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Ziswaf Fund Management Development Strategy in Islamic Banking

Ishandawi[1*], Djafril Khalil[1]
[1, 2]Institut Teknologi dan Bisnis Ahmad Dahlan Jakarta
Jl. Ir. H. Juanda No.77, Cireundeu, Kec. Ciputat Tim., Kota Tanggerang Selatan,
Banten 15419, Indonesia
Email: ishandawi@gmail.com

ABSTRACT
In The purpose of this study is to examine the problems faced by Islamic banking in carrying out the social function of managing ziswaf funds. The research design uses a qualitative description, the research object is Islamic banking in Indonesia. Data collection came from informants consisting of sharia banking practitioners, banking regulatory agencies (OJK), philanthropic institutions and academics. The results of the study prove that the strategy of Islamic banking in developing commercial aspects refers to the roadmap of Islamic banking in Indonesia, with development directions consisting of strengthening Islamic banking identity, creating a synergistic Islamic ecosystem and strengthening licensing, regulation and supervision. In addition, this research has an impact on the development of social aspects of Islamic banking in managing ziswaf funds based on regulations and is of great benefit to Muslims.

Keywords : Ziswaf Funds, Shariah Financial Regulations, Islamic Banking

INTRODUCTION

Since the dual banking system provisions were rolled out in Law no. 7 of 1992 which was strengthened by Law no. 10 of 1998 and later revised by Law no. 21 of 2008, proves that the government supports Islamic finance, especially Islamic banking, which has very positive growth and development from year to year. Even though the accumulation is seen based on the national banking market share, it is still far behind compared to national banking.

Data from the Financial Services Authority/OJK shows that the market share for sharia banking in 2021 is 6.74% with assets of 693.80 trillion and the number of commercial sharia banks is 12, and sharia business units/UUS are 21 and 164 BPRS.

According to(Ascarya et al., 2022), that see a positive trend the growth and development of sharia banking as mentioned above, there is still another side to the development of sharia banking which has received a lot of criticism. This is because Islamic banks have not been able to move on the essence of the establishment of Islamic banking. Sharia banking as part of the Islamic Economics ecosystem should be directed towards the goal of a complete Islamic economy, namely Falah (make the world and the hereafter benefit). In fact, the presence of Islamic banks can be felt by the wider community, both the upper class (poor) and the lower class (less fortunate).

According to(Handayani et al., 2020), that Islamic banking as part of the Islamic financial industry has a specificity or uniqueness that is different from conventional banks. The main function is as a financial intermediary, a function similar to that of conventional banking, but apart from the intermediation function, Islamic banking has a social function.

In its social function, Islamic banking can collect social funds for Muslims such as zakat, infaq, alms and waqaf (Ziswaf) and channel or distribute them to zakat and waqf management organizations. The social function of Islamic banking is contained in Law no. 21 of 2008 in article 4 paragraph 2, that Islamic banks and Islamic business units can carry out social functions as a Baitul Mal Institution, namely an institution that receives and distributes ziswaf funds and other social funds. The laws and regulations specifically regarding ziswaf funds are Law no. 41 of 2004 concerning waqf and Law no. 23 of 2011 regarding the management of zakat.

Based on research from(Setiawan et al., 2021)that according to the directorate of waqf empowerment in 2020, from the most recent data it is stated that the total assets of waqf land in Indonesia are 51,258.62 Ha. spread over 381,995 locations. The land that has been certified is 61.12% and that has not been certified is 38.88%. The recorded waqf assets are very large, but they have not been able to bring prosperity to the Muslim community in Indonesia. Based on SIWAK data or the 2020 waqf information system, it shows that in Indonesia waqf assets in the form of land are mostly used for mosques & prayer rooms (72.77%), cemeteries (4.45%), schools (10.68%), Islamic boarding schools (3.49%), other social activities including for agriculture, business and others (productive) by (8.61%).

According to(Ascarya et al., 2022)that the potential of the ziswaf funds collectedNational Zakat Agency (Baznas)in 2020 reached Rp. 12.5 trillion, and every year it always increases. However, this increase is not optimal compared to the potential for ziswaf funds estimated at Rp. 300 trillion. Based onthe data shows that ziswaf funds have not been managed optimally.

According to this potential(Setiawan et al., 2021)has not been comprehensively understood for the nation's economic policy making. These assets do not include potential cash waqf which is being and will be collected as one of the types of liquid waqf that has been regulated in waqf laws and regulations.

On the other hand, according to the management of ziswaf funds(Handayani et al., 2020), explained that Islamic banks in carrying out their social functions can collect zakat funds, and this has given rise to an institutional legal building for zakat management which has developed with the concept of zakat management in the form of a company. According to OJK data for 2021, Islamic banks as companies have more than 2,250 branch offices and have a connected and proven safe system which is the model of choice in collecting and managing zakat funds. With the corporate concept of collecting ziswaf funds, Islamic banks are expected to be able to increase the realization of the potential for zakat funds.

