

Determinants of Trust in Cash Waqf Linked Sukuk (CWLS) Stakeholder Institutions: Evidence from A Survey of Indonesian Muslims

Ika Khusnia Anggraini^{*1}, Dwi Retno Widiyanti², Wisam Zuhdi Surya Nusantara³, Muhammad Rizaldi⁴

^{1,2,3,4}Department of Economics, Faculty of Economics and Business, Brawijaya University, Indonesia
Email: ¹ikakhusniaa@ub.ac.id

Abstract

This study aims to identify and analyze the influence of the implementation of Good Corporate Governance (GCG), which consists of indicators of transparency, accountability, responsibility, independence, and fairness in three CWLS stakeholder institutions, namely Bank Syariah Indonesia (BSI), Badan Wakaf Indonesia (BWI), and the Indonesian Ministry of Finance. This research falls under quantitative research because the approach used for research proposals, processes, hypotheses, fieldwork, data analysis, and data conclusions up to the writing uses aspects of measurement, calculation, formulas, and certainty of numerical data. The research subjects were Muslim communities who had become CWLS investors and those who had the potential to become investors. In this study, the population and sample were all Muslim community investors and prospective CWLS investors, which collected 261 people. Data were analyzed using multiple linear regression formula. The results of the study show that partially the implementation of GCG in the three CWLS stakeholder institutions, namely BSI, BWI, and MoF, has a significant effect on the level of public trust. Simultaneously, these three institutions also significantly affect the level of public trust in the CWLS management institution.

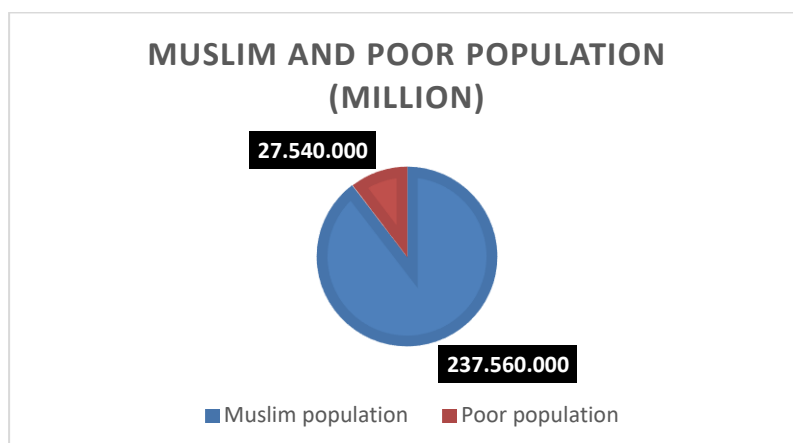
Keywords: Cash Waqf Linked Sukuk (CWLS), Good Corporate Governance (GCG), Muslim Communities, Public Trust)

1. INTRODUCTION

In light of a survey conducted by the Asia Pacific Philanthropy Consortium, it is evident that a significant proportion of adults in Southeast Asian countries, including Indonesia, India, the Philippines, and Thailand, display a noteworthy trend. Approximately 90% of these individuals are inclined to channel their charitable contributions towards faith-based social institutions. Notably, Indonesia, boasting the world's largest Muslim population, emerges as a particularly promising arena for harnessing philanthropic funding. This potential is grounded in the long-standing tradition of religiously-driven philanthropy deeply ingrained in the fabric of Indonesian society, predating the establishment of the Republic of Indonesia itself (Fauzia, 2021).

Meanwhile, one of the features of the philanthropic movement, which also provides sustainable benefits, is waqf. Waqf is believed to increase social and economic benefits in a country if its utilization is maximized (Yaacob, 2015). The role of waqf can be further optimized as a third-sector revenue for a country's economy (Zeni, 2021). However, the challenge is that the level of cash waqf literacy among the Indonesian community is still very low, posing a threat to the existence of cash waqf (Ardy, 2021). Meanwhile, several studies state that cash waqf literacy significantly affects the community's decision to participate in cash waqf because individuals with knowledge of cash waqf have a greater chance of engaging in cash waqf (Nastiti, 2022).

Implementing the optimal use of waqf can increase social and economic benefits in a country, one of which is as a third-sector income. In the last three years, the Indonesian government has supported the innovation of waqf into State Sukuk products, namely Cash Waqf Linked Sukuk (CWLS). Around the last three years, the Indonesian government has supported the innovation of the concept of waqf incorporated into the State sukuk product, namely Cash Waqf Linked Sukuk (CWLS) which is cash waqf in the form of SBSN.



