression model is good. In this study, statistical analysis was done to determine whether heteroscedasticity was present or not, specifically by examining the value of GLEJSER. The following steps can be taken to determine whether heteroscedasticity is present or absent:

Table 7.14 Heteroscedasticity Test

Coefficients<sup>a</sup>

Model		Sig.
1	(Constant)	0.069
	Attitude	0.362
	Subjective Norm	0.110
	Perceived Behavioural Control	0.061
	Knowledge	0.338
	Trustworthiness	0.099

a Dependent Variable: Abs\_Res

Based on the table above, the sig value for each variable is:

1. Sig value for Attitude is  $0.362 > 0.05$  indicate there is no heteroscedasticity.
2. Sig value for Subjective Norm is  $0.110 > 0.05$  indicate there is no heteroscedasticity.
3. Sig value for Perceived Behavioural Control is  $0.061 > 0.05$  indicate there is no heteroscedasticity.
4. Sig value for Knowledge is  $0.338 > 0.05$  indicate there is no heteroscedasticity.
5. Sig value for Trustworthiness is  $0.099 > 0.05$  indicate there is no heteroscedasticity.

#### 7.4 DESCRIPTIVE ANALYSIS OF RESEARCH VARIABLE DATA

The description of the research data can be utilized to enhance the discussion; for instance, it is clear from the description of the respondent's answer data how the respondent's reaction to each variable indicator is being researched. To make it simpler

to interpret the researched variables, respondent answer scores are categorized. According to Cooper and Schindler (2006), the inter-quartile range distribution can be used to calculate the concentration for ordinal or interval/ratio data having an asymmetric distribution. The following conditions were used in this study to classify the average score of respondents' responses using quartile values:

Table 7.15 Respondents Scores

Information		Value	Catagory
SA	= Strongly Agree	4,1 - 5	High
SA	= Agree	3,1 - 4	Good
N	= Neutral	2,1 - 3	Enough
D	= Disagree	1,1 - 2	Deficient
SD	= Strongly Disagree	0 - 1	Low

#### 7.4.1 Recapitulation of Respondents' Answer

The questionnaire contains 27 questions divided into six sections, each with five independent variables and one dependent variable. The results of categorising the average score of respondents' responses to each variable in the study are as follows.

Table 7. 16 Recapitulation of Respondents' Answer Mean Score

Variable	Mean Score	Catagory
Attitude (X1)	4.25	High
Subjective Norm (X2)	4.20	High
Perceived Behavioural Control (X3)	3.63	Good
Knowledge (X4)	3.45	Good
Trustworthiness (X5)	3.69	Good
Intention (Y)	3.78	Good
Grand Means	3.83	Good

## 7.5 MULTIPLE REGRESSION

To ascertain the direction of the link between the independent and dependent variables, multiple linear regression analysis was utilized. Simple regression analysis differs from complex regression analysis in that there is only one dependent variable. The regression equation, the coefficient of determination, the standard error of estimate, the standard error of the regression coefficient, the calculated F value, and the value of the t count are some of the things that need to be examined in relation to regression analysis.

The coefficient test results table for the variables of Attitude (X1), Subjective Norm (X2), Perceived Behavioural Control (X3), Knowledge (X4), and Trustworthiness (X5) toward the Intention (Y1) variable, which is provided in table 7.8, reveals the regression equation as follows:

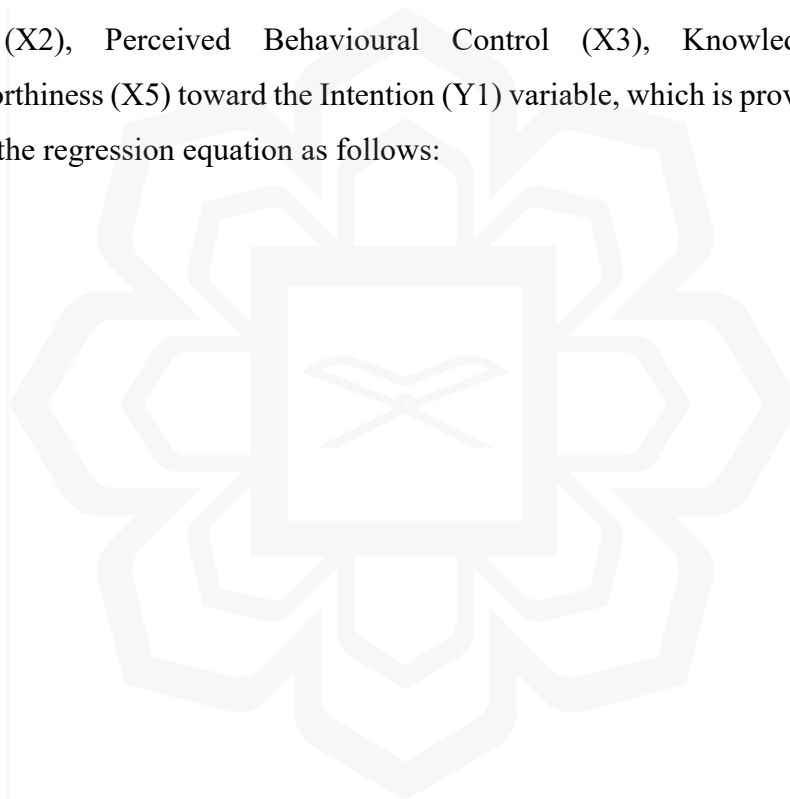


Table 7.17 Multiple Regression Result

	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
	B	Std. Error	Beta		
Constant	2.922	0.587		4.989	0.000
Attitude	0.224	0.03	0.262	7.459	0.000
Subjective Norm	0.351	0.04	0.344	8.693	0.000
Perceived Behavioural Control	0.445	0.046	0.438	9.673	0.000
Knowledge	0.235	0.035	0.252	6.709	0.000
Trustworthiness	0.249	0.044	0.214	5.703	0.000
R : 0.822 R Square : 0.675 F-value : 196.351 Significance F : 0.000					

- a. Predictors: (Constant), Trustworthiness, Attitude, Perceived Behavioural Control, Score Knowledge, Subjective Norm
- b. Dependent variable: Intention

Based on table 7.8, it can be seen that the value of the constant  $b_0$  is 2.922 and the regression coefficient  $b_1$  is 0.224,  $b_2$  is 0.352,  $b_4$  is 0.445,  $b_5$  is 0.235 and  $b_6$  is 0.249. The values of these constants and regression coefficients ( $b_0$ ,  $b_1$ ,  $b_2$ ,  $b_3$ ,  $b_4$  and  $b_5$ ) are included in the following multiple linear regression equation:

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + \dots + e$$

Therefore, the regression equation becomes as follows:

$$Y = 2.922 + 0.224X_1 + 0.351X_2 + 0.445X_3 + 0.235X_4 + 0.249X_5 + \dots + e$$

From the multiple regression equation it can be interpreted as follows:

### **1. Constanta (b0)**

The constant value of 2.922 means that if Attitude (X1), Subjective Norm (X2), Perceived Behavioural Control (X3), Knowledge (X4), and Trustworthiness (X5) are 0 or constant, the Intention (Y) is 2.922.

