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Cash Waqf in Sustaining Of Indonesian Society “In Legal & Economic Perspective”

Sukami*

Abstract
This article aims to make an overview on the rule and significance of cash waqf (waqf al-nuqūd) in Indonesia as a new social tool to alleviate poverty. The author highlights that Cash waqf is introduced as a new concept of waqf to solve many social problems in Muslim society of Indonesia. The qualitative methodology is employed to analyze the issues and development of cash waqf in Indonesia. Findings indicate that the cash waqf has been legalized by both Islamic scholar and national law of Indonesia so that Muslims have a chance to maximize the utilization of their waqf through a well-organized endowment and waqf organization.

Keywords: Waqf, Endowment, Law, Economic, Indonesia

Introduction
Amid the social problems of Indonesian society and the demand for economic prosperity in recent years, the existence of money or cash waqf has become very strategic. Besides as one aspect of Islamic teachings that have spiritual dimension, cash waqf is also a teaching that emphasizes the importance of economic welfare (social dimension) and welfare of the people.¹

The term of cash waqf is not so familiar in the Indonesian society. It can be seen from the understanding of Indonesian people who perceive waqf only limited to the provision of immovable property, such as land and buildings destined for places of worship, graves, boarding schools, orphanages and education only. Utilization of waqf objects still revolves

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¹ Directorate of Waqf Empowerment and Directorate General of Islamic Community Guidance, New Waqf Paradigm in Indonesia, (Jakarta: February, 2008) at 1.
around things that are physical, so as not to give a significant economic impact on the welfare of the community. The number of waqf possessions that exist in Indonesian society has not been able to overcome the problem of poverty.²

Yet moveable objects, like money for example, is essentially also one of the forms of waqf instruments that are allowed in Islam. Currently among the public began to appear the term cash waqf pioneered by M. A. Mannan, an economist who came from Bangladesh. Cash waqf is seen as one of the solutions that can make waqf more productive. If the cash waqf can be managed and empowered by an institution professionally, it will be very helpful in prospering the economy of the people, fulfilling the rights of the community, and reducing the suffering of society.³

Effective management of cash waqf for the welfare of society is an inevitable demand. Especially in this time Indonesia experienced an economic crisis that requires the participation of many parties. The birth of the Law of the Republic of Indonesia No. 41 of 2004 on Waqf directed to empower waqf which is one of the instruments in building the socio-economic life of Muslims. The presence of Waqf Law is a momentum of waqf empowerment productively, because it contains a comprehensive understanding and management pattern of potential empowerment of waqf in a modern way.

Law of the Republic of Indonesia No. 41 of 2004 on Waqf covers immovable and movable property, including waqf of money (Cash Waqf) which is very wide use, not limited to the establishment of places of worship and social religious. Such a legal formulation, obviously a very revolutionary change and if it can be realized will have a multiplier effect, especially in relation to the economic empowerment of Muslims.⁴

However, the effort in that direction is definitely not an easy task. Indonesian Muslims for hundreds of years have already identified waqf with (in the form of) land, and movable objects of a long lasting nature. Thus, Law No. 41 of 2004 on Waqf is projected as a means of social engineering, making changes in thoughts, attitudes and behavior of

³ Farid Wadjdy, Endowments and Welfare of the Ummah (Nearly forgotten Islamic Philanthropy), (Yogyakarta: Student Literature, 2008) at 79.
⁴ Ibid.
Muslims to breathe with the spirit of the Act.6, one of the new regulations in the Waqf Act is Endowment Money. This paper will discuss The Cash Waqf In The Law & Economic Perspective.5

**Overview of Cash Waqf**

In general, there is no Qur'anic verse that describes the concept of waqf in textual concrete. Endowments include *infāq fī sabīl li allāh*, then the basis used by scholars in explaining the concept of waqf is based on the announcement of the verses of the Qur'an that explain about *infāq fī sabīl li allāh*. Among the verses are:

"O ye who believe! Spend (in the way of Allah) some of your good deeds and part of what We have brought forth from the earth for you. And choose not what is bad, and spend of it, but ye will not take it save by blind eye. And know that Allah is Rich, Worthy of all praise."6