Source: Sensus BPS (2020)

Figure 1. Total Muslim and Poor Population of Indonesia

Based on the results of the 2020 BPS census, Indonesia's Muslim population is more than 200 million. Meanwhile, the number of poor people in March 2021 was 27.54 million people. In other words, there is a potential for more than 170 million Muslims who are relatively capable of making waqf. Based on the data on the issuance of CWLS, there are only 1,632 people who donate through CWLS. Seeing the potential number of capable Muslims, CWLS product innovation can be further optimized in the future. CWLS as one of the innovations of cash waqf in state sukuk has several objectives such as making it easier for people to endow safe and productive money, developing innovations in the field of social finance and investment in Indonesia, encouraging inclusive and sustainable economic growth, supporting the national waqf movement, and strengthening the cash waqf ecosystem in Indonesia. As stated by (Fauziah N. N., 2021) in her research that CWLS can significantly contribute to social impact, as well as facilitate many sustainable development programs including government projects, education and healthcare initiatives, and others. CWLS is believed to be a highly potential instrument with a positive impact on society in Indonesia because its benefits and opportunities outweigh its risks and costs.

According to (Napitupulu, 2021), (Sukmana, 2020), (Shukor, 2016), and Kasri (2021) stated that the reason for the collection of CWLS investors is still not optimal due to the lack of public understanding of cash waqf and the lack of public trust in cash waqf management institutions and the willingness to donate cash. Challenges faced in the advancement of CWLS products encompass the novelty of the products, constraints in distribution partnerships and trusteeship, low returns, public awareness gaps, contractual issues, and insufficient literacy hindering full realization of the wakif's potential. Going forward, stakeholders must focus on enhancing information dissemination and mobilization through informal networks to foster a favorable perception of CWLS. Enhancing communication tactics, streamlining service processes, and bolstering trustee professionalism are paramount for progress (Yasin, 2021).

From several previous studies on CWLS, several problems have been identified in its implementation, namely the lack of optimal literacy and socialization, resulting in low public trust and minimal CWLS mobilization. Based on this, this study will examine the application of GCG to CWLS stakeholders such as BSI, BWI, and MOF, which have not been previously researched. This research is conducted using quantitative research methods because the approach used starts from research proposals, processes, hypotheses, field research, data analysis, and data conclusions, with aspects of measurement, calculations, formulas, and numerical data certainty. Then, the research subjects are Muslim communities in Indonesia who are aware of CWLS, whether they have become CWLS investors or have the potential to become CWLS investors.

2. LITERATURE REVIEW

2.1. The Waqf and Waqf Institutions

The ahlul lughoh 'linguists' scholars use three dictions to express the meaning of waqf, which includes al-waqf 'waqf,' al-habs 'withhold,' and at-tasbil 'donating in the way of Allah.' The word al-waqf is the masdar form of the sentence waqfu asy-syai 'holding something.' So the meaning of waqf, in general, is a legal act of someone who deliberately separates or spends his property for purposes in the way of Allah. Meanwhile, the understanding of the definitions above is that the property belonging to a person or group does not run out when used, regardless of the owner's ownership, and it also cannot be donated, inherited, or traded. Therefore, the benefits can be continuously used solely under Islamic law for the public maslahat 'interest' (Latifah, 2019).

Generally, the waqf process is carried out through institutions. The study of Islamic waqf institutions dates back to the 19th and early 20th centuries. The study in the first stage concentrated mainly on the legal aspects of waqf. For the waqf law study, scholars in the following decades of the 20th century added discussion of the legal reforms carried out in various parts of the Islamic world during the 19th century and particularly the 20th century. There were only a small number of translations and scholarly editions on waqf. In the second stage of waqf studies development, the broader institutional implications beyond the legal aspect began to be discussed on a meaningful scale (Hoexter, 1998).

In recent years, the third stage can be seen the study of Islamic waqf institutions. Based on the information and insights obtained from the first two studies, the third stage consists of studies attempting to incorporate waqf into ideological, sociological, and cultural conceptions in general. Themes such as waqf and the idea of zakat, the comparison of Islamic waqf institutions with similar institutions in other cultures, the dynamics of Islamic law as reflected in waqf, the concepts of 'private' and 'public' in waqf, the role of waqf in the formation of civil society and the public sphere have been studied by some scholars in this field. The study promises to place the subject on every Islamic history student's agenda. The following helps to include the study of waqf in particular and some of the basic elements of Islamic thought and culture in general in intercultural discourse.

Reforms possible in the 19th century were finally rolled out in the 20th century, often at the behest of coalitions that included pragmatic Islamists and secularists seeking to revive the waqf system to strengthen civil society. The details of waqf laws now in place in Egypt, Morocco, Iran, and Turkey speak volumes about the limitations of traditional systems. Nowadays, waqf is treated as a law. Pooling resources may form them from thousands of small contributions. Their founders may include governments and corporations. The assets that support their activities can consist of partial or even movable items such as cash and stocks (Kuran, 2001).