### **2. Attitude (X1)**

The attitude regression constant value of 0.244 states that every 1% addition of attitude will cause an increase in the intention level of 0.224. And vice versa if the attitude is reduced by 1% it will cause a decrease in the level of intention by 0.244. The direction of the relationship between attitude and intention is in the direction of (+), where an increase in the value of an increasing attitude will also result in an increase in intention and vice versa where a decrease in the value of attitude will also result in a decrease in intention.

### **3. Subjective Norm (X2)**

The subjective norm regression constant value of 0.351 states that every 1% addition of subjective norm will cause an increase in the intention level of 0.351. And vice versa if the subjective norm is reduced by 1% it will cause a decrease in the level of intention by 0.351. The direction of the relationship between subjective norm and intention is in the direction of (+), where an increase in the value of an increasing subjective norm will also result in an increase in intention and vice versa where a decrease in the value of subjective norm will also result in a decrease in intention.

### **4. Perceived Behavioural Control (X3)**

The perceived behavioural control regression constant value of 0.445 states that every 1% addition of perceived behavioural control will cause an increase in the intention level of 0.445. And vice versa if the perceived behavioural control is reduced

by 1% it will cause a decrease in the level of intention by 0.445. The direction of the relationship between perceived behavioural control and intention is in the direction of (+), where an increase in the value of an increasing perceived behavioural control will result in an increase in intention and vice versa where a decrease in the value of perceived behavioural control will result in a decrease in intention.

#### **5. Knowledge (X4)**

The knowledge regression constant value of 0.235 states that every 1% addition of knowledge will cause an increase in the intention level of 0.235. And vice versa if the knowledge is reduced by 1% it will cause a decrease in the level of intention by 0.235. The direction of the relationship between knowledge and intention is in the direction of (+), where an increase in the value of an increasing knowledge will also result in an increase in intention and vice versa where a decrease in the value of knowledge will also result in a decrease in intention.

#### **6. Trustworthiness (X5)**

The trustworthiness regression constant value of 0.249 states that every 1% addition of trustworthiness will cause an increase in the intention level of 0.249. And vice versa if the trustworthiness is reduced by 1% it will cause a decrease in the level of intention by 0.249. The direction of the relationship between trustworthiness and intention is in the direction of (+), where an increase in the value of an increasing trustworthiness will also result in an increase in intention and vice versa where a decrease in the value of trustworthiness will also result in a decrease in intention.

#### **7.5.1 Correlation Coefficient (R) and Coefficient of Determination (R<sup>2</sup>)**

The correlation coefficient (R) is essentially a number that shows if there is a relationship between two or more variables as well as how strong that relationship is. The degree to which the model can account for the fluctuation in the dependent variable is indicated by the coefficient of determination (R<sup>2</sup>). The coefficient of determination has a value between 0 and 1. The ability of the independent variables to demonstrate

almost all the information required to forecast the fluctuation of the dependent variable is shown by a coefficient value that is close to one.

According to the findings of the calculation, which were displayed in SPSS 26 table 7.8, the relationship between the variables Attitude (X1), Subjective Norm (X2), Perceived Behavioural Control (X3), Knowledge (X4), and Trustworthiness (X5) toward the variable Intention (Y1) is 0.822 or 82.2 percent. This indicates that 17.8 percent of the variance is explained by factors not included in this study. The value of the coefficient of determination (R Square) is 0.675, indicating that variations in the five independent variables of attitude (X1), subjective norm (X2), perceived behavioral control (X3), knowledge (X4), and trustworthiness (X5) can account for 67.5 percent of the variation in intention, with other factors outside the scope of this study accounting for the remaining 32.5 percent.

### **7.5.2 Hypotheses Testing**

The study's hypotheses, which depict the relationship between the independent variables, were tested using multiple regressions. In all, this study proposes five theories. It is conceivable to draw the conclusion that all five of the hypotheses are supported on the basis of the significant regression result. The following explanation goes into great depth about each of the five hypotheses.

**H<sub>a1</sub>: Attitude does significantly (positively) affect their intention to contribute to cash waqf house financing.**

The first hypothesis (H<sub>a1</sub>) posits that attitude significantly and positively affects the intention to contribute to cash waqf house financing. The multiple regression analysis results, as shown in Table 7.8, provide empirical support for this hypothesis. The p-value for the attitude variable (X1) is 0.000, which is less than the significance level of 0.05 ( $p < 0.05$ ), indicating that the effect is statistically significant. Furthermore, the t-statistic for attitude is 7.459, which is well above the critical t-value of 1.960. This

suggests that attitude (X1) is a strong predictor of the intention to contribute to cash waqf house financing (Y).

The positive t-value signifies a direct positive relationship between attitude and intention. This implies that as the attitude towards cash waqf for house financing becomes more favorable, the intention to contribute to such a scheme also increases. This finding underscores the importance of attitude in shaping individuals' willingness to engage in charitable financial contributions, particularly in the context of Islamic social finance.

The significant association between attitude and intention aligns with previous studies that explored similar relationships in various forms of charitable behavior, such as blood donation, volunteering, and zakat contributions. For instance, Heikal et al. (2014), Holdershaw et al. (2011), and Warburton & Terry (2000) demonstrated the pivotal role of attitude in predicting charitable intentions. Similarly, studies by Ahmad (2020), Shafawati (2017), Asmy (2015), Hasbullah et al. (2015), and Osman (2014) have also established that attitudes significantly influence the intention to make cash waqf contributions. These findings suggest a consistent pattern across different contexts where positive attitudes towards a cause are associated with a higher likelihood of engagement or contribution.

In the context of this study, the strong positive relationship between attitude and intention highlights the need for policymakers and stakeholders to focus on enhancing positive attitudes towards cash waqf for house financing. Efforts could include educational campaigns to raise awareness about the benefits of cash waqf, emphasizing its role in social welfare and community development. By improving the public's perception and understanding of cash waqf, it is possible to foster a more supportive environment that encourages higher participation rates in such charitable financial models.

In summary, the empirical evidence supports the notion that a favorable attitude towards cash waqf significantly boosts the intention to contribute to this form of house

financing. This reinforces the importance of attitudinal factors in the successful implementation and sustainability of the ICWHF model in Jakarta.

