

Waqf Literacy: The Dynamics of Waqf in Indonesia

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Abstract

In the history of Islamic civilization, waqf has been a pillar of the glory of Islam. The function of waqf is as a provider of public facilities and social facilities that support the life of the Muslim community, such as mosques, squares, Islamic schools, cemeteries and public roads. The development of waqf in Indonesia can have an influence on fiscal policy, namely through cash waqf. Even though Indonesia has a fairly large waqf potential, Indonesia has not been able to manage its waqf properly. Therefore, studies related to the development of waqf in Indonesia are still an interesting study for both scientists and practitioners. The purpose of this article is to review the development of waqf in Indonesia. The approach used in this paper is descriptive qualitative. The author finds the development of waqf in Indonesia is very dynamic. It can be seen from the existing phenomena, the dynamics of the waqf fatwa and the products being donated are increasingly diverse. At first, waqf only allowed in fixed assets such as land, schools, Islamic boarding schools, and buildings that had a static nature. Beginning with the 2004 waqf law, waqf objects were transformed into cash waqf which were more practical and productive. Followed by the establishment of BWI in the same year by the Government led to an increase in the administrative management of waqf.

Keywords: Islamic Philanthropy; Literacy; Waqf

Abstrak

Dalam sejarah peradaban Islam, wakaf pernah menjadi penopang kegemilangan Islam. Fungsi wakaf sebagai penyedia fasilitas umum dan fasilitas sosial yang menopang kehidupan masyarakat muslim, seperti masjid, lapangan, madrasah, kuburan dan jalan umum. Perkembangan wakaf di Indonesia dapat memberikan pengaruh terhadap kebijakan fiskal yakni melalui wakaf tunai. Meskipun Indonesia memiliki potensi wakaf yang cukup besar, namun Indonesia belum dapat mengelola wakafnya dengan baik. Oleh karena itu kajian terkait perkembangan wakaf di Indonesia masih saja menjadi kajian yang menarik baik di kalangan akademisi maupun praktisi. Tujuan dari artikel ini adalah untuk mengkaji bagaimana perkembangan wakaf di Indonesia. Pendekatan yang digunakan dalam makalah ini ialah kualitatif deskriptif. Penulis menemukan perkembangan wakaf di Indonesia sangat dinamis. Terlihat dari fenomena yang ada, dinamika fatwa wakaf dan pengembangan jenis aset yang diwakafkan semakin beragam. Pada awalnya, wakaf hanya berkubang pada aset tidak bergerak seperti tanah, sekolah, pesantren, bangunan yang memiliki sifat statis. Diawali dengan undang-undang wakaf tahun 2004, benda wakaf bertransformasi menjadi wakaf tunai yang lebih bersifat praktis dan produktif. Disusul dengan pembentukan BWI pada tahun yang sama oleh Pemerintah menimbulkan peningkatan pengelolaan wakaf secara administratif.

Kata kunci: *Filantropi Islam; Literasi; Wakaf*

INTRODUCTION

Islam is a religion that is combining worldly and ukhrawi aspects (Naqvi, 1981). The teachings of at-Tawhid combine worship to God vertically and social worship in a horizontal line. Waqf is one of Islamic philanthropy in developing and prospering Muslim communities (Isfandiar, 2008). Waqf also a social worship as well as a social investment through the expenditure of assets which is a factor of development in Islam (Juhro et al., 2019). In connection with that, waqf activity is a distribution (income) of assets in the form of fixed assets with a long period of time. In the history of Islamic civilization, waqf has been a pillar of the glory of Islam (Huda & Heykal, 2010). At that time, the function of waqf was as a provider of public facilities and social facilities that supported the life of the Muslim community, such as; mosques, fields, madrasahs, cemeteries and public roads (Susilo, 2016).

Waqf is an important financial instrument and is one of the fundamental pillars of the Islamic economic system. The urgency arises because waqf is one of the instruments to overcome poverty and to fight the usury system. In addition, waqf is also an instrument of equitable distribution of assets that can reduce economic and social inequality in society. This also includes social aspects and improving the quality of education. Many Muslim countries have weaknesses in collecting tax revenues, and weak support from the private sector. This can be overcome by optimizing waqf as an alternative financial instrument to support government financing, especially in financing social service programs and overcoming economic problems.

In this modern era, the discussion about waqf is very developed, especially the function of waqf which has an influence on fiscal policy in a country through cash waqf (Al Arif, 2012). The Ministry of Religion's Waqf Information System states that land waqf in Indonesia has a potential of 414,829 locations with an area of 55,259.87 hectares (Directorate of Zakat and Waqf Empowerment, 2021). In general, the use of

waqf land is dominated by several waqf objects, such as mosques, prayer rooms, cemeteries, and educational facilities or schools. However, the large amount of waqf land has the potential to be developed productively. For this reason, it is necessary to manage waqf assets in a professional manner so that they can provide wider benefits to the community. In addition, Indonesian Waqf Agency (BWI) in the KNEKS also stated that Indonesia has the potential for cash waqf of IDR 180 trillion per year (Budiarto, 2021). Law No. 41 of 2004 concerning Waqf has specifically explained the provisions related to cash waqf. Previously, MUI had also issued MUI Fatwa No. 2 of 2002 concerning Cash Waqf. These two regulations have become the basis for efforts to develop and introduce cash waqf in Indonesia to the public. Through cash waqf instruments, people can start waqf with a relatively not too large asset value. This has a positive impact on providing opportunities for the wider community to waqf, as well as increasing waqf productivity. Despite having huge potential, Indonesia is still not able to manage its waqf well. Therefore, the development of productive waqf in Indonesia is still the subject of in-depth study in college up to the level of the MUI fatwa commission. This paper aims to define waqf as one of the norms in Islamic law. This paper also aims to photograph the development of waqf norms and focus on the development of waqf in Indonesia.