2.2. Cash Waqf Linked Sukuk (CWLS) Concept and Trust in Stakeholder Institutions

By the purpose and nature of its use, waqf can be established in various forms and means, one of which is cash. Cash waqf can be one of the most preferred waqf methods because it is practical and easy to manage and can be a relevant tool for the development of people. The proceeds from cash waqf are usually used for development in various fields such as education, hospitals, school construction, road infrastructure, mosque maintenance, social services, and many others. However, the development of cash waqf is currently still experiencing several obstacles. One obstacle that is very crucial and must be addressed is the problem of trust. Trust influences public interest in waqf immensely, especially cash waqf (Fauzi, 2019).

CWLS is a cash waqf instrument in the form of State Sharia Securities (Surat Berharga Syariah Negara, SBSN). As one of the productive waqf innovations, CWLS can significantly contribute positively to many strategic sectors and have a multi-player effect on the economy. In addition, the assistance of Islamic financial institutions in utilizing waqf funds plays a role in carrying out the function of supporting economic growth and long-term investment. Meanwhile, the objectives of CWLS product innovation include: facilitating safe-productive cash waqf communities, financial innovation, driving sustainable and inclusive economic growth, supporting the national waqf movement, developing social investment, developing productive waqf, and developing the cash waqf ecosystem in Indonesia.

Many Muslim countries have widely used Sukuk as a modern Islamic investment instrument. In 1999 the first country to use Sukuk was Bahrain, with a fatwa that the state could issue ijarah Sukuk, which functioned as an instrument for financing social infrastructure and state spending. This innovation then spread to other Islamic countries (Rahman, 2021).

In Indonesia, the National Sharia Council-Indonesian Ulema Council (Dewan Syariah Nasional-Majelis Ulama Indonesia, DSN-MUI) issued fatwa No.32/DSN-MUI/IX/2002 concerning sharia securities, stating that long-term securities may be circulated as long as they still use sharia principles. Sharia long-term securities can be issued by issuers to Sukuk holders, with margins, fees, and profit sharing according to sharia provisions.

Sukuk instruments in countries with a majority Muslim population have great potential in mobilizing Islamic financial flows to make them more productive and reach all lines. Furthermore, Sukuk is an instrument for raising investment money to finance long-term community social programs and government community projects. The CWLS innovation or waqf-based Sukuk was then introduced as one of the sharia financial instruments, which can help accelerate national development, support the benefit of the people and improve the welfare of the people according to sharia. Furthermore, this financing instrument is effective in helping to reduce poverty levels or income inequality to increase economic welfare concerning community needs. In addition, it empowers low-income communities by connecting them to the business world (Fauziah, 2021).

Waqf-based Sukuk is an innovation to increase the productivity value of waqf assets. However, the benefits value of waqf assets must continue to be developed to provide benefits to the broader community with social programs for the people's welfare with the main principle (not reducing the principal value of waqf). The use of waqf funds in sukuk is divided into two contracts as follows:

- a. Waqf that is social or only expects the pleasure of Allah and does not expect any returns
- b. Waqf Sukuk with ijarah contracts that are business in nature, yields are obtained by the waqf by self-management for the benefit of the people and individuals.

The sukuk-based waqf collaborates with the two contracts to increase the benefit value and the greater good. Cash Waqf Linked Sukuk (CWLS) is a modern Sukuk-Waqf innovation. CWLS provisions are found in the DSN-MUI fatwa No. B-816/DSN-MUI/XI/2018, this fatwa provides a statement and description that the CWLS issued by the government are legal according to sharia principles. The purpose of CWLS in the fatwa states that the CWLS contract is to empower many unproductive waqf funds. The concept of waqf Sukuk continues to develop following the development of sharia financial and investment instruments and the need to utilize waqf (Rahayu, 2020).

2.3. Good Corporate Governance (GCG)

Talking about the existence of an institution cannot be separated from a principle. In this case, the principle of sustainability is needed, one of which is good corporate governance. Good Corporate Governance (GCG) is one of the pillars of the market economy. GCG is related to trust, whether to the company or a country's business climate. GCG implementation encourages the creation of healthy competition and a conducive business climate. Therefore, the implementation of GCG in Indonesia supports sustainable economic growth and stability. In addition, GCG implementation is expected to support the government's general efforts to uphold good governance in Indonesia. GCG has five principles such as transparency, accountability, responsibility, independence, fairness and equality (Kelvianto, 2018).

2.4. Trust in CWLS Stakeholders

In its management practices, Cash Waqf Linked Sukuk involves five stakeholders: Bank Indonesia, Badan Wakaf Indonesia (BWI), the Ministry of Finance, Nazhir Waqf, and Islamic Banks as Islamic Financial Institutions Recipient of Cash Waqf (Lembaga Keuangan Syariah Penerima Wakaf Uang, LKSPWU). The Ministry of Finance carries out the management of waqf funds in keeping the wakaf assets intact and productively developed in order to benefit from their development. However,

researchers took three focus groups from three major institutions as variable parameter objects: BSI, BWI, and the Ministry of Finance.

a. Bank Syariah Indonesia (BSI)

