

DESCRIPTION OF MONEY WAQF PROGRAM MANAGEMENT IN INDONESIA

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ABSTRACT. *This study aims to discuss the description of cash waqf management in Indonesia, from regulations to concepts and strategies for developing cash waqf in Indonesia. This type of research uses a qualitative descriptive method using literature study data. The result of this research is that the implementation of regulations on cash waqf management institutions has been stated in Law number 41 of 2004, part 10, article 28 and Government Regulation (PP) Number 25 of 2018 and Regulation of the Indonesian Waqf Board (BWI) Number 20 of 2020. As for the concepts and strategies that must be carried out by nadzir waqf money, it is regulated that they must pay attention to 2 aspects. First, the security aspect, the second aspect of usability. Problems in managing cash waqf include the large number of nadzir cash waqf which is not transparent and accountability. The finding of cash waqf so that the potential and realization of cash waqf in Indonesia is still not as expected.*

Keywords: *Portrait of Waqf, Money Waqf, Waqf Management*

1. INTRODUCTION

Waqf is an instrument for empowering community assets that are typical in Islamic teachings, which is not found in other socio-economic systems. The discussion of waqf will go hand in hand with the discussion of Islamic history itself. Because, since the beginning of da'wah at the time of the Prophet Muhammad in Medina, waqf has played an important role in helping to encourage progress not only in social and economic problems but also in the development of the cultural civilization of its people. So it is not surprising that during the heyday of Islam, waqf also achieved its glory. Although the management is still very simple.

Along with the times, waqf is now experiencing very rapid development. Including in the form of management. Whereas previously waqf was only limited to giving immovable physical objects, in the form of land for places of worship such as mosques, prayer rooms, and educational facilities, the latest now is the provision of waqf for movable objects in the form of cash, shares, and documents. valuable (Triwibono & Yulianti, 2017).

Therefore, based on data from the Ministry of Religion in October 2017 the number of waqf lands in Indonesia was in 327,722 locations with an area of 48,855.29 Ha. In 2018 as of January, the number of waqf lands in Indonesia

was at 333,741 locations with an area of 49,420.95 Ha. The same thing was also conveyed by Nuh (2019) that BWI recorded waqf assets per year reaching Rp. 2000 trillion with an area of waqf land reaching 420,000 hectares. Furthermore, Nuh (2019) explained that the potential for cash waqf reached Rp. 188 trillion per year and the realization in 2019 reached Rp. 400 billion. This is indicated by the increasing number of financial institutions that become *nadzir of waqf cash* in Indonesia. As of August 2019, the number of *nadzir cash waqf* registered in BWI was 201 institutions.

In the midst of such complex community problems, now waqf is certainly expected to be one of the pioneers of solutions to improve the community's economy, especially in Indonesia. So that every study and innovation of this waqf instrument, especially in helping to alleviate poverty, becomes very important. Likewise, research on the mechanism as a whole needs serious attention. The Ministry of Religion in this case through the Directorate of Zakat and Waqf Development has also encouraged socialization to the public regarding the definition of the waqf concept so that it has a more relevant meaning to the real conditions of community welfare issues (Bayinah, 2010).

The National Money Waqf Movement (GNWU) which was launched by the President of the Republic of Indonesia as well as the Chairman of the National Committee for Sharia Economy and Finance (KNEKS) Joko Widodo on January 25, 2021, is a form of government commitment that KNEKS is present as a national coordinator to drive the sharia economy and finance.

Head of the Sharia Social Fund Division of KNEKS Urip Budiarto said the potential for cash waqf is very large because the majority of the Indonesian population is Muslim. Based on data from the Indonesian Waqf Agency (BWI), the potential for cash waqf in Indonesia reaches IDR 180 trillion. However, the realization of collecting cash waqf until January 20, 2021, has only reached Rp 819.36 billion from 92 Nazhir in 264 institutions registered with BWI.

"With the inauguration of the GNWU, it is hoped that it will be a momentum to accelerate the strengthening of literacy, participation, and the usefulness of cash waqf as well as strengthen a sense of concern and social solidarity to overcome poverty and social inequality in the country." (Urip, 2020), however, with a fairly large waqf potential, not all waqf potential can be realized properly because the waqf management institution is not able to collect the waqf potential. If we compare the conditions between potential and realization, there is an imbalance. This shows that waqf management institutions are not optimal in collecting cash waqf in Indonesia (Yuliafitri & Rivaldi, 2017)

2. LITERATURE REVIEW

2.1 The Definition of Cash Waqf

From the beginning, discussions about waqf were often directed at the

waqf of immovable objects such as land, buildings, trees for their fruit, and wells for their water, while the waqf of movable objects only surfaced recently (Iman & Mohammad, 2017).