LITERATURE REVIEW

Definition of Waqf

In etymology, waqf comes from an Arabic word with the origin of the word "*Waqafa*". The word "*waqafa*" means to hold, stop, or stay put (Almaany Likulli Rasm Ma'na, 2022). The origin of the word "*Waqafa-Yaqifu-Waqfan*" has the same meaning as the word "*habasa*" with masdar "*tahbisan*" (Huda & Heykal, 2010). Epistemologically, waqf is holding an object which, according to law, remains in the *waqif* in order to use its benefits for good. Based on this definition, the ownership of waqf assets cannot be separated from the *waqif*. Waqf has two functions as a means of worship and social (Fuadi, 2018).

Several classical scholars debated the definition of waqf itself. The Hanafi school of thought justifies that a *waqif* can withdraw it and he may sell it or inherit it, because according to this school, waqf only contributes benefits, because according to Hanafi there are similarities between waqf and '*ariyah*' (Huda & Heykal, 2010). In contrast to the understanding of the Hanafi school, the Maliki school is of the opinion that the waqf does not release the waqf property from the ownership of the *waqif*, but the waqif prevents the waqif from taking actions that can release its ownership of the property to another and the *waqif* is obliged to give charity the benefits and may not withdraw the waqf (Kulsum, 2021). The *waqif's* actions become the benefit of his wealth to be used by the *mustahiq* (recipient of the waqf), even though what he owns is in the form of wages, or the results can be used as waqf money. Waqf is done by pronouncing the *lafadz* waqf for a certain period according to the wishes of

the owner (Khosyi'ah, 2010). In other words, the owner of the property retains the object from being used in an ownership manner, but allows the proceeds to be used for good purposes, namely to benefit the object in a reasonable manner while it remains the property of the *waqif*. The endowment is valid for a certain period, and therefore may not be required as a perpetual waqf (BWI, 2021).

Waqf in Quran and Sunnah

The author has not found the word "waqf" in the Qur'an and Hadith explicitly, but waqf activities are often relied on verses and hadiths that explain *infaq* and *sadaqat jariyah*. Some of the verses cited by the author are as follows. One of them is chapter Al- Baqarah: 267.

يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ وَلَسْتُمْ بِأَخِيذِهِ إِلَّا أَنْ تُغْمِضُوا فِيهِ وَاعْلَمُوا أَنَّ اللَّهَ غَنِيٌّ حَمِيدٌ

O believers! Donate from the best of what you have earned and of what We have produced for you from the earth. Do not pick out worthless things for donation, which you yourselves would only accept with closed eyes. And know that Allah is Self-Sufficient, Praiseworthy.

Also as mentioned in chapter Ali Imran: 92.

لَنْ تَأْلَوْا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ

You will never achieve righteousness until you donate some of what you cherish. And whatever you give is certainly well known to Allah.

In the above two verses, waqf is not mentioned in detail with the keyword "*waqafa*". Both verses use the word *nafaqah/infaq* (*anfiqū/tunfiqū*). *Nafaqah* itself has a broad meaning, usually interpreted as almsgiving. In this case, the living in the above verse can also be interpreted as waqf.

Abu Hurairah (May Allah be pleased with him) reported: The Messenger of Allah (ﷺ) said, "When a man dies, his deeds come to an end except for three things: *Sadaqah Jariyah* (ceaseless charity); a knowledge which is beneficial, or a virtuous descendant who prays for him (for the deceased). (Narrated by Muslim)

From Abu Hurairah, that the Messenger of Allah said When one of the men dies, all his practices are cut off except three things; *ṣadaqah jāriyah*, a knowledge that was beneficial to him and a pious son who always prayed for him. *Jumhur al-Ulama* interprets *ṣadaqah jāriyah* in the hadith as a discussion of waqf issues (Zamzamy, 2015). The nature of *ṣadaqah jāriyah* with the nature of waqf are two

similar things. So it can be analogous that waqf is *ṣadaqah jāriyah* mentioned in the hadith (Fuadi, 2018). In addition to the above hadith which can be impliedly used as a reference to the waqf postulate, namely the hadith of the Prophet's command to Umar bin Khattab to represent his land in Khaibar. This hadith can be expressly and clearly used as a guideline or postulate for the waqf to be mandated.

Ibn Umar said: Umar (ibn Khattab) acquired a piece of land in Khaibar, and then he went to the Prophet to ask for instructions on the steadfastness. Umar said: O Messenger of Allah, I acquired land in Khaibar, and I have never had a treasure of great value like the garden, so what do you command me about the land? The Prophet replied: If you will, you can hold the point and give the result a blessing. Ibn Umar said: Then Umar gave it a gift, the principal was not sold, not inherited and not given. Ibn Umar continued: Umar gave the proceeds to the fakirs, relatives, the liberation of slaves, the funds of struggle in the way of Allah, for warriors and for entertaining guests. And he also allowed others to cultivate the garden and eat of his crops appropriately, or feed his friend by not keeping it. (Narrated by Muslim)

From the above verses of Quran and Hadith, the author finds similarities between the definitions of waqf, *infaq*, and *shadaqah*. These three things are encouraged by Islam as social worship.

