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Analysis of the Core Principles of Waqf in Relation to the Governance Strategy for Collecting Waqf Funds Through Donations for Land Acquisition for Hospital Construction at the One Wakaf Wahdah Islamiyah Institution

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Abstract

***Purpose**: This study aims to analyze the governance strategy of cash-based waqf fundraising for hospital land acquisition at One Wakaf Wahdah Islamiyah and to examine its implementation based on the Waqf Core Principles (WCP). **Methods**: This research employed a qualitative case study approach conducted at One Wakaf Wahdah Islamiyah in Makassar, Indonesia. Data were collected through observation, in-depth interviews with nazhir and waqif, and documentation. Data were analyzed using data reduction, data display, and conclusion drawing, while source triangulation was applied to ensure validity. WCP was used as the analytical framework. **Results**: The findings reveal that the waqf fundraising program faces several challenges, including uncertainty regarding the hospital land location, suboptimal fundraising strategies, and limited transparency and communication with waqif. The study found that the legal and institutional foundation dimensions of WCP have generally been fulfilled. However, governance implementation remains suboptimal, particularly in transparency, accountability, risk management, and Sharia compliance, resulting in a gap between normative WCP standards and actual management practices. **Implications**: The study highlights the need to strengthen waqf governance through improved transparency, accountability, risk management, and optimization of nazhir functions. The findings may serve as a reference for waqf institutions and policymakers in enhancing waqf governance practices and provide a basis for future research on the management of cash-based waqf during the early stage of waqf asset formation.*

INTRODUCTION

Waqf has historically played a significant role in financing public welfare facilities, including educational institutions, mosques, and healthcare services. In contemporary Islamic philanthropy, cash-based waqf has emerged as an innovative mechanism that enables broader public participation in the creation and development of waqf assets. Through this scheme, donors contribute monetary funds that are subsequently allocated to projects intended to generate long-term social benefits. As a result, cash-based waqf has increasingly been recognized as a strategic instrument for supporting sustainable social infrastructure development (Kahf, 2006).

Despite its growing popularity, the success of cash-based waqf programs depends not only on fundraising capacity but also on effective governance mechanisms that ensure the collected funds are converted into intended waqf assets. In practice, some waqf projects experience delays or stagnation during the transition from fundraising to asset realization. Such conditions may create uncertainty regarding the utilization of waqf funds, weaken public trust, and raise concerns about institutional accountability (Kahf, 2006; Yusuf & Maulana, 2021). These governance challenges become particularly important in large-scale projects such as hospital development, where multiple stakeholders and decision-making processes are involved.

Previous studies have examined waqf management from various perspectives. Kahf (2006) argues that the effectiveness of waqf institutions depends on professional management, institutional governance, and the integration of modern managerial principles with Islamic philanthropic objectives. His work highlights the importance of systematic and transparent waqf administration in ensuring the sustainability of waqf programs. Merdekasari (2023) investigated the management and development of productive waqf at PKU 'Aisyiyah Hospital Boyolali. The study demonstrated how existing waqf assets can be managed to support healthcare services and institutional development. However, the research primarily focused on productive waqf assets that had already been realized and utilized.

Similarly, Fitri et al. (2023) examined collective waqf practices from the perspective of Islamic law, while Alamsyah, Aqbar, and Wijaya (2024) analyzed the implementation of cash-based waqf for borewell construction at STIBA Makassar. Their findings indicate that waqf funds were successfully converted into physical assets and subsequently generated social benefits for beneficiaries. These studies mainly focused on projects with clearly defined assets and successful implementation outcomes. Although previous studies have significantly contributed to the literature on waqf management, several limitations remain. First, most studies focus on productive waqf, collective waqf, or projects whose waqf assets have already been realized (Merdekasari, 2023; Fitri et al., 2023; Alamsyah et al., 2024). Second, existing research generally emphasizes legal compliance, investment management, or asset development rather than governance dynamics during the pre-realization stage of waqf projects. Third, empirical studies employing the Waqf Core Principles (WCP) as an analytical framework at the institutional level remain limited (Yusuf & Maulana, 2021).

Consequently, limited attention has been given to understanding how cash-based waqf is governed when collected funds have not yet been transformed into waqf assets. This issue is particularly relevant in project-based waqf initiatives where fundraising, institutional authority, decision-making processes, and accountability mechanisms directly influence program continuity. Therefore, further investigation is required to understand how governance structures affect the transition from fundraising activities to waqf asset formation.