Cash waqf is waqf carried out by a person, group of people, and institutions or legal entities in the form of cash, including in the sense that money is securities. Abu As-Su'ud Muhammad in *Risalatul fi Jawazi Waqfi An-Nuqud* (1997) said that among the waqf of movable objects that has been discussed recently is waqf known as *cash waqf*. *Wakaf Tunai* is translated as cash waqf, but if you look at the object of the waqf, namely money. Therefore, it is more appropriate if *wakaf tunai* is translated as *cash waqf* (Directorate of Waqf Empowerment, Director General of Bimas, 2007: 3).

Cash waqf is waqf carried out by a person, group of people, and institutions or legal entities in the form of cash. The law of cash waqf has become the concern of the *fuqaha'* (Islamic jurist). Some sources state that cash waqf has been practiced by people who adhere to the Hanafi school (Santoso, 2017).

2.2 Law Cash Waqf According to Ulama

There are differences of opinion regarding the legal issue of cash waqf. Cash waqf has been practiced since the second century Hijriyah. Imam Bukhari in his book "*Sahih Bukhari*" narrates an *atsar* (sayings of the Companions) from Imam az-Zuhri (died 124 H), that he gave a fatwa for waqf with Dinar and Dirham and allowed the endowment of Dinar and Dirham (both are the currency in force at the time that), by making the dinars and dirhams as business capital (trade), then distributing the profits as waqf Qohaf (2007) so that they can be used as a means of development, da'wah, social and education for Muslims (Sahroni & Karim, 2015).

He gave an example by lending ten dinars to a merchant and the proceeds were given to the poor. This waqf was later developed into a profit-sharing business in Western and Eastern Islamic countries until the end of the Ottoman Empire (Qahaf, 2007).

Zuhaili (1997) also revealed that the Hanafi school allows cash waqf as an exception, based on *Istihsan bi al-'Urfi*, because many people have done it. The Hanafi school believes that the law established by *'Urf* (customs) has the same power as the law established by the *texts*. The way to do cash waqf according to the Hanafi school is to make business capital with a system *mudarabah*, while the profits are donated or used for benefit.

2.3 Legal Basis of Waqf

1. Al-Quran

In the Qur'an, there is no discussion that specifically discusses waqf, but through an understanding of the text of the verse and also the Sunnah in particular which explains one verse about *infaq fi sabilillah*, among others:

a. Surah Al-Baqarah verse (2) verse 261

means: "The *parable* (of income issued by) those who spend their

wealth in the way of Allah is like that of a seed that grows seven ears, in each ear a hundred seeds. Allah multiplies (rewards) for whom He wills. And Allah is Extensive (His bounty) and All-Knowing.”

b. Surah Al-Baqarah verse (2) verse 267

means: *“O you who believe, spend (in the way of Allah) part of the results of your good efforts and part of what We remove from the earth for you. And do not choose the bad ones and then spend from them, even though you yourself do not want to take them except by squinting at them. And know that Allah is Rich, Praiseworthy”.*

c. Surah Ali Imran (3) verse 92

means: *“You will never reach the (perfect) virtue, before you spend part of the wealth you love. And whatever you spend, then verily Allah knows it.”*

2. Hadith of

Imam Ibn Hajar Al-Atsqalani (1998):

a. Muslim Hadith from Abu Hurairah ra, (as

narrated by al-Tirmidhi, al-Nasa'i, and Abu Daud) as follows:

Meaning: *“When a person dies, his deeds(reward) are cut off except for three things, namely alms Jariyah (waqf), knowledge that is used, or a pious child who prays for him.”*

b. Hadith History Bukhari Muslim

Meaning: *“Umar got land in Khaibar, then he asked the Prophet by saying: O Messenger of Allah, I have acquired land in Khaibar whose value is high and I have never obtained a higher value than it. What did you command me to do? The Prophet said: “If you want, hold on to the source and give alms benefit or benefit.” Then Umar gave it as a charity, it cannot be sold, given, or made an inheritance. Umar gave alms to the poor, to families, freeing slaves, people who fight in the cause of Allah, travelers, and guests. However, it may be used in a way that is suitable for those who take care of it, such as eating or feeding relatives without making it a source of income.”*

c. Hadith narrated by Ibn Majah

Meaning: *“Among the deeds that a person will follow after his death is the knowledge he spreads, the righteous children he leaves behind, the manuscripts he inherits, the mosque he builds, houses for people who are on the way he builds, rivers that flow, alms from his wealth when he is healthy and his life span that will follow him after his death”.*

