

CHAPTER I

INTRODUCTION

1.1. Background of the Problem

Waqf land has great potential to support the development of facilities for worship, education, and social services, its management is often hindered by limited funds to optimize its utilization. In this context, cash waqf becomes a strategic solution that can support the development of waqf land assets. Funds from cash waqf, which are more flexible and liquid, can be used to enhance the productivity of waqf land, such as the development of commercial facilities or funding sustainable community welfare programs. Thus, land waqf and cash waqf complement each other in achieving the primary goal of waqf, which is the welfare of the community.

Cash waqf or money waqf has received positive responses from the Indonesian Ulema Council (MUI). Previously, in 2001, M.A Mannan, Chairman of Social Investment Bank Ltd (SIBL), held a seminar in Indonesia on cash waqf. Finally, on May 11, 2002, MUI issued a fatwa permitting cash waqf (waqfal-nuqud), with the condition that the principal value of the waqf must be preserved. It was further refined in Law No. 41 of 2004 concerning waqf, which provided a broader scope for the development of waqf practices in Indonesia, followed by the issuance of Government Regulation No. 42 of 2006.

One of the hadiths, which forms the general basis for the permissibility of waqf and is used by MUI in the fatwa on the permissibility of cash waqf, is:

عَنْ أَبِي هُرَيْرَةَ رَضِيَ اللَّهُ عَنْهُ قَالَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ إِذَا مَاتَ الْإِنْسَانُ انْقَطَعَ عَنْهُ عَمَلُهُ إِلَّا مِنْ ثَلَاثَةٍ صَدَقَةٍ جَارِيَةٍ أَوْ عِلْمٍ يُنْتَفَعُ بِهِ أَوْ وَلَدٍ صَالِحٍ يَدْعُو لَهُ

"When a son of Adam dies, his deeds are cut off except for three things: ongoing charity (sadaqah jariyah), beneficial knowledge, and a righteous child who prays for him" (HR. Muslim).¹ This hadith encourages individuals to set aside part of their wealth as an investment for the hereafter in the form of continuous charity (sadaqah jariyah). Money is the easiest medium to donate.

Cash waqf, which is defined as an asset that is donated to humanity over a relatively long period of time, has a ritual and socio-economic function. The function of the ritual, waqf is as an implementation of a person's faith in the form of awareness of righteous deeds which can be expected to flow continuously (*shadaqah Jariyyah*) until the person concerned has died. Meanwhile, its socio-economic function is as a form of solidarity that is an instrument that contributes to the welfare of the people who are perpetual (perpetual social funds)²

The potential of cash waqf in Indonesia is very large if managed seriously. According to Cholil Nafis's assumption, if there are 20 million Muslims who are willing to set aside cash waqf of Rp. 100,000 every month, then funds of Rp. 24 trillion will be collected in a year. If the number of Muslims who donate waqf increases to 50 million, the funds raised will reach Rp. 60 trillion per year. In addition, if only 1 million Muslims donate Rp. 100,000 every month, then every month Rp. 100 billion will be collected, which is equivalent to Rp. 1.2 trillion in a year.³

¹ Idris Ahmad, "Tinjauan Umum Tentang Waqf Menurut Ulama Fiqh," 2020, 47–48.

² Asmamaw Alemayehu Shelemo, "Waqf Uang Berjangka Perspektif Hukum Islam Dan Hukum Positif: Studi Komparatif," *Nucl. Phys.* 13, No. 1 (2023): 104–16.

³ Abdul Wahab, "Waqf Tunai, Potensi Dan Pemberdayaannya: Sebuah Pemikiran," *Jurnal Masharif Al-Syariah: Jurnal Ekonomi Dan Perbankan Syariah* 5, no. <http://dx.doi.org/10.30651/jms.v5i2.7825> (2020): 241–52.

Table 1.1 *Potential of Cash Waqf in Indonesia in a Year*

No.	Muslim Community	Cash Waqf	Annual Income
1	20 Million	Rp100,000	24 Trillion
2	50 Million	Rp100,000	60 Trillion
3	1 Million	Rp100,000	1.2 Trillion

Source: *Cholil Nafis, Cash Waqf for Social Security, in Al-Aqwaf Journal, Vol.II, Number 2*

The management of cash waqf funds as a tool for investment becomes attractive because of the benefits or profits on the investment in the form of profits that will be enjoyed by every Muslim anywhere, because the profits from the investment in the form of money can be transferred anywhere.