Ḥadīth narrated by Muslim (d. 875) from Ibn 'Umar (d. 693):

"That Umar bin al Khaṭṭāb r.a. acquiring land in Khaybar, then he came to the Prophet S.A. to ask for guidance on the land. He said, "O Messenger of Allah, I have acquired land in Khaybar that I have never acquired a better treasure for me than the land; what do you command me about it? The Prophet S.A.W replied: "If you want, you hold the point and you make the result. Ibn Umar said, "So, 'Umar donates the land, requiring that the land is not sold, not given, and not inherited. He provided the result to fuqarā', relatives, riqābs, sabīl li allāh, ibn al-sabīl, and guests. It is innocent of the people who manage it to eat from the produce in ma'rūf and feed others."7

The scholars of the Shāfi‘iyyah have also approved the existence of cash *waqf*, this is explained in the narrations of Imām al-Shāfi‘ī (d. 820):8

"Abu Thawr narrated from Imām al-Shāfi‘ī about permissibility of *waqf* dinar and dirham (Money)".

The Indonesian Ulama Council (MUI) also allows cash *waqf*.

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7 Imām Muslim, *Ṣaḥīh Muslim* (Bandung: Dahlan, 2001).
MUI’s *Fatwa* was issued on May 11, 2002. At that time MUI’s *Fatwa* Commissions also formulated the definition of *waqf*, namely:

"**Pressing treasures that can be utilized without the vanishing of his or her sources. Through not doing any illegal action against the object (selling, giving, or passing it), to be channeled (the result) to something legal existing**".\(^9\)

In the history of Islam, *waqf* is known since the time of Prophet Muḥammad (pbuh) because *waqf* is prescribed in the second year of Hijriyyah. There are two opinions that have developed among the jurisprudents of Islam (fuqahā’) about who was the first to implement the *Sharī‘ah*. According to some scholars it is said that the first to perform *waqf* is Prophet Muḥammad (d. 632) whose property was used to build a mosque. Some scholars claim that the first practice of *waqf* is ‘Umar bin al-Khaṭṭāb (d. 644). This opinion is based on the *ḥadīth* narrated by Ibn Umar (d. 693), as mentioned above.\(^10\)

The *waqf* practice also expanded during the Umayyad Dynasty and the Abbasid Dynasty and subsequent dynasties, many people flocked to execute *waqf*, and *waqf* not only for the poor and poor, but *waqf* became the capital to build educational institutions, build libraries and paying staff salaries, teachers’ salaries and scholarships for students. The enthusiasm of the community on the implementation of *waqf* has attracted the attention of the state to regulate the management of *waqf* as a sector to build the social and economic solidarity of society.\(^11\)

In Indonesia, *waqf* activities are well known in line with the development of Islamic *da‘wah* in Indonesia. Besides practicing Islamic propaganda, the scholars also introduced the teachings of *waqf*. This is evident from the many historic mosques built on the land of *waqf*. This *waqf* teaching continues to flourish in Indonesia, both during pre-colonial preaching, colonial periods, and post-colonial periods in Indonesia.

This is evident from the fact that the institution of *waqf* originating from this Islamic religion has been accepted (perceived) into the

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\(^9\) Decision of the MUI’s *Fatwa* Commission issued on May 11, 2002, signed by K.H. Maruf Amin (as chairman) and Hasanuddin. (As secretary).

\(^10\) Mustafa Edwin Nasution and Uswatun Hasanah (Editor), *Waqf of Islamic Financial Innovation, Opportunities and Challenges in Achieving the Welfare of the People* (Jakarta: PKTTI-UI, 2005), at 4344.