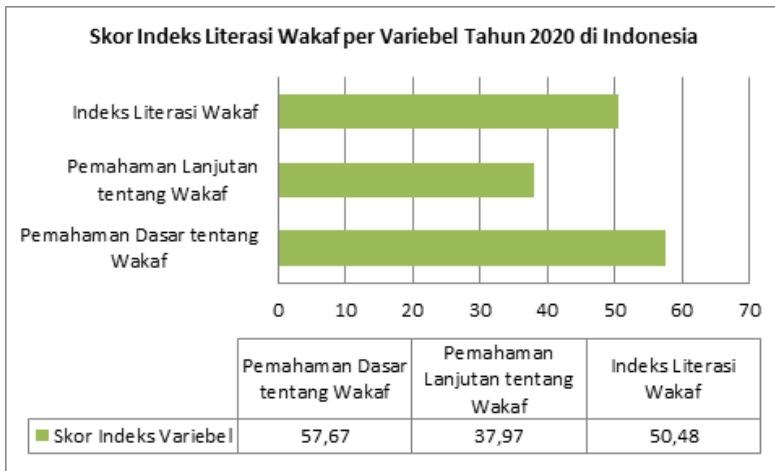
3. RESEARCH METHODOLOGY

The research method used is a qualitative descriptive writing method, in which the researcher aims to describe the characteristics or picture and there ation actually concerns the object of research and then analyzed qualitatively. The data used in this study is secondary data obtained from various sources, namely library literature such as books, journals, newspapers, *E-Books* and so on.

4. ANALYSIS AND DISCUSSION

4.1 Regulations on the Management of Cash Waqf in Indonesia

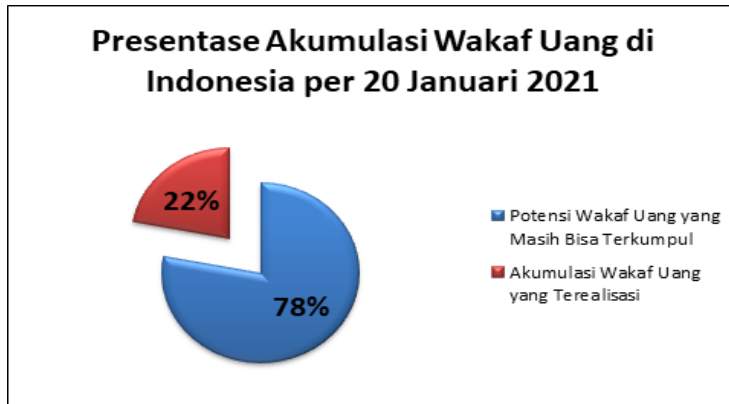
So far, waqf is still understood by the public only in the form of owned land waqf as regulated in Government Regulation No. 28/1977 on Land-Owned Waqf. For more than 20 years, Yang has made a paradigm in society into a culture for them. so that when the Indonesian Ulama Council (MUI) fatwa was issued in 2002 which contained the permission for waqf other than land, or in the form of cash waqf, so that the transformation of the community was still very minimal, and the need for better education for the community, so that the potential for waqf This money can be optimized properly and maximally.



(Source: Indonesian Waqf Literacy Index Report, Indonesian Waqf Agency 2020).

There were 3,200 respondents from 32 provinces in Indonesia (100 respondents per province) with an age range of 17-45 years. Although it looks satisfactory, the score is still very low according to the assessment of the Indonesian Waqf Board (BWI). It is said that the country with the highest Muslim majority in the world has a low level of knowledge about the philanthropy of its religion.

Therefore, rooted in this issue, the President of the Republic of Indonesia, Joko Widodo, launched the National Money Waqf Movement (GNWU) on Monday, January 25, 2021. He hopes that with the launch of GNWU, it can realize the utopia of the people, namely increasing equitable development and reducing social inequality in society.