In 2016, an autonomous institution was established known as the Ar Risalah Waqf Management Agency (BPWAR). BPWAR functions as a waqf asset manager with the aim of realizing the vision and mission of the foundation, which is solid and professional in managing waqf assets for the glory of the people. BPWAR is responsible for the management of waqf assets, both movable and⁴. The Waqf Ar Risalah Foundation (YWAR), Padang City, in 2024 with the program "Waqf Through the Futures Money Application" managed to set a record at the Indonesian Record Museum (MURI). The presentation of the MURI award was carried out by the Senior Manager of MURI, Mr. Triyono, to the Acting Chairman of YWAR, Mr. Mulyadi Muslim at the Auditorium of Padang State University.

On that occasion, Mr. Mulyadi Muslim said that this futures waqf managed to collect more than IDR 2 billion from around 2,000 waqif from all over Indonesia. This MURI record-breaking is not only an administrative achievement, but also a strategic step to introduce waqf

⁴ "Profil BPW - Waqf Arrisalah," 2023, <https://waqfarrisalah.or.id/tentang-kami/>.

culture to the wider community. According to him, one of the main challenges in optimizing waqf in West Sumatra is the lack of public literacy regarding waqf, especially cash waqf. There are still many people who think that waqf is only limited to land and buildings, even though cash waqf has great potential to be used in various sectors, such as education, health, and economic empowerment of the people.⁵

The obstacle of this lack of literacy is very unfortunate, considering that the potential of waqf in West Sumatra is very large. Many assets are not properly managed, such as pusako tinggi (traditional heritage that cannot be traded) and other abandoned assets, which can actually be optimized through waqf schemes.⁶

As a solution, Ar Risalah Waqf Foundation (YWAR) has collaborated with Sharia Financial Institutions for Money Waqf Recipients (LKS-PWU) appointed by the Indonesian Waqf Agency (BWI) to ensure that the management of money waqf runs transparently, professionally, and in accordance with sharia. In the as well as complied with Government Regulation (PP) Article 40 Number 42 of 2006 concerning the Implementation of the Waqf Law.⁷ In the future, more massive socialization is needed so that people understand the benefits of waqf and are increasingly encouraged to participate.

With innovations such as the futures waqf developed by YWAR, it is hoped that the community's paradigm about waqf can shift from just passive charity to a productive instrument that brings sustainable benefits to the people.

In line with the above information, Maqasid Syariah aims to safeguard five main aspects of human life: religion (*hifzh al-din*), soul (*hifzh al-nafs*), intellect (*hifzh al-'aql*), offspring (*hifzh al-nasl*), and

⁵ “Ar Risalah Padang Pecahkan Rekor MURI Waqf Uang Berjangka Serentak Secara Daring,” n.d.

⁶ *Ibid*

⁷ Shelemo, “Waqf Uang Berjangka Perspektif Hukum Islam Dan Hukum Positif: Studi Komparatif,” 56.

property (*hifzh al-mal*). The Waqf Futures Program at the Ar Risalah Waqf Foundation (YWAR) is in line with this principle because it ensures that waqf is managed productively, sustainably, and is beneficial to the wider community.

With a Maqasid Sharia-based approach, the futures waqf program at YWAR is not only a worship but also an economic instrument that supports the welfare of the people more broadly and sustainably.

Based on the description above, the researcher is interested in conducting research with the title "Analysis Of Cash Waqf Mechanism On The Maqasid Syariah Perspective A Study At Ar Risalah Waqf Foundation"

1.2. Problem Formulation

Based on the above presentation, the researcher raises the following problem formulation:

- 1.2.1. How is the cash waqf mechanism implemented by Waqf Ar Risalah Foundation (YWAR)?
- 1.2.2. How is the cash waqf mechanism implemented by YWAR according to maqasid syariah perspective?

1.3. Research Objectives

The objectives of the research and observations at YWAR are:

- 1.3.1. To find out how the cash waqf mechanism is implemented by YWAR
- 1.3.2. To find out how the cash waqf mechanism implemented by YWAR according to maqasid sharia perspective

1.4. Research Significances

The research that will be studied certainly has significances in the future, the significances of this research are as follows:

1.4.1. Academic Significances

This research is useful to increase the researcher insight and knowledge in relation to the cash waqf mechanism implemented by YWAR according to maqasid syariah.

1.4.2. Practical Significances

Building acivil society on the basis of friendshipand protected from the dangers of poverty, hunger, inability to finance education, medical treatment, decent housing and anxiety facing old age.