**H<sub>a2</sub>: Subjective norm does significantly (positively) affect their intention to contribute in cash waqf for house financing.**

The second hypothesis (H<sub>a2</sub>) asserts that subjective norm significantly and positively affects the intention to contribute to cash waqf for house financing. The results of the multiple regression analysis presented in Table 7.8 provide strong empirical evidence to support this hypothesis. The p-value for the subjective norm variable (X<sub>2</sub>) is 0.000, which is below the significance level of 0.05 ( $p < 0.05$ ), indicating that the relationship is statistically significant. Additionally, the t-statistic for subjective norm is 8.693, which exceeds the critical t-value of 1.960. This indicates that subjective norm (X<sub>2</sub>) is a significant predictor of the intention to contribute to cash waqf for house financing (Y).

The positive t-value suggests a direct and positive association between subjective norm and intention. This means that as the subjective norm—defined as the perceived social pressure to perform or not perform the behavior—increases, the intention to contribute to cash waqf for house financing also increases. This finding underscores the influence of social factors, such as family, friends, and community, on an individual's decision to participate in cash waqf schemes.

The findings of this study are consistent with previous research conducted by Asmy (2015), Hasbullah et al. (2015), Osman (2016), Safawati (2017), and Ahmad (2020). These studies similarly demonstrated the significant role of subjective norms in shaping individuals' intentions to participate in cash waqf. The current study reinforces these findings and contributes to the existing body of knowledge by further substantiating the impact of subjective norms on the intention to contribute to cash waqf for house financing.

The strong positive relationship between subjective norm and intention highlights the importance of leveraging social influence to promote cash waqf for house financing. This can be achieved through community-based programs, social campaigns, and endorsements by influential figures or leaders who can advocate for the benefits of cash waqf. By strengthening the perceived social support and approval for cash waqf contributions, policymakers and stakeholders can effectively enhance participation rates and ensure the sustainability of the ICWHF model.

In conclusion, the findings confirm that subjective norms play a substantial role in influencing the intention to contribute to cash waqf for house financing. This suggests that fostering a supportive social environment and utilizing social norms can be crucial strategies for increasing public engagement in the ICWHF model, thereby addressing the housing financing challenges in Jakarta.

**H<sub>a3</sub>: Perceived behavioural control does significantly (positively) affect their intention to contribute in cash waqf for house financing.**

The third hypothesis (H<sub>a3</sub>) proposes that perceived behavioral control significantly and positively affects the intention to contribute to cash waqf for house financing. The multiple regression analysis results presented in Table 7.8 provide robust empirical evidence in support of this hypothesis. The p-value for the perceived behavioral control variable (X3) is 0.000, which is below the significance threshold of 0.05 ( $p < 0.05$ ), indicating a statistically significant relationship. Additionally, the t-statistic for perceived behavioral control is 9.673, which is significantly higher than the critical t-value of 1.960. This result suggests that perceived behavioral control (X3) is a strong predictor of the intention to contribute to cash waqf for house financing (Y).

The positive t-value further indicates a positive relationship between perceived behavioral control and intention, implying that as individuals' perception of their ability to perform the behavior (i.e., contributing to cash waqf for house financing) increases, so does their intention to do so. This finding highlights the importance of perceived ease

or difficulty in influencing the decision-making process regarding cash waqf contributions.

These results are consistent with previous studies that have established a correlation between perceived behavioral control and intention or actual behavior in various contexts. For instance, studies by Ahmad (2020), Hasbullah et al. (2015), Al-Ekam (2013), Jamil (2012), and Saad (2010) have all identified perceived behavioral control as a significant predictor of intention. Specifically, Ahmad (2020) and Hasbullah et al. (2015) found that perceived behavioral control had a substantial effect on the intention to engage in corporate waqf, suggesting a parallel in how this variable influences intentions across different forms of waqf.

The strong positive relationship between perceived behavioral control and intention to contribute to cash waqf for house financing underscores the need for strategies that enhance individuals' perceived ease of participation. This could involve providing clear information, reducing bureaucratic barriers, ensuring transparent processes, and offering supportive mechanisms that empower potential contributors. By improving the perceived control individuals have over their ability to contribute, stakeholders can foster a more conducive environment that encourages greater participation in the ICWHF model.

In summary, the findings affirm that perceived behavioral control significantly influences the intention to contribute to cash waqf for house financing. This reinforces the importance of addressing perceived barriers and enhancing individuals' confidence in their ability to engage with the ICWHF model, which could lead to a higher uptake of this innovative financing solution in Jakarta.

**H<sub>a</sub>4: Knowledge does significantly (positively) affect their intention to contribute in cash waqf for house financing.**

The fourth hypothesis (H<sub>a</sub>4) posits that knowledge significantly and positively affects the intention to contribute to cash waqf for house financing. The results of the multiple regression analysis shown in Table 7.8 provide strong evidence supporting this hypothesis.

The p-value for the knowledge variable (X4) is 0.000, which is below the significance level of 0.05 ( $p < 0.05$ ), indicating a statistically significant effect. Moreover, the t-statistic for knowledge is 6.709, which exceeds the critical t-value of 1.960. This suggests that knowledge (X4) is a significant predictor of the intention to contribute to cash waqf for house financing (Y).

The positive t-value demonstrates a direct and positive relationship between knowledge and intention. This implies that as individuals' knowledge about cash waqf and its mechanisms increases, their intention to contribute to cash waqf for house financing also rises. This finding highlights the critical role that awareness and understanding play in influencing individuals' decisions to participate in charitable financial models such as cash waqf.

These results are consistent with previous studies that have examined the impact of knowledge on the intention to engage in waqf. For instance, Ahmad (2020) found that knowledge significantly influences Muslim participation in corporate waqf, suggesting that a well-informed understanding of waqf principles and benefits increases the likelihood of contribution. Similarly, Shukor et al. (2017) discovered that the intention to give cash waqf rises in proportion to individuals' knowledge of cash waqf. Furthermore, Bearden et al. (1990) and Clark & Goldsmith (2006) demonstrated that individuals with higher levels of knowledge tend to be more confident in their decision-making and are less reliant on others' opinions and information.

The strong positive relationship between knowledge and intention indicates that enhancing public knowledge about cash waqf could significantly boost participation rates. This can be achieved through educational campaigns, seminars, workshops, and information dissemination via digital and social media platforms to raise awareness about the benefits and processes of cash waqf. Providing comprehensive and accessible information on how cash waqf works and its potential impact on social welfare, particularly in house financing, could foster a more informed community ready to support such initiatives.