From 9 October 2020 to 12 November 2020, CWLS was launched with the SWR001 series, which is intended for individuals and companies. One of the financial institutions entrusted to manage CWLS is BSI (Bank Syariah Indonesia). CWLS (Cash Waqf Linked Sukuk) is one of the productive waqf developments that makes it easy for waqif or BSI customers to do charity work safely and reliably. The government issues this SWR001 series CWLS with a social investment scheme (Socially Responsible Based Investment) by book building on the domestic primary market for investments in cash waqf management by waqf fund management institutions, where the returns will be used for social purposes and cannot be traded on the secondary market (BSI, 2023).

b. Badan Wakaf Indonesia (BWI)

BWI is part of the agreement drafting on the CWLS platform with the Ministry of Finance, the Ministry of Religion, Bank Indonesia, and Islamic Financial Institutions-Cash Waqf Recipients (Lembaga Keuangan Syariah-Penerima Wakaf Uang, LKS-PWU). BWI as a single buyer of the Cash Waqf Linked Sukuk series SW001 transacted directly with the Ministry of Finance, formulated the design of the Cash Waqf Linked Sukuk instrument and its business model, as nazhir or cash waqf manager and manager of CWLS rewards and yields, and created CWLS marketing kits. In addition, BWI seeks to increase public awareness to maximize productive waqf, increase public trust in waqf managers, and oversee the management of waqf assets (Wati, 2022).

c. Indonesian Ministry of Finance

The Indonesian Ministry of Finance is a government agency that issued a new retail Sukuk social investment instrument called Cash Waqf Linked Sukuk (CWLS) at the end of 2020. At the initial sale of CWLS, it is given a retail serial number of SWR001. Under BWI and the Ministry of Finance provisions, CWLS is offered to institutional and individual waqif (buyers) and is public or open. Previously, the government issued the SW001 series CWLS (non-retail) in early March 2020 for IDR 50.84 billion with a private placement mechanism. The government ensures that Waqf Sukuk funds are safe and productive both permanently and temporarily. CWLS is an instrument with low risk and is even risk-free, and this instrument is guaranteed by the government and protected by two laws, namely the SBSN Law and the State Budget Law (Rahman, 2021).

3. METHOD

The research method used in this study is descriptive quantitative. This study population is the entire Muslim community, both those who have become CWLS waqf investors and those who have the potential to become investors, as many as 261 people. The data collection techniques used by researchers using primary data, namely giving questionnaires to be filled out by the respondents. The list of questions in this questionnaire includes the level of public trust that is influenced by the implementation of Good Corporate Governance (GCG) in three CWLS stakeholder institutions, namely the Bank Syariah Indonesia (BSI), Badan Wakaf Indonesia (BWI) and the Indonesian Ministry of Finance. The questions in the questionnaire are made based on the Likert Scale. The Likert scale is a study faced with questions, and respondents are asked to answer every question in the questionnaire.

The analysis used in this study is to use validity and reliability analysis for the questionnaire test. Multiple regression analysis techniques are used to see how significant the correlation is between each independent and dependent variable. This analysis technique belongs to the collective model category so that the correlation coefficient between the independent and dependent variables will be obtained, the significant level of the coefficients, the regression line equation, the correlation between the predictor sub-variables, and the effective contribution. The data analysis used is statistical tools (SPSS/Statistics for Products and Services Solution Release 20). The model in this research is as follows.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \quad (1)$$

Where,

- Y : The level of public trust in CWLS stakeholders
 β_0 : Model constant
X1 : Implementation of GCG at Badan Wakaf Indonesia
X2 : Implementation of GCG at the Bank Syariah Indonesia
X3 : Implementation of GCG at the Ministry of Finance of the Republic of Indonesia
 $\beta_1, \beta_2, \beta_3$: Vector of regression coefficients
 ε : Estimation Error

4. RESULT AND DISCUSSION

In this section of the research results, it is divided into several points of analysis. Such as descriptive analysis, validity and reliability test results, F test results and t tests from multiple linear regression output.

4.1. Descriptive statistics

Table 1. Respondents Based on Monthly Income

Income Per Month	Frequency	Percent
< IDR 2,500,000	183	70.1
IDR 2,500,000 - IDR 5,000,000	50	19.2
IDR 5,000,000 - IDR 10,000,000	18	6.9
IDR 10,000,000 - IDR 20,000,000	4	1.5
> IDR 20,000,000	6	2.3
Total	261	100.

