

## Cash Waqf: Economic Solution during the Covid-19 Pandemic

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### *Abstract*

The emergence of the Covid-19 pandemic in Wuhan has made economies in various parts of the world experience instability. The real form that can be seen from the Covid-19 impact on the economy today is the Termination of Employment Relationship (PHK). Many employees have been dismissed, and various companies are even threatened with bankruptcy. Other aspects affected include casual daily laborers, MSME actors, restaurant businesses, and other businesses that involve large numbers of people. The type of study was qualitative. The researcher would explore an object to find the potential that existed in the object. This study used a library research method using secondary data obtained from articles, research results, and reference books that discussed the same topic as research. Cash waqf as Islamic financial philanthropy required the strengthening during the current pandemic to assist in the establishment of a Waqf Hospital (RSW), especially for COVID-19 victims, waqf Personal Protective Equipment (PPE), waqf masks, waqf polyclinic, Waqf Isolation House (RIW) and vaccine funding. Additionally, it could help micro business actors in funding for the sustainability of their businesses affected by the pandemic. If there were beneficiaries of cash waqf (*al-mauquf alaih*) who were not limited to religious provisions, there would equal distribution of aid to help slow economic recovery.

**Keywords:** *Cash Waqf, Economy, Pandemic, Covid-19*

### *Abstrak*

Adanya pandemi covid-19 yang awalnya muncul di Wuhan menjadikan perekonomian diberbagai dunia mengalami ketidakstabilan. Bentuk nyata yang dapat dilihat dari dampak covid terhadap ekonomi yang dapat terlihat saat ini adalah kejadian PHK. Banyak karyawan yang dirumahkan dan berbagai perusahaan bahkan terancam bangkrut. Aspek lain yang terkena, antara lain pekerja harian lepas, pelaku UMKM, usaha restoran dan usaha lain yang melibatkan banyak orang. Jenis penelitian ini yakni kualitatif. peneliti akan melakukan eksplorasi terhadap suatu objek untuk menemukan potensi yang ada diobjek tersebut. Metode pendekatan yang digunakan ialah library research dengan menggunakan data sekunder yang diperoleh dari artikel, hasil penelitian dan buku-buku

referensi yang membahas topik yang sama dengan penelitian. Wakaf tunai sebagai filantropi keuangan Islam diperlukan penguatan pada masa pandemi saat ini sehingga dapat membantu dalam pendirian Rumah Sakit Wakaf (RSW) khusus korban COVID-19, Alat Pelindung Diri (APD) wakaf, masker wakaf, poliklinik wakaf, Rumah Isolasi Wakaf (RIW) dan pendanaan vaksin. Selain itu dapat membantu para pelaku usaha mikro dalam hal pendanaan untuk keberlanjutan usahanya yang terkena dampak pandemi. Adanya penerima manfaat dari wakaf tunai (*al-mauquf alaih*) yang tidak dibatasi pada ketentuan agama, maka dapat terjadi pemerataan bantuan, sehingga dapat membantu pemulihan ekonomi secara perlahan.

**Kata Kunci :** *Wakaf tunai, Ekonomi, Pandemi, Covid-19*

## INTRODUCTION

In the mid-November 2019, the coronavirus or more popularly known as Covid-19 originally came from Wuhan. It was reported that 27 people had similar to pneumonia, fever, difficulty breathing and abnormal lungs. (Ilpaj & Nurwati, 2020). Two hundred countries have been affected by this virus; most of them are in the United States with approximately 186,046 positive people, followed by Italy with 105,792 cases and Spain with 95,923 positive cases. Indonesia itself, on April 10, 2020, there were 3,512 positive cases, 282 recovered cases and 306 deaths cases with a fatality rate of 9.1%. (Ilpaj & Nurwati, 2020). By looking at the high mortality rate, it can be said that this virus is deadly.

At that time, the greatness of the coronavirus made China build an exclusive hospital to cope with the large number of Covid-19 patients who had surged. When the outbreak occurred, China was completely overwhelmed, and medical personnel had to fight to the end to cure the patients. The total lockdown is a policy taken to minimize the number of deaths which continues to increase every day. If this policy is implemented, people are required to continue to be at home to reduce the number of the spread of covid-19. The activities carried out outside the home are temporarily eliminated unless they have urgent needs and must be carried out outside the home. In the end, this policy has an impact on economic activity, which decreases due to the absence of activities carried out outside the home.