Waqf has several kinds of forms, *Jumhurul ulama* divides it into two models of waqf, namely; family waqf (*waqf dzurriy*) and general waqf (*waqf khairiy*). *Waqf dzurriy* is intended for social interests and guarantees within the family sphere, while general waqf or *waqf khairiy* is intended for public interest (Rohmaningtyas & Herianingrum, 2017). Kahf (2000) mentions several kinds of waqf based on the purpose of being divided into three types, namely social waqf, family waqf, and combined waqf. Waqf based on time limits is twofold, namely eternal and temporary. There are two kinds of waqf based on its use, namely direct waqf and productive waqf (Kahf, 2000). The goal of productive waqf is the deconstruction of the structure of social inequality and the distribution of capital in the welfare of Muslim communities (Kasdi, 2017). Broadly speaking, waqf applications in Indonesia have been implemented in the formation of public facilities and social facilities such as the construction of roads, mosques, Islamic schools, cemeteries and other public places.

The History of Waqf

In Islamic history, waqf is known since the time of Prophet Muhammad saw. because waqf was mandated after the Prophet saw. Medina, in the second year of hijri. There are two growing opinions among Islamic jurisprudence (*fuqaha'*) experts about who first implemented the waqf sharia. According to some scholars' opinions, the first to carry out waqf was the Prophet saw, which was the waqf of land owned by the Prophet saw to build a mosque (Huda & Heykal, 2010). Imam As-shaukani mentions this opinion based on a hadith narrated by Umar bin Syabah of 'Amr bin Sa'ad bin Mu'ad, he said: and narrated from Umar bin Syabah, from Umar bin Sa'ad

bin Muad said: "We ask about the beginning of waqf in Islam? The people of Muhajirin say it is the waqf of Umar, while the people of Ansar say it is the waqf of the Messenger of Allah SAW (Huda & Heykal, 2010; Susilo, 2016). The Prophet saw in the third year of hijri once represented the seven date palm groves in Medina among them are kebon A'raf, Shafiyah, Dalal, Barqah and other kebon. In the opinion of some scholars say that the first to implement the sharia waqf was Umar bin Khatab. This opinion is based on a hadith narrated by Ibn Umar ra (Kahf, 2000).

BWI (2021) reported waqf has been carried out by Umar bin Khatab was followed by Abu Thalhaf who represented his favorite garden, the "*Bairaha*" garden. Furthermore, it was followed by other companions of the Prophet saw, such as Abu Bakr who claimed a piece of land in Mecca which was intended for his descendants who came to Mecca. Uthman alms his treasures in Khaibar. Ali ibn Abi Talib claimed his fertile land. Mu'ads bin Jabal represented his house, popularly known as "Dar Al-Anshar". Then the implementation of waqf was followed by Anas bin Malik, Abdullah bin Umar, Zubair bin Awwam and Aisyah the wife of Rasulullah saw.

The practice of waqf became more widespread during the Umayyah dynasty and the Abbasid dynasty (Nissa, 2017). Everyone flocks to carry out waqf, and waqf is not only for the poor and poor, but waqf becomes the capital to build educational institutions, build libraries and pay the salaries of its stats, the salaries of teachers and scholarships for students and students. The enthusiasm of the community towards the implementation of waqf has attracted the attention of the state to regulate waqf management as a sector to build social and economic solidarity of the community (Rizal et al., 2020). Waqf was originally just the desire of someone who wanted to do good with the wealth he owned and managed individually without any definite rules (Apriliyanto, 2018). However, after the Islamic community felt how beneficial the waqf institution was, the desire arose to regulate the waqf properly. Then an institution was formed that regulates waqf to manage, maintain and use waqf property, either in general such as mosques or individually or families (Hazami, 2016).

During the Umayyad dynasty who became the judge of Egypt was Taubah bin Ghar Al-Hadhramiy during the time of caliph Hisham ibn Abdul Malik. He was very attentive and interested in the development of waqf so that a separate waqf institution was formed like other institutions under the supervision of judges. This waqf institution was the first to be carried out in waqf administration in Egypt, even throughout the Islamic state (Kasdi, 2017). At that very moment, Hakim Taubah established a waqf institution in Basrah. Since then, the management of waqf institutions under the Ministry of Justice is well managed and the proceeds are distributed to the entitled and needy. During the Abbasid dynasty there was a waqf institution called "*shadr al-Wuquf*" that took care of the administration and elected the managing staff of the waqf institution. Thus, the development of waqf during the Umayyad and Abbasid dynasties whose benefits are could be felt by the community.

Therefore, waqf institutions develop in the same direction as their administrative arrangements (BWI, 2021).

