

Examining The Potential of Cash Waqf and Development Model

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Abstract

This research aims to determine the potential of cash waqf and its development model, so research. This research uses the literature study method supported by previous research data. The results of this study reveal that the potential and development model of cash waqf has not been well realized. This research has the advantages of waqf: Continuous reward as long as the waqf object is still being utilized even though the waqf has passed away. Continuous benefits in various types of goodness and not interrupted by the transfer of ownership. As a productive investment because cash waqf can be invested in Sharia-compliant financial instruments, which can generate returns that can be used for charitable purposes. However, implementing cash waqf in Indonesia is still far from its potential. Various regulations have been established to accommodate cash waqf, but its collection and utilization have not reached the expected potential. This article discusses the current cash waqf implementation model and highlights the need for more effective mechanisms, especially for millennials. This research also explores philanthropy and social fund management trends, providing insight into the potential of cash waqf and its growth models.

Keywords: *Potential; Cash Waqf; Development Model*

Abstrak

Penelitian ini bertujuan untuk mengetahui potensi wakaf uang dan model pengembangannya maka dilakukan penelitian. penelitian ini menggunakan metode studi literatur dengan didukung oleh data penelitian terdahulu. Hasil penelitian ini mengungkapkan bahwa potensi dan model pengembangan wakaf uang belum terealisasi dengan baik. penelitian ini memiliki kelebihan berwakaf yaitu: Pahala yang terus menerus mengalir selama benda yang diwakafkan masih dimanfaatkan walaupun si wakif sudah meninggal dunia. Terus-menerusnya manfaat dalam berbagai jenis kebaikan dan tidak terputus dengan sebab berpindahnya kepemilikan. Sebagai investasi yang produktif karena wakaf uang dapat diinvestasikan pada instrumen keuangan yang sesuai dengan syariah, yang dapat menghasilkan imbal hasil yang dapat digunakan untuk tujuan amal. Namun implementasi wakaf uang di Indonesia masih jauh dari potensinya. Berbagai peraturan telah ditetapkan untuk mengakomodasi wakaf tunai, namun pengumpulan dan pemanfaatannya belum mencapai potensi yang diharapkan. Artikel ini membahas model implementasi wakaf tunai saat ini dan menyoroti perlunya mekanisme yang lebih efektif, terutama bagi generasi milenial. Penelitian ini juga mengeksplorasi tren filantropi dan pengelolaan dana sosial, serta memberikan wawasan tentang potensi wakaf uang dan model pertumbuhannya.

Kata Kunci: Potensi; Wakaf Uang; Model Pengembangan

Introduction

In this introduction, we will explore the potential of cash waqf and several models of its development based on various sources. This introduction is based on various sources of information and research on cash waqf and its development. The sources used include academic literature, publications of financial institutions, research by social and religious organizations, and practical cash management experience in various countries. By looking at these sources, we can get a complete picture of the potential of cash waqf and its growth models (Junaidi, 2017) .

According to Al Arif, there are two cash waqf models in the law's provisions: cash waqf for a certain period and cash waqf forever. In Indonesia, cash waqf has been accommodated by a complete set of rules, but unfortunately, the realization of cash waqf collection in Indonesia is still far from the required potential. This is in line with research conducted by Nasution (1995), who examined the discourse on the estimated potential and realization of waqf in Indonesia (Nasution, 1995) . Wakif can directly access waqf products in two ways, first through the website/application prepared by the Indonesian Waqf Council. Second, you can go through the market. This waqf product can be paid through OVO, LinkAja, GoPay or Mobile Banking.

Waqf is one of the most important socioeconomic instruments in Islam, with great potential to support the empowerment of the community. Although land waqf has long been known and developed in Indonesia, cash waqf has not been optimally utilized. Cash waqf is a waqf in the form of money handed over by the wakif to be managed and utilized according to social goals, such as education, health, and community economic empowerment.

The potential for cash waqf in Indonesia is very large, considering that most people are highly aware of ongoing charity. However, the development of cash waqf faces several challenges, including low public understanding, limited regulations governing the management of cash waqf, and limited infrastructure and systems that support transparency and accountability in its management. (Hiyanti, Fitri, & Fazriah, 2020).

Therefore, it is important to research the potential of cash waqf and its management models that can maximize the benefits of waqf for the community. The development of an effective cash waqf management model, based on sharia principles, transparency, and accountability, will greatly support the achievement of better socio-economic goals, as well as ensure the sustainability of benefits that can be felt by mustahik (beneficiaries).

This study aims to explore the potential of cash waqf in Indonesia and formulate a management model that can accelerate development and optimize the benefits of cash waqf in improving people's welfare.

Research Methods

The type of research uses a literature study method supported by previous research data. A literature study collects data from written sources such as books, literature, notes, and reports relevant to the problem being studied (Creswell, 2016). Researchers read and record information from these sources in a literature study and process research materials. Data collection techniques used in literature studies are library studies and the internet as a source of information. The use of the internet as a source of information in literature studies is carried out because the internet provides a variety of information related to research and is equipped with a variety of literature from previous research from various parts of the world. Researchers use the literature study research method to obtain more objective data because researchers are not directly involved in data collection and obtain broad and in-depth information about the research topic.