Based on the identified gap, this study addresses the following research questions: (1) How is cash-based waqf for hospital land acquisition managed by One Wakaf Wahdah Islamiyah? and (2) To what extent does the management model comply with the principles of the Waqf Core Principles (WCP)? Accordingly, this study aims to analyze the governance model of cash-based waqf for hospital land acquisition and evaluate its implementation using the WCP framework. The novelty of this study lies in its examination of cash-based waqf governance during the pre-asset-realization stage, a context that has received limited scholarly attention. Unlike previous studies that focused on realized waqf assets or macro-level WCP policy discussions, this study applies the WCP framework to analyze governance practices within an ongoing hospital land acquisition project, thereby extending the application of WCP to the micro-institutional level of waqf management.

METHODS

This study employed a qualitative approach using a case study design. A case study was considered appropriate because it allows an in-depth exploration of governance practices within a specific institutional setting and facilitates a comprehensive understanding of complex social phenomena (Yin, 2018). The study focused on the cash-based waqf fundraising program for hospital land acquisition managed by One Wakaf Wahdah Islamiyah in Makassar, Indonesia.

METHODS

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The research subjects consisted of key stakeholders directly involved in the waqf program, including nazhir (waqf managers), institutional administrators, and waqif (donors). Informants were selected using purposive sampling, which enables researchers to identify participants who possess relevant knowledge and experience related to the research problem (Creswell & Creswell, 2018). This technique was employed to obtain rich and detailed information concerning the governance and implementation of the waqf fundraising program.

Data were collected through observation, semi-structured interviews, and documentation. Observation was conducted to gain an understanding of organizational activities and governance practices within the institution. Semi-structured interviews were used to explore participants' experiences, perceptions, and evaluations regarding the management of cash-based waqf. Documentary sources included institutional reports, fundraising records, regulatory documents, and other materials related to the waqf program. The use of multiple data sources enabled data triangulation and enhanced the credibility of the findings (Patton, 2015).

Data analysis was conducted using the interactive model proposed by Miles, Huberman, and Saldaña (2014), consisting of data reduction, data display, and conclusion drawing. The analytical process was carried out continuously throughout the research to identify patterns, relationships, and emerging themes related to waqf governance. To ensure the trustworthiness of the findings, source triangulation was applied by comparing information obtained from interviews, observations, and documentary evidence.

The Waqf Core Principles (WCP) framework served as the primary analytical lens for assessing governance practices within the institution. The analysis focused on six dimensions considered relevant to the fundraising stage of waqf management: legal foundation, governance, risk management, transparency, accountability, and Sharia compliance. These dimensions were employed to evaluate the extent to which the management of cash-based waqf fundraising aligns with internationally recognized waqf governance standards.

RESULTS AND DISCUSSION

Governance Strategy of Cash-Based Waqf Fundraising for Hospital Land Acquisition Fundraising Mechanism

The cash-based waqf fundraising program for hospital land acquisition was initiated by One Wakaf Wahdah Islamiyah as part of its effort to support the development of healthcare infrastructure through Islamic social finance. The program adopts a cash waqf scheme whereby donors contribute monetary funds that are accumulated and subsequently allocated for the acquisition of land intended for hospital construction. Within this framework, One Wakaf serves as the nazhir responsible for fundraising, fund administration, and the preparation of asset realization.

The findings indicate that fundraising activities have been implemented through various channels, including institutional networks, religious assemblies, community outreach programs, social media campaigns, and digital fundraising platforms. These fundraising mechanisms demonstrate the institution's commitment to mobilizing public participation in waqf and expanding awareness regarding the role of cash waqf in supporting sustainable social development. The institution has also utilized religious education and da'wah activities as instruments for introducing the hospital project and encouraging philanthropic engagement among Muslim communities.

Despite these efforts, the fundraising target has not yet been achieved. Data obtained from interviews and institutional documents indicate that fundraising performance has increased gradually over time; however, the amount collected remains below the level required to support immediate land acquisition. The findings further reveal that donor participation is strongly influenced by the availability of information regarding the planned hospital project. Prospective donors generally seek certainty regarding the location of the hospital, development plans, and expected social benefits before deciding to contribute.

These findings suggest that fundraising effectiveness is influenced not only by religious motivation but also by institutional credibility and project certainty. The ability of waqf institutions to provide accurate, transparent, and comprehensive information therefore becomes an important factor in attracting and maintaining donor participation. This finding supports the argument that modern waqf management requires professional governance mechanisms capable of strengthening stakeholder confidence and institutional legitimacy (Kahf, 2006).