China ranks second in the world as the country with the largest economy; the decline of China's economy has an impact on the economy universally. Persebaran virus yang cepat meluas diberbagai belahan dunia merupakan akibat

buruk yang ditimbulkannya Various predictions made by various reliable research institutions and all of them emphasize that the global economy is in a bad phase as a result of this outbreak. The Minister of Finance of the Republic of Indonesia, Sri Mulyani Indrawati, conveyed her prediction of economic growth in the worst-case scenario of up to minus 0.4% (Iskandar et al., 2020)

One of the constructions that have been offered and published as well as implemented in various countries in minimizing the spread of this endemic is by conducting social distancing or physical distancing. However, this action results in a reduction in overall economic activity. Indonesia is the largest Muslim population country in the world based on the survey conducted by the world population review.

Table 1. Muslim Populations in the World

Country	Muslim Population	Population 2020	Muslim of total population (%)	Muslim of world Population (%)
<b>Indonesia</b>	229.000.000	273.523.615	87.20	12.70
<b>Pakistan</b>	200.400.000	220.892.340	96.50	11.10
<b>India</b>	195.000.000	1.380.004.385.	14.20	10.90
<b>Bangladesh</b>	153.000.700	164.689.383.	90.40	9.20
<b>Nigeria</b>	99.000.000	206.139.589	49.60	5.30
<b>Egypt</b>	87.500.000	102.334.404.	92.35	4.90
<b>Iran</b>	82.500.000	83.992.949	99.40	4.60
<b>Turkey</b>	79.850.000	84.339.067	99.20	4.60
<b>Algeria</b>	41.240.913	43.851.044	99.00	2.70
<b>Sudan</b>	39.585.777	83.992.949.	97.00	1.90

Based on the survey that has been conducted, it found that the largest Muslim country is Indonesia, and an estimated 229 million Muslims live there. This is 87.2% of Indonesia's population of 263 million people or around 13% of the world's Muslim population. Muslims in Indonesia consist of 99% Sunnis, 0.5% Shia, and 0.3% Ahmadiyah. Islam in Indonesia can be broadly categorized as modern Islam which means following orthodox theology while embracing modern learning or it can also be said that "traditionalism," following the interpretations of local religious leaders. Therefore, Muslims are expected to contribute more to aspects of economic progress and development by present's major contributions through Islamic philanthropy in various forms, for example, in Islamic financial instruments.

In the history of Islamic civilization, waqf has contributed significantly to the economic development of the community, including; 1) Almost 75% of all cultivable land in the *Daulah Khilafah Turkey Uthmani* is waqf land; 2) Half (50%) of the land in Algeria, during the French colonial period in the middle of the 19th century was waqf land; 3) During the same period, 33% of land in Tunisia was donated land; 4) In Egypt until 1949, 12.5% of agricultural land was waqf land; 5) In 1930 in Iran, about 30% of the cultivated land was waqf land (Munir, 2013).

Based on research conducted by (Fauza, 2015), one of the successful implementation examples of productive waqf in the form of cash waqf is a cash waqf certificate in Bangladesh using a bank mechanism (Social Investment Bank Limited, Bangladesh), cash waqf system, and waqf shares. According to him, if Indonesia can carry out the reconstruction on a large scale, there will be positive implications of cash waqf activities.

In line with this case, empowerment of cash waqf can also be carried out in the education sector. A concrete example is presented by (Purbowanti & Muntaha, 2018) that, at first, the empowerment of waqf assets is carried out by Modern Islamic Boarding School Darussalam Gontor in the form of land, then used by establishing shops, printing, retail, and others. The funding from the establishment of the place of business comes from Education Development Contribution (SPP) or Infaq for the students who study there, and the infaq payment is used as cash waqf to fund the place of business established on the donated land owned by PMDG. Infaq from the students' guardian intends for Islamic Boarding School is considered waqf, because the funds are not directly used for the operation of the Islamic Boarding School but become the Islamic Boarding School assets, which are then empowered through Islamic Boarding School owned business units.

Economically, cash waqf has the potential to be developed in Indonesia. A study conducted (Adawiyah & Pertiwi, 2020) stated that one of the strategies for developing cash waqf in Sungai Pinang Village, Rambutan District, Banyuasin Regency is a model of endowment funds, namely funds collected from various sources in a legal and halal manner, then if the funds are collected already in a large amount, the funds are invested through a sharia guarantee institution that has a valid level of security.

The distribution of waqf funds is not the same as zakat, which already has a zakat recipient category. Thus the distribution of cash waqf is expected to be

right on target. A study presented by (Yulma & Herianingrum, 2017) stated that the role of BMT Amanah Ummah as an institution for collecting waqf funds is said to be good because it is right on target by seeing the indicators of the success of the empowerment program are in accordance with the cash waqf program that has been designed by BMT Amanah Ummah.

