

OPTIMIZATION OF CASH WAQF MANAGEMENT IN THE ISLAMIC ECONOMIC REVIEW

Eka Junila Saragih^{1*}

¹ Faculty of Islamic Economics and Business IAIN Pontianak

ABSTRACT

This study aims to examine the optimization of cash waqf management in which cash waqf is a productive waqf in developing the people's economy. In Indonesia, cash waqf that reaches trillions of rupiah has not been optimally managed or distributed to improve people's welfare. This research is a type of qualitative research using a literature review. Data collection is sourced from books, journals and laws and regulations. In Indonesia, cash waqf is still far behind other countries, including several neighboring countries in Southeast Asia. The waqf funds collected are around Rp. 831 billion from the potential waqf of Rp. 180 trillion annually. This is due to the lack of public understanding of cash waqf, not many nazirs who are skilled in managing productive waqf and there is no integrated system in the use of cash waqf. Seeing this phenomenon, cash waqf needs to be re-optimized so that the development of the waqf runs smoothly and in accordance with expectations. The government or Islamic financial institutions must socialize about cash waqf, build the reputation of professional waqf institutions, and build an independent and professional waqf system.

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* Corresponding Author; ekasaragih36@gmail.com

1. Introduction

Along with the times, the level of human needs has also increased while the level of the economy has not increased, moreover the last 2 years of the entire world of the world's Pandemi Covid-19 plague. This also has an impact in Indonesia in particular. To reduce the circulation of the Covid-19 virus outbreak the government made efforts to limit all community activities. Limited activity in the community hinders all activities so that it affects the economic system.

As it is known that Indonesia is a country with a majority muslim population. Islam is a religion that has a high sense of humanity, where adherents are ordered to carry out worship such as giving alms to others who aim to improve the welfare of the people. Islam also forbids a group of people to control or control economic activities. But on the contrary the activity must be carried out together to achieve prosperity as a collective goal. The prohibition aims to alleviate the powerlessness of some other members of society.(Widiastuti et al., 2022)

Therefore, to guarantee equity in society, Islam instruct its people to perform worship, one of which is with waqf. In addition to zakat, infaq, and alms, waqf is one of the instruments of social assets in Islamic economy. Waqf also has a component of worship in the form of helping others.(Chusma et al., 2022) The purpose and function of waqf is to determine the financial potential of waqf assets that can be utilized for worship and promoting public welfare.(Usanti et al., 2021)

The understanding and empowerment of Muslims towards waqf assets has experienced a significant paradigm shift and operational practice in recent years. At first, waqf was only understood for the use of mosques or mushallas. However, waqf began to expand to include various uses of goods or objects that have a positive impact on the economy. Meanwhile, at the practice level, productive utilization has begun to be developed and as a means of improving the economy such as for education, hospitals, supermarkets and so on. (Kasdi, 2017)

Although waqf has progressed, only a few people know what productive waqf is. This is due to the lack of socialization and support to the community, the lack of public trust in waqf institutions and the absence of an integrated system in the use of waqf which shows how changes in waqf performance in Indonesia. Therefore, it is necessary to measure waqf performance to monitor developments and increase public awareness of its management. (Sukmana et al., 2021)

Productive waqf can be interpreted as an waqf action that is able to produce continuously. Productive waqf is a strategy for managing waqf funds from the community by producing these funds so to be able to produce a sustainable surplus. The benefits of productive waqf are expected to be used according to their designation to support and finance the functions of the Social Services Waqf (Rahman, 2021). One example of a productive waqf that is developing at this time is waqf money. Seeing the development of waqf above, the author is interested in discussing how to optimize waqf money in Islamic economics.

2. Research methods

The research used in this study was qualitative research. To complete this research, researchers use the review literature approach. Literature studies can be understood as reading, recording, and transforming data from books, journals, previous research, or websites into research material. In this case, researchers collect data from journals, books, and legislation.