The expectation mentioned above is difficult to materialize if Islamic banking only has a social function as an additional function, not as a main function. As mentioned(Lubis & Latifah, 2019). According to him, the additional function is clearly seen in Article 4 paragraph 2 of Law no. 21 of 2008 concerning Islamic Banking, where the word can run is stated. The use of this vocabulary gives the meaning that the social functions carried out by Islamic banks as baitul mal institutions are only voluntary and passive. The reason is that the regulation of social functions of passive and voluntary Islamic banks is because Islamic banks are in the form of limited liability company (PT) legal entities.(Aristoni, 2018)Based on the theory of company law, the legal entity form of Islamic banking is profit-oriented in the form of business profits. When business profits intersect with social functions in the management of zakat which are oriented towards helping each other and are non-profit, Islamic banking will experience disorientation.

The indecisiveness in mandating Islamic banks to maximize social functions has an impact on the non-optimal collection of zakat funds in Islamic banking so that the potential for zakat has not been properly explored. According to(Ag Omar et al., 2021), that the problem of managing zakat in the form of institutions that integrate through social functions in Islamic banking is a theoretical problem. These problems include: first, there is conflict between theory and institutional concepts in banking institutions.(Bayinah et al., 2021)On the one hand, Islamic banking is a profit-based business entity, on the other hand it is a social function that is oriented towards social roles and of course is at odds with the concept of companies in general. Second, if this institution has not been integrated through the social function of Islamic banking, it can trigger horizontal conflicts, as the reality on the ground shows that the zakat management system is still not able to shift mustahiq to become muzakki from year to year.

Other problems that arise related to the implementation of these social functions include:(Suharto & Husman, 2020)the current management of zakat funds has not been transparent and accountable. There are Islamic banks that mix up zakat funds with CSR funds. This is reflected in the results of the study(Setiawan et al., 2021)which shows that the sources of CSR funds in Islamic banks come from zakat, infaq and alms funds as well as qordh funds (fines and non-halal income).

This mix-up follows(Az-zuhaili, 2022)that it is feared that the management and distribution of bank zakat funds and their customers are not in accordance with Islamic law. As it is known that Islamic law regarding zakat is very clear, both from the aspect of its collection and distribution.

This is reinforced by(Aristoni, 2018)which explains that in practice Islamic banks publish corporate social responsibility funds more, even though they contain zakat funds. This problem according to(Supriyanto et al., 2021)triggered by the existence of two responsibilities carried out by Islamic banking, namely as a company in the form of a company legal entity, which must comply with Law Number 40 of 2007 concerning Limited Liability Companies (PT) and Law Number 25 of 2007 concerning Investment which regulates PT's obligation to allocate corporate social responsibility/CSR funds. On the other hand, Islamic banking is also mandated to collect zakat funds for companies and employees in accordance with Law no. 21 of 2008 concerning Islamic Banking.

According to(Kalbarini, 2018)The problem with managing ziswaf funds in Islamic banking is that the forms of these funds have not been realized in the real world and in real business. So that the public, especially customers, do not feel that banking also has social functions and responsibilities. Therefore, it is important to carry out research with the title Strategy for developing ziswaf fund management in Islamic banking to find improvements and innovations in order to increase customer trust and prove that Islamic banking is not only business oriented but also socially responsible.

Literature Review

Strategy

Strategy according(Rianto, 2021)is the process of changing from the planning process that seeks to encourage creativity to emerge, then analyzed to find various possible strategic steps that can produce many useful things to provide new perspectives to enable solutions to be found.

Meanwhile according to(Ruddin, 2018)Strategy is a tool to achieve the desired goal. According to(Fajria, 2019)that strategy is something that is used by the company to achieve its long-term goals with certain resource priorities(Latifah & Ritonga, 2020)added that strategy is a tool to excel in competing in achieving company goals based on external and internal factors.

Quoted from(Rianto, 2021)that sOne of Harvard's first and greatest professors, Kenneth R. Andrews, said that there is no universal theory of strategic management and that case studies can only provide some clues as to how to manage organizations in real life. Strategy is still more of an art than a science and the absence of laws means that there is a greater need for an intellectual discipline.

According to(Nature, 2021)the function of the strategy is to focus on achieving goals that determine the process of achieving long-term plans. Multiple strategy functions(Latifah & Ritonga, 2020)As a means of communicating the vision that will be achieved to many people, connecting the company's strengths with opportunities originating from its environment, investigating new opportunities, producing more resources and coordinating various activities for the future.