However, the emergence of the Covid-19 outbreak has a bad impact on economic instability. With the distribution of wealth through cash waqf activities, it is hoped that it can help the handling of a deteriorating economy. Therefore, this paper tries to provide input, ideas, or opportunities to contribute cash waqf to the handling of Covid-19 so that the economy can gradually improve.

## RESEARCH METHODS

The type of study was qualitative. According to (Sugiyono, 2016), the researcher will explore an object to find the potential that exists in the object. This study used a library research method using secondary data obtained from articles, research results, and reference books that discussed the same topic as research. The data obtained were then analyzed to find the potential that existed in the object under study, in this case finding opportunities for cash waqf, which could be a solution in minimizing a bad economy due to the outbreak that occurred.

## RESULTS AND DISCUSSION

### Cash Waqf in Islamic Review

Etymologically, the definition of waqf (Muhammad and Emy Prastiwi 2015) comes from the Arabic *al-waqf* (الْوَقْفُ), the verb of *waqafa* (وَقَفَ) means to hold, *habasa* (حَبَسَ) means to stop or be detained, and *al-Man'u* (الْمَنْعُ) means to prevent. Generally, the waqf is divided into two categories, namely regular waqf and conditional waqf. Regular waqf is a waqf carried out for the good or public interest without determining the recipient, and the waqf does not determine the conditions for the assets being donated. Moreover, conditional waqf is a special waqf if the waqf determines the assets donated for a specific purpose or determines the recipient of the waqf (Zulkiflee et al., 2015)

The public's understanding of waqf only comes to the law of waqf for objects permanent or non-transferable. People who are experts in the field of *fiqh* convey some general verses of the Al-Qur'an, including cash waqf. The Word of

Allah SWT in Q.S. Al-Hajj/22:77: *“O believers! Bow down, prostrate yourselves, worship your Lord, and do what is good so that you may be successful”*.

This verse has generally covered all the guidance of Islam. It is started with the creed, which is marked by the similarity with the naming of those who believe. Then, there is an order to perform prayers by mentioning the two main pillars that stand out: *ruku'* and *sujud*. After mentioning various kinds of worship that cover many things including tithe, even include daily activities if the motivation is to seek divine pleasure, and ends with the command to do good which consists of the goodness of the world and the hereafter, both based on divine revelation and values that are in line with the goal of sharia, both in the form of laws and statutes as well as customs. (Shihab, 2002)

Moreover, the Word of Allah SWT in QS Ali Imran/ 3:92. *“You will never achieve righteousness until you donate some of what you cherish. And whatever you give is certainly well known to Allah”*. In this verse, it explains that when and how one's income can be useful. One of the ways is by spending the assets you like with the right purpose and motivation. A person should not be afraid of his depleted wealth because Allah Almighty knows the rewards that will be given both in this world and in the hereafter. Thus, with the existence of verses about the suggestion to do good by giving away the owned assets, then waqf is one way to implement this recommendation.(Shihab, 2002)

Based on formal juridical, waqf is regulated in Law Number 41 of 2004. It explains that not only permanent objects can be donated, but movable objects can also be waqf, and one of them is cash waqf or money waqf. The law also mandates the establishment of the Indonesia Waqf Board (BWI). The formation of the institution is also based on a presidential decree. Furthermore, in 2010, BWI issued regulation No.2 of 2010 concerning the flow of registration for cash waqf *nadzir* registration (Ja'far, 2019). Therefore, with the presence of this regulation, the regulations regarding cash waqf are more specific and have received recognition in the legal system in Indonesia.

Cash waqf is not a new topic, but cash waqf in the form of money is still very popular among both academics and practitioners today. The initiator of waqf in the form of a cash certificate is an expert in the field of Islamic economics from Bangladesh, namely Muhammad Abdul Mannan. Other researchers were very enthusiastic in responding to Mannan's idea so that a seminar was held to discuss waqf in Batam in 2001. As a continuation of this activity, MUI in 2002 issued a fatwa regarding the permissibility of cash waqf. Since then, various cash

waqf management agencies have been established (Musa, 2018). In addition, the 10th anniversary of BMI was linked with the launch of the Muamalat Cash Waqf program (WAKTUMU). As for *Baitul Maal Muamalat* products, namely *B-Dinar* in the form of *Baitul Maal* gold coins, *B-Card*, which is an appreciation card for *muzakki* who distributes their zakat through *Baitul Maal* regularly (Fatahuddin, 2018)