1.5. Literature Review

In conducting this research, the researcher is not the first to study strategies for managing cash waqf. Several relevant studies include:

The research conducted by Muhammad Hizbullah dan Haidir. The study titled *"Cash Waqf from the Perspective of Islamic Scholars"*⁸ highlights the significant role of cash waqf in maintaining the existence of waqf in Muslim societies. However, despite its great potential, cash waqf has not been fully utilized due to the limited understanding among the public regarding the permissible objects for waqf, as well as the scarcity of waqf administrators (nazir) with professional and managerial expertise. This study aims to analyze the legal status of cash waqf according to Islamic scholars and examine its alignment with Maqasid Shariah. The study employs a qualitative research approach with an analytical descriptive method, presenting scholars' opinions along with their arguments and conducting analyses to draw conclusions. The findings indicate that Islamic scholars have differing views on the legal status of cash waqf. However, when examined from the perspective of public

⁸ Muhammad Hizbullah dan Haidir, "Wakaf Tunai Dalam Perspektif Ulama," *Sustainability (Switzerland)* 11, no. 1 (2019): 1–14, http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484_Sistem_Pembetulan_Terpusat_Strategi_Melestari.

welfare (maslahah), cash waqf aligns with the principles of Maqasid Shariah.

The research conducted by Beni Setyawan . The study titled "Cash Waqf from the Perspective of Islamic Jurisprudence and Maqasid Shariah Theory"⁹ explores waqf as a form of worship mentioned in the Quran as al-habs, a synonym for al-waqf, referring to an individual's property given for public benefit as long as it remains intact. As financial needs for public welfare grow and waqf contributors (waqif) reside in different locations, the concept of cash waqf has emerged. The ease of cash waqf enables the community to contribute their wealth for religious purposes. This research aims to analyze the legal status of cash waqf within Islamic jurisprudence, examining scholars' perspectives and its benefits through the lens of Maqasid Shariah. Using a qualitative-descriptive approach with content analysis in a library research setting, the study applies Maqasid Shariah theory to assess the issue. The findings reveal that Islamic scholars have differing opinions on cash waqf. Some scholars permit it, others consider it makruh (discouraged), and some prohibit it altogether. However, the study concludes that cash waqf aligns with Maqasid Shariah principles by promoting economic growth and public welfare, both in this world and the hereafter.

The research conducted by Evi Andriana Hilda. The study titled "Management of Cash Waqf, Infaq, and Sadaqah at LAZISNU Parepare"¹⁰ discusses the management and utilization of waqf as an effort to modernize and expand its scope to maximize benefits. This research investigates cash waqf, infaq, and sadaqah revenue, as well as their expenditures, and analyzes their management from the perspective of maslahah mursalah (public interest) at LAZISNU Parepare. The study employs a qualitative research approach using a phenomenological

⁹ Muhammad Nur et al., "Al-Majaalis : Jurnal Dirasat Islamiyah Volume 10 Nomor 2 Mei 2023," *Dirasat Islamiyah* 11, no. 2 (2024): 271–91.

¹⁰ Evi Andriana Hilda, "Pengelolaan Wakaf Tunai, Infaq Dan Sedekah, Pada LAZISNU Parepare (Analisis Maslahah Mursalah)," 2024.

method. Data collection techniques include participant observation, focused interviews, and document analysis.

The research conducted by Abdul Latif, Imam Haryadi, Adib Susilo. The study titled *"The Influence of Waqf Understanding on the Intention to Donate Cash Waqf Among Mosque Congregants in Ponorogo District"*¹¹ aims to examine how understanding waqf influences the intention to participate in cash waqf donations. The research employs multiple regression analysis using primary data collected from 150 respondents across five major mosques in Ponorogo District through questionnaires. The findings indicate that all waqf understanding variables—including basic waqf knowledge, understanding of waqf benefits, and comprehension of waqf laws—collectively have a significant influence on the dependent variable. However, when analyzed individually, only the understanding of waqf benefits has a significant positive effect on the intention to participate in cash waqf, while other variables do not have a direct impact.

The research conducted by Syamsuri, Muhammad Iman Kurniawan, Dwi Kurnia Arti. The study titled *"Crowdfunding for Waqf from the Perspective of Maqasid Shariah According to Imam Al-Syatibi"*¹² examines the concept of crowdfunding in cash waqf, where waqf assets may be in the form of cash, movable, or immovable properties. The research employs a library research method, utilizing data from books, journals, reports, magazines, and previous studies. The findings highlight that crowdfunding for waqf aligns with one of the five fundamental objectives of Maqasid Shariah, specifically *hifdzu maal* (protection of wealth). It emphasizes that safeguarding and developing wealth is a duty for Muslims to achieve societal prosperity and ultimately attain *falah* (success in this life and the hereafter).