Source: Primary data processed, 2023

Table 1 shows that out of 261 respondents, the majority had a salary of < IDR 2,500,000, that is 183 people (70.1%), followed by a salary of IDR 2,500,000 - IDR 5,000,000, a total of 50 people (19.2%). Furthermore, respondents with a salary of IDR 5,000,000 - IDR 10,000,000 totaling 18 people (6.9%). Then four respondents with a salary of IDR 10,000,000 - IDR 20,000,000. Then the last wage is > IDR 20,000,000, totaling six people (2.3%). The monthly salary distribution data is quite evenly distributed even though it is dominated by income that is still below the UMR

Table 2. Respondents Based on Last Formal Education

Last Formal Education	Frequency	Percent
Bachelor	86	33.0
Master	9	3.4
Doctoral	4	1.5
High School	162	62.1
Total	261	100

Source: Primary data processed, 2023

Table 2 shows that of the 261 respondents, the majority of respondents had a senior high school education, namely 162 people (62.1%). Followed by 86 bachelor graduates (33%). Furthermore, nine respondents graduated with Master's Degrees (3.4%). Then finally, four respondents graduated with Doctoral Degree (1.5%). The latest education distribution data has been evenly distributed to doctoral education even though the majority of high school graduates.

Table 3. Respondents Based on Religious Education

Religious Education	Frequency	Percent
Religious education	116	44.4
Non-Formal (Studies, Lectures by scholars/ <i>kyai</i> , etc.)	145	55.6
Total	261	100

Source: Primary data processed, 2023

Table 3 shows that out of 261 respondents, 116 (44.4%) had a formal religious education. Followed by respondents who took non-formal religious education as many as 145 people (55.6%). Religious education is expected to encourage people to understand the concept of cash waqf and CWLS products

4.2. Validity test

Table 4. Validity Test

Statement	Correlation Value	Significance Value	Conclusion
BWI Transparency	0.825	0.000	Valid
BWI Accountability	0.853	0.000	Valid
BWI Responsibility	0.842	0.000	Valid
BWI Independence	0.844	0.000	Valid
BWI Fairness	0.835	0.000	Valid
BSI Transparency	0.851	0.000	Valid
BSI Accountability	0.840	0.000	Valid
BSI Responsibility	0.845	0.000	Valid
BSI Independence	0.816	0.000	Valid
BSI Fairness	0.826	0.000	Valid
MoF Transparency	0.824	0.000	Valid
MoF Accountability	0.849	0.000	Valid
MoF Responsibilities	0.861	0.000	Valid
MoF Independence	0.836	0.000	Valid
MoF Fairness	0.834	0.000	Valid
BI Trust	0.851	0.000	Valid
BSI Trust	0.852	0.000	Valid
MoF Trust	0.830	0.000	Valid

Source: Primary data processed, 2023

Table 4 shows that all the significance values of the indicators to the total of each indicator are less than 0.005, so it is said to be valid data.

4.3. Reliability Test

Table 5. Reliability Test

Variable	Reliability	Information
BWI GCG	0.895	Reliable
BSI GCG	0.891	Reliable
MoF GCG	0.895	Reliable
Level of Trust	0.797	Reliable

Source: Primary data processed, 2023

Table 5 shows that Cronbach's Alpha value of all variables is more than 0.6, which means that all questionnaire data from each variable is reliable.

4.4. Results of F Test and t Test

Table 6. F Test Results

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	580.155	3	193.385	95.439	.000 ^b
Residual	520.749	257	2.026		
Total	1100.904	260			

Source: Primary data processed, 2023

Based on the data above, it can be seen that the Sig value in the ANOVA table is 0.000, which is less than 0.05. It can be concluded that the research model is accepted, and the independent variable simultaneously influences the dependent variable.

Table 7. t test

Variable	Coefficient	Std. Error	t	Sig.
(Constant)	2.269	.566	4.007	.000
BWI GCG	.110	.043	2.532	.012
BSI GCG	.110	.048	2.292	.023
MoF GCG	.262	.033	7.846	.000

Source: Primary data processed, 2023

$$Y = 2.269 + 0.110X_1 + 0.110X_2 + 0.262X_3$$

Based on the data above, it can be seen that the Sig values at X1, X2, and X3 are less than 0.05 (Sig < 0.05), which means that these variables affect Y namely public trust in CWLS stakeholders.

Table 8. Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. error of the Estimate
1	.726 ^a	.527	.521	1.42347

Source: Primary data processed, 2023

Based on the data above, it can be seen that the Adjusted R Square value is 0.521 or 52.1%. Therefore, the independent variable affects the dependent variable by 52.1%. The rest comes from other variables outside the model.

4.5. BWI GCG Implementation of Public Trust

GCG implementation at BWI has a positive influence on public trust. The independent variable of GCG implementation at BWI obtains a significance value of 0.012, less than 0.05. Furthermore, by paying attention to the t-statistic of BWI's GCG calculation, a value of 2,532 is obtained where this value exceeds the t-table, namely 1,650, so it can be said that BWI's GCG partially has a significant effect on public trust. So it can be concluded that the implementation of GCG at BWI has a positive and significant influence on public trust.

4.6. BSI GCG Implementation of Public Trust

GCG implementation at BSI has a positive influence on public trust. The independent variable of GCG implementation at BSI obtains a significance value of 0.023, less than 0.05. Furthermore, by taking into account the t-statistic of BSI GCG, a value of 2,292 is obtained where this value exceeds the t-table, namely 1,650, so it can be said that GCG BSI partially has a significant effect on public trust. So it can

be concluded that the implementation of GCG at BSI has a positive and significant influence on public trust.