Result And Discussion

Implementation model from year to year

In Indonesia, cash waqf has been accommodated by a complete set of rules, but unfortunately, the realization of cash waqf collection in Indonesia is still far from the required potential. This aligns with research conducted by Nasution (1995), who examined the discourse on the estimated potential and realization of waqf in Indonesia. Nasution (1995) used the assumption that all middle-class Muslims in Indonesia have sufficient enlightenment to do charity, both obligatory (zakat) and Sunnah (infaq and waqf). Further estimates, Nasution (1995) estimated that middle-class Muslims in Indonesia are approximately 10 million, whose average income is IDR 500,000-IDR 10,000,000 per month. The last assumption used by Nasution (1995) is that, on average, these middle-class Muslims will do waqf of 1% of their income, then the value of the cash waqf certificate (SWU) that will be issued is IDR. Five thousand-Rp. 100,000 in its realization, the collection of cash waqf has not reached that number. For example, the Indonesian Waqf Agency (BWI) has only been able to collect waqf funds of Rp. 4 billion since 2009.

To calculate the potential for waqf in Indonesia, experts use several estimates of how much wealth each Muslim in Indonesia can afford to donate. Nasution (1995)

said that the potential for cash waqf in Indonesia is very large; if 20 million Muslims donate 1 million per year, then the potential for cash waqf to be obtained is 20 trillion. So, it can be concluded that Nasution assumes that approximately 20% of Muslims in Indonesia have the potential to spend waqf of approximately IDR 1,000,000 per year. The realization of waqf receipts can be known from the financial reports of various charitable institutions or nadzhir institutions in Indonesia. (Diah, Nur, Soegianto, & Bambang, 2020) .

Several things can cause the significant disparity between the nominal potential of waqf and its realization (Supriadi et al., 2022) stated the results of his research that 29.54% of the trust aspect is a priority problem in the development of cash waqf in Indonesia. As much as 27.92% is the Sharia aspect, HR (Human Resources) is 23.74%, and the system aspect is 18.14%. In this case, it can be seen that the wakif (waqf giver) does not fully trust the waqf manager to provide his cash assets. The low trust is caused by the low performance of the nazir (waqf manager), cases of corruption and embezzlement still occur, and the problem of waqf literacy (lack of education) for waqf givers (Supriadi, Supriyadi, Abdussalam, & Rahman, 2022) .

Another aspect was put forward by Ahmad Muslich (2016) that the challenges of waqf management in Indonesia are: First, the rigidity of Muslims towards the concept of waqf, where many people still understand that waqf is only in the form of land, buildings, trees. While money, copyright, art rights, patents, and others are not widely understood as parts of what can be waqf; second, Most Nadzir. Waqf is not yet professional or is still not conventional/traditional; namely, Nadzir is still passive, only receiving property issued by the Wakif. Not yet able to make waqf productively. At most, only use waqf for mosques, and education. While waqf for economic and social empowerment for the community has not been implemented Third: religion and accountability for the management of waqf malls are not yet optimal, meaning that public trust in nadzir is not yet optimal. The periodic reporting system has also not been widely implemented. Fourth: the time for certification of waqf land is also an obstacle for Nadzir.

Indeed, many factors cause the speed of waqf land certification, including administrative completeness, communication using the BPN, and the involvement of the Ministry of Religion. Communication between the district government, the Ministry of Religion, and the BPN also determines, and there are many more. Fifth: the lack of cooperation with Islamic Financial Institutions (LKS), especially at the district level, and the existence of the Indonesian Waqf Agency, which is still interim

in the center and the province, is a challenge why waqf institutions at the district level have not been able to run optimally (Hiyanti et al., 2020).

Digitalization Management of Cash Waqf

Cash waqf is one example of a transformative asset transfer in Indonesia to optimize cash waqf receipts. The development of waqf in Indonesia is increasing day by day. This can be seen from the increasing number and objects of waqf assets, both in the form of land, money, and others, circulating in many corners of Indonesia. Cash waqf can be paid through an integrated platform using a digital Islamic banking system (DSBS) such as Jadiberkah.id (Bank Syariah Mandiri), Digital Wakaf Hasanah (Bank Negara Indonesia Syariah), and other online waqf services provided by Bank Syariah Bukopin, Bank Dagang Internasional Niaga, and Bank Rakyat Indonesia Syariah (Aji & Hendy, 2022) .