In conclusion, the findings confirm that knowledge has a substantial positive effect on the intention to contribute to cash waqf for house financing. This emphasizes the importance of knowledge-building strategies in promoting the ICWHF model. By

increasing awareness and understanding of the model's benefits, stakeholders can encourage higher engagement and ensure the model's successful implementation in addressing Jakarta's housing financing challenges.

**H<sub>4</sub>5: Trustworthiness does significantly (positively) affect their intention to contribute in cash waqf for house financing.**

The fifth hypothesis examines the relationship between trustworthiness (credibility) and the intention to contribute to cash waqf for house financing. The results from the multiple regression analysis presented in Table 7.8 provide strong support for this hypothesis. The p-value for the trustworthiness variable (X5) is 0.000, which is below the significance threshold of 0.05 ( $p < 0.05$ ), indicating that the relationship is statistically significant. Additionally, the t-statistic for trustworthiness is 5.703, which is well above the critical t-value of 1.960. This demonstrates that trustworthiness (X5) is a significant predictor of the intention to contribute to cash waqf for house financing (Y).

The positive t-value indicates a direct and positive correlation between trustworthiness and intention. This suggests that as the perceived trustworthiness or credibility of the cash waqf system or its managing organizations increases, the intention to contribute to cash waqf for house financing also rises. This finding highlights the crucial role of trust in motivating individuals to participate in financial contributions, particularly in the context of Islamic social finance.

These findings are in line with previous studies that have explored the role of trust in influencing charitable behaviors. For example, Dzuljastri et al. (2019) and Shukor et al. (2017) have both demonstrated that trust significantly encourages individuals to make cash donations to waqf organizations. Similarly, Ahmad (2020) found that dependability, a component of trustworthiness, significantly affects the intention to engage in corporate waqf. These consistent results suggest that trustworthiness is a fundamental factor that affects intentions across different contexts of waqf.

The strong positive relationship between trustworthiness and the intention to contribute to cash waqf for house financing emphasizes the need for building and maintaining trust among potential contributors. This can be achieved through transparent financial reporting, accountability, effective governance, and positive endorsements by trusted community leaders or figures. Enhancing the credibility of waqf institutions can significantly impact public perception and confidence, thereby leading to a higher rate of contributions to the ICWHF model.

In conclusion, the findings confirm that trustworthiness has a substantial positive effect on the intention to contribute to cash waqf for house financing. This underscores the importance of credibility and trust-building measures in promoting the ICWHF model. By fostering a trustworthy environment, stakeholders can effectively encourage higher participation rates, ensuring the successful implementation and sustainability of the ICWHF model in addressing Jakarta's housing financing challenges.

## **CHAPTER EIGHT**

### **CONCLUSION, IMPLICATION, LIMITATION, AND FUTURE RESEARCH**

#### **8.1 INTRODUCTION**

This chapter's presentation is divided into four sections. The conclusion of the study is presented in the following chapter. The second section explains the study's implications. The third section describes the limitations of the study, while the fourth section provides recommendations for future research.

#### **8.2 CONCLUSION**

This study aimed to address the gap in knowledge regarding alternative house financing solutions for Jakarta's residents by developing an innovative model that utilizes Islamic social finance principles, specifically cash waqf. The following summarizes the main findings and how they address each of the research objectives:

1. **Development of an Alternative House Financing Model:** The primary objective was to develop a model that effectively addresses the issue of home financing for Jakarta residents. This objective was successfully achieved through the creation of the Integrated Cash Waqf House Financing (ICWHF) model. The ICWHF model, with its integrated structure and clearly defined steps, offers a viable solution to the housing financing challenges faced by Jakarta's residents. The model was elaborated in Chapter 5, providing a comprehensive framework for its implementation and operation, showcasing its potential to alleviate the housing financing issue in the region.
2. **Perception of Stakeholders Regarding the ICWHF Model:** The second objective was to gauge the perceptions of relevant stakeholders, including

experts and practitioners, about the ICWHF model's suitability, applicability, and prospects. The study's findings indicate that stakeholders perceive the ICWHF model as financially viable and potentially sustainable. Key insights from the interviews emphasized the necessity for the ICWHF to operate either as an independent government body or a private sector entity to ensure effective governance and administration. Potential challenges were also identified, including issues related to cash waqf fund management, public awareness, housing prices, and governance—factors crucial to the model's long-term success.

3. Relationship Between TPB Components and Intention to Contribute to the Model: The third objective involved examining the relationship between extended Theory of Planned Behaviour (TPB) components—attitude, subjective norm, perceived behavioral control, knowledge, and trustworthiness—and the intention to finance a house through the ICWHF model. The study revealed a positive and statistically significant correlation between all TPB components and the intention to contribute to the model. This finding suggests that residents of Jakarta have a favorable disposition towards the ICWHF model, reinforcing its acceptance and potential for widespread adoption.
4. Identification of the Most Influential Factor Influencing Intention: The final objective was to determine the most influential factor affecting the intention to finance housing under the ICWHF model. Among the TPB components, perceived behavioral control emerged as the most influential factor, followed sequentially by subjective norm, trustworthiness, knowledge, and attitude. This ranking highlights the importance of perceived behavioral control in shaping individuals' intention to participate in the ICWHF model, suggesting that stakeholders should focus on enhancing residents' perceived ability to engage with and benefit from the model.

Overall, the study successfully addressed all four research objectives, contributing significantly to the literature on Islamic social finance and providing a

practical framework for addressing house financing challenges in Jakarta. The ICWHF model not only fills a critical gap in the existing literature but also offers a sustainable and innovative solution for policymakers and stakeholders in the region.

### **8.3 IMPLICATION OF THE STUDY**

This study attempts to develop an ICWHF model for Jakarta's residents to provide house financing, the findings of the study have the number of implications which may be of help in enhancing the success of cash waqf nazir which are vital to the management of cash waqf. These implications are examined specifically in the sections which follow.

#### **8.3.1 Implications for Practice**

In terms of implications for practice, the ICWHF model provides a guide for implementation that may be useful for the continued growth of real estate in Jakarta. It may eventually serve as an alternative model to aid Nazir in providing financial support. In addition, it aims to persuade customers to abandon their reliance on conventional financial services in favor of an alternative model based on an element of an Islamic voluntary institution called Cash Waqf.

The mechanisms of the ICWHF model have been developed and validated empirically. From the viewpoint of the experts, the model is considered to be very useful for *nazir* in providing financial services. Besides, ICWHF model can be proposed to potential and other nazir in different regions within Indonesia as well as other Muslim countries.

### **8.3.2 Implications for Jakarta's Residents**

Many people approach financial institutions to obtain loans when seeking external finance. However, the results show that they are dealing with (i) high interest rates, (ii) strict documentation requirements, (iii) strict collateral requirements, (iv) insufficient financing, and (v) long loan disbursement periods. Furthermore, some people are unable to obtain loans or financing because they are not bankable.