4.7. Implementation of GCG Ministry of Finance on Public Trust

The implementation of GCG in the ministry of finance positively influences public trust. The independent variable of GCG implementation in the Ministry of Finance obtains a significance value of 0.000, less than 0.05. Furthermore, by taking into account the t-statistic of the Ministry of Finance's GCG calculation, a value of 7,846 is obtained where this value exceeds the t-table, namely 1,650, so it can be said that GCG BWI partially has a significant effect on public trust. So it can be concluded that the implementation of GCG in the ministry of finance has a positive and significant influence on public trust.

Based on the results of the above research, it is found that the implementation of Good Corporate Governance (GCG) has a significant positive effect both partially and simultaneously on public trust in channeling funds in cash waqf linked sukuk (CWLS) stakeholder institutions, which in this study are Bank Syariah Indonesia (BSI), Badan Wakaf Indonesia (BWI), and the Ministry of Finance of the Republic of Indonesia. This phenomenon can be explained through descriptive analysis related to the characteristics of respondents in this study.

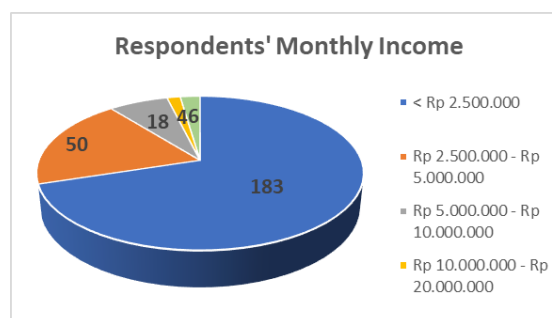


Figure 2. Respondents' Monthly Income
Source: Results of Researcher Questionnaires processed (2023)

Based on the table above, the majority of respondents have an income of less than Rp. 2,500,000, namely 183 people (70.1%) and the rest have variations in income ranging from more than Rp. 2,500,000 to more than Rp. 20,000,000 (29.9%). This indicates that the average respondent has income from different sources such as work, scholarships, and is still dependent on parents. In financial planning, of course, the main allocation of funds is basic needs such as food and drink, shelter, and clothing. In addition, there are two items that can be an option for allocating income, namely social expenses such as alms, zakat, and waqf and investment to maintain the value of assets that are not used. The decision to donate and invest does not necessarily occur because an individual already has income, there are several factors that determine one of them is education (Tanusdjaja, 2018). CWLS is the intersection of the two, namely issuing social funds while investing, where the funds will be managed productively for the benefit of the people and the profits will be reused for the benefit of the people (BSI, 2023).

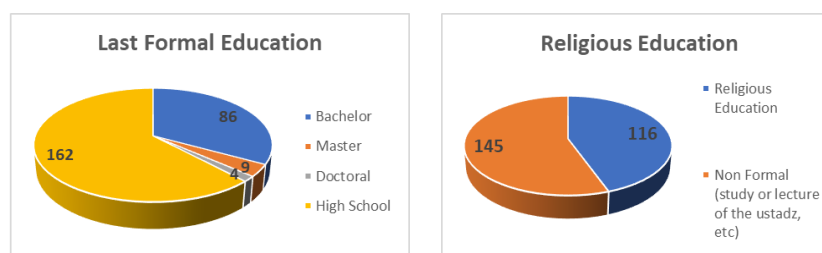


Figure 3. Respondents' Last Formal Education and Religious Education
Source: Results of Researcher Questionnaires processed (2023)

Based on the table above, the majority of respondents' last formal education is high school with a total of around 162 people, it is possible that some of them are currently pursuing undergraduate education or not and prefer to work immediately. The remaining respondents are individuals who have graduated with Bachelor's, Master's and Doctoral degrees. Therefore, it can be concluded that the majority of respondents are individuals who have received a good education. When an individual has received a good education, in making decisions, of course, they will carefully weigh the benefits and risks that will occur, one of which is the decision to invest. In accordance with the results of this study which show that the application of GCG to the 3 CWLS-bearing agencies is significant due to one of the factors, namely the fairly good quality of education of respondents. So that respondents tend to see the application of GCG as a positive thing that will minimize the risk of investing in CWLS.

The next characteristic of respondents is that all respondents have received religious education both formally through pesantren (116 people) and non-formally through study assemblies and lectures to ustadz, kyai, and ulama. Therefore, respondents in this study were concluded to have known about the prohibition of allocating wealth to places that are prohibited by religion, namely containing elements of usury, maysir, and gharar. This is reinforced by research by (Yulianto, 2018) and (Zuhirsyah, 2021) which state that the level of religiosity and Islamic financial literacy has a significant influence on individual decisions in allocating their assets to places that are permitted in religious law. CWLS is one of the investment products as well as cash waqf managed by certain institutions and has been permitted or legal based on sharia principles by the fatwa of the Majelis Ulama Indonesia (MUI). Therefore, the characteristics of respondents who have received religious education are one of the reasons why the application of GCG in CWLS-bearing institutions has a significant effect.