Cash waqf is money or funds collected at the waqf management institution (*nadzir*) through the publication of cash waqf certificates. Another definition of cash waqf is the donation of objects in the form of cash or securities operated by sharia financial institutions. Then these waqf funds can be used as an investment by *nadzirs* in productive businesses, their halalness is guaranteed, and the benefits they earn can provide overall benefits to the people nation (Muhammad & Emy Prastiwi, 2015). Another definition states that cash waqf is defined as cash waqf, but if we look at the form represented, namely money, thus cash waqf can also be referred to as cash waqf. The purpose of cash waqf is for research purposes, donations to hospitals, weak economic empowerment, equitable distribution of people's welfare and so (kementerian Agama RI Direktorat Jenderal Bimbingan Masyarakat Islam dan Direktorat Pemberdayaan Wakaf, 2013). According to the Indonesian Ulema Council (MUI), cash waqf is waqf made by a person, group, person or institution or legal entity in cash including securities (kementerian Agama RI Direktorat Jenderal Bimbingan Masyarakat Islam dan Direktorat Pemberdayaan Wakaf, 2013)

The implementation of cash waqf in Indonesia has been regulated, especially in articles 22 to 27 of Law Number 41 of 2004: *First*, Cash waqf can only be made using the rupiah currency, while foreign currency must be converted into rupiah currency before being donated or waqf; *Second*, The management of cash waqf by sharia financial institutions acting as recipients of cash waqf (LKS-PWU) must meet the following requirements: 1) Written requests are submitted to the minister; 2) Attach the documents of the articles of association and documents ratification as a legal entity; 3) Has operational offices in the territory of the Republic of Indonesia; 4) Engaged in the field of sharia finance; 5) Has the function of receiving deposits; 6) Recommended by the Indonesian Waqf Board (BWI); *Third*, The duties that must be carried out by LKS-PWU as a waqf management institution are: The existence as LKS-PWU must be announced to the public; Provide blank cash waqf certificates; Receive cash waqf from *wakif* on

behalf of *nadzir*; The money being donated or waqf is placed in the name of the *nadzir* in the depository account; Receive a written statement of the will of the *wakif*; Publish the cash waqf certificate and the certificate is submitted to the *wakif* and then submits a copy to the *nadzir* that *wakif* has appointed; Cash waqf is registered in the name of *Nadzir* to the minister. (Paksi et al., 2018).

In addition, on May 11, 2002, cash waqf was legalized by the Indonesian Ulama Council (Khusaeri, 2015) with a fatwa which contained the following: 1) Cash waqf (*waqf al-nuqud*) is a waqf implemented by a person, group of people, institution or legal entity in the form of cash; 2) The securities are included in the definition of cash waqf; 3) The law of *jawaz* (allowed) money waqf; 4) The distribution of cash waqf and its use is only used for things permitted in *syar'i*; 5) The sustainability of the cash waqf principal value must be guaranteed, it may not be sold, gifted or inherited.

The consideration of the Council of Ulama regarding the legal permissibility (*jawaz*) of cash waqf, in addition to having a basis for considering the existence of the argument of the *nash* (hadith Ibn Umar, MUI is also based on considerations on the aspect of its benefit that money waqf has great convenience and benefits that other objects do not have, besides the ease of obtaining waqf. Then, if we review the main principles of consideration from the MUI which are more looking from the side of the *mashlahah* in the context of realizing the welfare of the Muslim community, namely the existence of ideals for the economic establishment of the Islamic community through social charity (Musa, 2018)

According to (Kamal, 2015) two things are the essence of cash waqf, namely: there is a security of funds from depreciation which means that there is an effort to create immutability of the principal value of money used as *mawquf* (waqf objects) destined for *mawquf'alaih* (people who receive waqf) and any investment made in the endowment fund must be productive, describe the purpose of the presence of the waqf accurately, clearly and clear target recipients.

According to (Pusparini, 2016), the existence of cash waqf form is to provide various opportunities for everyone to participate in facilitating in building the community. Cash waqf has 4 main benefits, namely: *first*, the amount of cash waqf can vary, so someone who has minimal funds can already do waqf through his funds without having to wait for him to become the owner of the land first; *second*, the opportunities for waqf assets in the form of vacant land can begin to be exploited by building infrastructure such as buildings or



opening them into productive agricultural land; *third*, the existence of cash waqf funds can help various Islamic educational institutions whose funds are unstable and help other academicians. *Fourth*, Cash waqf can encourage Muslims to increase independence in education development without having to depend on the state education budget.

The rapid growth and development of waqf are inseparable from the various things that influence it, starting from the social, economic and cultural dynamics that accompany the growth of Muslims from time to time. The shift between Muslims and the existing traditions in various conquered areas has also influenced the more systematic establishment of waqf institutions.