The digitalization that continues to enter and change society's lifestyle requires institutions to be sensitive in providing an easy waqf fund collection scheme for 1.9 billion Muslims worldwide. Indonesia itself has the largest number of Muslims in the world, with a percentage of 87.2% of its population, so it is estimated that there are 229 million Muslims in Indonesia. Fatwa of the Indonesian Ulema Council on Waqf Money on May 11, 2002. Cash waqf (*waqf al-nuqud*) in the fatwa is a waqf carried out by an individual, group of people, institution, or legal entity in the form of cash. The flexibility of waqf objects is also key to collecting waqf funds. Cash waqf has recently become a trend because it is easier and more flexible. BWI continues to carry out a digital transformation of waqf in Indonesia responsive to these demands. On July 1, 2021, the Indonesian Waqf Board (BWI) launched *e-services for nazhirs in Indonesia as electronic services for nazhir* registration. This service was launched as part of the second phase of the digital transformation process carried out by BWI to strengthen the national waqf development ecosystem.

At the launch of the *e-services*, BWI Chairman Prof. Mohamad Nuh emphasized BWI's commitment to encourage the strengthening of digital transformation as an important part of efforts to optimize waqf potential while increasing public awareness to want to make waqf. In addition, with the composition of Indonesia's population, 52 percent being millennials and Generation Z, the choice of digitalization is a strategic step that BWI must take. In general, there are three stages of the digital transformation process carried out by BWI, namely: First, strengthening BWI's internal digitalization. This is marked by three main indicators, namely the launch of *the berkahwakaf.id platform*, the *sahabatbwi.com social media platform*, and *e-services for nazhir* registration. The first two platforms were launched

on April 10, 2021, three days before the fasting month of Ramadan 1442 H. The aim is to make it easier for people to make waqf, especially cash waqf and waqf through money, encourage the strengthening of waqf campaigns and education for the community, and improve services for *nazhirs* so that the *nazhir* registration process can be carried out more quickly, efficiently, but still in line with applicable provisions.

Second, what BWI does is *nazhir* and waqf data integration. In this *nazhir digitalization*, the main focus is strengthening the digital fundraising channels for cash waqf and waqf through money and developing a credible and reliable reporting system. Related to the digital collection channel, the integration process with other *nazhir* will be encouraged. If the *Nazhir* already has its digital collection *platform*, then it will be encouraged so that the *platform* can be connected to the waqf blessing *platform* that BWI has developed. Conversely, if the *Nazhir* does not yet have its *platform*, it can utilize the existing waqf blessing *platform*.

About this, BWI needs to formulate its rules and mechanisms so that the integration of data collection of cash waqf and waqf through money can be done well. Furthermore, the reporting aspect is very crucial. Credible reports will affect the quality of the existing waqf database. It must be admitted that one of the fundamental weaknesses in today's waqf system is closely related to the availability of reliable data. For this reason, reports submitted by *nazhirs* must be *valid*, measurable, timely, and well-verified. With the digitalization developed by BWI, it is hoped that the speed, accuracy, and reliability of *Nazhir reports* can be improved over time. This is where the quality of *e-reporting services* for *nazhirs*, which BWI will develop, plays a very important role.

In addition, the integration of waqf data also needs to be carried out with existing data collection systems, especially the Waqf Information System (SIWAK) developed by the Ministry of Religion and the system at the BPN (National Land Agency). Integration of the SIWAK data from the Ministry of Religion and the system at the BPN is very important so that the efficiency and effectiveness of the land waqf certification process can be improved. Likewise, integrating cash waqf data collected at LKSPWU can produce real-time and *valid information*. With this integration, several risks that may arise from weaknesses in existing data, such as legal and reputational risks, can be minimized properly.

In the third stage, what will be done is to accelerate the strengthening of the digital ecosystem and the development of innovation in the digital waqf management model. At this stage, all strategic stakeholders of waqf have been well connected. Innovation in the waqf management model can continue to be developed, such as

issuing a DES (Sharia Securities List) specifically for donated Sharia stocks. Currently, it is impossible, but in the future, who knows, this Waqf DES can be developed. This happens when investors' awareness to donate their shares increases. Thus, the Indonesian Waqf Board (BWI) has continued striving for digital waqf transformation to develop applications to support *digital waqf*. Public trust is believed to increase because proper digitalization will increase the transparency and accountability of the waqf system. For this reason, *blockchain technology* in this digital transformation process is very important and strategic.

This trust will make the realization of national waqf revenues increase. What also should not be ignored is that the waqf asset management program and the distribution of benefits to the *mauquf 'alaih* must continue to be improved, and its quality must increase. The goal is for the public to be more convinced and strongly prefer the programs carried out by the *nazhir*.

When the public sees that every rupiah they donate provides great benefits, reducing poverty and increasing community welfare, they will be more motivated to donate and make it part of their lifestyle. Therefore, the design of the waqf program, both using a social approach and a commercial approach (productive waqf), must be developed innovatively while maintaining its relevance to meeting the community's needs. (Thamrin, Guntoro, & Husni, 2021).

