

Waqf Optimization To Enhance Economic Of Indonesia

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إن الدولة إندونيسيا مشهورة بأكثر المسلمين في العالم وكذلك بأصول الوقف، ولكن النظام الآن لا يتدر على تحسين أصول الوقف. وأغلب أصول الوقف هي المساجد والمعاهد. إذا أنتج أصول الوقف فسوف يرجع إلى تكاليف تشغيل المساجد والمعاهد. الوقف المالي الآن أنفع من أصول الوقف على شكل المساجد أو المعاهد أو أي أصول الوقف أخرى. تتحدث هذا البحث عن تحسين الوقف (بين الوقف المالي أو الأصولي) كمصدر التمويل الخالي من الربا البنوكية لرفع إقتصاد إندونيسيا بثلاث طرق الآتي: (1) الوقف للتربية؛ (2) الوقف كمصدر التمويل للمؤسسات المبتدئة؛ (3) الوقف كرأس المال للمؤسسات المهمة. **كلمات مفتاحية:** الوقف، تحسين الوقف، إقتصاد إندونيسيا.

Abstract

Indonesia known as the Nation with the largest Muslim citizen in the World. So do the Waqf Assets. Unfortunately, with current management couldn't optimize the Waqf Assets. Most of Waqf Assets are Mosque and Boarding School (Pesantren). If the Waqf Asset produce revenue only to finance the operation cost Mosque and Boarding School (Pesantren). Cash Waqf nowadays more useful than Waqf Asset at form Mosque, Boarding School (Pesantren) and other assets form. In this Paper will be discuss about optimalization Waqf - either Waqf Assets or cash Waqf - as the source of funding that free from interested to enhance Economics of Indonesia with 3 (three) ways: (i). Waqf for Educations; (ii). Waqf as the source of funding to finance the start-up company; and (iii) Waqf as the working capital for Strategic Company.

Keywords: Waqf, Optimalization Waqf, Economics of Indonesia

A. Background

Indonesian people have never forgotten what happened on 2014-2015. Indonesian election happened on 2014 and global economic slowdown on 2015. When the company didn't have the best strategic, that company won't survive on 2015. Inflation education cost almost occurred every year. That inflation make people tend looking for scholarship in Indonesia or abroad. Most of scholarship have the term and condition when the students have graduated from

their University or school. After graduated from the Banker Academy, the participant have at least 5 years contract with the sponsor to work at that Bank. If the participant resign before 5 years, the participant have to pay the fined Rp.150 million. We can imagine if the sponsor are from cigarette company, alcohol beverage company or even Islamic haters company? At this situation, the grantee has to works at that haram companies. Most of scholars work on unrelated field from their major. These phenomenon will make they

couldn't use their maximum potential to enhance Economics of Indonesia. In general, Indonesia people will be job seeker after graduation. Inadequate job opportunity against the number of job seeker will result unemployment.

Last three years, there are so many start up company run their business in Indonesia. Such as Gojek or Bukalapak that offer many job opportunities for job seekers. Those start up companies had a difficult times for looking finance from Bank. One of the requirements that have to fulfill is the Company's business running and generated positive net income at least 2 years. The obstacles not only that, after several years and that start up company have generating net income, the Bank couldn't give the financing that easily. If those lines of businesses are including the forbidden business, Bank will reject their financing proposal. As solution, the start-up company asks financing from other investor country which is common to request something strategic from investment.

In 1945 Constitution of the Republic of Indonesia, article 33 paragraph 2 stated that "Production branches which are important for the country and dominate the life of many controlled by the state." And paragraph 3 stated that "Earth and water and natural resources contained in it are controlled by the state and used for the people's welfare." Most of strategical Indonesia state owned company own by foreign Investor, such as, Freeport, stated owned Bank (Bank BUMN). These condition will make Indonesia Government couldn't fulfill 1945 Constitution of the Republic of Indonesia article 33 paragraph 2 and 3.

Accordance the explanation above, the paper would like to explain how the Waqf could give the solution to, (1) Educational Scholarship without any contract of interest; (2) source of capital to finance start-up company; (3) source of capital to finance Strategical Indonesia state owned company that free from conflict of interested.