In light of these financing issues, the study created the ICWHF model, which includes Cash Waqf. This model is expected to help Jakarta residents gain access to home financing as an alternative to traditional financial institutions in the form of Islamic voluntary institutions. Because the ICWHF model incorporates an element of an Islamic voluntary institution, namely Cash Waqf, the issues that exist in the traditional financial model, such as interest rate, uncertainty (*Gharar*) of amount of financing, stringent collateral and documentation requirements, and high entrance fee, can be greatly reduced. Furthermore, CWI will directly assist the customer by forming a type of partnership known as *Musharakah Mutanaqisah* (diminishing partnership), or sales under *murabahah* and *ijarah*.

Significantly, the empirical findings of this study established the importance of the ICWHF model and advocated for its use in providing house financing. The adoption of this model will be unsuccessful without the commitment and support of Jakarta's citizens. In this regard, it appears that people in Jakarta are suggested to participate in CWI to contribute to increasing the beneficiaries' financial access.

### **8.3.3 Implications for the Government and Policy Makers**

This study has implications for the government and policymakers. The findings highlight the potential of the ICWHF model as an innovative solution to address housing financing challenges in Jakarta. The government may encourage private companies or state-owned corporations (BUMN) to participate in this model as part of their corporate social responsibility. In this case, the government may also offer corporate incentives,

such as tax breaks, to foster corporate participation in socially responsible programs. This approach not only aligns with public policy goals but also encourages the private sector to contribute to solving social issues.

Furthermore, the government may play a role in facilitating collaboration between Cash Waqf Institutions (CWI) and relevant authorities. The findings suggest that the ICWHF model can effectively strengthen relationships between relevant parties, including financial institutions, housing developers, and waqf donors. This collaborative framework enhances the capacity to mobilize funds for housing finance, making the model an attractive policy tool for addressing the housing shortage. The ICWHF model's ability to integrate various stakeholders provides a practical approach to ensure the long-term sustainability and scalability of housing finance programs.

Moreover, the ICWHF model may aid in reducing the government's burden regarding housing finance. By increasing home ownership rates in Jakarta through innovative financial models like ICWHF, the government can potentially reduce its budget deficit and reliance on direct subsidies for housing development. As a result of using the ICWHF model, the government does not have to allocate significant resources to housing development costs. Instead, by leveraging the involvement of CWIs as non-profit organizations that provide better sources of financial support, the government can focus on other critical areas of public welfare.

#### **8.4 LIMITATIONS OF THE STUDY**

According to Marshal and Rossman (1999), it is well known that every study has limitations. Although this research has substantially contributed to theory, methodology, and policy, its findings and consequences are not without limitations.

The questionnaire distribution was restricted because of control order movement in Jakarta due to the covid-19 Pandemic. The discussion with the respondent was not fully interactive for those who filled out the questionnaire online. Therefore, the findings of this study may be experienced differently if all respondents

can clarify the question well. In addition, it may also be experienced differently in other regions of Indonesia.

Meanwhile, this study also restricted the problems of Jakarta's residents to one problem only, namely house financing. Although this problem severely affected the community, other problems might also affect their capabilities, such as market accessibility, innovation, technology adoption and infrastructure.

Another limitation of this study could be the small sample size. This survey uses just 478 respondents. However, the sample size does not represent the views of all Jakarta residents. Time constraints prevented the researcher from increasing the size of the study's samples. As a result, the obtained data and analysis may limit the generalizability of the research findings to the Jakarta population. Nonetheless, there were enough representations in the samples chosen to assure as high validity and dependability of data as possible in the limited circumstances.

The ICWHF model is a conceptual model, and there is no practical implementation now. As a result, empirically testing the model's predicted outcome is not yet possible.

## **8.5 SUGGESTION FOR FUTURE STUDY**

Based on the findings and limitations of this study, several avenues for future research have been identified. These suggestions aim to expand the understanding of house financing through Cash Waqf and to enhance the applicability and robustness of the proposed ICWHF model.

### **1. Conduct Comparative Studies in other Provinces of Indonesia**

The current research contributes significantly to the literature on house financing and Cash Waqf within Jakarta. However, to assess the broader applicability of the findings, it is essential to conduct comparative studies

in other provinces of Indonesia, particularly in areas with significant Muslim populations. Such research would help determine whether the results observed in Jakarta are consistent across different cultural and regional contexts within the country. By comparing data from various provinces, researchers can evaluate the generalizability of the ICWHF model and identify regional variations that might affect its implementation and effectiveness.

## 2. Expand Sample Size and Geographic Scope

The reliability of the study's findings could be further enhanced by increasing the sample size of respondents. A larger and more diverse sample would provide a more accurate representation of the residents of Jakarta, ensuring that the results are more reflective of the broader population. Additionally, extending the study to include other provinces would allow for a more comprehensive analysis of the ICWHF model's applicability across different regions. This expanded geographic scope would help in understanding how local factors might influence stakeholders' perceptions and the model's feasibility.

## 3. Investigate Additional Issues Related to Cash Waqf and House Financing

This study has focused on a specific issue within the realm of house financing through Cash Waqf. Future research could benefit from exploring additional related issues to provide a more holistic understanding of the subject. For instance, researchers might examine the impact of socio-economic factors, regulatory environments, or technological advancements on the effectiveness of Cash Waqf-based house financing. Investigating these additional dimensions could uncover new insights and contribute to the development of more comprehensive and adaptive financing models.

#### 4. Enhance and Operationalize the ICWHF Model

The ICWHF model represents a novel approach to utilizing Cash Waqf for house financing. Further research is needed to refine and operationalize this model. This includes testing the model in various settings, evaluating its practical implementation, and identifying potential challenges and solutions. Researchers should explore ways to enhance the model's functionality and adaptability to different contexts, ensuring that it can be effectively applied in diverse scenarios. This could involve pilot projects, stakeholder feedback, and iterative improvements to the model.

#### 5. Utilize Advanced Research Methods

The study employed interview methods, multiple regression, and descriptive analysis to analyze the data. While these methods are effective, there are advanced research techniques that could provide deeper insights. Future research might incorporate case study analysis to explore in-depth, real-world applications of the ICWHF model. Additionally, employing statistical models such as Logit and Probit could help in understanding the likelihood of various outcomes based on different predictors. The Analytical Hierarchy Process (AHP) and Analytical Network Process (ANP) could also be used to evaluate complex decision-making scenarios and prioritize factors influencing the model's success. By using these advanced methodologies, researchers can gain a more nuanced understanding of the factors affecting Cash Waqf-based house financing and improve the robustness of their findings.