According to(Fajria, 2019)strategy is based on three main concepts as strategic concepts namely competitive advantage, distinctive capability and strategic fit.

Competitive advantage, characterized by a wide variety of products, quality and low cost. While distinctive capability, this concept is put forward(Jusri & Maulidha, 2020)companies that have strong characteristics that cannot be replicated by other companies, such as building a unique character in the relationship between the external environment (stakeholders) and internal (suppliers, employees, customers, investors and shareholders).

Meanwhile, strategic fit is how the target company and its products are in accordance with the overall goals of the company, usually developing its business through acquisitions or mergers. Slightly different from the concept of strategy above,(Nurjannah et al., 2020)say that developing the right corporate culture is an integral part of the strategic management process, including using the Input-Process-Output model.

Development and Management

According to Gauzali Saydam quoted by(Anisykurlilah et al., 2020)development is an activity that must be carried out by the company based on the knowledge and skills possessed in accordance with the demands of the job. From the definition above it can be concluded that development is an effort that is directed and planned to be carried out to make and improve, so that it becomes more useful with better quality.

Based on(Paintain et al., 2022)means to control, organize or manage. Management is meaningful as a process of mobilizing the power of other people to carry out certain activities. Based on the Big Indonesian Dictionary, the word Management has four meanings including the process of managing actions, carrying out activities, formulating policies and organizational goals and supervising the implementation of policies to achieve goals.

Regarding the development strategy in managing ziswaf funds, this can be reflected in the strategy for developing waqf assets. In managing waqf assets(Fauzi et al., 2020)the Imam Syafi'i school of thought is of the opinion that waqf assets may not be changed or exchanged for any reason. In contrast to the opinion of the Ahmad Ibnu Hanbal (Hambali) school of thought, it actually allows developing and managing mosque waqf assets with other waqf assets. Such as the case of the mosque as a waqf asset. According to(Lethepa et al., 2020)that mosque assets that are no longer in use may be sold and buy new assets that are useful, in accordance with the main purpose of the waqf or the intention of the waqif when the waqf contract takes place. However, the proceeds from the sale of these assets must be used for the benefit of building mosques and utilized optimally

Definition of Zakat, Infaq, Alms and Waqf

According to Yusuf Qardhawi quoted(Mardliyyah et al., 2020)The root of the word zakat comes from al-zakah, al-ziyadah which has the meaning of growing, adding, moving and developing. And the word al-zakâh according to the Al-ma'ânî dictionary means blessing, growing, holy, and good. According to Ibn Qudamah al-Maqdisi quoted(Suharto & Husman, 2020)Al-zakah also means al-zakiyyah (clean), althaharoh (holy), and al-shalah (decent).

In the Qur'an the word zakat (al-zakah) is repeatedly mentioned, namely 32 times in 19 letters and 32 verses. The meaning of zakat with the term above according to the explanation(Latifah & Ritonga, 2020)means that the expenditure of zakat funds from every property owned is in order to clean the assets so that they grow and develop. If it is associated with the human soul by issuing zakat, it also means that the person is cleaning his heart to make it holy and obtain blessings.

According to Asy-Syaukani quoted(Mardliyyah et al., 2020), it was explained that zakat is giving up a portion of the assets owned that have reached the nisab to the poor. Meanwhile, according to Yusuf Qardhawi, zakat is a designation or name of a part of a person's property that has been determined which is required by Allah SWT to be distributed to mustahik. In line with this opinion, Rafiq Yunus al-Mishri's opinion was quoted(Ascarya et al., 2022)that zakat is a person's right contained in the assets of a Muslim taken for the benefit of the poor and the poor with all financing based on the Shari'a (almasharif al-syar'iyyah).

Quoted from(Handayani et al., 2020)that infak is defined as the expenditure of assets obtained from income for certain interests which are orders from Islam, without the existence of a nishab such as zakat. In addition, according to Law no. 23 of 2011 concerning the management of zakat, it is stated that the notion of infaq is the property of a person or business entity outside of zakat to be used for the public good. Based on this understanding, infak has a broader meaning than zakat, namely spending or spending money.

According to the Al-Bisri dictionary cited (Oni Syahroni, 2018), the word shadaqah – yashduqu – shidqon is the root word for charity which means true, real, friendship and kindness (ihsan). According to Al-Qadhi Abu Bakar bin Arabi, quoted (Riqzal Maulana, 2008) defines the word shidqon/true is true in relation to the alignment of actions, words and beliefs. The meaning of alms/sadaqah is likened to the hadith: "And alms is burhan (proof)." (HR. Muslim). As for terms, according to Wahbal Al-Zhuhaili, charity is the giving of wealth to poor people, people who are in need, or other parties who are entitled to receive it without compensation and is sunnah in nature, this is different from zakat which is obligatory. The fuqaha use the term sodaqah tatawwu' or al-shadaqah al-nafilah while for zakat the term al-shadaqah almafrudhah is used. Meanwhile, according to Law no. 23 of 2011 concerning the management of zakat, it is stated that charity is a person or legal entity that provides some assets or services for the public benefit outside of zakat.