During the Ayyubid dynasty in Egypt, the development of waqf was quite encouraging, where almost all agricultural lands became waqf treasures and all were managed by the state and became state property (*baitul mal*) (Aprilianto, 2018). When Shalahuddin Al-Ayyuby ruled Egypt, he intended to make state-owned lands handed over to religious foundations and social foundations as the Fathimid dynasty had done before, although Islamic fiqh the law of *baitul mal* property still differed among scholars. The first time the person who entrusted the land belonging to the state (*baitul mal*) to the foundation and social was King Nuruddin Asy-Skyahid with the firmness of the fatwa issued by a cleric at that time was Ibn 'Ishrun and was supported by other scholars that it was permissible to declare state property legally permissible (*jawaz*), with the argument (proposition) of maintaining and preserving the country's wealth. Because the property that belongs to the state basically cannot be waived. Shalahuddin Al-Ayyubi has a lot of state-owned land for educational activities, such as representing several villages (*qaryah*) for the development of school of asy-Syafi'iyah, school of al-Malikiyah and school of al-Hanafiyah with funds through the model of representing gardens and agricultural land, such as the construction of a madrasa of the Shafiiyyah school next to the grave of Imam Syafi'i by representing agricultural gardens and al-Fil island.

In order to prosper the clerics and the mission interests of the Sunni sect, Shalahuddin al-Ayyuby established a policy (1178 AD/572 H) that Christians who came from Iskandar to trade were obliged to pay customs duties (Aprilianto, 2018). The results were collected and presented to jurisprudence experts (*fuqaha'*) and their descendants. The waqf had become a means for the al-Ayyubid dynasty for its political interests and the mission of its sect was the Sunni sect and maintained its power. Where state property (*baitul mal*) became capital to be represented for the development of the Sunni sect and displaced the Shia sect brought by the previous dynasty, was the Fathimid dynasty. The development of waqf during the Mamluk dynasty was very rapid and varied, so that anything that could be taken advantage of could be represented (Nissa, 2017). However, the most widely represented at that time were farmland and buildings, such as office buildings, inns and places of study. During the Mamluk period there were waqf of slave servants who were donated the slaves to maintain mosques and madrassas. This was first done by the ruler of the Utsmani dynasty when he conquered Egypt, Sulaiman Basya, who entrusted his slaves to care for the mosque.

The benefits of waqf during the Mamluk dynasty were used as well as the purpose of waqf, such as family waqf for the benefit of the family, general waqf for social purposes, building a place to bathe the corpse and to help the poor and poor people. What carries more Islamic shia is the waqf for the means of Harmain, which is Mecca and Medina, such as the kaaba cloth (*kiswatul kaaba*). As was done by King

Shaleh ibn al-Nasir who visited the village of Bisus and was then entrusted to finance the *kiswah* of the Kaaba every year and replace the grave cloth of the Prophet saw and its pulpit every five years.

The next development that is felt to be the benefit of waqf has become the backbone in the economic wheels during the Mamluk dynasty (Edward & Permana, 2020). Waqf received special attention at that time although it is not known exactly the beginning of the passage of the waqf law. However, according to the news and files gathered that the waqf legislation in the Mamluk dynasty began as early as King al-Dzahir Bibers al-Bandaq (1260-1277 AD/658-676 H) where by this law King al-Dzahir elected judges from each of the four Sunni schools. In the order of al-Dzahir Bibers the representation can be divided into three categories, state opinions of waqf results given by the ruler to people who are considered meritorious, waqf to help haramain (facilities of Mecca and Medina) and the interests of the general public (Hakim, 2021). Since the fifteenth century, the Ottoman Turkish kingdom was able to expand its territory, so that Turkey could control most of the territory of the Arab state (Toraman et al., 2007). The political power achieved by the Ottoman dynasty automatically made it easier to enforce Islamic Sharia, including regulations on representation.

Waqf Literacy as Contribution to Islamic Economic Philanthropy

The Ministry of Education and Culture (2019) defines literacy into two meanings, namely (1) ability to write and read, and (2) knowledge or skills in a particular field or activity. Pakistianingsih (2014) added that literacy is understood as the ability to process information, far above the ability, parsing and understanding school reading materials. Fatullah (2018) defines literacy as the main center of students' ability to learn and achieve success even though the context of student life is different. From the definition of related definitions above, the author views three important aspects of literacy, namely (1) script as the ability to read, (2) understanding as the ability to understand, and (3) letter as the ability to write or apply the results of reading and understanding. The author concludes that literacy is an ability to read, understand and carry out reading and understanding results. A learner can be said to be a "*literate*", if he is able to apply his knowledge in everyday life, because not necessarily everything that is understood can be done, and everything that is read can be understood. Literacy is a series of a person's ability to speak, listen, speak, read and write to communicate in different ways according to their goals.

Mathews (1999) defines economic literacy as a term used to describe an individual's ability to recognize and use basic economic concepts and ways of thinking economically to improve welfare for example, knowing that at a time of inflation money becomes worthless. Amelia (2018) states that economic literacy consists of a

set of knowledge and competencies that allow the improvement of personal and social decisions about the various economic problems faced. Kotte and Witt (1995) mention indicators of economic literacy are scarcity, productive resources, economic systems, exchange, economic incentives, markets, management economics. Walstad and Rebeck (2013) convey that economic literacy indicators are scarcity, choice and productive resources, economic system, exchange, economic intensive, market and price, specialization and comparative advantages, demand and supply, economic institutions, money and inflation, interest rates, labor and income markets, entrepreneurship, government policy, unemployment, fiscal and monetary policy. Juliana (2014) simplifying economic literacy indicators is understanding of needs, understanding of scarcity, understanding of economic principles, understanding of economic motives, understanding of consumption activities.