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# APPENDIX 1

## QUANTITATIVE

### 1. Validity Test

#### Attitude

		Correlations					
		Item 1 Attitude	Item 2 Attitude	Item 3 Attitude	Item 4 Attitude	Item 5 Attitude	Attitude
Item 1 Attitude	Pearson Correlation	1	.733**	.582**	.642**	.663**	.833**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	478	478	478	478	478	478
Item 2 Attitude	Pearson Correlation	.733**	1	.645**	.729**	.843**	.912**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	478	478	478	478	478	478
Item 3 Attitude	Pearson Correlation	.582**	.645**	1	.736**	.612**	.834**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	478	478	478	478	478	478
Item 4 Attitude	Pearson Correlation	.642**	.729**	.736**	1	.655**	.873**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	478	478	478	478	478	478
Item 5 Attitude	Pearson Correlation	.663**	.843**	.612**	.655**	1	.869**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	478	478	478	478	478	478
Attitude	Pearson Correlation	.833**	.912**	.834**	.873**	.869**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	478	478	478	478	478	478

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlations						
		Item 1 Subjective Norm	Item 2 Subjective Norm	Item 3 Subjective Norm	Item 4 Subjective Norm	Subjective Norm
Item 1 Subjective Norm	Pearson Correlation	1	.729**	.697**	.697**	.858**
	Sig. (2- tailed)		.000	.000	.000	.000
	N	478	475	478	478	478
Item 2 Subjective Norm	Pearson Correlation	.729**	1	.681**	.735**	.870**
	Sig. (2- tailed)	.000		.000	.000	.000
	N	475	475	475	475	475
Item 3 Subjective Norm	Pearson Correlation	.697**	.681**	1	.859**	.904**
	Sig. (2- tailed)	.000	.000		.000	.000
	N	478	475	478	478	478
Item 4 Subjective Norm	Pearson Correlation	.697**	.735**	.859**	1	.911**
	Sig. (2- tailed)	.000	.000	.000		.000
	N	478	475	478	478	478
Subjective Norm	Pearson Correlation	.858**	.870**	.904**	.911**	1
	Sig. (2- tailed)	.000	.000	.000	.000	
	N	478	475	478	478	478

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlations							
		Item 1 Perceived Behavioural Control	Item 2 Perceived Behavioural Control	Item 3 Perceived Behavioural Control	Item 4 Perceived Behavioural Control	Item 5 Perceived Behavioural Control	Perceived Behavioural Control
Item 1 Perceived Behavioural Control	Pearson Correlation	1	.501**	.265**	.184**	.241**	.539**
	Sig. (2- tailed)		.000	.000	.000	.000	.000
	N	478	478	478	478	475	478
Item 2 Perceived Behavioural Control	Pearson Correlation	.501**	1	.563**	.466**	.392**	.778**
	Sig. (2- tailed)	.000		.000	.000	.000	.000
	N	478	478	478	478	475	478
Item 3 Perceived Behavioural Control	Pearson Correlation	.265**	.563**	1	.802**	.358**	.854**
	Sig. (2- tailed)	.000	.000		.000	.000	.000
	N	478	478	478	478	475	478
Item 4 Perceived Behavioural Control	Pearson Correlation	.184**	.466**	.802**	1	.453**	.826**
	Sig. (2- tailed)	.000	.000	.000		.000	.000
	N	478	478	478	478	475	478
Item 5 Perceived Behavioural Control	Pearson Correlation	.241**	.392**	.358**	.453**	1	.636**
	Sig. (2- tailed)	.000	.000	.000	.000		.000
	N	475	475	475	475	475	475
Perceived Behavioural Control	Pearson Correlation	.539**	.778**	.854**	.826**	.636**	1
	Sig. (2- tailed)	.000	.000	.000	.000	.000	
	N	478	478	478	478	475	478

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlations							
		Item 1 Knowledge	Item 2 Knowledge	Item 3 Knowledge	Item 4 Knowledge	Item 5 Knowledge	Score Knowledge
Item 1 Knowledge	Pearson Correlation	1	.692**	.716**	.388**	.132**	.755**
	Sig. (2- tailed)		.000	.000	.000	.004	.000
	N	478	478	478	478	478	478
Item 2 Knowledge	Pearson Correlation	.692**	1	.710**	.385**	.137**	.752**
	Sig. (2- tailed)	.000		.000	.000	.003	.000
	N	478	478	478	478	478	478
Item 3 Knowledge	Pearson Correlation	.716**	.710**	1	.407**	.139**	.771**
	Sig. (2- tailed)	.000	.000		.000	.002	.000
	N	478	478	478	478	478	478
Item 4 Knowledge	Pearson Correlation	.388**	.385**	.407**	1	.512**	.776**
	Sig. (2- tailed)	.000	.000	.000		.000	.000
	N	478	478	478	478	478	478
Item 5 Knowledge	Pearson Correlation	.132**	.137**	.139**	.512**	1	.593**
	Sig. (2- tailed)	.004	.003	.002	.000		.000
	N	478	478	478	478	478	478
Score Knowledge	Pearson Correlation	.755**	.752**	.771**	.776**	.593**	1
	Sig. (2- tailed)	.000	.000	.000	.000	.000	
	N	478	478	478	478	478	478

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlations						
		Item 1 Trustworthiness	Item 2 Trustworthiness	Item 3 Trustworthiness	Item 4 Trustworthiness	Trustworthiness
Item 1 Trustworthiness	Pearson Correlation	1	.612**	.053	.136**	.648**
	Sig. (2-tailed)		.000	.249	.003	.000
	N	478	478	478	478	478
Item 2 Trustworthiness	Pearson Correlation	.612**	1	.342**	.396**	.802**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	478	478	478	478	478
Item 3 Trustworthiness	Pearson Correlation	.053	.342**	1	.820**	.725**
	Sig. (2-tailed)	.249	.000		.000	.000
	N	478	478	478	478	478
Item 4 Trustworthiness	Pearson Correlation	.136**	.396**	.820**	1	.775**
	Sig. (2-tailed)	.003	.000	.000		.000
	N	478	478	478	478	478
Trustworthiness	Pearson Correlation	.648**	.802**	.725**	.775**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	478	478	478	478	478