According to(Bayinah et al., 2021)although the word alms is found in Arabic, Malay and Indonesian, its meaning is not used as a definition of zakat. Alms are usually used for voluntary giving to someone to get a reward from Allah. According to(Az-zuhaili, 2022)the root of the word waqf is waqf. which comes from the word wakafa-yaqifu-waqfan and means to hold or stop. In the science of tajwid, stopping or stopping while reading the Qur'an is known as waqaf. Meanwhile, during the pilgrimage, the term wuquf is known, which means staying silent or staying at Arafah. However, the word waqf in this discussion is related to holding property according to the provisions of Islamic law.

(Lubis & Latifah, 2019)that waqf is a gift which in its implementation is held by holding waqf assets and then making the benefits generally accepted. Withholding the waqf property in this case is intended so that the waqf property is not inherited, sold, donated, or mortgaged.

According to(Setiawan et al., 2021)that the notion of waqf as stated by Islamic law experts has similarities and differences in principle. The similarity lies in the principal waqf assets ('ainnya) which must remain and must not be lost or reduced. And there is preservation of waqf assets by maintaining their integrity and can be used repeatedly. Meanwhile, the difference lies in the ownership of assets after being donated. Some said they still had waqf and others said they belonged to Allah or belonged to the recipient of the waqf.

Form and Implementation of Social Functions of Sharia Banking

According to(Nature, 2021)Islamic banking is a banking system that makes a positive contribution to achieving the socio-economic goals of Muslims, as in maqosid sharia. Islamic banking is expected to rotate wealth fairly and evenly in accommodating the achievement of social justice through a social approach (tabarru' approach) and a commercial approach (tijaroh approach). For the poor, Islamic banks can take a social approach.

The social function of Islamic banks is directed(Zara Ananda & NR, 2020)to help achieve sharia social welfare. Social welfare that is in line with the creation of social justice, where economic growth increases based on an even distribution of income or wealth. Islamic banks were formed with the spirit of building a people's economy based on sharia, this potential is believed to be able to achieve social welfare goals.

The public has high hopes for the presence of Islamic banks.(Latifah & Ritonga, 2020)However, along with business development, the orientation of Islamic banks seems to be carried away by conventional banks, namely the pursuit of high profits. Therefore, the social function of Islamic banks is needed to be carried out with high commitment. Referring to article 4 of Law no. 21 of 2008 concerning Islamic Banking, Islamic banks in carrying out social functions with activities as Islamic banks function as baitul mal institutions, can receive ziswaf funds and these ziswaf funds can be channeled through zakat management organizations and waqf managers (nadzir) according to the contract.

After the activity of collecting community social funds that are included in the ziswaf fund, the next social activity is distribution to people in need.(Setiawan et al., 2021)In general, the form of channeling ziswaf funds in the form of zakat funds can be grouped into 2 (two) forms of distribution. the recipient from the mustahik category becomes muzakki.

Forms of distribution of zakat funds(Irawan & Muarifah, 2020)The first is consumptive disbursement which is intended for those who are no longer able to work, such as elderly parents, widows, and so on. The second form of distribution of zakat funds is in the form of empowerment, and is productive in nature, intended for those who are able to try and work.

According to(Kalbarini, 2018) the social function of sharia banks in channeling zakat funds productively opens new spaces in the distribution of zakat. Zakat, which has been used up so far, can be modified with a revolving or productive system. And the Islamic financial institutions that are most ready to run are Islamic banking. Supported by the use of technology where the banking system is connected between branches and carried out by professional staff/employees, this productive ziswaf distribution is expected to run optimally.

According to(Zara Ananda & NR, 2020)in the implementation of its social function policies, especially in the implementation of social service products of Islamic banks, can make donations (charity), namely in the form of alms without expecting reciprocity for people in need and Soft Loans (soft loans), namely loans with a revolving fund system accompanied by a commitment refund within the agreed time.

Social function(Suharto & Husman, 2020)Islamic banks as zakat collection institutions provide distinct benefits for the community, namely that people can independently calculate their zakat and deposit it into Islamic banks. This behavior serves as an education for the people who traditionally pay zakat only to kiai or clerics and teachers in their environment.