Mannan (1983) defines Islamic economics as a social science that studies the economic problems of society inspired by Islamic values. Islamic economics as a systematic effort to understand economic problems and human behavior relationally in an Islamic perspective. Khan (1984) said Islamic economics as a science that aims to conduct studies on the happiness of human life achieved by organizing natural resources on the basis of cooperation and participation. Nugraha (2019) states that Islamic economic literacy can be defined as the ability of individuals or communities to identify problems, recognize basic concepts of Islamic economics, understand Islamic principles and values in economic activities, and apply them in daily life to achieve prosperity. A person can be called literate in Islamic economics if he or she is able to distinguish between needs and desires that are then realized in economic life.

RESEARCH METHOD

The research method used in this study is a descriptive qualitative method using a literature review with a literature review approach (Zaluchu, 2020). This research is qualitative research using a literature study approach (Ansori & Iswati, 2009; Sugiyono, 2011). In qualitative research, researchers are required to be able to study, analyze and interpret an event (Siyoto & Sodik, 2015). The data presentation of the study can be used in the form of brief descriptions, charts, relationships between categories, flowcharts or things like that (Hardani et al., 2015). In conducting the study, the authors collected data from various literatures related to the definition of waqf, the history of waqf, and the development of waqf in Indonesia. These data were collected from various national and international journals. Data analysis was carried out using a descriptive analysis technique that describes the concept of waqf, the history of waqf and the development of waqf in Indonesia.

RESULTS AND DISCUSSION

Waqf in Indonesia

Waqf institutions originating from Islam began to be accepted by the customary law of the Indonesian nation (Zaidah, 2012). In addition, the State of Indonesia has many waqf objects, both waqf of movable objects or immovable objects (Budiartha, 2021). If we look at other Muslim countries, waqf receives enough attention so that waqf becomes a social charity that is able to provide benefits to many people. As in Egypt, universities and hospitals stand on waqf lands, the United States, Malaysia, Brunei, Bangladesh which are encouraged by the theory of Mannan and other developed and developing countries to aim to establish maqashid sharia (Huda et al., 2019). In Indonesia, waqf activities are known along with the development of *da'wah* Islam in Indonesia (Hazami, 2016). In addition to proselytizing Islam, the scholars also introduced waqf teachings at the same time. This is evident from the many historic mosques built on waqf land. This waqf teaching continues to develop in Indonesia, both during the pre-colonial proselytizing, colonial period, and post-colonial period during the independent Indonesia period. This can be seen from the fact that this waqf institution derived from Islam has been accepted into the customary law of the Indonesian nation itself. The colonial rule period was a momentum for waqf activities (Solichin & Anwar, 2020). Because at that time, the development of religious organizations, schools, madrasas, islamic boarding schools, mosques, were all self-help and stood on waqf land. However, the later development of waqf did not undergo any significant changes (Medias, 2010). Waqf activities are limited to religious activities, such as the construction of mosques, Islamic schools, cemeteries, Islamic boarding schools so that waqf activities in Indonesia are less economically beneficial for many people (Huda, 2012).

Although some rules have been made by the government related to waqf mechanisms, such as Government Regulation (PP) Number 28 of 1977 concerning Land Representation Owned, however, this regulation only regulates land waqf. This means it's not far away unlike the waqf model in the early period, it is identical to the land waqf, and its usefulness is limited to religious social activities, such as mosques, cemeteries, Islamic schools, etc. Due to the lack of regulations governing representation, it is not surprising that the development of waqf in Indonesia has stagnated (Medias, 2010). The stagnation of waqf development in Indonesia began to experience dynamization when in 2001, several Islamic economic practitioners began to bring a new paradigm to the community regarding the new concept of money waqf management to improve the welfare of the people. It turns out that the concept is interesting and able to provide energy to drive the stagnation of waqf development. Then in 2002, the Indonesian Ulama Council (MUI) welcomed the concept by issuing a fatwa allowing cash waqf (Musa, 2018).

The MUI fatwa was then strengthened by the presence of Law No. 41 Year 2004 of Waqf which states that waqf can also be a moving object, such as money. In

addition, it is regulated also the policy of representation in Indonesia, starting from the formation of *nazir* to the management of waqf assets. To be able to carry out its functions, this law still requires other tools, namely Government Regulations and Minister of Religious Affairs Regulations on Waqf of Money which will be a reference in its implementation, as well as the existence of the Indonesian Waqf Agency (BWI) which will function as the central *nazir* of waqf. BWI is an independent institution established on October 27, 2004 based on the above law (Juhro et al., 2019). After going through a long process, at the end of 2006 a Government Regulation No. 42/2006 concerning the Implementation of the Waqf Law was issued. After that, in July 2007 a Presidential Decree of the Republic of Indonesia number 75 / M of 2007 was issued which decided and appointed BWI membership for the 2007-2010 period chaired by KH, Tolhah Hasan (Syakir, 2018). BWI has a vision as an independent institution that can be trusted by the Indonesian people in the development of national and international waqf.