3. Discussion

1. Definition of Waqf

The author will explain in advance what waqf is before discussing what is productive waqf. Waqf (الوقف) derived from the basic words of Arabic (وقف) which means to hold, stop, stay in place or stand. The word *waqafa-yaqifu-waqfan* is the word *habasa-yahbisu-tahbisana* (الحبس عن التصرف) which means it cannot be used. In Arabic, the word "waqf" contains meaning (الوقف بمعنى التحبب للتسبيل) which means to hold wealth to be represented, not moved (Mujahidin, 2021).

In defining waqf, there are differences between the scholars. Various views about waqf according to the term namely (Najah, 2022) :

- a. Abu Hanifah said that waqf was to hold an object that according to law remains the property of Wakif and its benefits are used for good. Based on this definition, the waqf property remains the property of Wakif and he can withdraw and may sell it. If the wakif dies, the treasure is inherited for his heirs. Therefore, waqf only produces benefits. According to the Hanafi school, waqf means not doing an act of an object that has been determined as a property by representing its benefits to the (social) party that is generous.
- b. The Maliki School said that waqf did not eliminate the ownership of waqif on endowment property. However, waqf can prevent waqif from taking actions that will divert ownership to others, and Wakif is obliged to provide benefits and the wakif is obliged to provide benefits and may not withdraw the waqf. In other words, the owner of the property holds the item is used for good purposes which means only providing reasonable benefits as long as it remains the property of Wakif. Because waqf only applies for a certain time, the waqf cannot be demanded forever.
- c. The Syafi'i school and Ahmad bin Hambal said that waqf was the process of releasing waqf assets from the waqf assets after following the procedure of the representation. Wakif should not change the property represented, such as the treatment of the owner by giving property rights to others, whether exchanged or not. Waqf, according to the Syafi'i school, does not provide benefits for an object that belongs to God.

Meanwhile, according to the waqf law, waqf is a legal act carried out by a party to separate or submit some of his assets or wealth to be used forever or for a certain period of time for the purposes of worship or public welfare according to Islamic law (Media, 2012).

From some of the definitions above, it can be concluded that waqf is to hold assets that can be utilized by Wakif both directly and indirectly and at the same time it has changed the management of assets into an investment aimed at increasing the amount of productive assets that can be used for the benefit of the community. Therefore waqf is an activity that is in accordance with the goals of waqf which includes an element of future investment and develops productive assets for the future in the form of benefits, services and other uses.

Regarding the legal basis of waqf, in general there is no verses of the Qur'an which clearly explains the concept of waqf clearly. Because waqf includes *infaq fii sabilillah*, the basis used by the scholars in explaining the concept of this waqf is based on the verses of the Qur'an which explains *infaq fii sabilillah*. (Najah, 2022). The verses are:

surah al-baqarah verse 261

مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أَنْبَتَتْ سَبْعَ سَنَابِلٍ فِي كُلِّ سُنْبُلَةٍ مِائَةٌ حَبَّةٌ وَاللَّهُ يُضْعِفُ لِمَنْ يَشَاءُ وَاللَّهُ وَسِيعٌ عَلِيمٌ

Meaning: The parable (a living issued by) the people who spend their wealth in the way of Allah are similar to a seed that grows seven grains, in each grain of one hundred seeds. God is multiplied (rewarded) for who he wants. And Allah is the vast (His gift) again knows.

Ali-Imran verse 92

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ ۚ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ

Meaning: You do not reach the virtue once in a while, before you set up some of the property you love. And whatever you have to have, then Allah knows It

The verse explains about the suggestion to make the assets obtained to get reward and kindness. In Surah al-Baqarah verse 261 has mentioned the multiple reward will be obtained.

2. Productive Waqf

What is meant by "productive waqf" is a transaction that requires a profit or surplus. As a result, Nazir must innovate in production activities to increase productivity and channel the results to those entitled to waqf assets. Various kinds of production included in productive waqf, such as trade, agriculture, industry, livestock, and services (Syafi'i, 2020).