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlations						
		Item 1 Intention	Item 2 Intention	Item 3 Intention	Item 4 Intention	Intention
Item 1 Intention	Pearson Correlation	1	.517**	.498**	.501**	.782**
	Sig. (2- tailed)		.000	.000	.000	.000
	N	478	478	478	478	478
Item 2 Intention	Pearson Correlation	.517**	1	.491**	.465**	.739**
	Sig. (2- tailed)	.000		.000	.000	.000
	N	478	478	478	478	478
Item 3 Intention	Pearson Correlation	.498**	.491**	1	.658**	.830**
	Sig. (2- tailed)	.000	.000		.000	.000
	N	478	478	478	478	478
Item 4 Intention	Pearson Correlation	.501**	.465**	.658**	1	.847**
	Sig. (2- tailed)	.000	.000	.000		.000
	N	478	478	478	478	478
Intention	Pearson Correlation	.782**	.739**	.830**	.847**	1
	Sig. (2- tailed)	.000	.000	.000	.000	
	N	478	478	478	478	478

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## 2. Reliability Test

X1

Reliability Statistics	
Cronbach's Alpha	N of Items
.915	5

X2

Reliability Statistics	
Cronbach's Alpha	N of Items
.914	4

X3

Reliability Statistics	
Cronbach's Alpha	N of Items
.790	5

X4

Reliability Statistics	
Cronbach's Alpha	N of Items
.763	5

X5

Reliability Statistics	
Cronbach's Alpha	N of Items
.709	4

Y

Reliability Statistics	
Cronbach's Alpha	N of Items
.809	4

### 3. Multicollinearities Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Attitude	0.558	1.791
	Subjective Norm	0.439	2.277
	Perceived Behavioural Control	0.471	2.124
	Score Knowledge	0.487	2.052
	Trustworthiness	0.488	2.051

### Uji Heteroskedasi

Model		Sig.
1	(Constant)	0.069
	Attitude	0.362
	Subjective Norm	0.11
	Perceived Behavioural Control	0.061
	Score Knowledge	0.338
	Trustworthiness	0.099

a Dependent Variable: Abs\_Res

## APPENDIX 2

### INTERVIEW QUESTION

#### A) General Question

- 1) Can you explain the role of house financing in the economy briefly?
- 2) Why do you think that House Financing is important for the development of the economy?

#### B) Financing

- 1) Why do you think that financing is important for the community?
- 2) Why do you think that access to finance has become a significant problem for the community?

#### C) ICWHF Model

- 1) How can the Waqf fund be utilized to resolve the problem of accessing finance faced by the community?
- 2) What is your view on the importance of the conceptualized Integrated Cash Waqf House Financing (ICWHF) Model?
- 3) This model incorporates *Musharakah Mutanaqisah* Partnership (MMP)/*Bai' Bithaman Ajil* (BBA)/*Ijarah Muntahiya Bitamlik* (IMBT). What is your view on this arrangement? And which one is better?
- 4) To operate this model, should this model involve government or corporate sector? Why?
- 5) What likely challenges may arise in materializing the Integrated Cash Waqf House Financing (ICWHF) Model?
- 6) From your point of view, what are the factors that might contribute to the success of adopting the Integrated Cash Waqf House Financing (ICWHF) Model?
- 7) Since the Waqf fund is collected from the public and corporate sectors to assist beneficiaries, how can the attitude of 'giving' and 'helping others' among the public and corporate sectors be promoted?

## APPENDIX 3

### QUESTIONNAIRE



Dear respondents,

I am Mohamed Ahlis Fatoni, PhD student of the IiBF, International Islamic University Malaysia. I am conducting a survey to examine the intention to use Cash Waqf Model for house financing in Jakarta Province.

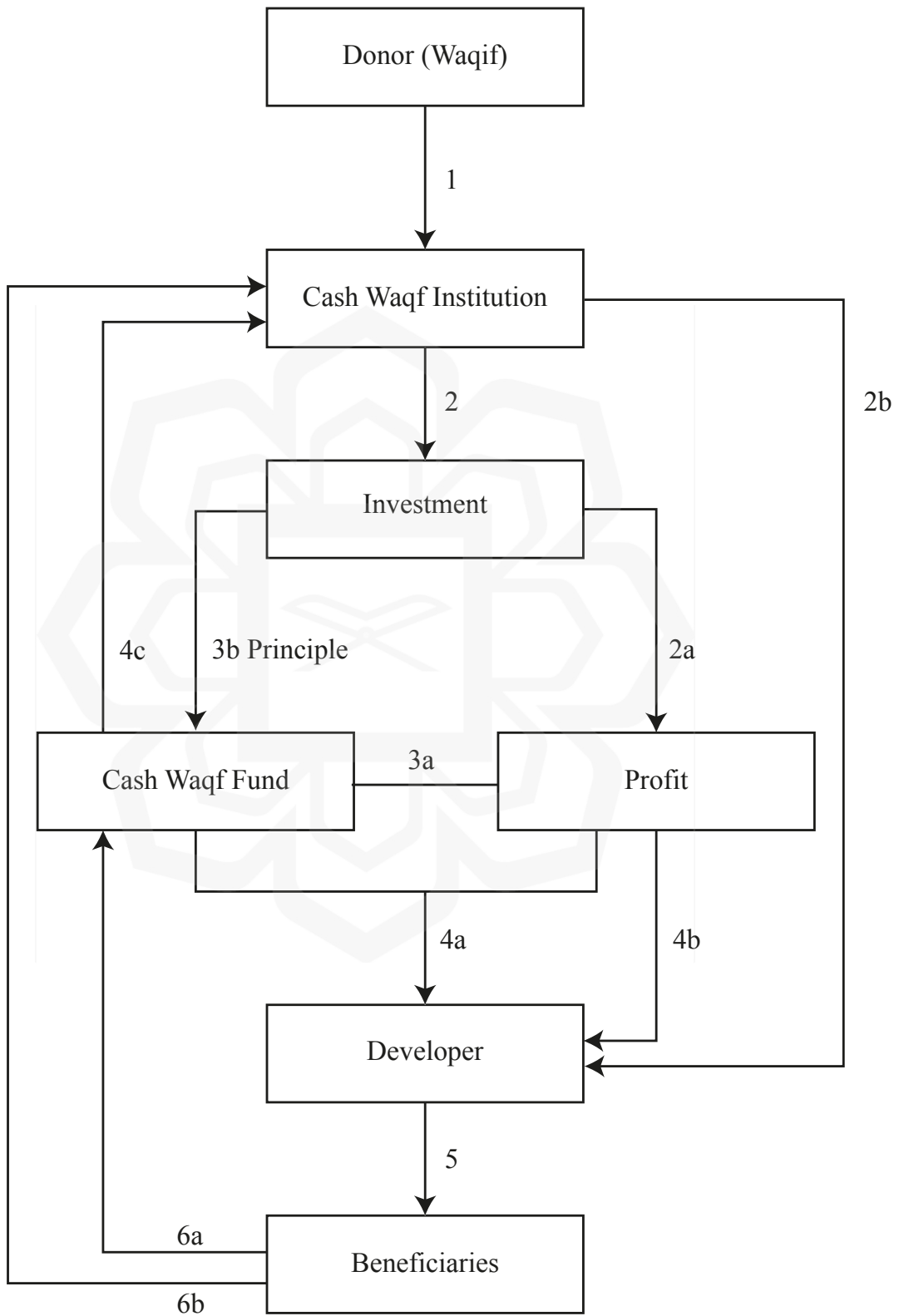
As you may be aware, there are problems of accessing house financing in Jakarta province. As a viable solution for such problems, the Cash Waqf Model has been conceptualized in this research. The name of the model is Integrated Cash Waqf House Financing (ICWHF) Model. Hence, the objective of my research is to examine your views and opinions regarding the conceptual model with a view of measuring your level of intention to use. This research will be part of my PhD thesis which I am currently pursuing at UIAM under the supervision of Dr Adam Auwal Sa'ad.