BWI's mission itself is as a professional institution that is able to realize the potential and economic benefits of waqf assets for the benefit of worship and community empowerment (BWI, 2020). BWI was formed for the development of waqf and the development of waqf *nazir* so that waqf assets are well managed and able to develop productively and provide benefits to the wider community (Juhro et al., 2019). In the development of waqf in Indonesia, BWI collaborates with the National Sharia Council-Majlis Ulama Indonesia (DSN-MUI) in developing waqf products.

DSN-MUI was formed in order to realize the aspirations of the Muslim community regarding economic problems. DSN-MUI has a vision to form a sharia economic society and to make the community economy proud. DSN-MUI has a mission to develop the Islamic economy and Islamic financial / business institutions for the welfare of the people and the nation. Recently, DSN-MUI issued fatwa No. 106/ DSN-MUI/ X/ 2016 concerning Waqf benefits of Insurance and Investment in Sharia Life Insurance. According to the fatwa, the concept of withholding assets that can be utilized by assets has similarities with the concept of sharia insurance which is based on *tabarru* funds and provides investment benefits for insurance participants who have contributed. This is contrary to the previous fatwa which banned the life insurance program by the MUI fatwa commission because it was *gharar* (Musa, 2018). In 2019, DSN-MUI issued a fatwa related to waqf sukuk No. 113/ DSN-MUI/ X/ 2019. Waqf Sukuk is a sukuk issued in order to optimize the Benefits of Assets \Maukaf and latan returns for the public interest (*mashalih 'ammah*) that do not conflict with sharia principles (Hartanto & Amir Sup, 2021).

The development of waqf norms in Indonesia is very dynamic. It can be seen from the existing phenomenon, the dynamics of waqf fatwas and products that are represented are increasingly diverse. In the beginning, waqf was only allowed in fixed assets such as land, schools, Islamic boarding schools, buildings that had a static

nature. The function of waqf as a distribution of property for the welfare of the community (Sadeq, 2002). Starting with the waqf law in 2004, waqf objects transformed into cash waqf which is more practical and productive. Followed by the establishment of BWI by the Government, it led to an increase in administrative waqf management (Billah, 2020). BWI also collaborates with DSN-MUI to monitor the development of financial institution products, so as to encourage the representation of Islamic financial products. Waqf products are no longer fixated on fixed assets but can develop in financial institutions. The transformation of waqf under the waqf law of 2004 can be described as follows:

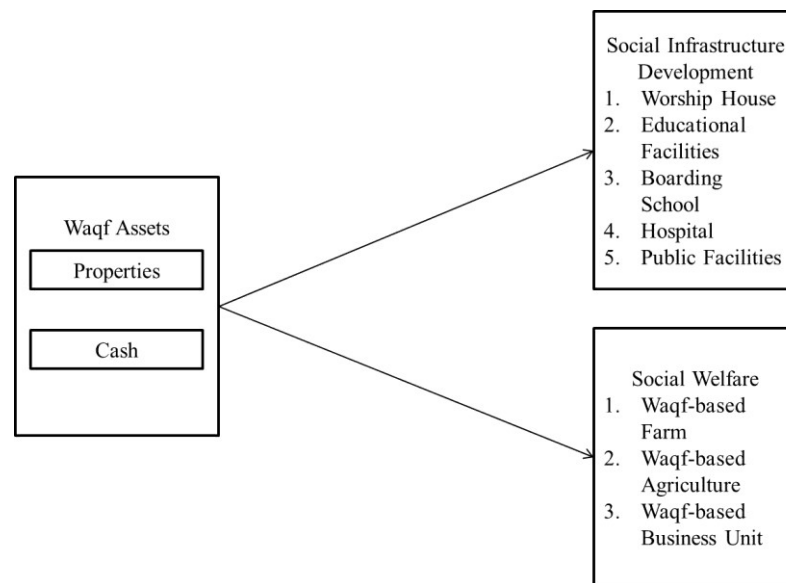


Figure 1. Waqf’s Norm in Indonesia

Source: Hazami, 2016

Furthermore, various efforts are carried out by various parties, both government-based institutions such as BWI as described above and private waqf fund management institutions. BWI through the waqf literacy index survey found that the national waqf literacy index was included in the low category with a score of 50.48 consisting of 57.67 scores for basic understanding scores and 37.97 scores for advanced understanding scores (BWI, 2020; Latif et al., 2021). Based on the results of the survey, BWI has developed a socialization strategy to develop national representation. Furthermore, the results of this survey can be used by private waqf institutions to be able to adjust waqf socialization strategies to increase waqf awareness on a national scale. In this regard, BI provides support through the program of *Indonesia Sadar Wakaf* or commonly referred to as GISWAF to increase waqf literacy and of course waqf inclusion in Indonesia. This support is part of the collaboration between BI, BWI, and OJK which has established a waqf core principle (WCP) to be applied and socialized to the public who have the potential to become waqf donors (Bank Indonesia, 2018).