Waqf has been practiced before the arrival of Islam, but only aimed to gain pride (prestige) among the aristocracy in the eyes of the people. Meanwhile, during the Islamic period, the practice of waqf was prescribed in the second year of hijriyah (Said & Amiruddin, 2019). During the time of the Prophet Muhammad and his companions were alive; there was no cash waqf yet. In the history of the Prophet and companions, only issues of waqf were found in the form of wells or land as during the time of the Caliph Umar bin Khattab. Various hadiths of the Prophet Muhammad that describe waqf, it can be seen that land and buildings are widely used as objects of waqf (M. W. Aziz, 2017).

In the history of Islam, the first money waqf was introduced by Imam Zufar (8th century AD), he was a follower of the Mazhab Hanafi. He indicated that the money waqf funds must be invested by doing *mudharabah*, which will generate profits, then will be spent on charity. Imam Bukhari and Ibn Shihab al-Zuhri also stated this. Imam Bukhari said that Imam al-Zuhri allowed donating the dinar and dirham through the dinar and the dirham to be used as business capital (trade), and then the profits were channelled as waqf. Al-Zuhri is a well-known scholar and as the founder of the *tadwin al-hadith*, telling the public to assist in the construction of Islamic preaching, social and educational facilities by donating the dinars or dirhams they owned at that time.

History also records that cash waqf has been known since the Mamluks and the Ottoman Turks era. Scholars have confirmed cash waqf since the beginning of the development of Islam. However, the discovery of a more appropriate form of money waqf is during the Ottoman Turks (16th century AD). The development of trade centers in Istanbul (1453 AD) was inseparable from the role of cash waqf. In 1464, it was the first time that one of the documentary

evidence of cash waqf was found in Istanbul. One hundred years from now, cash waqf has also become a cultural custom of Muslims in Istanbul (M. Aziz, 2017).

Cash waqf has also long been practiced in parts of the Middle East. One of them is in the State of Egypt, namely al-Azhar University, which carries out its activities by using waqf funds. The university runs warehouses and companies on the Suez Canal. Al-Azhar University, as Nazhir only takes the proceeds for educational purposes. Even the Egyptian government has also borrowed Al-Azhar waqf funds to be used for government operations. Likewise, cash waqf funds in Qatar and Kuwait are used to build offices can be rented out, and the proceeds are used for Muslim activities. Similarly, in the State of Sudan, which also carries out cash waqf. Sudan has been improving its waqf management since 1987 by establishing a Waqf Board which has broader powers including in the dimension of managing cash waqf. History has recorded that Al-Azhar University, Zaituniyyah University in Tunis, and Madaris Imam Lisesi in Turkey that with cash waqf, all of them are still able to survive today even though they do not aim at profit.

Furthermore, Mannan reconstructed the concept of cash waqf with the formation of Social Investment Bank Limited (SIBL) in Bangladesh, which was packaged in an *instrument cash waqf certificate* mechanism. He has provided alternative solutions in overcoming the Muslim welfare crisis. Compared to permanent asset waqf, there is a greater chance of cash waqf for modernization (M. Aziz, 2017).

Therefore, cash waqf as one of the waqf instruments has great potential in alleviating poverty and minimizing the gap between human beings. Furthermore, it can also be understood that cash waqf has actually existed since ancient times which is oriented towards the benefit of the people. Thus, by making cash waqf as a habit, the concept of mutual help in Islam can be realized.

### **Cash Waqf According to the Ulema**

The views of classical scholars regarding the legality of cash waqf differ. Some scholars allow, and some prohibit because the substance of money will run out in a short time, while the recommendation of an object donated is a thing that lasts a long time (Pusparini, 2016). The *fuqaha* and positive law have several similarities regarding waqf objects, namely the waqf objects must provide benefits and have economic value. It means that the waqf object is something that can be bought and sold; the object and its benefits have a long-lasting, useful life.

The Mazhab Hanafi argues that the thing represented must be in the form of land or a building. According to him, movable objects are not valid to become waqf objects because the conditions for waqf are allowed, namely the existence of the permanence of waqf objects while moving objects have the possibility of being damaged (Rusydia & Rahayu, 2019). However, he allows waqf for moving objects if it has become *'urf* for the community (M. W. Aziz, 2017). The Mazhab Hanafi argues that laws that have been established based on *'urf* (custom) have the same level of strength as those established by text (text). Imam Hanafi rests on the *mutaqqaddimin* of the Mazhab Hanafi of thought that allows dinar and dirham waqf as an exception, based on *Istihsan bi al-Urfi. Mudharabah* is one way of doing cash waqf by turning it into business capital whose profits can be donated to waqf institutions (Hizbullah & Haidir, 2020).