\(^11\) Ibid., at 6.
customary law of the nation of Indonesia itself. The period of colonial rule was the momentum of *waqf* activity. Because at that time, the development of religious organizations, schools, *madrasah*, boarding schools, mosques, were all self-reliant and stood on the land of *waqf*. However, the development of *waqf* later does not change significantly. *Waqf* activities are limited to religious activities, such as the construction of mosques, *muṣallā*, *madrasah*, cemeteries, so that *waqf* activities in Indonesia are less economically beneficial to the people.\(^{12}\)

Although some rules have been made by the government related to the mechanism of *waqf*, such as PP No. 28 of 1977 on Ownership of the Land, but this rules only regulates the *waqf* of land only. This means not much different from the *waqf* model in the early period, synonymous with the *waqf* of land, and it is also limited to religious social activities, such as mosques, graves, traditional religious school (*madrasah*), and others.

Because of the lack of regulation that regulates the *waqf*, it is not surprising if the development of *waqf* in Indonesia stagnated. The stagnation of the development of *waqf* in Indonesia began to show its dynamism in 2001, some Islamic economics practitioners began to make a new paradigm shift into the Indonesian society about the new concept of cash *waqf* management for the improvement of the welfare of the *ummah*. Apparently the concept is interesting and able to provide energy to move the stagnation of the development of *waqf*. Moreover, in 2002, the Indonesian Ulama Council (MUI) welcomed the concept by issuing a ruling (*Fatwa*) allowing Cash *Waqf* (*Waqf al-Nuqūd*) to be used.\(^{13}\)

The MUI’s *Fatwa* was then reinforced by the presence of Law No. 41 of 2004 about *Waqf* stating that *waqf* is not only immovable objects, but also movable object, like money. In addition, the regulated *waqf* policy in Indonesia, ranging from the formation of *nadžir* (manager) to the management of *waqf* property. In order to carry out its function, this Law still requires other tools, namely Government Regulation and Minister of Religious Regulation concerning *Waqf* of Money which will be the operational guideline in implementation, and the existence of Indonesian *Waqf* Institution (BWI) which will serve as central *nadžir* of *waqf*. After going through a long process, at the end of 2006 issued

\(^{12}\) *Ibid.*, at 8.

\(^{13}\) Directorate of Wakaf Empowerment and Directorate General of Islamic Community Guidance, *Guidance on Management of Endowments of Money*, (Jakarta, 2008), at 72.
Government Regulation No. 42 of 2006 On the Implementation of Waqf. After that, in July 2007 promulgated the law of Presidential Decree of the Republic of Indonesia No. 75 of 2007 which decided and raised the membership of BWI period 2007-2010.\textsuperscript{14}

In addition, the MUI has issued its *Fatwa* on cash *waqf* on May 11, 2002, stating that:\textsuperscript{15}

1. Cash *waqf* (\textit{Waqf al-Nuqūd}) is a *waqf* by a person, group, institution or legal entity in the form of the money;
2. Included in the sense of money are securities;
3. *Waqf* the \textit{jawāz} is legal (allowed);
4. Cash *Waqf* may only be channeled and used for *syar‘iyyah* permitted matters;
5. The basic value of Cash *Waqf* must be guaranteed to be sustainable, not to be sold, granted and/or inherited.

The birth of Law No. 41 of 2004 about *Waqf*, *Fatwa* of The Indonesian Ulama Council and its derivative regulation are the starting point of increasing the potential of *waqf* in Indonesia to a more productive direction within the framework of Indonesian *fiqh*.

Law No. 41 of 2004 about *Waqf* also a momentum of *waqf* empowerment productively because it contains a comprehensive understanding and management pattern of potential empowerment of *waqf* in a modern way. In the new *waqf* legislation the concept of *waqf* contains a very wide dimension. It includes immovable property, as well as movable, including cash *waqf* whose use is very wide, not limited to the establishment of places of worship and religious social.\textsuperscript{16}

Based on the above description, with the arrangement of *waqf* in the form of law in Indonesia, the *waqf* sector can be more functioned towards improving socio-economic welfare of the people. From this it is clear how the importance of social welfare strongly influences the regulatory process in the field of *waqf*. The spirit of potential empowerment of *waqf* productively and professionally *waqf* legislation is for the benefit of the welfare of mankind in the field of economy, education, health, and other religious social fields.\textsuperscript{17}