Dynamics of Waqf Literacy in Indonesia

Waqf literacy has been widely carried out by educational institutions in Indonesia that build and base their educational institutions with waqf, such as UNISULA Semarang, UII Jogjakarta, Pondok Modern Darussalam Gontor, Pondok Pesantren Wali Songo Ngabar, Pondok Modern Tazakka Batang, and others (Susilo, 2016). This waqf-based educational institution is able to provide literacy, understanding, and the level of waqf awareness to waqf donors, be it student guardians, student guardians, families of teachers and lecturers, students and students as well as sympathizers of these educational institutions, including government institutions both central and regional (Rizal et al., 2020). Moreover, Pondok Modern Darussalam Gontor, which is able to apply strong enough literacy to students, teachers, families, student families, sympathizers, and the government to donate and even take part in maintaining the waqf property owned by Gontor. The Gontor literacy model applies the integration of waqf education in regular and extracurricular curricula as well as an understanding of the values and philosophy of life owned by Gontor (Susilo et al., 2021). The literacy map is generally gradual to a basic understanding, advanced understanding, and understanding of the laws associated with waqf.

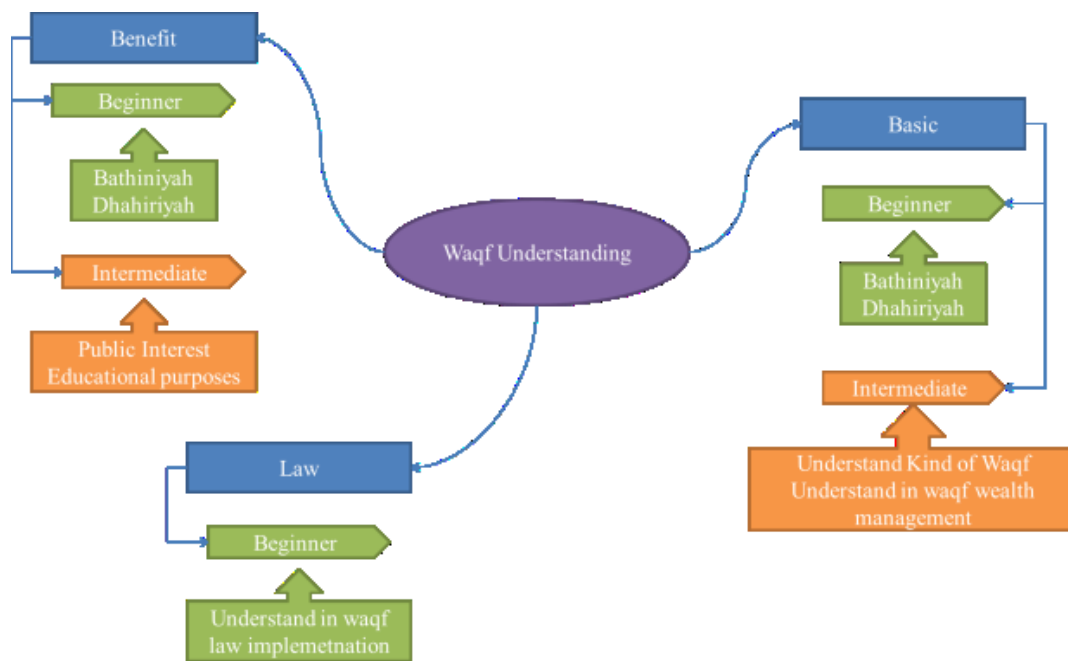


Figure 2. Waqf Literacy

Source: Latif et al. (2021)

The waqf literacy model in Gontor is quite different from the literacy map in general. Meanwhile, the waqf literacy model in Gontor is based on education. Namely, education, a supportive environment, and uswah hasanah or figure examples in waqf (Susilo et al., 2021).

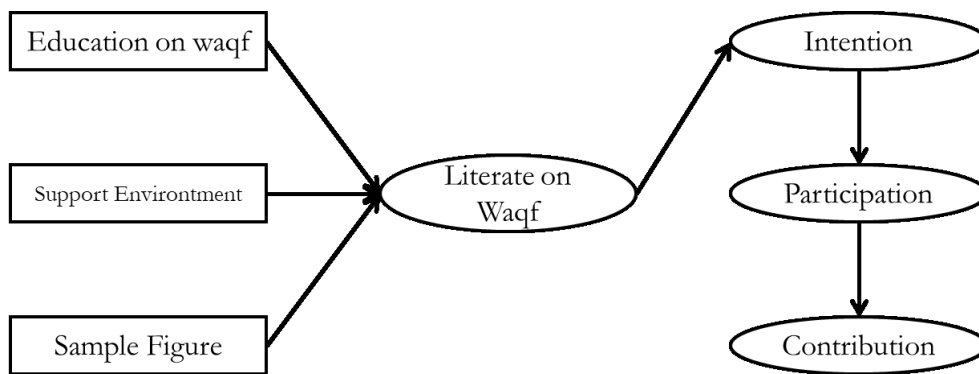


Figure 3. Waqf Literacy Model in Gontor

Source: Susilo et al., 2021

Based on the various dynamics of waqf problems and the understanding and socialization or literacy of waqf, BWI then established the latest regulations on guidelines for the management and development of waqf assets that can be used by various waqf institutions in Indonesia through the Indonesian Waqf Agency Regulation No. 1 of 2020. This is then supported by the Indonesian Waqf Board Regulation No. 1 of 2021 concerning the Organization and Work Procedures of the Indonesian Waqf Agency. The 2020 regulation stipulates that waqf money can be developed into waqf linked sukuk, State sharia securities or SBSN both in rupiah and foreign currencies. This regulation also mentions organizations that can manage waqf money, namely, banks and Islamic financial institutions, state waqf institutions both central and regional, and non-governmental waqf institutions (Faudji & Paul, 2020; Prasetya et al., 2021).