4.8. Effect of GCG on Public Trust

The implementation of Good Corporate Governance (GCG) in the institutions of Bank Syariah Indonesia (BSI), the Indonesian Waqf Board (BWI), and the Ministry of Finance of the Republic of Indonesia (Kemenkeu) increases public confidence in allocating funds to Cash Waqf Linked Sukuk (CWLS) issued. GCG implementation in Indonesia is generally based on 5 main principles, namely transparency, accountability, responsibility, independence, fairness, and fairness or equality (Kelvianto, 2018). These five principles increase the level of public confidence that the funds they have allocated will be utilized and managed as well as possible on productive matters for the benefit of the people.

The results of this study are also in accordance with several previous studies regarding the effect of GCG on public trust. There is research by (Pratiwi, 2016) and (Amelinda, 2021) where both studies state that the implementation of GCG in Islamic commercial banking can improve the financial performance of these Islamic banks. Then there is research from Junjuran et al (2020) which states that the implementation of GCG can increase muzakki's trust in amil zakat Dompot Amanah Umat (DAU) Sidoarjo district. This cannot be separated from the public trust received by Islamic banking, because people see that with the implementation of GCG in financial institutions, the funds they save, deposit, or invest become safer and more accountable (Junjuran, 2020).

This CWLS instrument is also guaranteed by the government and protected by two laws, namely Law No. 19 of 2008 concerning Surat Berharga Syariah Negara (SBSN) and the State Budget Law (APBN) (Rahman, 2021). Therefore, the public trust in this instrument is further enhanced because it has been guaranteed by Indonesian law.

5. CONCLUSION

The result of this study is the implementation of Good Corporate Governance (GCG) at Bank Syariah Indonesia (BSI), the Badan Wakaf Indonesia (BWI), and the Ministry of Finance of the Republic of Indonesia (Kemenkeu) as the institution that holds Cash Waqf Linked Sukuk (CWLS) has a positive and significant effect on public trust. This condition is caused by several factors such as the characteristics of respondents in this study who have an average income, the average respondent has received good formal education and has received religious education, CWLS instruments that have been guaranteed by the MUI fatwa and the SBSN Law. The main factor affecting public trust in the three stakeholders is the implementation of GCG in the three institutions where with the implementation of

GCG the public becomes more confident and believes that the funds they allocate to these stakeholders will be managed and allocated to productive things for the benefit of the people.

So based on the results of this study, there are several recommendations that can be used as a constructive basis for future development. The first recommendation is directed to financial institutions that carry CWLS to be able to continue to implement and maintain the quality of GCG implementation because it is proven that the implementation of GCG has a positive and significant impact on public trust. In addition, CWLS-bearing institutions are also expected to always be able to allocate CWLS funds to productive things for the benefit of the people, do not let there be misappropriation of funds for personal or group interests because it can trigger public distrust and make people reluctant to invest in social instruments again.

The second recommendation is directed to the community to be able to always be a critical partner of CWLS-bearing institutions in order to avoid any possible irregularities in the use of CWLS funds. And the third recommendation for further researchers to be able to conduct further research to deepen the factors that cause the collection of CWLS investors is still not maximized as well as the form of CWLS innovation to be able to increase the collection of CWLS funds.