\textsuperscript{14} Ibid., at 80.
\textsuperscript{15} Ibid.
\textsuperscript{17} Ibid.
Cash Waqf in Indonesia from Legal Perspective

Cash waqf opens unique opportunities to create investments to provide religious, educational, and social services. The savings of the rich can be utilized by redeeming them with the Cash Waqf Certificate. The results of the waqf development obtained from the certificate can be utilized for various purposes such as the ends of endowments themselves. Another usefulness of Cash Waqf Certificate is that it can change old habits in which waqf opportunities seem to be for rich people only.\(^{18}\)

Conceptually, the cash waqf has a unique opportunity to create investments in religious, educational, and social services. Savings from people with middle to upper income can be utilized through exchange with the Cash Waqf Certificate (CWC), while income derived from cash waqf management can be spent for various purposes, including for the maintenance and management of the waqf of land. Mustofa Edwin Nasution describes how to exploit the potential of CWC excavated in Indonesia, namely:\(^{19}\)

1. The scope of the money-donor's audiences can be very broad compared to the usual waqf.
2. Cash Waqf Certificate can be made various kinds of fractions, tailored to the segment of Muslims that allows to arouse the spirit of charity (ṣadaqah jāriyah), for example Rp. 10.000, - and Rp. 25.000.

Mustafa Edwin Nasution once assumed that the number of middle-class Muslim population in Indonesia is 10 Million with average monthly income between Rp 500,000 (five hundred thousand rupiahs) Rp10.000.000,00 (ten Million rupiahs) can be calculated as follows: The explanation from the table above is:\(^{20}\)

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\(^{18}\) Directorate General of Bimas Islam and Haj Administration, 2003, *Fiqh Waqaf*, at 90

\(^{19}\) Muhammad Syafii Antonio, *Islamic Banking as Waqaf Fund Manager* (Workshop International Paper, Empowerment of People’s Economy through Productive Waqf, at Wisma Haji Batam, 7-8 January 2002), at 4.

\(^{20}\) Ibid.
Table of Potential Cash Waqf in Indonesia

<table>
<thead>
<tr>
<th>Level of Income / month</th>
<th>Number of Muslim</th>
<th>Tariff Waqf/month</th>
<th>Potential Cash Waqf / month</th>
<th>Potential Cash Waqf / year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rp 500.000</td>
<td>Rp 4 Million</td>
<td>Rp 5.000</td>
<td>Rp 20 Billion</td>
<td>Rp 240 Billion</td>
</tr>
<tr>
<td>Rp 1 Million – Rp 2 Million</td>
<td>3 Million</td>
<td>Rp 10.000</td>
<td>Rp 30 Billion</td>
<td>Rp 360 Billion</td>
</tr>
<tr>
<td>Rp 2 Million – Rp 5 Million</td>
<td>2 Million</td>
<td>Rp 50.000</td>
<td>Rp 100 Billion</td>
<td>Rp 1.2 Trillion</td>
</tr>
<tr>
<td>Rp 5 Million – Rp 10 Million</td>
<td>1 Million</td>
<td>Rp 100.000</td>
<td>Rp 100 Billion</td>
<td>Rp 1.2 Trillion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 Million</strong></td>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

1. If the Muslims who earn Rp500.000,00 4 Million people and each year each waqf Rp60.000,00 then each year accumulated Rp 240 Billion
2. If people who earn Rp1.000.000,00-Rp2.000.000,00 totaling 3 Million people and each year each Rp120.000,00 each time accumulated funds amounting to Rp 360 Billion
3. If people who earn Rp2.000.000,00-Rp5.000.000,00 a total of 2 Million people and each year each with Rp600.000,00 then each year accumulated funds as much as Rp 1.2 Trillion
4. If people who earn Rp5.000.000,00-Rp10.000.000,00 a total of 1 Million people and each year each with Rp1,200.000,00 then each year accumulated funds as much as Rp 1.2 Trillion

Consequently, waqf accumulated for one year amounting to Rp 3 Trillion Based on the example of the above calculations, it is evident that the success of the institution to mobilize waqf funds will greatly determine the benefits of a waqf institution, which is a problem, the money cannot be directly granted to mawqīf 'alayh, but nadzir (manager) must manage and develop it first.