Challenges in Fundraising Activities

A major challenge identified in this study concerns the uncertainty surrounding the location of the proposed hospital land. Information obtained from institutional management indicates that discussions regarding the acquisition site are still ongoing. Although several alternative locations have been considered, the institution has not yet reached a final decision regarding the land to be purchased.

The absence of a finalized location affects the effectiveness of fundraising activities. Interview data indicate that many prospective donors require more detailed information regarding the hospital project before making financial commitments. Consequently, the institution faces difficulties in delivering a clear and persuasive fundraising message to the public.

This condition reduces the effectiveness of promotional efforts and contributes to the relatively slow accumulation of waqf funds.

Furthermore, uncertainty regarding land acquisition affects broader institutional planning processes. Since the realization of the waqf asset depends upon future strategic decisions, the institution continues to operate under conditions of limited certainty. This situation creates challenges in planning fundraising targets, formulating communication strategies, and maintaining stakeholder confidence throughout the fundraising process.

The findings also indicate that fundraising activities remain largely dependent upon institutional networks and conventional promotional approaches. Although digital fundraising platforms have been utilized, systematic donor relationship management, structured communication strategies, and long-term fundraising planning have not yet been fully optimized. Consequently, fundraising performance remains highly dependent on spontaneous public participation rather than on sustainable donor engagement mechanisms.

These findings demonstrate that the challenges encountered by the institution are not merely financial. Rather, they involve governance-related issues associated with strategic planning, institutional certainty, stakeholder communication, and organizational effectiveness. Similar observations have been highlighted in studies emphasizing the importance of governance quality in determining the sustainability of waqf institutions (Yusuf & Maulana, 2021).

Waqf Core Principles Analysis

Legal Foundation

The analysis indicates that the legal foundation dimension of the Waqf Core Principles (WCP) has generally been fulfilled. The waqf fundraising program operates under an established institutional structure and follows the legal and regulatory framework governing waqf management in Indonesia. The objectives of the fundraising program, the responsibilities of the nazhir, and the intended utilization of waqf funds have been clearly defined by the institution.

The findings further demonstrate that the hospital land acquisition initiative is consistent with the broader objectives of waqf in promoting public welfare. Healthcare services represent an important area of social development that aligns with the maqāṣid al-sharīʿah and the philanthropic objectives of waqf. Accordingly, the legal legitimacy of the program is supported by both institutional regulations and Islamic legal principles.

From the perspective of the Waqf Core Principles, the existence of a clear legal basis constitutes an essential prerequisite for effective waqf governance. The findings therefore suggest that legal legitimacy is not the primary obstacle affecting the implementation of the fundraising program. Rather, the main challenges emerge within the operational and governance dimensions of waqf management (Bank Indonesia & Badan Wakaf Indonesia, 2018).

Governance and Accountability

The governance assessment reveals both strengths and limitations in the management of the fundraising program. On one hand, the institution has established a formal organizational structure that clearly defines managerial responsibilities and decision-making authority. This organizational arrangement contributes to institutional stability and facilitates the implementation of fundraising activities.

On the other hand, the findings indicate that governance practices have not yet been fully optimized. Although fundraising information is periodically disseminated to the public, communication regarding project progress, strategic planning, and asset realization remains limited. Interview data suggest that stakeholders expect more comprehensive information regarding the development of the hospital project and the future utilization of waqf funds.

This finding indicates that accountability extends beyond financial reporting. Effective accountability requires institutions to provide transparent and meaningful information concerning project implementation, strategic decisions, and organizational performance. Such information is essential for maintaining stakeholder trust and ensuring continued public participation in fundraising activities.

The importance of accountability identified in this study is consistent with the governance standards promoted by the Waqf Core Principles framework, which emphasizes transparency, accountability, and effective oversight as fundamental components of waqf governance (Bank Indonesia & Badan Wakaf Indonesia, 2018). Similar conclusions were reached by Aryana and Yuliafitri (2023), who emphasized that good nazhir governance based on WCP principles contributes significantly to institutional credibility and public trust.

Furthermore, the findings support Kahf's (2006) argument that professional waqf management requires transparency and stakeholder confidence. Without effective communication and accountability mechanisms, waqf institutions may face difficulties in maintaining donor trust and achieving long-term organizational objectives.