(Source: Indonesian Waqf Board 2021)

On the other hand, BWI as the regulator has issued a regulation regarding *guidelines for the management and development of movable property*, especially in the form of money, through the Indonesian Waqf Agency regulation Number 1 of 2009. This regulation is intended to be a reference in the management of waqf for *nadzir* in Indonesia.

4.2 Concept and Strategy for Development of Cash Waqf

In a study conducted by Beik (2005), among examples of the implementation of cash waqf that have proven results are *Islamic Relief* (an organization that manages cash waqf funds based in the UK) can collect cash waqf every year no less than from 30 million pounds, or almost Rp 600 billion, by issuing cash waqf certificates worth 890 pounds per share. The cash waqf funds are then managed in a trustworthy and professional manner and distributed to more than 5 million people in 25 countries (Dumper, 1999).

Even in Bosnia, cash waqf distributed by *Islamic Relief* was able to create jobs for more than 7,000 people through the program *Income Generation Waqf*. This shows that cash waqf is very significant in helping poverty alleviation efforts (Beik, 2005).

In fact, cash waqf is still not widely known to the public but learning from experiences in various Muslim countries that have been successful in managing cash waqf such as Egypt, Morocco, Kuwait, Turkey, Qatar, and others, it is time for Indonesian Muslims. formulate concepts and strategies for intensive and optimal cash waqf management and development (Nasution, 2016).

Economically, cash waqf has the potential to be developed in Indonesia, because with this model and concept of cash waqf, the range of mobilization will be more evenly distributed to the target community in need compared to the traditional – conventional waqf concept, namely in the form of physical assets which are usually carried out by families who are able and being (Donna, 2007).

4.3 A Portrait of Cash Waqf Management in Indonesia

Waqf in the form of cash has actually been known since the time of the Mamluks. However, lately, it has become the subject of intensive study again, especially in Indonesia as well as a challenge to manage waqf funds as an investment instrument. The management of waqf funds as an investment instrument becomes attractive, because the benefits of such investment in the form of investment profits will be enjoyed by people everywhere (both local, regional and international) Referring to the exposure of the concepts and principles of waqf that have been stated in the previous chapter, clearly It can be outlined that the purpose of waqf is to provide as many benefits (goods) as possible to the wider community on an ongoing basis. This is done with the limitation of *holding back the principal and donating the results*.

Therefore, to achieve the purpose of providing waqf, the pattern of empowerment of waqf assets needs to be reviewed in more depth in order to avoid the use of which is actually counterproductive to the purpose of waqf, and even becomes a burden on the public because the cost of maintaining waqf assets is so large, as is often the case today.

In response to this, the Ministry of Religion of the Republic of Indonesia under the Directorate of Waqf Empowerment in (2013) as a representative of the government who has a big role and influence in the utilization of waqf assets in Indonesia, has issued a book "*Guidelines in the management and development of waqf*" with the aim that the potential and resources The power of waqf assets in Indonesia can grow rapidly and play a significant role in the midst of society which is currently being squeezed by a number of complicated problems such as poverty, unemployment, health problems and also low levels of education

5. CONCLUSION

From the research above, it can be concluded that the management of waqf in general and in particular cash waqf is a very important thing, considering the enormous potential of waqf in Indonesia. This cash waqf can be a strategy to optimize the collection of waqf, especially for movable objects in the form of money. So that the role of waqf can be felt optimally by all levels of society.

The application of professional, transparent, and accountable waqf management is the key to the success of waqf management, this is because the funds collected from cash waqf involve the wakif (who are waqf) thus management must pay attention to *public trust* in order to create a *nazdir* waqf institution that is expected by the people of Indonesia.

Based on the conclusions described above and the characteristics of waqf, it is now time for all components of society to pay great attention to restoring the existence of waqf through good governance following its objectives which directs its use for the benefit of the people at large. Especially

when we look at the huge potential of waqf.

Seeing the role of the nazhir if this potential can be utilized as well as possible, it is hoped that the role of waqf in helping to reduce social problems such as poverty can be realized immediately.

For waqf management institutions (nadzhir) as institutions that receive the mandate of waqf asset management, especially waqf of movable objects (money waqf and through money), *nadzir* is expected to increase its ability to manage waqf in a trustworthy manner and can be more productive and efficient for the benefit of the community. Not only investment capability in the real sector in the form of direct investment, but also the ability to see opportunities and manage investment portfolios in the monetary sector. So that the management of waqf funds is more developed and the results are more optimal.

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