Development of Cash Waqf Abroad

a. Saudi Arabia

Saudi Arabia, as a constitutional Islamic state, is an Islamic state that is very concerned with the global arrangement of waqf. In 1966 AD, Saudi Arabia formed a waqf department in its government. In essence, this waqf department has the main task of handling many things affiliated with waqf, such as making plans and developing waqf assets, socializing approved waqf programs, distributing what will happen to waqf to the entitled people and maintaining the sustainability of waqf assets in addition to compiling complete and detailed reports to the Saudi kingdom.

Among the most prominent waqf management in Saudi Arabia is the management of specific waqf for the two most revered cities for Muslims, namely Mecca and Medina. On land around the Al-Haram Mosque in Mecca and around the An-Nabawi Mosque in Medina, several shops and hotels or lodging houses were built to be managed professionally to generate funds, which finance the maintenance of various assets owned by the two cities.

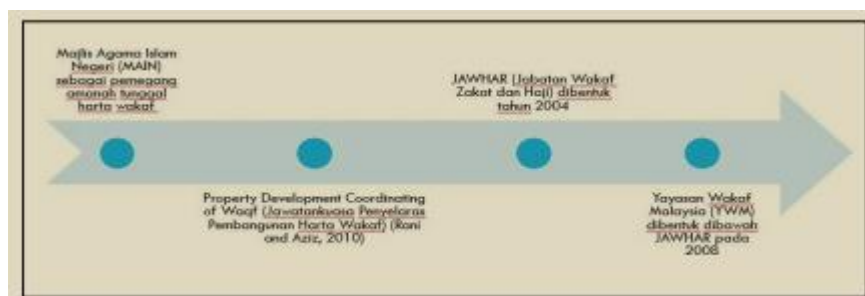
b. Egypt

In Egypt, according to Sukron Kamil, the utilization of waqf proceeds is given for the field of Islamic preaching, including for preachers, mosque administrators, memorizers of the Qur'an and translators of the Qur'an. The field of education and services includes education for orphans and scholarships for some Al Azhar students and Islamic pilgrims, both domestic and foreign. In the field of education, the existence of Al Azhar University is undoubtedly supported by waqf. In the social field, such as economic assistance for the poor and health assistance, and also in the field of spreading Islamic culture, such as publishing Islamic bulletins, printing Islamic books and encyclopedias and ancient Islamic manuscripts (Ahmad, 2017) .

c. Malaysia

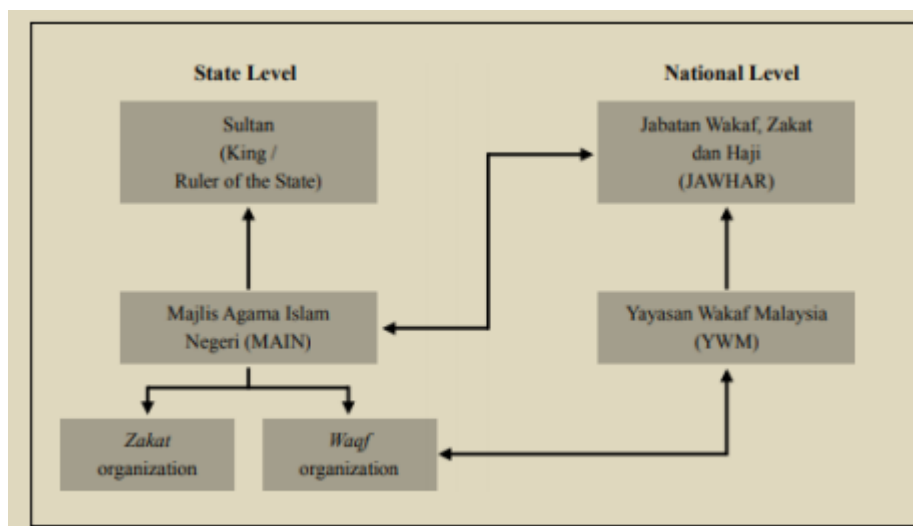
Waqf in Malaysia cannot be separated from the role of the State Islamic Religious Council (MAIN) as the sole trustee of waqf assets. The waqf that existed then was social and spiritual, such as mosques, religious schools, and orphanages. In its journey, the Malaysian government, through the Jabatan Progress Islam Malaysia (JAKIM), directed the Property Development Coordinating Waqf (Jawatan Selaras Pembangunan Harta Waqf) to assist MAIN by involving officials from private and government agencies who have expertise and experience in their respective fields to develop land waqf in national level.

Picture 1. Management of Waqf in Malaysia



To improve the effectiveness and efficiency of waqf management, the government established JAWHAR (Department of Waqf Zakat and Hajj) in 2004. JAWHAR is tasked with assisting MAIN in waqf administration. In 2008, a waqf management institution was re-established under JAWHAR, namely Yayasan Wakaf Malaysia (YWM), which is tasked with assisting MAIN in collecting waqf funds and developing waqf in commercial sectors into a form of sustainable waqf development.