B. Definition

1. Waqf Definition

Etimologically, waqf is arabic word that means "al-Habs" or hold, stop or silent. If that word connected with the assets like soil, animal or other, it means right of ownership would be faded to the intended use of the other (Ibn Manzhur:9/359). As one of Islamic sharia term, waqf could be interpreted as the freezing of right of ownership of the asset to give the benefit to others. While on Fiqh Books, many Ulama have different argument in give definition about waqf. Those differentiation will result different result to the law output. The waqf definition based on fuqaha, such as:

First, The Hanafiyah interpret waqf as resist material objects (al-'ain) that owned by wakif and give the benefit to everyone for the purpose of goodness (Ibn Al-Humam: 6/203). That waqf definition explain that waqf asset still on wakif hand. Wakif still owned the waqf asset, only the asset benefit could utilize by people.

Second, The Malikiyah's opinion, waqf is the benefit of asset could transfered to other people with one contract (sighat) with limited time in accordance term and condition wakif (Al-Dasuqi: 2/187).

Third, The Syafi'iyah interpret waqf with hold the asset that could give benefit to other people. Wakif handed over of management of asset to nazhir that comply to sharia. (Al-Syarbini: 2/376). This group required that the waqf asset must not easily destroyed or damaged and a long-life asset and people can use the benefit of waqf asset in long term period (Al-Syairazi: 1/575).

Fourth, The Hanabillah interpret waqf with the simple word, hold the waqf asset (land) and give the benefit (Ibn. Qudamah: 6/185).

according Constitution of the Republic of Indonesia no.41 year 2004, the waqf definition is Wakif legal act to separate and / or hand over part of their wealth either permanently or for a

specified period in accordance with their interests for purposes of worship and / or general well-being according to sharia.

The endowments of some definitions, it can be concluded that the endowment aims to provide benefits to those who are entitled to and used in accordance with the teachings of Islamic Sharia. This is consistent with the function of waqf mentioned article 5 of Law no. 41 of 2004 which states waqf serves to realize the potential and economic benefits of waqf property for the benefit of worship and to promote the general welfare.

2. Pillar of Waqf

Pillars of Waqf there are four pillars that must be met in waqf. First, people who do waqf (al-Waqif). Second, objects waqf (al-mauquf). Third, those who receive the benefit of waqf (al-mauquf 'alaih). Fourth, lafadz or pledge waqf (sighah). Terms of Endowment are:

1. The terms of those who do waqf (al-Waqif) there are four, the first person who's do waqf must necessarily have a full treasure, meaning he's free to donating property to whoever did it wanted. Both he must necessarily reasonable person, not valid waqf fool, a madman, or those who are drunk. Thirdly he must necessarily baligh. And fourthly he must necessarily people who are able to act legally (rasyid). The implication fools, people who are mufliis and weak memories unauthorized person donating property.
2. The terms of waqf asset (al-mauquf) couldn't do the transfer of ownership, unless it meets certain requirements set by the expert; The first is waqf asset must a valuable goods. Second, the quantity should be countable. So if the asset uncountable (majhul), then the transfer of ownership is not valid. Third, That asset must owned by

the person who would like to waqf (Wakif). Fourth, the asset must independent, is not attached to other assets (mufarrazan) or also called (ghaira shai").

3. The conditions of the person who receives the benefit of waqf (al-mauquf alaih) In terms of classification of people who receive these waqf are of two kinds, First is a specified (mu'ayyan) and unspecified (ghaira mu'ayyan). What is meant by specified is that, obviously the person receiving the endowment, whether one, two or all of which are a set of specific and should not be changed. While that unspecified means a waqf place was not specified in detail, for example a person for the indigent, poor, places of worship, etc. The requirements for the person receiving this particular waqf (al-mawquf mu'ayyan) that he must necessarily people are allowed to own property (ahlan li al-Tamlik), then Muslims, infidels zimmi, independent and qualified it may have a waqf property. As for the fool, a slave, and lunatics unauthorized accept waqf asset. Terms relating to ghaira mu'ayyan; that will receive the waqf must necessarily be able to make it for good from which it can closer to Allah swt. And waqf is intended only for the sake of Islam alone.
4. Shigah conditions related to the content of the speech (sighah) there should be some conditions. First, the speech should contain words that indicate permanent (ta'bid). Invalid waqf contract if the speech with a certain time limit. Second, the speech can be realized immediately (tanjiz), without attached or hung to certain conditions. Third, the speech must indicate certainty. Fourth, the speech was not followed by the canceling conditions. When all the above requirements are fulfilled, the control