Basically waqf is productive in the sense that it must produce because waqf can meet its purpose if the results can be utilized. Umar bin Khattab was the first person to practice productive waqf where he represented a fertile garden in Khaibar and the garden was then managed. The results of the garden are distributed to the community. Law No. 41 of 2004 divides waqf assets into two namely waqf property moving and not moving. Movable goods include stocks, metals and money, while immovable goods include land and buildings.

The productive waqf which was pioneered by the Indonesian Waqf Agency (BWI), which is in the form of the collection of economic assets with economic value and the launching of the National Waqf Money Movement by the President of the Republic of Indonesia on January 8, 2010. In addition will be developed, and the results will be used to fulfill its designation. There are two types of productive waqf, namely waqf money and cash waqf. Waqf Money is an endowment carried out by individuals, groups, institutions or legal entities. While the waqf of cash, namely the delivery of waqf property in the form that is frozen and cannot be transferred for the benefit of the general public.

3. Cah Waqf

Waqf Money is one type of waqf given to Nadzir in cash by a wakif. According to the Fatwa Commission of the Indonesian Ulema Council Waqf Money is to hold assets that can be used without objects or mainly by carrying out legal actions against the object disappearing the object or the point by taking legal action against the object (selling, giving, or inheriting it), to be distributed (the result) on something that is changed (not haram).

Waqf Money is one of the ijthad in the field of expanding Islamic economic potential. Based on Atsar Abdullah bin Mas'ud, scholars like the Hanafi school allow waqf in the form of dinars and dirhams. Through MUI Fatwa No.11 of 2002, the development of waqf is more adaptive and easier to use for the economic interests of the people. In 2004, Law No.41 of 2004 concerning Waqf was promulgated as a legal umbrella for waqf practices in Indonesia, especially in this case the money endowed through Islamic financial institutions (Sulistiani, 2022).

Waqf money is known as cash waqf. Cash waqf is a translation of cash waqf which is a term popularized by M.A. Mannan with a cash waqf certificate model in Bangladesh. The terminology of money waqf is not uniform between the legislation which is legally established in the regulation of money waqf in the community.

According to Islamic history, cash waqf has been practiced since the beginning of the second century Hijri and also during the Mamluk and Ottoman dynasties during the Ottoman period. In 1925, waqf assets covered $\frac{3}{4}$ of the area of productive land. Cash waqf was originally a strange issue and was debated among classical scholars. The dispute arose as a result of the community's tradition in general which only focuses on leasing waqf assets and fixed assets. Al-Ansari explained that in this case, they invested their funds mudharabah and then shared the profits as waqf.

Seeing the popularity of cash waqf in the early days of Islam, it is not surprising that the discussion of the legal basis for cash waqf is not found in classical books. In fact, waqf is understood in classic fiqh. However, over time, cash waqf also received legal legitimacy. At least, the following describes the basis for the permissibility of cash waqf. These sources consist of verses of the Qur'an, Hadith, and the opinions of the cleric.

4. Optimization of Cash Waqf in Islamic Economics

Cash waqf is one way to make waqf more productive. If cash waqf is managed and empowered by an institution in a professional manner it will help the economic welfare of the community, uphold people's rights and reduce poverty. Although waqf contributes to solutions to community economic problems, concrete efforts are needed so that waqf resources can be utilized by the whole community.

The effort are as follows (Witjaksono, 2019) :

- a. Fundraising methods (fundraising), namely how the cash waqf is mobilized.
- b. The orientation in managing the funds that was collected was how the management is able to provide the maximum possible results (income generating orientation).
- c. In distributing waqf results, what must be considered is the purpose or direction of the distribution. It could be in the form of charity, empowerment, human investment, or infrastructure investment.

Because it is still relatively new, the community still does not understand about cash waqf, there are not many professional nazirs in managing productive waqf and there is no integrated system for implementing cash waqf. In Indonesia, cash waqf is still far behind other countries, including several neighboring countries in Southeast Asia. The waqf funds collected around Rp. 831 billion of the potential waqf of Rp. 80 trillion annually.