Picture 1. Management of Waqf in Malaysia



Institutionally, waqf management in Malaysia is entrusted to MAIN in each state and is responsible to the sultan. For waqf management at the national level, MAIN in each state coordinates using JAWHAR. Under the control of JAWHAR, there is YWM, which the Minister supervises in the Prime Minister's Office (Religious Affairs). The Deputy Supervisory Board is the chairman of the JAWHAR Steering Committee. Other members are representatives from each state's State Islamic Religious Council and the Ministry of Finance and Academics. The management of waqf in the states of Malaysia has various characteristics.

Some states have created special institutions under MAIN to allocate waqf. In Selangor, there is the Selangor Waqf Corporation which was formed in 2009. The aim is for waqf to also develop like zakat. In Negeri Sembilan, there is the Negeri Sembilan Waqf Institution. In Sabah and Kedah, waqf management is under Baitulmal Negeri Sabah and Tabung Baitul mal Kedah. Apart from that, waqf management is still under the supervision of the State Islamic Religious Council, such as in Johor and Kelantan. The allocation of waqf funds in Malaysia is channeled to the education sector by constructing madrasahs and Islamic boarding schools. Some are also channeled to the social sector to fulfill basic needs and build and expand health facilities. It is also distributed to the economic sector, such as the construction of economic activity facilities such as shops and shophouses, and the development of the agricultural sector, such as plantations, farms, and dams. The last one is for the religious or spiritual sector, such as building worship facilities such as mosques and purchasing land for cemeteries.

The challenges of waqf development in Malaysia consist of 4 things: regulation, social awareness, differences in administration between states, and commercialization of waqf land. First, regulations regarding waqf have not been

able to accommodate all waqf problems; for example, if there is a conflict about religion or sharia, the Civil Court has higher authority than the Sharia court, so that many sharia disputes such as waqf are brought to civil court. Second, the social awareness in question is the understanding of waqf. Because there are still problems related to using waqf, such as the sale of waqf land by children from the waqif after their parents die (the person who donated their property).

Third is the difference in administration, namely that MAIN means the sole trustee of waqf land. Then the development of waqf land is assisted by JAWHAR. Waqf land development projects must obtain permits from MAIN and JAWHAR. In addition to JAWHAR acting as a coordinator, it also acts as an intermediary between MAIN and parties who want to share waqf land. Lastly, the commercialization of waqf land needs to be improved, where the history of waqf in the past could provide free services such as health, education, and other public services.

The Role of Philanthropic Institutions in the Field of Waqf

a. Waqf Well

Waqf Wells is a waqf fund management program to build wells that provide drinking water for the community's survival. Waqf wells are built in areas experiencing a drinking water crisis and drought. ACT's waqf well construction has spread abroad, such as in Gaza and Palestine.

b. Waqf Shop

Warung wakaf is a modern business innovation based on waqf funds built for worship and education in need. Around 70% of the business proceeds are used to improve the welfare of the surrounding community.

c. Food Barn

Waqf Food Barn Waqf is a food agriculture center by empowers local communities. Waqf Food Barn is in the form of the largest and largest rice fields and plantations in Central Java and other regions.

d. Livestock Barn Endowment

A center for goat and cattle farming based on waqf, managed by local communities to improve welfare. The largest Waqf Livestock Barn in the Tasikmalaya, Blora, Yogyakarta, and West Nusa Tenggara areas.

d. Waqf Boat

The waqf fund management program in the form of providing boats and their equipment to support the lives of fishermen who are victims of disasters or other areas in need (Nurul, Shelna, Dindha, Moh, & Ratna, 2021)

Social Fund Management/Cash Waqf Management in Indonesia

Cash waqf, in its form, is seen as one of the solutions that can make waqf more productive. Because money here is no longer used as a means of exchange, more than that, it is a commodity that is ready to produce in terms of other developments. Therefore, the same as other types of commodities, cash waqf is also seen as being able to produce something more. Money, as the price value of a commodity, is no longer seen solely as a means of exchange but also as a commodity ready to be used as a means of production. This can be realized by, for example, implementing cash waqf certificates ready to be distributed to the community. This model provides the advantage that the wakif can flexibly allocate (tasharufkan) his assets as waqf. This is because the wakif does not need much money to buy productive goods then. Also, waqf like this can be given in smaller units (Nurmalia & Ardana, 2020).

Cash waqf also facilitates the mobilization of money in the community through the certificate for several reasons. First, the scope of the target of the waqf giver (waqif) can be wider compared to ordinary waqf. Second, with the certificate, various denominations can be adjusted to the targeted Muslim segment likely to have a high awareness of charity. (Nanda & Yusnely, 2019) . Cash/money waqf management in Indonesia is grouped into two: cash waqf managed by Islamic Banks and Private Institutions.

a. Cash Waqf Managed by Islamic Banks.