The potential of cash waqf is huge if it can be managed properly. Especially if the funds are handed over to professional managers and invested in productive sectors so that such funds can be used for productive and economic activities in order to assist the people and
interests of the people. Thus the amount of cash waqf will not decrease, but increase and continue. If cash waqf is deposited at Islamic Banking and every year is awarded 9% profit sharing, then at the end of the year will be obtained investment fund Rp. 270.000.000.000.21

As a follow-up from the birth of Law No. 41 of 2004 on Waqf, currently in Indonesia many Islamic Banking and Waqf Management Institutions launched products and facilities that collect money from cash waqf from society. Like Bait al-Mal Muamalat who launched Cash waqf Muamalat, “Dompet Dhuafa Republika” which launched the Indonesian Waqf Fund, and a National Waqf Institution formed based on the Law on Waqf in 2007 that is Indonesian Endowment Agency.

The above institutions have created many programs to realize social justice resulting from the investment of waqf funds collected from the community, such as the establishment of hospitals, schools, and farming villages that have the potential to develop cash waqf to build the welfare of the wider community and sustainably. The programs launched by waqf institutions in Indonesia by managing cash waqf in this form are in the effort to make waqf assets more expanding their economic and social benefits. For example, the collection and management of cash waqf funds on the Endowment Fund of Indonesia whose management is channeled into the field of education, economy, and social fields. In addition, the management results obtained by the Indonesian Waqf Agency are channeled to education and health.22

Cash Waqf from the Economic Perspective

One of the objects of the Islamic Economics Institution that play a role in the economic empowerment of people is waqf. In the history, waqf has played an important role in the social, economic, and cultural development of society. The most prominent things of waqf institutions are their role in financing various Islamic education and health. For example in Egypt, Saudi Arabia, Turkey and some other countries development and various facilities and infrastructure of education and health financed from the development of endowments. The sustainability of waqf benefits is made possible by the enactment of established productive waqf to support various social and religious activities. Productive endowments are generally agricultural land or plantations,

22 Ibid.
commercial buildings, managed in such a way as to generate profits that some of the proceeds are used to finance these activities. Thus, the wealth of *waqf* is really a source of funds from the community.\(^{23}\)

One form the *ijtihād* of ‘*ulamā‘ is the form of cash *waqf* has not been long known in Indonesia. Though the cash *waqf* is actually been long enough known in the Islamic world, it since the time of the victory of the Dynasty of Mamlūk, the jurists debate whether or not the money can be represented. There are some scholars, who allow the give *waqf* through money, and some scholars forbid it, and each has an adequate reason. Although the cash *waqf* was already known in the Schools and Universities, the endowments of recent money received the attention of the scientists and became the subject of intensive study. In various countries, Cash *waqf* has long been studied, and even already practiced and regulated. A problem in various places both in Indonesia and another countries is the management, not infrequently *waqf* managed with less good management so that it can resulting in *waqf* is reduced or lost. In fact, if the cash *waqf* is organized, managed, and developed properly it will exert great impact on the Muslim society.

Economic development refers to the emergence of the idea of cash *waqf* among others because of the development of Islamic Economics System. The economic system in Islam is not only related to the eternal economic problems of society, but also related to divine advice as set forth in the *Qur‘ān* and *Sunnah*. In addition, the Islamic Economics System also refers to the increased output of each working hour.\(^{24}\)

In the Islamic Economics System, the cash *waqf* has not been explored as much as possible, whereas cash *waqf* is very potential for economic empowerment of the Muslims. Therefore, Cash *Waqf* Institutions become very important to be developed. Although in Islamic history, *waqf* has played a very important role in the development of Muslim societies, but we also encounter the fact that the management of *waqf* in addition to showing amazing advances, but also shows the diversion. Mismanagement often occurs. Therefore, a good management strategy needs to be created to achieve the goal of holding *waqf*. Cash *waqf* should be well managed and invested in various types of