¹¹ Abdul Latif, Imam Haryadi, and Adib Susilo, "Pengaruh Pemahaman Wakaf Terhadap Niat Berwakaf Tunai Jama'ah Masjid Di Kecamatan Kota Ponorogo," *Islamic Economics Journal* 7, no. 1 (2021): 31, <https://doi.org/10.21111/iej.v7i1.5410>.

¹² Muhammad Iman Kurniawan And Dwi Karunia Arti, "El-Iqtishady: Jurnal Hukum Ekonomi Syariah Volume 5 Nomor 2 Desember 2023 Crowdfunding Wakaf Di Tinjau Dari Maqashid Syariah Menurut Imam Syatibi" 5 (2023): 207–19.

Table 1.2. *research comparison scheme*

No.	Previous Researcher	Title	Current Research	Title	Difference	
					Previous Researcher	Current Researcher
1	Muhammad Hizbullah, Haidir (2020)	Cash Waqf in the Perspective of Ulama	Furqon Habiburrahman	ANALYSIS OF CASH WAQF MECHANISM ON MAQASID SYARIAH PERFECTIVE A STUDY AT AR RISALAH WAQF FOUNDATION	Investigating cash waqf from the perspective of ulama namely Abu Hanafi and Imam Syafii	Researching the mechanism of cash waqf at the Waqaf Ar Risalah Foundation
2	Beni Setyawan dan Asmuni (2024)	Cash Waqf in the Perspective of Fiqh and Shariah Maqasid			The research aims to find out the law of cash waqf in the view of jurisprudents	The research aims to determine the mechanism of cash waqf in the review of sharia maqasid
3	Evi Andriana Hilda (2023)	Management of Cash Waqf, Infaq, and Sadaqah at LAZISNU Parepare			Researchers carry out research at LAZISNU Parepare	The researcher conducted the research at the Waqaf Ar Risalah Foundation in Padang, West Sumatra
4	Abdul Latif, Imam Haryadi, Adib Susilo (2021)	The Influence of Understanding of Waqf on the Intention of Cash Waqf of Masjid Congregations in Ponorogo City District			The type of research is quantitative with a multiple regression research method using the SPSS 20 analysis application.	The type of research is qualitative with the research method of data and information collection and literature study
5	Syamsuri, Muhammad Iman Kurniawan, Dwi Kurnia Arti (2023)	Crowdfunding Waqf Reviewed from Shariah Maqasid According to Imam Syatibi			Investigating the collection of cash waqf via crowdfunding platforms by quoting the thoughts of Imam Syatibi	Researching the mechanism of cash waqf at the Waqaf Ar Risalah Foundation in the review of sharia maqasid

1.6. Research Methodology

1.6.1. Research Approach

The approach of research used by the researcher is qualitative, descriptive, this type involve field research and include case research, which is research conducted on independent variables without making comparisons or connecting with other variables where this research is independent to describe precisely the nature of individuals, circumstances, and symptoms to determine the frequency or distribution of a particular symptom, carried out by going directly to the field where the author will visit the location of the research site, namely at Ar Risalah Waqf Foundation, Padang.¹³

1.6.2. Research Object

The researcher will conduct research at Ar Risalah Waqf Foundation, Padang, West Sumatera. Because it is a productive waqf institution that actively manages cash waqf based on the principles of Maqasid al-Sharia. In addition, in 2024, the foundation achieved a MURI Record for the largest cash waqf collection, demonstrating its credibility and success in developing the true potential of waqf.

1.6.3. Data Source

Sources of data taken by the author to be used as writing material, namely there are two sources of data:

1. Primary Data

Primary data or general data (core) obtained from documentation and the results of the author's interview with the manager or resource person concerned, namely regarding the management of cash waqf at Ar Risalah Waqf Foundation, Padang.¹⁴

¹³ Aisyah Mutia Dawis et al., *Pengantar Metodologi Penelitian*, 2023.