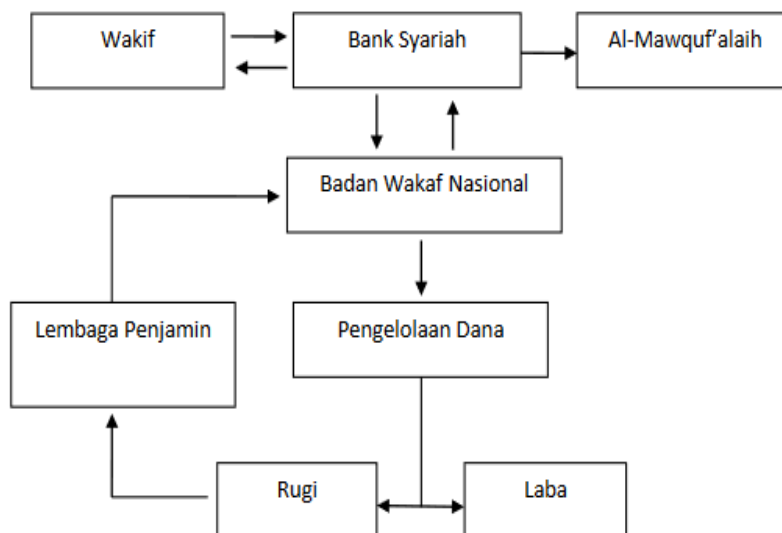
Some roles that can be emphasized if a bank office network, ability as a fund manager, experience, information network, and distribution map, and positive image manage cash waqf. Islamic banks only act as nadzir recipients and distributors. Meanwhile, other institutions will carry out fund management functions; for example, the Cash Waqf Agency (BWN), which is responsible for managing funds, including cooperation with the guarantor institution, lies with BWN.

b. Cash Waqf Managed by Private Institutions.

The advantages obtained if the private sector manages cash waqf are according to the community's real needs, there is direct control by the community, fostering community solidarity. An alternative scheme is that Islamic banks are the recipients and distributors of waqf funds.

Picture 3. Bank as Recipient and Distributor

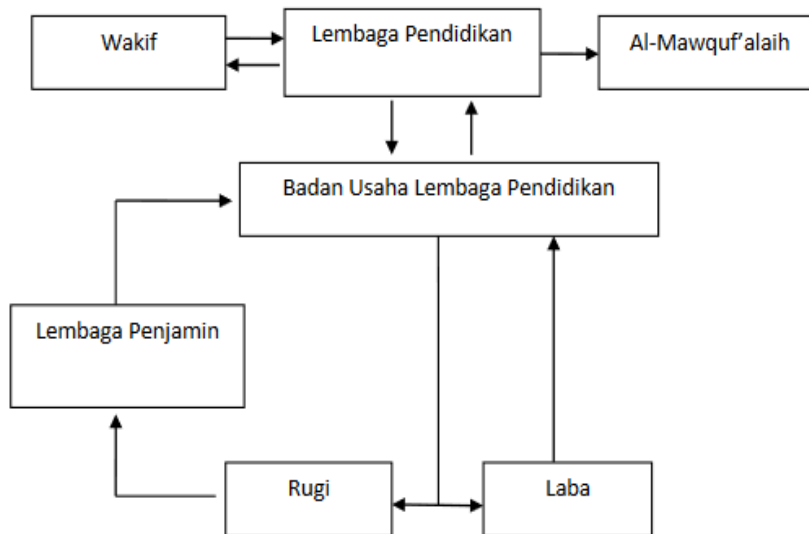
Source: (Haniah, 2020)



For example, this private institution operates in the field of education, the following scheme can be created:

Picture 4. Institutions as Recipients and Distributors

Source: (Haniah, 2020)



Private educational institutions manage the funds received by the muwakif themselves with a musyarakah or mudlarabah system without reducing the value of the waqf assets. Furthermore, the profits received are based on the profit-sharing system above, received by educational institutions as business profits and received by cash waqf as additional assets. The additional cash waqf assets can also be used to help the community in the form of waqf.

Obstacles and Solutions to the Development of Cash Waqf as Regulated in Law Number 41 of 2004 concerning Waqf

- a. Lack of public understanding regarding cash waqf

The public, in general still assumes that waqf is in the form of fixed assets or not used up. This is an obstacle to introducing a cash waqf law, especially in rural areas. The solution to this obstacle is that the BWI and related parties, in this case, LKS-PWU and Nazhir, must continue socializing cash waqf regulations and their societal functions. (Purnama, Tanjung, & Ayuniyyah, 2022).

b. Lack of professionalism Nazir in managing cash waqf

The solution to overcome the obstacles related to the weaknesses of nazhir is to improve the quality of nazhir. Nazhir must not only understand and internalize religious knowledge and state policies to restrain themselves from committing acts not allowed by trust and the State. Lack of ability of waqf practitioners in developing cash waqf. The solution to overcome these obstacles is that all waqf practitioners must equip themselves with knowledge about cash waqf (Diah et al., 2020).