In connection to waqf linked sukuk, its potential in cash waqf assets to be developed while at the same time maintain the principal assets. Indeed, sukuk is potential instrument to mobilize funds due to its characteristic as long-term financing instrument as well as an alternative to finance project of investment. Therefore, to maintain the cash waqf linked to the sukuk, the sukuk must be based on an ijarah contract and risk sharing (Ilmiah, 2019). In addition, government is able to utilize cash waqf linked sukuk in financing infrastructure and public needs (Ubaidillah, Masyhuri, and Wahyuni, 2021). Moreover, waqf is also able to be integrated with sukuk in Pesantren or boarding school as productive model. The most important elements of the Integrated Sukuk Based Waqf models are nazir waqf or holding pesantren capable of establishing PFC and PDC as independent subsidiaries, the form of waqf assets to be financed by the issuance of this Sukuk, the professional waqf asset management schemes and the Shariah compliance elements that must be encountered (Masrifah, Umam, and Lahuri, 2019). The model of waqf linked sukuk in pesantren has been developed and described as follow:

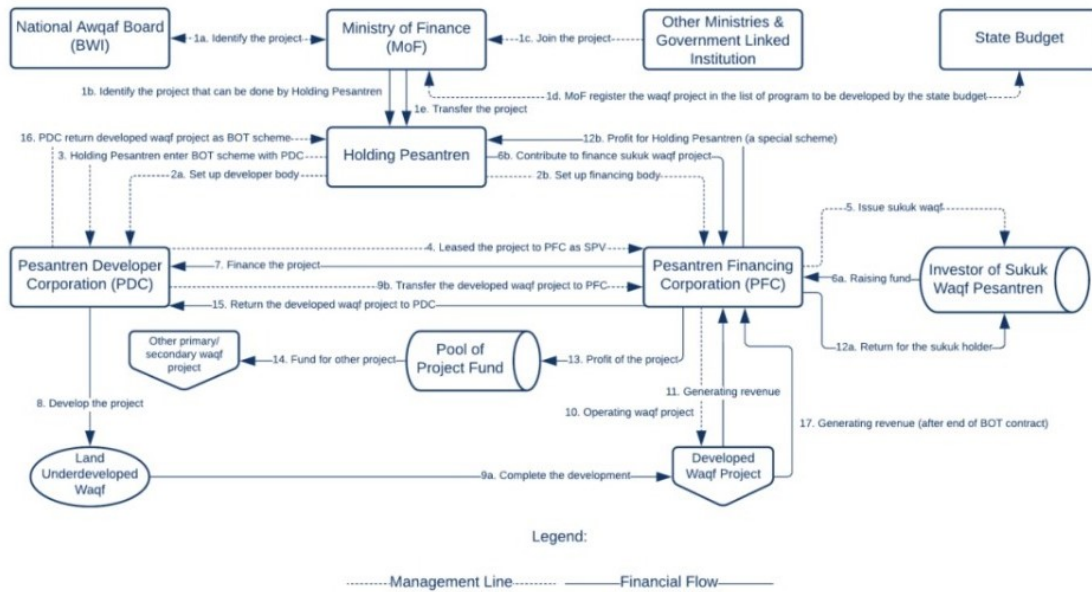


Figure 4. Waqf linked Sukuk Models in Pesantren

Source: Masrifah et al., 2019

Meanwhile, in the 2021 regulation, BWI established as an independent government-owned institution that manages waqf assets in Indonesia. Based on this regulation, it means that the potential for waqf assets in Indonesia has become wider and larger. This is supported by BWI as an independent government-owned institution that aims to prosper the people. Moreover, in the current digitalization period, regulations on waqf of money are needed where the turnover of money is getting faster and money transactions are becoming easier. Therefore, other waqf institutions must be able to adjust to these regulations, and be able to develop the potential of the waqf assets they manage so that they can become productive assets and produce for the sake of achieving the sustainability of waqf assets so that the results can then be used in social purposes.

CONCLUSION

The development of waqf norms in Indonesia is very dynamic. It can be seen from the existing phenomenon, the dynamics of waqf fatwas and products that are represented are increasingly diverse. In the beginning, waqf only allowed in fixed assets such as land, schools, Islamic boarding schools, buildings that had a static nature. Starting with the waqf law in 2004, waqf objects transformed into cash waqf which is more practical and productive. Followed by the establishment of BWI in the same year by the Government, it led to an increase in administrative waqf management. BWI established a surveillance structure in 2007 to date. BWI collaborated with DSN-MUI to monitor the development of financial institution products such as cash waqf fatwas, life insurance waqf to sukuk waqf in 2019. Until now, BWI and DSN-MUI are still developing waqf products and promoting the waqf literacy movement in the middle of the Indonesian Muslim community.

Indeed, the result of this study is needs to be developed on further investigation. For example, the dynamics of waqf literacy is included to factors that affecting donor to donating in cash waqf. In other words, further research is suggested in the field of quantitative using linear regression, ANOVA, or even Structural Equation Modeling (SEM).

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