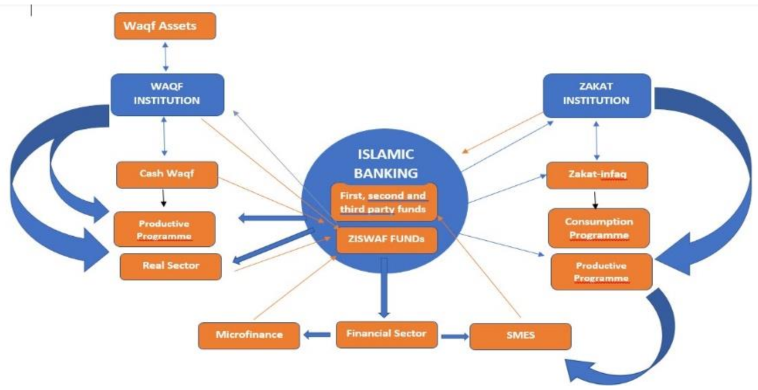

Figure 1. Sharia Banking social function

METHOD

This research is qualitative descriptive research, the object of research is sharia banking in Indonesia, collective data with in-depth interviews with several banking practitioners, the Financial Services Authority, academics and the Board of Directors of philanthropic institutions.

Primary data obtained from interviews. Respondents were selected based on purposive sampling. The criteria for informants from Islamic banking are to have a minimum position of manager and have worked for at least ten years, while practitioners from the Financial Services Authority have a manager-level position, have worked for at least ten years and are placed in the supervision section of Islamic financial institutions. While the criteria for academics are at least a Doctorate in Islamic finance with a minimum of ten years teaching experience.

The interview was conducted online considering that during the Covid-19 period it was still ongoing, but to validate field data the researcher had video and audio recordings. Data analysis uses content analysis assisted by the Nvivo12Plus software

Table 1. Respondent Data

Respond	Amount
Banking Practitioner	3
Financial Services Authority	2
National Sharia Economy and Finance Committee (KNES)	2
Non-Bank Financial Institution Practitioner	1
Academics	1

Source: Research data

RESULT AND DISCUSSION

This research data is primary data obtained from in-depth interviews with competent informants including MR from the Financial Services Authority (OJK), IR from CIMB Niaga Syariah, AJ from practitioners, YES from KNES, HM from Bakrie Amanah and MIB from Bank Syariah Indonesia. . As evidence of this research, interviews were conducted with audio, video and photo recordings with informants. Below are presented the results of the interviews in detail the results of the interviews related to the topic under study.

The following describes data analysis using Nvivo12Plus. To maximize results and improve research understanding, several stages were carried out, namely: First, preparation. This step includes the process of looking for references through journals at Sinta Dikti and Scopus indexed journals, and sorting references and preparing for the import process into Nvivo. Second, this Step Analysis includes the process of classifying references, in the NVivo application, Visualization, and the initial descriptive process of the topic as well as the coding of references to be made according to the problem formulation built in this research.

The interviews were conducted using video recordings for each session with informants. Actually, from video recordings, data could be processed from video directly into the Nvivo12 Plus software, but researchers were more interested in translating the results of the interviews first so that the data entered into the Nvivo12 Plus software was in word format. In the next stage, the researcher edited the language, because most of the language used in the interviews did not use standard Indonesian. After editing the language, the researcher conducted content analysis, read and understood the results of the interviews conducted with each informant, the results of the understanding from the interviews were translated into topics according to the problem formulation planned in chapter one of this study.

The researcher coded the interview results to be input into Nvivo12Plus in the form of (auto coding or manual coding), text search, and data visualization. This aims to identify themes in research, find respondents' answers to research problems. There are many ways to analyze qualitative data using Nvivo12Plus, but researchers discuss by looking at word cloud and mapping, while the results of interviews that are relevant to the topic are shown as research results. Interview topics can be classified into the first two sections on the ZISWAF fund development strategy and the second on banking compliance. sharia in channeling ZISWAF funds.

Commercial Development Strategy

Figure 2. Word Frequency Commercial Development Strategy

Based on the data input process using the NVivo 12 plus software, it can produce word frequency in the form of word output that often appears from the results of interviews with informants, if a word is often spoken it can be interpreted that the word has meaning in the interview session, but it is also necessary to trace the sentence relating to words that often appear sometimes can be meaningful but can also be meaningless, therefore researchers need to re-read whether the results of the interview can solve the problems that have been formulated in chapter 1, below the researcher tries to explore the results of word frequency related to the strategy theme The development of commercial banks in Islamic banks consists of four important points as follows:

1. Until now, Indonesian sharia banking is still showing positive growth. the growth of sharia banking in Indonesia with total sharia banking assets reaching IDR 575.85 T.
2. In relation to the development of sharia banking, the OJK issued the Indonesian Sharia Banking Roadmap which has now entered its second period with the issuance of the 2020-2025 Indonesian Sharia Banking Development Roadmap. The Indonesian Sharia Banking Development Roadmap is structured as a catalyst for accelerating the process of developing Islamic banking in Indonesia by bringing 3 (three) pillars of development direction consisting of: strengthening the identity of Islamic banking; sharia economic ecosystem synergy; as well as strengthening licensing, regulation, and supervision.
3. The direction for the development of sharia banking has been prepared in line with several policy directions, both national external policies such as the 2020-2024 National Medium-Term Development Plan (RPJMN) and the 2019-2024 Indonesian Islamic Economics and Finance Masterplan, as well as OJK's internal policy, namely the Service Sector Masterplan Indonesian Finance and Indonesian Banking Development Roadmap

(RP2I). As part of RP2I, this roadmap is OJK's strategic step in aligning the direction of sharia economic development in Indonesia, particularly in the sharia financial services industry sector in the field of sharia banking.

4. OJK has identified several factors that become opportunities and determinants of sharia banking development strategies, including the rapid advances in technology and digitalization, economic growth in the halal industry, and the increasing religious awareness of the Indonesian people.

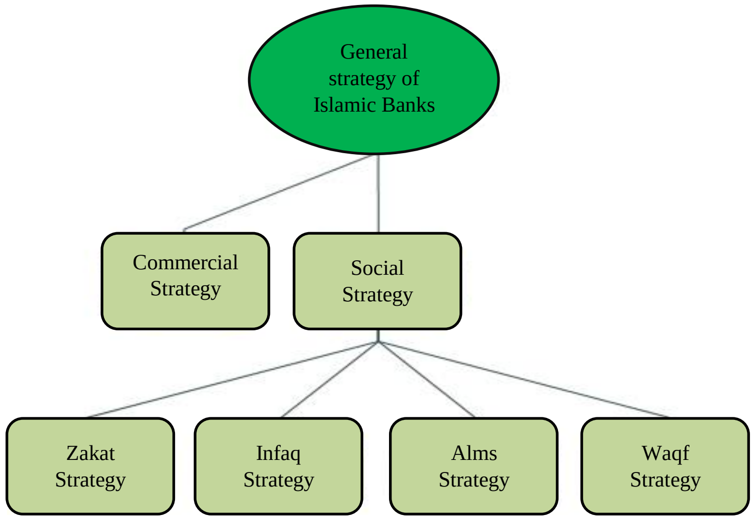

Figure 3. General strategy of Islamic banks

Social Development Strategy

Figure 4. Word Frequency Strategy Development of social aspects of Islamic banking

Based on the data input process using the NVivo 12 plus software, below the researcher tries to explore the results of word frequency related to the theme of Islamic banking development strategy from the social aspect consisting of several important points as follows:

1. Islamic banks collect Ziswaf funds from various channels and programs from customers or the public who are interested in channeling Ziswaf funds

2. Islamic banks channel qardhu Hasan funds obtained from non-halal funds such as fines charged to customers and demand deposits received from placing funds at Bank Indonesia or at other conventional banks.
3. In collecting ziswaf funds, Islamic banks provide technology, making it easier for people who are interested in channeling ziswaf funds such as through mobile banking, ATMs or manually through the nearest branches.
4. Encouraging digitization-based Mosque Management in managing ziswaf funds, so that mosque financial reports are more transparent.
5. Islamic banks collect ziswaf funds for company employees through direct deductions from their salaries, with conditions or amounts according to the wishes of each employee
6. Ziswaf funds collected by Islamic banking are funds on behalf of amil zakat institutions or amil zakat bodies which are third party funds, so they are not managed specifically.
7. Strategies to improve infrastructure that affect the growth of ziswaf funds need to provide literacy and education to the tripartite government, entrepreneurs and the community
8. Banks work with institutions that already have permits to distribute them, such as to Baznas or Laz or to BWI
9. Bank Syariah Indonesia through BSI Ummah collects ziswaf funds to be distributed for social activities such as building mosques, including the Bakahuni mosque and the mosque at KM 164 of the Cipularang toll road.
10. Factors that pose a challenge in implementing the social functions of Islamic banks include: a) Not aligned vision and lack of coordination between the government, authorities and agencies involved in the social functions of Islamic banks b). Inadequate quantity and quality of human resources and IT technology that does not yet support the development of products and services related to the social functions of Islamic banks. c) Public understanding and awareness is still low regarding sharia principles in the banking industry. d) Regulation and supervision are still not optimal.