Characteristics of Cash Waqf Targets Through Digitalization

The millennial generation exhibits unique characteristics based on regional and socio-economic conditions. One of the main characteristics of the Millennial generation is their increasing use and familiarity with digital communication, media, and technology. Because technological advances foster them, Generation Z is characterized by being creative, informative, enthusiastic, and productive. Compared to previous generations, they are more friendly with technology. This generation is a generation that utilizes technology in all aspects of life. The real evidence that can be observed is that most of this generation chooses to use smartphones. The Millennial generation can become more productive and efficient using these devices. (Amsari, 2019).

From these devices, they can do everything: send short messages, visit educational websites, make online commercial transactions, or order online transportation services. Therefore, they can create many new opportunities while developing increasingly sophisticated technology. (Muhtadi, 2020).

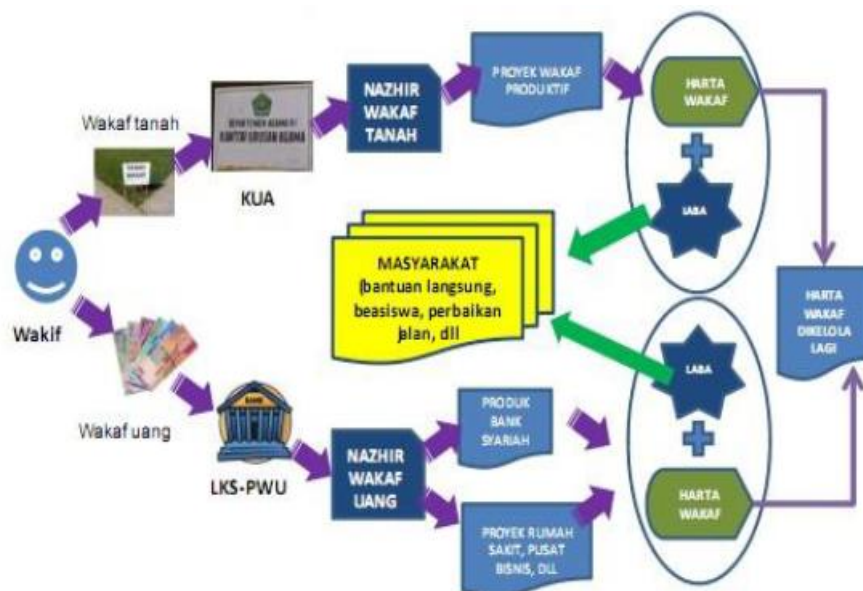
This generation is characterized by open communication and addicted to social networks, and their lives are greatly influenced by technological developments. Interest in casual reading is declining because millennials prefer to read via smartphones (Murniati & Beik, 2014). The millennial generation seems required to have a social media account as a communication and information center. The millennial generation certainly prefers cell phones to television. Watching TV shows is no longer entertainment because they can find everything through smartphones.

The millennial generation can be said to have many opportunities and chances to innovate.

The digitization of the Millennial generation has succeeded in developing many growing business sectors in Indonesia. This is evidenced by the increasing development of online businesses in the commercial and transportation sectors. They have succeeded in providing a significant economic impact. Meanwhile, the presence of e-commerce companies founded by the young generation of Indonesia can facilitate the entrepreneurial spirit of the young generation to develop further.

These various examples of innovation show that Indonesia's young generation can achieve economic independence. Currently, most young people have smartphones. Their lives seem inseparable from the digital world. Smartphones are no longer just a means of communication but are also used for social, professional, and educational purposes. A clear trend among the millennial generation is to make non-cash transactions and use payment applications and cryptocurrency coins as a means of transaction. An allocation of 5.3% of their income is an opportunity, one of which is to make waqf through online media. Therefore, Indonesia needs a waqf management system by the characteristics of generation Z. That is the waqf management scheme that exists in Indonesia today.

Picture 5. Scheme of Waqf Implementation in Indonesia



Indonesia's current waqf governance mechanism means that the waqif and the waqf administrator must always meet in person. The Waqif must meet the waqf administrator to ask about the waqf product; then, the waqf administrator can manage the waqf money used. The profits can then be distributed to the community, the waqf assets can be managed again, and so on. (Khan & Haneef, 2022). Indonesia's

current waqf management mechanism is considered less effective when applied to the Millennial generation. According to NCF (2013), around 75% of millennials are technology-savvy (technology expert). According to a study by NCF, 80% of the younger generation sleep with a cell phone beside their bed.

Picture 6. Scheme of Waqf Implementation for the Millennial Generation in Indonesia



This study supports that the relationship between the Millennial generation and technology has replaced other forms of Millennial relationships. For example, the relationship between millennials, books, and so on (Agus Putra, 2020). Therefore, there needs to be a mechanism that is by the characteristics of the Millennial generation; here is a waqf violation program aimed at Millennials in Indonesia (Awaliyani & Mulyadi, 2021). For the implementation of waqf for the millennial generation in Indonesia, the mechanism is getting simpler; wakif and nadzir waqf do not need to meet face to face. The millennial generation, in this case, the wakif, can directly carry out their waqf using only their smartphone. They don't need to leave the house to make waqf transactions (Nurhab, El Wardah, & Fryanti, 2021). This technique is almost the same as other non-cash payments. Wakif can directly access waqf products in two ways, first through the website/application prepared by the Indonesian Waqf Council. Second, you can go through the market. This waqf product can be paid via OVO, LinkAja, GoPay, or Mobile Banking.