Please feel free to tick the responses to each question in the boxes provided. If you do not have the exact answer to a question, please provide your best judgment. All individual responses to this questionnaire will be kept strictly confidential. Kindly complete all the responses to the questions as your answers are very important to the accuracy of this study.

I wish to sincerely thank you very much for your cooperation and for your kind contribution.

Yours sincerely,  
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## Conceptual Framework of ICWHF Model



The concept of ICWHF model involves the following stages:

- Cash Waqf is donated to Cash Waqf Institution (CWI) by donors (public, corporate, government) to create a perpetual Waqf (1). The public can contribute to cash waqf as their intention to participate in this model by cash or by purchasing waqf certificate offered by CWI voluntarily. The government can make a voluntary Cash Waqf contribution based on their budgeting, whereas businesses can make a voluntary Cash Waqf contribution as part of their corporate social responsibility (CSR). The CWI takes on the role of Nazir (fund manager) and is in charge of making investment decisions with the funds collected.
- CWI uses the Cash Waqf Fund to invest (2). A property can be purchased, shares or equity from Shariah compliance companies can be bought, or potential Shariah compliance companies and unit trust funds can be acquired. After the investment generates a profit (2a), CWI retains a portion of the profit that represents the principal amount of the Cash Waqf Fund to ensure Waqf's perpetuity (3a). Indeed, if the cash waqf is sufficient for the development of the house, it can be utilized directly by the developer (2b). Furthermore, when the investment period ends, the Cash Waqf principal is retained and returned to the Cash Waqf fund (3b). Together with the cash waqf fund, the profits are used to develop houses (4a). Otherwise, it can be done by utilizing the gain only (4b), while the cash waqf fund then reinvested (4c).
- After the houses are ready, the developer then offers the house financing to the beneficiaries with the proposed contracts, for instance, *qard*, *murabahah*, and *musyrakah mutanaqisah* (5). The instalment, including the profit, can be returned to cash waqf to be reutilized as a developing fund to build other units (6a) and or go back to the CWI to reinvestment (6b).

## Part A. Demography of Respondents

Instruction: Please tick (√) the most appropriate answer

Demographic	Categories	Thick
Region	West Jakarta	
	Central Jakarta	
	South Jakarta	
	East Jakarta	
	North Jakarta	
Gender	Male	
	Female	
Age	Less than 25	
	25 - 35	
	36 - 50	
	51 and above	
Marital Status	Married	
	Single	
Education Level	Senior High School	
	Diploma	
	Degree	
	Master	
	PhD	
	Others	
Occupation	Student	
	Private Sector	
	Government Sector	
	Self Employed	
	Others	
Monthly Income	Below IDR2,000,000	
	IDR2,000,000 - IDR3,499,999	
	IDR3,500,000 - IDR4,999,999	
	IDR5,000,000 - IDR6,999,999	
	IDR7,000,000 and above	

## Part B. Theory of Reasoned Action

Instruction: Please answer each of the following questions by ticking the number that best describes your belief and opinion.

### Scale of Measurement

1	2	3	4	5
Strongly Disagree (SD)	Disagree (DA)	Neutral (N)	Agree (A)	Strongly Agree (SA)

Attitude (X1)	SD	DA	N	A	SA
I have positive perception on cash waqf for housing donation	1	2	3	4	5
Getting involved in cash waqf for housing donation is beneficial	1	2	3	4	5
Getting involved in cash waqf for housing donation is rewarding	1	2	3	4	5
I believe I have responsibility to give back to my community	1	2	3	4	5
I believe it is important for me to contribute for cash waqf for housing	1	2	3	4	5
Subjective Norm (X2)					
Most people who are important to me think that I should perform cash waqf for housing	1	2	3	4	5
My friends would think that I should perform cash waqf for housing	1	2	3	4	5
It is expected of me that I should perform cash waqf for housing	1	2	3	4	5

<b>Attitude (X1)</b>	<b>SD</b>	<b>DA</b>	<b>N</b>	<b>A</b>	<b>SA</b>
People who I listen to could influence me to give donations for cash waqf for housing	1	2	3	4	5
<b>Perceived Behavioural Control (X3)</b>					
I have ability to perform cash waqf for housing donation	1	2	3	4	5
I have knowledge to perform cash waqf for housing donation	1	2	3	4	5
I have financial resources to perform cash waqf for housing donation	1	2	3	4	5
Performing cash waqf for housing donation is within my control	1	2	3	4	5
I don't feel any burden to perform cash waqf for housing donation	1	2	3	4	5
<b>Knowledge (X4)</b>					
The asset donated for waqf is for sale	1	2	3	4	5
Cash waqf for housing is a form of charity	1	2	3	4	5
Everyone can participate in cash waqf for housing donation	1	2	3	4	5
Individuals or organisations donate cash for cash waqf for housing	1	2	3	4	5
Cash waqf for housing means the confinement of an individual's or organisation's money to build a house for the benefit of others	1	2	3	4	5

<b>Attitude (X1)</b>	<b>SD</b>	<b>DA</b>	<b>N</b>	<b>A</b>	<b>SA</b>
Trustworthiness (X5)					
The fund management of cash waqf for housing institution is trustworthy	1	2	3	4	5
The management of Cash waqf for housing institution meets my expectations	1	2	3	4	5
I trust that cash waqf for housing institutions are doing their best to serve the beneficiaries	1	2	3	4	5
I think I can trust cash waqf for housing institution	1	2	3	4	5
Intention (Y)					
My general intention to give donation for cash waqf for housing is high	1	2	3	4	5
I plan to give donation for cash waqf for housing	1	2	3	4	5
I will choose cash waqf for housing as a way of charity	1	2	3	4	5
My motivation to give contribution to cash waqf for housing is high	1	2	3	4	5