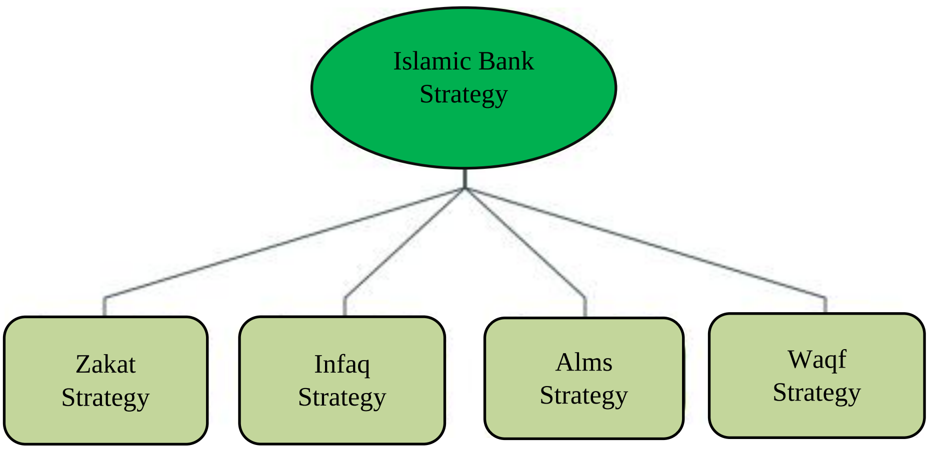

Figure 5. The strategy of Islamic banks to develop ziswaf funds

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Compliance with Sharia

Figure 6. Word frequenscy compliance of Islamic banks managing ziswaf funds

Based on the data input process using the NVivo 12 plus software, below the researcher tries to explore the results of word frequency related to the theme of Compliance towards sharia for sharia banks consists of several important points as follows:

1. Islamic banks carry out social functions as baitul maal institutions, namely receiving funds originating from zakat, infaq, alms, grants, or other social funds and channeling them to zakat management organizations, one of which is by becoming UPZ and other cooperation schemes with Baznas. In addition, Islamic banks are also Islamic Financial Institutions Receiving Cash Waqf (LKS-PWU) which collect social funds in the form of cash waqf. The social function of Islamic banks is further strengthened by various forms of cooperation with Baznas and BWI in the utilization of Islamic social funds aimed at national economic development.
2. The management function of Ziswaf in Islamic Banking which includes planning, organizing, implementing and supervising should be carried out by maximizing coordination and cooperation with institutions that develop and manage Ziswaf (BWI/Baznas) for the development of programs that support bank synergy plans and strategies in the economic ecosystem and sharia finance.

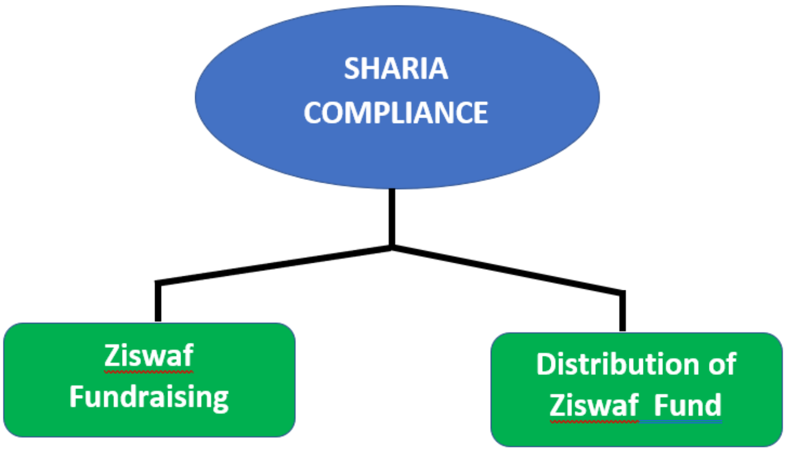

Figure 6. Flowchart of fundraising and distribution of ziswaf funds

DISCUSSION

The informants mentioned above explained the importance of Islamic banks in managing ziswaf funds for the benefit of the people. The social function of Islamic banks must be prioritized in its management, not limited to collecting ziswaf funds, but channeling them to mustahik, so that the acceleration of the distribution of the welfare of the people is achieved. However, this is constrained by regulations, namely the asynchronous regulations that cover the three Islamic financial institutions, namely Law no. 21 of 2008 concerning Islamic banking, Law no. 23 of 2011 concerning the management of zakat and Law no. 41 of 2004 concerning management of waqf funds.

For example, as stated by an informant: Regarding being an 'amil/Nazhir institution, Islamic banks cannot become 'amil and Nazhir in accordance with statutory provisions regarding Zakat and Waqf. In the event that a Sharia Bank becomes an 'amil institution, there are provisions that do not allow it as stated in Law No. 23 of 2011 concerning Management of Zakat article 18 paragraph (2) point (a and e) which states; Article 18 (2) The permit as referred to in paragraph (1) is only granted if it meets the following requirements: a. registered as an Islamic social organization that manages the education, da'wah, and social sectors and f. Non-Profit.