The cash waqf put forward by Ibn Abidin is one of the prevailing customs in the community and a cultural custom that has long been valid in Roman society. However, in other countries, cash waqf is not the general custom. Thus, Ibn Abidin thought that cash waqf was not allowed. Imam al Bukhari revealed that Imam Az Zuhri argued the currencies prevailing in the Middle East, namely the dinar and dirhams could be used as the object of waqf. By making the dinar and dirham as business capital (trading) which then distribute the profits as waqf (Hizbullah & Haidir, 2020). Waqf on objects that have the right to transfer according to Abu Yusuf should not be donated except animals and swords for war purposes because both are clearly mentioned in the hadith so that objects other than the two assets are not legalized like money and so on (Fuadi, 2018) .

The Mazhab Syafi'i emphasizes that what becomes the object of waqf must be eternal benefits, whether waqf property is immovable object, movable object or common property (M. W. Aziz, 2017). Additionally, the Mazhab Syafi'i stated that cash waqf is prohibited or rejected. According to Al Bakri, the Mazhab Syafi'i does not allow cash waqf because the dinar and dirham (money) in the future will disappear when paid so that they will no longer have a form (Hizbullah & Haidir, 2020). However, some of the followers of the Mazhab Syafi'i also allow cash waqf because in the *Tuhfatuththullab* book. It is explained that items that have eternal benefits are legally waqf, including immovable property, movable property and shared property (M. W. Aziz, 2017). On the other hand, the Mazhab Hambali requires that Waqf objects must be known, owned, traded and can be used customarily such as leased.

Meanwhile, according to the Mazhab Maliki, the requirements for waqf objects are waqf objects as individual property in which there are no other person's rights to these objects. The waqf for animals to ride or which can be used for other purposes are legitimate to be donated according to the Mazhab Maliki. They also allow waqf with food, as well as dinars and dirhams. This significant opinion of the Mazhab Maliki is used as the basis for permitting cash waqf or money waqf. At that time, the dinar and dirham are the currencies used by Muslims. Another case in modern times today, Muslims have used various types of currency. Therefore, cash waqf is legally permissible, and it is even a waqf recommended in Islam.

Based on various juristic opinions regarding cash waqf, the Mazhab Maliki allows waqf in dinar and dirham or money. Therefore, cash waqf should be matched with land and building waqf as well as based on the legal review, namely the *sunnah* and it is recommended to do so.

### **The Potential of Cash Waqf in Indonesia**

Sociologically, if we look back at that the largest Muslim population in the world is Indonesia so that the potential for cash waqf for Muslims, of course, is very large. Meanwhile, an illustration described by Ikhsanuddin as cited (Itang, 2016) regarding the potential of waqf for the Muslim population at the middle level in Indonesia is IDR 10 million with an average income of between IDR 0.5 million - IDR 10 million per month and this is a very large potential. For example, people who earn IDR 0.5 million are 4 million people and each year have IDR 60 thousand in waqf so that every year IDR 240 billion will be collected. If 3 million people earn IDR 1-2 million and each year has IDR 120 thousand waqfs, then IDR 350 billion will be collected. If 2 million people are earning IDR 2-5 million and each year with IDR 600 thousand in waqf, then IDR 1.2 trillion will be collected. Furthermore, if 1 million people earn IDR 5-10 million and each year each has a donation of IDR 1.2 million, then IDR 1.2 trillion will be collected. The total amount of waqf funds collected reaches IDR 3 trillion a year.

The calculation of the potential for cash waqf in Indonesia is predicted to be quite large. Another calculation was also put forward by Mustafa Edwin Nasution, as cited in (Sa'adah, 2017). He said that the potential for cash waqf that can be collected from the 10 million Muslim populations is around IDR 3 trillion per year. Dian Masyita Telaga conveyed the same thing. The potential for cash waqf that can be collected in Indonesia reaches IDR 7.2 trillion in a year,

assuming a Muslim population of 20 million and setting aside IDR 1,000 per day or IDR 30,000 per month. Therefore, it can be seen that the potential that cash waqf has is enormous, so management diligently, trustingly, professionally and fully with commitment will certainly help release Indonesia's dependence on foreign debt which has been untold up to now. With good management of cash waqf, Indonesia no longer needs to owe to multilateral creditor institutions as a source of development financing because cash waqf funds themselves have been able to complement state revenues in addition to taxes, zakat and other income. Through various opinions and presentation of various studies, the role of cash waqf is not only to release the economic dependence of multilateral creditors, but this instrument can also be a component that triggers economic growth.