They then receive a report as proof of waqf in an electronic certificate or other proof of transaction. Each waqf can provide a rating and review of the product of his choice; this is important for the progress of Indonesian waqf agency products in the

future. To improve waqf in Indonesia, BWI must collaborate with the millennial generation to play an active role, starting from their participation in several BWI activities to the content and information conveyed must be relevant to its purpose so as not to seem too formal like Instagram or Facebook (Sudirman & Zainab, 2023). We know that the purpose of waqf is to get closer to Allah SWT. Unlike alms, the reward for waqf is much greater because many people feel the benefits are permanent. The reward for waqf will continue to flow even if the Waqif dies. For this reason, the millennial generation must be accustomed to waqf, educated, and motivated to start waqf from a young age (Ali & Saifuddin, 2020).

Impact of Waqf on Finance

One alternative source of state financing is waqf. Waqf is a source of public finance owned by the Muslim community and is one form of important community participation in improving community welfare. With community participation, the burden of poverty alleviation and equalizing economic welfare becomes lighter and relatively easy (Anisa & Muhammad, 2020). As a public financial instrument, waqf can be used in various ways related to the public interest. Islamic law does not regulate waqf in detail, such as zakat, which can only be classified in coordinates for eight Asnaf. The potential for waqf assets among Muslims is truly enormous, especially in Indonesia, which has a very large Muslim population.

This potential, if managed with traditional management, will certainly not have a significant impact on strengthening the economy of Muslims and their country. One form of improving the management of waqf assets is by issuing a waqf law. With this law, the legal status of waqf assets becomes clear (Salmawati, 2019). It is also clearer who has the authority to manage and supervise all waqf assets in Indonesia, which is why the Indonesian Waqf Council was formed (Haqiqi, 2020). The presence of BWI aims to encourage Nazhir to manage waqf assets better and more efficiently so that they can provide greater benefits to the community in the form of economic empowerment, social services, and infrastructure development. According to data from the Ministry of Religion, the area of waqf land in Indonesia is currently 51,251.35 hectares, of which 61.13% of the waqf land area has been certified with the following details (Sujarwo, Noorhamdani, & Fathoni, 2018) :

- 28.41 percent in the form of houses of worship/prayer rooms
- 36 percent in the form of houses of worship/mosques
- 4.45 percent are graves
- 3 percent in the form of educational facilities/schools
- 3.48 percent in the form of Islamic Boarding Schools

- 8.61 percent in other social forms

This vast area if managed well, will certainly provide great results and help the community's economy. In addition, now there is an innovation in waqf payments in the form of cash waqf. This waqf uses waqf objects as money; therefore, it is often called cash waqf (Muin, Rohayati, & GaradianNani, 2016).

Bank Indonesia supports the implementation of cash waqf in Indonesia by providing waqf space (flexible) in the current era of globalization. According to IBB, cash has the potential to reach IDR 188,000 billion per year. Through Cash Waqf, unique investment opportunities can be created in various sectors such as economy, education, religion, and social services (Ayuni, 2023). Waqf can also be used as a source of non-tax state revenue; its potential is greater than tax potential. As a Sharia financial instrument, waqf management must be consistent with the objectives set by Islam through the Qur'an and hadith, known as *maqashid sharia*. Good waqf management can encourage the role of waqf as an instrument of state development (Anisa & Muhammad, 2020) .

Development Model

There are various models for developing and managing waqf money, including:

- a. Educational model: This uses waqf money to fund educational institutions, such as universities or high schools. The funds can be used for various purposes, such as building construction, scholarships, and research (Rodame, Rukiah, & Hapissudin, 2021) .
- b. SME Model: This model uses cash grants to fund small and medium enterprises (SMEs) in the halal industry. The aim is to encourage economic growth and job creation (Ade, 2021) .

Investment Model: This model involves investing part of the cash in various financial instruments, such as LKS products or Islamic financial instruments. The profits from this investment can then be distributed to various beneficiaries, such as people experiencing poverty or community development programs (Sudirman & Zainab, 2023).

Conclusion

Based on the findings of this study, we can calculate that Cash Waqf is one of the economic potentials that is very important for the government to support halal social and economic programs. According to this study, several things are needed to develop a Cash Waqf system model. These include building a strategy to manage waqf funds, optimizing the distribution system, improving the skills of experts and waqf

organizers, and developing a development model in various fields of life, such as education, SMEs, and investment. In addition, this study provides a perspective on managing cash waqf in other countries. This is done to become a model for managing cash waqf in Indonesia and other Islamic countries. To solve the problems in this study, it is necessary to take actions that include increasing the ability and expertise in managing waqf funds and creating a system model that allows.

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