Then in the case of Islamic Banks as Nazhir there are provisions that do not allow it as stated in Law No. 41 of 2004 concerning Waqf article 10 paragraph (3) point (c) which states; The legal entity as referred to in Article 9 letter c can only become a Nazir if it meets the following requirements: c. the legal entity concerned operates in the social, educational, social, and/or Islamic religious fields.

There is a need for amendments to these three regulations in order to create an Islamic economic ecosystem that truly accelerates the distribution of the economic welfare of the people. Especially in terms of synchronizing the management of ziswaf funds in Islamic banking. This is in accordance with the understanding of the informant: Yes, indeed the main problem is regulation, the law made in 2004 needs to be adjusted to current conditions, it is necessary to make fundamental changes, rather than improving the word governance in the sense that we mentioned earlier as improvements to a collaborative social fund management ecosystem. that, indeed number one we have to deal with the law first because it makes the restrictions or how many rules are for today too restrictive and also at the same time Maybe there are things that are actually much broader and not contained .

The strategy for developing the management of ziswaf funds in Islamic banking by making the potential for community social funds from zakat, alms infaq and large waqf funds to be collected by Islamic banking as fourth party funds will greatly impact economic equality. This was supported by informants: first, I agree that using the term fourth-party fund management, bearing in mind that the potential is also quite large and has its own impression, is something that must be discussed further. This is in line with what was conveyed by the informant: actually if people are literate about waqf, especially cash waqf, which is regulated in law 41, this is actually capital for expanding Islamic banking, because cash waqf that goes to banks cannot be tampered with. unless invested through Islamic financial instruments, that's what it means there, so if the public is literate, Islamic banks are bigger than waqf funds.

It was also added that the potential for waqf that is managed by Islamic banking through financing instruments such as the commercial aspect, can be carried out. An example explained by informant : guarantees, especially waqf land assets, so when Islamic banking wants to fund a waqf project, because the waqf land itself cannot be used as collateral so it is necessary to find a solution so that Islamic banks remain in a safe position. Examples of apartment financing products that are used as collateral are not land but are called strata titles and even become certificates of ownership because the land area remains the same but there are many units, maybe 500 units and even up to 1000 maybe because the floors are so high. So the guarantee is not in the form of land but the strata title unit. Products like that need synchronization from the aspect of legality and between institutions that are relevant in this field, such as the department of religion, MUI, OJK, BWI, BAZNAS and Islamic banking.

And in its operations, Islamic banking must also carry out the principle of caution in managing ziswaf funds in Islamic banks, so as not to cause problems with bank compliance with the rules outlined by the OJK. As explained by the informant : Islamic banks will be inspected or audited by the OJK every month. Check the capital adequacy ratio and also the NPL ratio. And after that there is an obligation for Islamic banks to make financial reports or audited every 3 months.

IMPLICATIONS

On a macro level, Islamic banking must be able to optimize its social functions, especially in managing ziswaf funds, both in their collection and in their distribution. The huge potential in ziswaf funds, which must be managed in a "banking" way, will provide extra power for Islamic banking to grow exponentially with extraordinary acceleration. This can be measured by changing the position of mustahik to muzaki periodically in one area of Islamic banking work.

CONCLUSION

Referring to the results of the research findings that have been outlined in chapter 4 above, in this last session the researcher made a conclusion from this research as follows: First, the Islamic banking strategy in developing the commercial aspect refers to the roadmap for sharia banking in Indonesia. development of sharia banking in Indonesia by bringing 3 (three) pillars of development direction consisting of: strengthening the identity of sharia banking; sharia economic ecosystem synergy; as well as strengthening licensing, regulation, and supervision. Second, the development strategy for social aspects in sharia banking is still limited to fulfilling the tasks mandated by the sharia banking law. Sharia banking provides more facilities for collecting ziswaf funds from the public and then handing over the distribution to institutions that already have legal aspects such as Amil Zakat Institutions, Amil Zakat Agencies or Indonesian Waqf Bodies. Third, sharia banking practitioners are not yet interested in managing ziswaf funds because bankers have the perception that ziswaf funds have no profit, besides that, the most basic thing is that there are no regulations that allow the development of ziswaf funds. Fourth, if Islamic banking manages ziswaf funds, then Islamic banking must fulfill regulatory aspects, just like other social institutions. Fifth, there is no integrated cycle between institutions that have an interest in the management of ziswaf funds, such as Islamic banks with financial services authorities, the Ministry of Religion,

Suggestion

First, it is suggested to interested institutions such as financial services authorities to make regulations that allow Islamic banking to manage ziswaf funds, such as fourth party funds which are managed specifically by Islamic banking.

Second, increase the awareness of sharia banking stakeholders, from bankers, commissioners, shareholders, that sharia banking, apart from developing commercial aspects, also has a duty to develop ziswaf funds.

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