¹⁴ Sandu Siyoto, *Basic Research Methodology*, Issue 1 Publisher: Yogyakarta Media Literacy Publishing 2015, p. 28

2. Secondary Data

Secondary data or additional data that will be obtained and searched by the author with standard books, waqf management books, theses, or dissertations, the internet, and regulations on fatwas of the Indonesian Ulema Council law number 41 of 2004 concerning waqf.¹⁵

1.6.4. Data Collection Techniques

Data collection involves systematic procedures to gather and organize relevant information for analysis. The techniques used in this study include:

1. Observations

Observation is the observing and recording of facts needed by researchers, researchers will use passive participation observation to observe the management of cash waqf carried out by cooperatives, where the presence of researchers in an organized activity, but researchers do not involve themselves in the series of activities. Researchers will observe how cash waqf management is carried out by the Ar Risalah Waqf Foundation, Padang.¹⁶

2. Interviews

An interview is a meeting of two people to exchange information and ideas through questions and answers, so that they can construct meaning in a particular research topic, researchers use interviews with a form of structural questions where researchers will conduct questions and answers including evidentiary statements related to cash waqf mechanism at Ar Risalah Waqf Foundation to obtain field facts to fulfill the research so that the necessary data will be obtained from the Ar Risalah Waqf Foundation.¹⁷ They are:

¹⁵ Nasrul Amanu, 'Wakaf Tunai Dalam Kajian Fiqh Muamalah', At Taajir : Ekonomi Bisnis Dan Keuangan Syariah, 1.2019 (2019), 29–36.

¹⁶ Sugiyono, Metode Penelitian Pendidikan, p. 310

¹⁷ Kristin, G, Esterberg, Qualitative Methods in Social Research, cited in Sugiyono, Metode Penelitian Pendidikan, Bandung (Alfabeta, 2011) p. 317.

- Ar Risalah Endowment Management Agency (BPWAR) Investment and Strategic Partnership Manager: Mr. Rahimul Amin
- Ar Risalah Endowment Management Agency (BPWAR) Operational and Program Manager: Mr. Aris Setia Budi
- Foundation (Waqif): Mr. Akhmad Istanjir
- Cash Waqf Supervisor (Nadzir Waqf): Mr. Syaifullah Fready Saputra
- Endowment recipient: Mrs. Yovi Wilda Wahyuni

3. Documentation

Documentation is a way of collecting data through examining written sources such as books, reports, meeting minutes, diaries and so on that contain data or information needed by researchers, researchers will pay attention, find out, collect and study records, archives that have a relationship with cash waqf mechanism at Ar Risalah Waqf Foundation, Padang¹⁸

1.6.5. Technique Data Analysis

The data analysis technique used by researchers is qualitative data analysis by processing and analyzing the data collected so that it can become systematic, measurable and meaningful data. Qualitative data analysis used by researchers is cultural theme analysis where researchers will look for existing relationships from the cash waqf mechanism of maqasid syariah at Ar Risalah Waqf Foundation and associate it with the values of Islamic law review so that it can create a view that something that is studied in the form of mechanism cash waqf, is a whole and has a relationship with Islamic law.¹⁹ The researcher will do the following:

- a) Dissolving or integrating myself as much as possible during the research to live the mechanism cash waqf carried out by the Ar Risalah Waqf Foundation.

¹⁸ Guba, Lincoln, in Lexy J. Moleong, *Metodologi Penelitian Kualitatif*, Bandung (PT Rosdakarya, 2001) p. 217

¹⁹ Dawis et al.

- b) Search for universal themes on cash waqf and Islamic law that are usually contained in existing theories.
- c) Summarize all data and information available on the management of cash waqf by the Ar Risalah Waqf Foundation.
- d) Make a comparison to trace similarities and differences to bring out other alternative themes.



1.7. Systematic Writing Structure

To provide a structured understanding of this research, the thesis is organized into five chapters as follows:

Chapter I: This chapter contains research background, problem formulation, research objectives, research benefits, literature review, research methods, and writing systematics. This section aims to understand the academic issues of the topic to be studied. This is an explanation for readers regarding the contents of the research later

Chapter II: In this chapter there is a theoretical basis, namely a strong basis for research which is a concept, argument and definition that is neatly and systematically arranged in which there are research variables that are strong and have been proven to be linked to new knowledge. This theoretical basis functions to make it easier to observe research phenomena and create a framework for thinking and hypotheses that will be written in this chapter.

Chapter III: This chapter is the result of research data findings consisting of interviews and documentation found in the field. Research data findings in chapter three will be complemented by transcripts of interviews with several informants with special provisions that can support research. And we will discuss the research results which will explain the research object descriptively. The writing of the results of this research will be guided and adjusted to the theoretical basis, framework of thought, hypotheses and research methods, to find out and prove whether the results of this research are in accordance with or contrary to the theory used at the basis of this research. The discussion in this chapter will explain, answer and interpret the problem formulation with the results of the research findings to state the achievement of the research objectives and their usefulness.

Chapter IV: This chapter contains research conclusions from the findings that have gone through the analysis stage, that the research problems that

have been formulated using the theory used by the author have been answered in the previous chapter. There are also suggestions for research objects as input and additional information that supports their existence.