Furthermore, the potential for productive waqf such as cash waqf according to Muhammad Afdi Nizar are; *first*, using the 2014 census data, the total population of Indonesian Muslims is calculated by province; *second*, the level of population density which is proxied by using the total expenditure (consumption); *third*, the calculations of potential cash waqf are differentiated by using 3 scenarios, namely: low (assumption: the population with waqf is only 10 percent of the total Muslim population with waqf, IDR 10,000 per person per month; moderate (assumption: waqf is only 25 percent of total Muslim population with waqf IDR 10,000 per person per month); optimistic (waqf is only 50 percent of the Muslim population with waqf Rp.10,000 per person per month). The calculations made using these assumptions show that the potential cash waqf that can be collected of the Indonesian Muslim community is quite large.

### **Cash Waqf as an Economic Solution in the Pandemic Era**

The economy is the most important factor in human life. Economic needs are closely related to everyday life. Humans to meet their needs, such as food, drink, clothing, shelter, etc., require a strong economy. The state is necessary to regulate policies regarding the Indonesian economy. It is required to guarantee the economy of the Indonesian people because economic factors are an essential factor in human life. In addition to the economy being the most important factor in human life, this economic factor is also a supporting factor for national development because the economic growth of a good country can increase a national development.

The real form can be seen from the impact of covid-19 on the economy, such as the Termination of Employment Relationship (PHK). Many employees

have been dismissed, and various companies are even threatened with bankruptcy. A total of 114,340 companies have been Termination of Employment Relationship (PHK) and laid-off workers. The total number of workers affected has reached 1,943,916 people with a percentage of 77% from the formal sector and 23% from the informal sector (WWD, 2020).

If this pandemic continues for a long time, the number of workers affected is likely to continue to grow. As a result, many other aspects are affected, including casual daily labourers, MSME actors, restaurant businesses and other businesses that involve large numbers of people. This impact will automatically affect the decline in the purchasing power of the people in which the circulation of money will be minimal in the midst of society. At the same time, the production of goods will be limited and cause a trade deficit. Therefore, an instrument is needed which is planned to assist in the process of economic recovery, one of them is cash waqf.

Cash waqf can increase economic growth for a country if the cash waqf is invested by transforming it into investment capital that comes from people's savings. It has been previously mentioned that the annual calculation of waqf money reaches 3 trillion rupiahs which can be invested. The calculation is only one waqf. Then, what if everyone repeatedly performs waqf in one period because the implementation can be done at any time, the waqf funds can be collected in a larger amount and have the potential to be used as a source of investment funds for the economic development of the people.

Waqf money does not only have benefits in improving the economy of the people. However, cash waqf can also be used as working capital, donations for orphans, school renovations, the establishment of health centers, and additional capital assistance for farmers and traders. Thus, cash waqf can generate an equal distribution of income primarily for people who previously did not have the capital to turn business opportunities into business opportunities. For people who yet did not have income, they have their own income.

Additionally, if the accumulated cash waqf is placed in Islamic financial institutions and managed professionally, it will have a positive effect on the development of Islamic financial institutions. Political stability will be maintained if the realization of increased growth and economic equality. Fund investment through the real sector will lead to a balance between the accumulated waqf money and the real sector, which requires funds to produce

goods. The profit-sharing system used in sharia banking by investing in waqf funds will prevent economic turmoil due to high bank interest rates. The results of the management of cash waqf can maintain political stability due to the inability of the government to generate economic growth, namely an increase in the threshold of people's lives including higher income and the provision of adequate employment opportunities. This effort can minimize the burden on the government's state budget and as an addition to foreign exchange (Rozalinda 2015). Waqf can give good effect not for the givers or doers but also for the receivers, however the optimalization of waqf is usually done by *Nazhir* (Yumarni & Suhartini, 2019). By helping of the *Nazhir*, waqf can be given to various people in various location.

Regarding the current problems, namely the Covid-19 pandemic, the strengthening cash waqf using cash waqf schemes, productive waqf and waqf linked *sukuk* needs to be improved. The Indonesian Waqf Board (BWI) needs to collaborate with other sharia financial institutions to promote this waqf scheme so that it can be used in the construction of various waqf-based infrastructures such as the Waqf Hospital (RSW) specifically for COVID-19 victims, waqf Personal Protective Equipment (PPE), waqf masks, waqf polyclinic, Waqf Isolation House (RIW), provision of ventilators waqf, waqf universities and others (Iskandar et al., 2020). Waqf management must be carried out professionally, so that waqf can be used sustainably, given the fact that many assets have been donated. However, it is still lacking and even not made productive, so that it causes no maximum benefit. In fact, with current developments, waqf can be in the form of any object with economic value, including patents as productive waqf. If it is time for a vaccine for Covid-19 to be found, it is hoped that the patent can be donated, so that it can be used for the entire world community. Therefore, it is important to campaign for the importance of waqf during the Covid-19 pandemic to the public including scientists and inventors (vaccine researchers) (Iskandar et al., 2020).