Risk Management

Risk management emerged as one of the most significant governance challenges identified in this study. The findings indicate that uncertainty regarding land acquisition generates various forms of risk that may affect the sustainability of the fundraising program and the realization of waqf assets.

Table 1. Major Risk Issues Identified in the Fundraising Program

Risk Category	Description	Potential Impact
Strategic Risk	Uncertainty regarding land location	Delayed asset realization
Operational Risk	Limited planning certainty	Reduced organizational effectiveness
Reputational Risk	Stakeholder uncertainty regarding project progress	Reduced donor confidence
Fundraising Risk	Slow accumulation of waqf funds	Difficulty achieving fundraising targets

The findings indicate that risk management practices remain largely informal. Although institutional leaders recognize the existence of strategic and operational challenges, there is limited evidence of a structured framework for identifying, assessing, monitoring, and mitigating potential risks. Consequently, the institution faces difficulties in anticipating future challenges and implementing preventive measures before risks significantly affect organizational performance.

The absence of a finalized land acquisition plan contributes substantially to strategic risk. Since asset realization remains dependent on future institutional decisions, prolonged uncertainty may negatively affect stakeholder confidence and fundraising performance. This condition demonstrates the importance of integrating risk management into institutional governance processes.

The findings are consistent with the Waqf Core Principles framework, which emphasizes the necessity of effective risk management systems in ensuring the sustainability and resilience of waqf institutions (Bank Indonesia & Badan Wakaf Indonesia, 2018). Similarly, Yusuf and

Maulana (2021) argue that the successful implementation of WCP requires institutions to establish governance mechanisms capable of managing operational, financial, and strategic risks in a systematic manner.

Sharia Compliance

The analysis found no evidence indicating non-compliance with Sharia principles in the collection and management of waqf funds. The intended utilization of funds remains consistent with the objectives of waqf and the broader goals of Islamic social finance. The hospital project is designed to generate long-term social benefits and promote community welfare, thereby fulfilling the fundamental objectives of waqf.

The findings further indicate that fundraising activities are conducted within an Islamic institutional environment that prioritizes compliance with Sharia principles. The management of waqf funds is directed exclusively toward activities associated with the realization of the hospital project and does not involve transactions prohibited under Islamic law.

Nevertheless, the study identifies opportunities for strengthening Sharia governance mechanisms through more systematic monitoring procedures, institutional oversight, and compliance documentation. Such improvements would contribute to enhancing public confidence and reinforcing the credibility of waqf management practices.

These findings complement the study conducted by Fitri et al. (2023), which emphasized the importance of ensuring conformity between waqf practices and Islamic legal principles. While legal compliance remains essential, the present study demonstrates that governance effectiveness and institutional accountability also play critical roles in supporting the successful implementation of project-based waqf initiatives.

DISCUSSION

The findings reveal that the primary challenge affecting the cash-based waqf fundraising program is not related to legal legitimacy but rather to governance effectiveness. Although the institution possesses a clear legal foundation and formal organizational structure, the realization of waqf assets remains constrained by strategic uncertainty, limited stakeholder communication, and insufficient risk management mechanisms. This finding supports Kahf's (2006) argument that the success of waqf institutions depends not only on legal foundations and philanthropic motivation but also on professional management practices capable of adapting to contemporary organizational challenges.

The study also demonstrates the importance of transparency and accountability in maintaining donor trust. While fundraising information is generally available, stakeholders increasingly expect more comprehensive information regarding project progress, strategic decisions, and future implementation plans. This expectation reflects the growing demand for accountability in contemporary waqf institutions and is consistent with the governance standards promoted by the Waqf Core Principles framework (Bank Indonesia & Badan Wakaf Indonesia, 2018).

Furthermore, the findings indicate that risk management remains an area requiring substantial improvement. The uncertainty surrounding land acquisition creates strategic, operational, reputational, and fundraising risks that directly influence organizational performance. According to the Waqf Core Principles framework, effective governance requires institutions to establish systematic mechanisms for identifying, monitoring, and mitigating risks before they threaten organizational sustainability (Bank Indonesia & Badan Wakaf Indonesia, 2018). The findings therefore suggest that governance reforms should prioritize the development of comprehensive risk management frameworks capable of supporting sustainable waqf development.

Unlike previous studies that examined productive waqf assets after their successful realization, the present study focuses on governance challenges during the fundraising stage. Merdekasari (2023) analyzed productive waqf management in a hospital setting where waqf assets had already been integrated into healthcare services. Similarly, Alamsyah et al. (2024) reported the successful realization of cash waqf funds into a physical waqf asset that generated immediate social benefits. In contrast, the present study investigates governance dynamics before asset realization occurs, thereby providing insights into challenges that emerge during the transition from fundraising to asset formation.