Lack of literacy and education is the cause of the poor waqf in Indonesia. Even though the cash waqf Movement (GWNNU) was declared by President Jokowi at the State Palace on January 21, 2021. This literacy is very important because people's understanding of waqf so far has only focused on immovable objects and is only related to religious institutions such as places of worship, cemeteries, and school. In addition to the factors mentioned above, namely the lack of public trust in the waqf management institutions and the unprofessionalism of waqf management institutions.

Cash waqf does not work as it should because there are still many people who do not know it, even though in Indonesia itself has a majority Muslim population. According to Vice President Ma'ruf Amin, the collection of cash waqf is still far from the realization of his maximum potential. It has been recorded that the collection of cash waqf has reached IDR 1.4 trillion throughout 2022. It still far from the potential of national waqf funds which reached Rp.180 trillion. Ma'ruf stated that the achievement of cash waqf in 2022 was greater than before. He said that the waqf collected was only Rp. 855 billion from 2018 to 2021.

Various waqf institutions that have recently emerged in Indonesia, such as the National Cash Waqf Movement (GWNNU), have actually demonstrated efforts to optimize waqf. In

addition, the government issued Government Regulation Number 42 of 2006 which regulates the management of cash waqf in connection with the implementation of Law Number 41 of 2004 concerning Waqf.

The Minister of Religion of the Republic of Indonesia has appointed 12 Islamic banks associated with Islamic Financial Institution Receiving cash Waqf (LKS-PWU). The Islamic banks include Mandiri Syariah Bank, BNI Syariah Bank, Muamalat Bank, DKI Sharia Bank, Mega Syariah Bank, Syariah BTN Bank, Bukopin Syariah Bank, Jogja Syariah Regional Development Bank (BPD), Regional Development Bank (BPD) Kalimantan West Syariah, Central Java Syariah, Riau Syariah, and Regional Development Bank (BPD) of the Syariah East Java (Zainul et al., 2022).

Talking about the optimization of the development of waqf in Indonesia, certainly cannot be separated from the main strategies that supports this optimization to run well and in accordance with expectations. There are several steps that can be taken as part of the waqf development process in Indonesia. The steps are:

- a. Optimization of Waqf Socialization. It is important to realize that waqf requires deeper socialization. It should be recognized that on the one hand, public awareness of waqf continues to increase from time to time. But there is a significant gap between the potential of waqf and the realization of its collection. Therefore, socialization is an absolute necessity.
- b. Building the image of professional and trustworthy waqf institutions. This is very important to do considering that there is currently a crisis of trust between other people. Building this trust is very important. A strong and good image will lead the people who are categorized as muzakki to want to channel their waqf funds through Nazhir. Conversely, poor imaging will only result in the low participation of muzakki to distribute funds through institutions. Thus Nazhir's imaging is a very strategic thing.
- c. Accountability, transparency and corporate culture are three main factors that influence the credibility and professionalism of the organization.
- d. Building human resources who are ready to fight in developing waqf in Indonesia.
- e. Improve and perfect the rules of regulation regarding waqf in Indonesia.
- f. Creating standardization of work mechanisms for waqf institutions.
- g. Strengthening synergy and ta'awun between waqf institutions. This synergy is expected to further increase the collection and application of waqf for the benefit of Nazhir.
- h. Build a professional and independent waqf system.

4. Kesimpulan

Waqf is one of the finance that is believed to have the potential for the welfare of society. Many countries have used waqf to assist programs aimed at public welfare. The government has begun to call for the development of cash waqf followed by the ratification of the Waqf Law, Government Regulation and Fatwa of the Indonesian Ulema Council (MUI).

Judging from its potential, cash waqf should be an additional means for the welfare of the community in various fields, including education, health, community economic empowerment, and others. However, there are still many obstacles encountered so that cash waqf cannot function optimally as expected, including related to public awareness for waqf, lack of socialization and lack of public understanding of cash waqf.

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