Waqf plays a huge role in helping infrastructure development in various public facilities and in empowering the economy of the people (Asri et al., 2020). One of the alternatives is cash waqf dreamed of being able to overcome the problem of poverty in the community (especially for those affected by Covid-19), with the active participation of non-government parties (the community), especially those who are financially capable and can help alleviate the suffering

of the poor. Furthermore, the role of cash waqf during a pandemic can help in the business sector. The collected cash waqf is channeled or invested by Nazhir into various halal and productive business sectors, such as the development of trade areas aimed at the poor with low rental costs. This can encourage economic empowerment in the real sector.

Cash waqf is given as capital to become an alternative solution because the people's productive efforts categorized as micro-economic enterprises can be supported by providing capital. These small and micro enterprises are generally non-bankable institutions and not accessible to banking services because they are constrained by compliance with the credit-giving criteria required by banks, so the fair distribution of cash waqf will support the economy. The management of cash waqf has the same as the management of waqf objects, including the ability to manage good governance and accountability, which includes transparency, responsibility and independence from the manager. In addition, the factors that have a major contribution to the implementation of waqf are regulators, managers and waqf providers.

The development of cash waqf today is deemed not able to run significantly because there are still obstacles that must be resolved. The first obstacle is the low understanding of *wakif* related to cash waqf. Waqf understands more that the implementation of waqf can only be done with waqf objects or goods. Thus, this requires more effective socialization in providing education to the public either through electronic media or printed media that cash waqf is a very easy alternative to waqf, especially in this era. In this modern era, by utilizing technological sophistication, cash waqf can be distributed through digital financial applications such as electronic wallets which only require a few minutes to transact without the need to visit the relevant waqf management institution. The two low competencies of Nazhir are an obstacle in the waqf management. Nazhir's understanding of the permissibility of cash waqf based on the opinion of several scholars needs to be improved by providing in-depth training on *muamalah fiqh*. It is necessary to hold intensive training for Nazirs in order to create professionalism, so that, public trust in the waqf management institution also increases. In addition to this training, cash waqf management increases cash waqf so that it can provide wider benefits in improving the economy and welfare of the community.



Cash waqf has a great potential to help economic development. It is because of cash waqf can be given to many people without any rules, so, it can be also given to non-Muslim people. Thus, by doing good arrangement on the cash waqf, it can make the equalization of economic condition. As known that, Muslim people must have awareness in waqf, as stated by Mokhtar (2016) that the religiosity is the strongest factors that influence Muslim people do waqf. By this condition, all people must familiar with cash waqf to make them being in good living. In addition, by giving waqf, a Muslim has done one of Islamic concept, that is mutual helps. Then, they can get rewards from Allah, bring to the prosperity here and in the hereafter.

## **CONCLUSION**

Seeing the potential of cash waqf in Indonesia, if the operation is done well, the amount of cash waqf in Indonesia will reach 3 trillion per year. This can contribute greatly to the empowerment of the people and economic equality. During the current pandemic, the cash waqf scheme can be used in the construction of various waqf-based infrastructures such as the Waqf Hospital (RSW) specifically for COVID-19 victims, waqf Personal Protective Equipment (PPE), waqf masks, waqf polyclinic, Waqf Isolation House (RIW), procurement of ventilators waqf, universities waqf and others. Moreover, cash waqf can be channeled or invested by Nazhir into various business sectors that are halal and productive and help micro business actors affected by the pandemic. This can encourage economic empowerment in the real sector. Thus, it can be seen that cash waqf is the right solution in helping to recover the current economy.

This study's implication is expected that every Muslim is aware that every person does not always do waqf objects, but it can be done with money waqf regardless of the amount. Besides, cash waqf can encourage economic improvement to create equitable welfare in the community. This study's limitations do not conduct field research so that it does not examine in more depth the effectiveness of cash waqf distribution during this pandemic. Additionally, the lack of recent data regarding the number of increases in cash waqf per year appears. It is hoped that further researchers will be able to develop this paper by conducting field research related to the effectiveness of managing and distributing cash waqf during a pandemic carried out by related institutions or being able to describe the impact of cash waqf on the benefit for the recipient.

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