The findings also complement the study conducted by Fitri et al. (2023), which emphasized the conformity of collective waqf practices with Islamic legal principles. While compliance with Islamic law remains essential, the present study demonstrates that governance effectiveness, stakeholder communication, institutional certainty, and risk management are equally important determinants of project success. Accordingly, legal compliance alone is insufficient to ensure the effectiveness and sustainability of waqf programs.

Moreover, the study extends the policy-oriented discussion developed by Yusuf and Maulana (2021). While their work focused primarily on the application of the Waqf Core Principles at the macro-governance level, the present study applies the WCP framework at the micro-institutional level to evaluate governance practices within an ongoing waqf fundraising initiative. The findings therefore provide empirical evidence regarding the practical implementation of WCP principles in project-based waqf management.

The novelty of this study lies in its application of the Waqf Core Principles framework to evaluate governance practices during the fundraising stage of a hospital land acquisition project. Previous studies have generally focused on productive waqf management, legal compliance issues, or completed waqf projects. By contrast, this study highlights governance dynamics before asset realization occurs and demonstrates how governance effectiveness influences the transition from fundraising activities to the creation of sustainable waqf assets. Consequently, the study contributes to the growing body of literature on waqf governance by expanding the application of WCP within the context of project-based cash waqf management.

CONCLUSION

This study examined the governance of cash-based waqf fundraising for hospital land acquisition at One Wakaf Wahdah Islamiyah using the Waqf Core Principles (WCP) framework. The findings indicate that the institution has established a relatively strong legal and institutional foundation for implementing the fundraising program. The fundraising mechanism has been conducted through various channels, including institutional networks, religious activities, and digital fundraising platforms, reflecting the institution’s commitment to mobilizing public participation in waqf-based healthcare development.

However, the study also reveals several governance challenges that affect the effectiveness of fundraising activities and the realization of waqf assets. The most significant challenge is the uncertainty regarding the final location of the hospital land, which influences fundraising performance, strategic planning, and stakeholder confidence. In addition, the findings demonstrate that although governance structures have been established, improvements are still required in transparency, accountability, stakeholder communication, and risk management. From the perspective of the Waqf Core Principles, the legal foundation dimension has generally been fulfilled, whereas several governance-related dimensions remain partially implemented and require further strengthening.

This study contributes to the development of waqf governance literature by demonstrating that governance challenges may emerge before waqf assets are realized. Unlike previous studies that primarily focused on productive waqf assets that had already been established and utilized, this study highlights the governance dynamics occurring during the fundraising stage. The findings suggest that governance effectiveness plays a crucial role in determining whether collected waqf funds can be successfully transformed into sustainable waqf assets. Therefore, strengthening governance mechanisms is essential for improving fundraising effectiveness and supporting the long-term sustainability of project-based waqf initiatives.

Research Limitation

This study is limited to a single case study of One Wakaf Wahdah Islamiyah and focuses specifically on the governance of cash-based waqf fundraising for hospital land acquisition. Consequently, the findings may not be generalized to all waqf institutions operating under different organizational structures, fundraising models, or socio-economic environments. Furthermore, the study primarily examines governance practices during the fundraising stage and does not evaluate the subsequent stages of asset realization, hospital development, or operational management. Future studies may therefore provide a more comprehensive understanding by examining the entire lifecycle of waqf-based development projects.

Recommendations

Based on the findings, several recommendations can be proposed. First, One Wakaf Wahdah Islamiyah should strengthen transparency and accountability mechanisms by providing more comprehensive and regular information regarding project progress, strategic planning, and the utilization of waqf funds. Second, the institution should establish a more systematic risk management framework to identify, monitor, and mitigate strategic, operational, and reputational risks associated with large-scale waqf projects. Third, greater institutional certainty regarding land acquisition planning is necessary to improve stakeholder confidence and enhance fundraising effectiveness.

For future research, scholars are encouraged to examine the implementation of the Waqf Core Principles across different waqf institutions and project types to assess the applicability of the framework in various contexts. Comparative studies involving multiple institutions may provide broader insights into governance practices and institutional performance. In addition, future research may investigate governance challenges during the asset realization and operational stages of waqf projects, thereby extending the understanding of waqf governance beyond the fundraising phase.

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