REFERENCES

- Amelinda, T. N. (2021). Pengaruh Penerapan Good Corporate Governance Terhadap Kinerja Keuangan Bank Umum Syariah di Indonesia. *Jurnal Ekonometrika Dan Bisnis Islam*, 4(1), 34–45.
- Ardy, M. B. (2021). Analisis SWOT terhadap Wakaf Tunai di Badan Wakaf Indonesia Provinsi Sumatera Selatan. *Jurnal Intelektualita: Keislaman, Sosial dan Sains*, 10(1), 189-200.
- BSI. (2023, November 2). *Jadi Mitra Distribusi Investasi Wakaf Uang pada Sukuk Negara, BSI Siap Pasarkan Seri SWR 004*. Diambil kembali dari www.bankbsi.co.id:https://www.bankbsi.co.id/news-update/berita/jadi-mitra-distribusi-investasi-wakaf-uang-pada-sukuk-negara-bsi-siap-pasarkan-seri-swr-004
- Fauzi, M. H. (2019). The impact of trust in cash waqf contribution: a case study of wakaf Selangor muamalat (WSM) service of bank Muamalat Malaysia Berhad (BMMB). *International Journal of Business, Economics and Law*, 18(2), 1-10.
- Fauzia, I. Y. (2021). Waqf Crowdfunding for Financing the MSMEs: Evidence From ASEAN-3. In *Handbook of Research on Disruptive Innovation and Digital Transformation in Asia. IGI Global*, 37-49.
- Fauziah, N. N. (2021). An analysis of cash waqf linked sukuk for socially impactful sustainable projects in Indonesia. *Journal of Islamic Finance*, 10, 01-10.
- Fauziah, N. N. (2021). An analysis of cash waqf linked sukuk for socially impactful sustainable projects in Indonesia. . *Journal of Islamic Finance*, 10, 001-010.
- Hoexter, M. (1998). Waqf studies in the twentieth century: The state of the art. *Journal of the Economic and Social History of the Orient*, 41(4), 474-495.
- Junjuran, M. I. (2020). Pengaruh Transparansi, Akuntabilitas, dan GCG terhadap Tingkat Kepercayaan Muzakki di Lembaga Amil Zakat Dompot Amanah Umat. *Akuntansi: Jurnal Akuntansi Integratif* 6(2), 112–125.
- Kelvianto, I. &. (2018). Implementasi Prinsip-Prinsip Good Corporate Governance untuk Keberlanjutan Usaha Pada Perusahaan yang Bergerak di Bidang Manufaktur Pengolahan Kayu. . *AGORA*. 6 (2), 1-7 .
- Kuran, T. (2001). The provision of public goods under Islamic law: Origins, impact, and limitations of the waqf system. *Law and Society Review*, 841-898.
- Latifah, N. J. (2019). Analisis Penilaian Wakaf di Kuwait. ZISWAF. *Jurnal Zakat dan Wakaf*, 6 (1), 1-18.
- Napitupulu, R. M. (2021). Waqf Literacy of Generation Z in Indonesia. *Review of Islamic Economics and Finance (RIEF)*, 4(1), 9-17.

- Nastiti, H. M. (2022). An Analysis of factors Influencing The Decisions of Bekasi People to Endow Cash waqf. *Proceedings of the International Conference of Islamic Economics and Business (ICONIES) (Vol. 8, No. 1)*, (hal. 45-55). Malang.
- Pratiwi, A. (2016). Pengaruh Kualitas Penerapan Good Corporate Governance (GCG) terhadap Kinerja Keuangan pada Bank Umum Syariah di Indonesia (Periode 2010-2015). *Al Tijary Jurnal Ekonomi Dan Bisnis Islam*, 2(1), 55–76.
- Rahayu, R. D. (2020). Analisis implementasi Cash Waqf Linked Sukuk (CWLS) perspektif prinsip ekonomi syariah. *Management of Zakat and Waqf Journal (MAZAWA)*, 1(2), 145-161.
- Rahman, M. I. (2021). An Analysis of Cash Waqf Linked Sukuk (CWLS) Model as a Financing Instrument for Economic Recovery from Covid-19 Pandemic Impact. *Jurnal Bimas Islam*, 14(1), 77-102.
- Rahman, M. I. (2021). An Analysis of Cash Waqf Linked Sukuk (CWLS) Model as a Financing Instrument for Economic Recovery from Covid-19 Pandemic Impact. . *Jurnal Bimas Islam*, 14(1), 77-102.
- Shukor, S. d. (2016). Giving Behaviour: Who Donates Cash Waqf Malaysian. *Journal of Consumer and Family Economics*.
- Sukmana, R. (2020). Critical assessment of Islamic endowment funds (Waqf) literature: lesson for government and future directions. *Heliyon*, 6(10).
- TanUSDjaja, H. (2018). Keputusan Investasi Investor Individu Berdasarkan Kompetensi, Overconfidence, Dan Pendidikan. . *Jurnal Muara Ilmu Ekonomi Dan Bisnis*, 2(1), 234.
- Wati, E. N. (2022). Pemanfaatan Imbal Hasil Cash Waqf Linked Sukuk. *El Dinar*, 10(1), 69-84.
- Yaacob, H. P. (2015). Accountability through accounting and reporting lenses: Lessons from an awqaf institution in a Southeast Asia country. *Humanomics*, 25.
- Yasin, R. M. (2021). Cash Waqf Linked Sukuk: Issues, Challenges, and Future Direction in Indonesia. . *JEBIS: Jurnal Ekonomi dan Bisnis Islam*, 7(1).
- Yulianto, A. (2018). Pengaruh Literasi Keuangan Syariah Terhadap Keputusan Penggunaan Produk atau Layanan Lembaga Keuangan Syariah.
- Zeni, N. A. (2021). The Role of Governance in Analysing Waqf Performance. In Sustainable Finance, Digitalization and the Role of Technology. *Proceedings of The International Conference on Business and Technology* (hal. 3). ICBY.
- Zuhirsyan, M. &. (2021). Pengaruh Religiusitas, Persepsi Dan Motivasi Nasabah Terhadap Keputusan Memilih Perbankan Syariah. *JPS (Jurnal Perbankan Syariah)*, 2(2), 114–130.