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\(^{24}\) Op.Cit., at 83.
investments, especially to real productive investments that can generate profits so that the results can be utilized for the benefit of the community. \textit{Waqf} management is left to \textit{nadzir}, both from government and society.\textsuperscript{25}

\textit{Waqf} fund management as a tool for investment becomes attractive, because the main purpose of \textit{waqf} funds is to optimize the function of \textit{waqf} property as an infrastructure to improve the quality of life and life of human resources. This is expected to increase harmony between the rich and the poor. The issue of social ultimate goal proposed in the discourse of cash \textit{waqf} raises the roots and substances of social problems, in the form of economic justice that failed to be manifested by the theory of capitalist and Marxist development. The idea of \textit{waqf} of money re-popularized through the formation of Social Investment Bank Limited (SIBL) in Bangladesh which is packaged in Cash \textit{Waqf} Certificate instrument mechanism has provided a combination of alternative solutions to overcome the welfare crisis that Umer Chapra and M.A Mannan offers.\textsuperscript{26}

Cash \textit{waqf} as a financial instrument, social finance and social banking, according to M. A. Mannan is indeed a new product in the history of Islamic economics. The financial instrument known in the Islamic economics has been around \textit{murābahah} and \textit{mushārakah}. In addition, Muslims recognize the concept of \textit{waqf} as a contribution in the form of fixed assets by a Muslim with the aim of pure piety. The emergence of the idea of cash \textit{waqf} is surprising because it contradicts the perceptions of Muslims that have formed over the years. Endowments money is not a fixed asset in the form of immovable objects such as land, but a current asset.

Therefore, it is very appropriate if the channeling of funds in the form of productive financing to the real sector mobilized one of which is to provide micro financing through collective investment contract mechanisms such as \textit{sharī‘ah} mutual funds collected CWC to the middle and small communities in order to have a business opportunity and gradually rise from poverty and deterioration due to the prolonged crisis. The provision of micro financing schemes is quite educational as giving


\textsuperscript{26} Mustafa Edwin Nasution and Uswatun Hasanah (Editor), \textit{Waqf of Money in Islamic Financial Innovation, Opportunities and Challenges in Achieving the Welfare of the People} (Jakarta: PKTTI-UI, 2005), at 4344.
a hook not just fish to the people and is expected to create independence. The share of profit-sharing for fund managers after reduced operational costs can be channeled to consumptive needs to support the welfare of fuqarah wa al-masakin (destitute and poor people) through the will of the waqif (holders of CWC) or without their will.\textsuperscript{27}

In the view of the purpose and contribution that can be given by the institution of cash waqf, the existence of cash waqf in Indonesia becomes very crucial. At least there are some things that lead to the importance of cash waqf in Indonesia:\textsuperscript{28}

1. The poverty rate in Indonesia is still high, which needs attention and concrete steps
2. High gap between rich and poor society
3. Indonesia has the largest number of Muslim population, so waqf has great potential to be developed
4. A number of disasters that occur, resulting in a deficit APBN (National Budget), so it takes the independence of society in the procurement of public goods.

However, it is not easy to solve a number of problems in the national economy. It takes seriousness, commitment and also hard work to get it done. The development of cash waqf has strategic economic value. With the development of cash waqf, it will get a number of advantages, among them are as follows:\textsuperscript{29}

1. \textit{Cash Waqf} is easy so someone who has limited funds can already start to provide waqf without to wait become rich first, so with cash waqf program the wakif will facilitate it
2. Through cash waqf, waqf's assets in the form of empty lands can start to be utilized with the construction of buildings or processed for agricultural land.
3. In turn, God willing, Muslims can be more independent in developing the world of education without having to be too dependent on state education budget which is increasingly limited.
4. Cash waqf can empower the small businesses that are still dominant in this country (99.9% of entrepreneurs in Indonesia are small businesses). The collected funds can be distributed to

\textsuperscript{27} Ibid.
\textsuperscript{28} \textit{Waqf In Indonesia}, Financial Statements of 2001-2009
\textsuperscript{29} Op.Cit., at 56.
these entrepreneurs and the *profit sharing* is used for social purposes, etc.

5. Cash *waqf* can help the development of Islamic Banking, Excellence *it*, in addition to perennial or long-term, cash *waqf* is the cheapest funds that should be the target of the Islamic Banking.

Talking about the cash *waqf* in the economic perspective, it should be that the management of cash *waqf* made by *waqf* institutions should lead to the fulfillment of the welfare of Indonesian society that is the fulfillment of welfare in the fields of economy, education, health, social services, and development of small and medium enterprises. In principle, in order to achieve the purpose and function of *waqf* to be more productive, cash *waqf* also can be allocated for:

1. Means and religious activities;
2. Education and health facilities;
3. Assistance to the poor, abandoned children, orphans, scholarships;
4. Progress and improvement of the people's economy; and/or
5. Other general welfare programs which do not contrary with *shari‘ah* and regulations.

Uswatun Hasanah said, cash *waqf* will be more productive if it can generate funds that are beneficial to social welfare then the *waqf* is managed productively by professional *nadzir*. It should be underlined that the money can’t be directly given to *mawqūf ‘alayh* (*waqf* recipients), but *nadzir* must manage and develop it productively first through Law No. 41 of 2004 on *Waqf*, which must be submitted to *mawqūf ‘alayh* is the result of *waqf* investment, while the cash *waqf* itself should not be reduced in the slightest. Therefore, *nadzir* in addition to meeting the requirements mentioned in Article 10 paragraph (1) of the Law on *Waqf*, must be added to other conditions that support the duties and responsibilities in investing the money that is represented.

In addition, in the Islamic Economics System, a good management strategy needs to be created to achieve the goal in the presence of cash *waqf*. *Cash waqf* should be well managed and invested in various types

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31 Ibid.
of investments, so the results can be utilized for the benefit of the economy of many communities.\textsuperscript{32}

Cash \textit{waqf} as a financial instrument, social finance and social banking. According to M. A. Mannan, cash \textit{waqf} is indeed a new product in the history of Islamic economics. The financial instrument known in the Islamic economics has been around \textit{murābahah} and \textit{mushārakah}. In addition, Muslims recognize the concept of \textit{waqf} as a contribution of fixed assets by a Muslim with the goal of pure piety. The emergence of the idea of cash \textit{waqf} is surprising because it contradicts the perceptions of Muslims that have formed over the years. Cash \textit{waqf} is not a fixed asset in the form of immovable objects like land, but also movable objects like a current asset.

\textbf{Conclusion}

The inclusion of cash \textit{waqf} in the legislation of the Republic of Indonesia through Law No. 41 of 2004, is a fresh breeze and a new opportunity for Indonesian Muslims to manage and develop a potential fund of large enough people with productive and professional in improving the economic welfare of the Muslims and release Muslims from poverty. It is even possible that cash \textit{waqf} can be an alternative way to remove the nation's dependence from multilateral creditor institutions as well as to stimulate the economic growth of Indonesia, especially the Islamic economics. As a predominantly Muslim country, the existence of these \textit{sharia} instruments has a good and bright prospect and will be highly accepted by the people of Indonesia so that the cash \textit{waqf} is expected to contribute greatly to the acceleration of development in Indonesia.

Management of cash \textit{waqf} through Law No. 41 of 2004 is a means of social engineering, to make changes in thoughts, attitudes and behavior of Muslims to breathe with the spirit of the Act. Based on the consideration of the MUI’s \textit{Fatwa} mentioned that the cash \textit{waqf} has the flexibility and the great benefit that is not owned by other objects.

To manage and develop the cash \textit{waqf} properly, it takes a trusty human resources, professional, economic perspective, diligent and strong commitment. Therefore, cash \textit{waqf} institutions have a very strategic role for the realization of productive \textit{waqf} in Indonesia, it is

\textsuperscript{32} Ibid.
necessary guidance to the manager of waqf, continuous socialization by academics, scholars, practitioners of the sharia, either through seminars, training, lectures and writing in social media.

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