of land donated for waqf is valid. Wakif can no longer withdraw the ownership of the property was transferred to Allah and mastery of the property is the person receiving the waqf asset (Nazhir) generally considered to be the owner but it is ghaira tammah.

3. Types of Waqf

Article 16 of Law No. 41 of 2004 states:

1. Waqf Asset can be classified into :
 - a. Fixed asset; and
 - b. Moveable asset.
2. Fixed Asset as described in paragraph (1) word a covered:
 - a. Land rights in accordance with the provisions of the legislation in force either already registered or not;
 - b. buildings or parts of buildings that stood on the land referred to in paragraph a;
 - c. plants and other objects related to the land;
 - d. ownership of the apartment units in accordance with the provisions of the legislation in force;
 - e. Another fixed asset in accordance with the provisions of sharia and legislation in force.
3. Movable Assets as described in paragraph (1) letter b is a assets that can not be discharged due to consumption, include:
 - a. Money cash;
 - b. Gold;
 - c. Securities;
 - d. Vehicles;
 - e. Intellectual property rights;
 - f. Leasehold; and
 - g. Other movable assets in accordance with the provisions of sharia and legislation in force.

4. The Fundamental Waqf Law

(a) Based On Al-Quran

In general there are no verses of the Qur'an that

clearly explains the concept of waqf. Therefore waqf including infaq fiisabilillah, the basis used by scholars in explaining the concept of waqf is based on the generality of the verses of the Qur'an that describes infaq fisabilillah. Among these verses, among others:

"O ye who believe! Give of the good things which ye have (honourably) earned, and of the fruits of the earth which We have produced for you." (Q.S. Al-Baqarah (2): 267)

"By no means shall ye attain righteousness unless ye give (freely) of that which ye love" (Q.S. Ali Imran (3): 92)

"The parable of those who spend their substance in the way of Allah is that of a grain of corn: it grow seven ears, and each ear Hath a hundred grains. Allah giveth manifold increase to whom He please: And Allah care for all and He know all things". (Q.S. al-Baqarah (2): 261)

The verses mentioned above describe the suggestion to spend in the property acquired to get the reward and kindness. In addition, paragraph 261 surah al-Baqarah had mentioned reward doubled to be acquired and those who spend their substance in the way of Allah.

(b) Based on Hadist

Among the hadith that became the foundation and waqf proposition is the hadith that tells the story of Umar ibn al-Khattab when acquiring land in Khaibar. After he asked for instructions to the Propeth about the land, the Prophet recommends to hold the land origin and give the results (revenue).

Another Hadith that explains waqf is the hadith narrated by Imam Muslim of Abu Hurairah. The tradition Nas is; "If a man dies, Disconnect deeds

except from three sources, namely alms jariah (waqf), knowledge that can be taken advantage, and a pious child who pray." In addition to the base of al-Quran and Hadith above, the scholars agree (ijma') received a waqf as a charity are prescribed in Islam. No one can negate and reject the practice of waqf in Islam as waqf has become the practice of continually used and practiced by the companions of the Prophet and the Muslimim since the early days of Islam until now. In the context of the Indonesian state, waqf practice has been carried out by the Indonesian Muslim community since before independence. Therefore, the government has enacted a special law governing waqf in Indonesia, namely Law No. 41 of 2004 concerning Waqf. To complete the Act, the government has issued Government Regulation number 42 of 2006 on the Implementation of the Law number 41 of 2004.

C. Discussion

1. History of Waqf

In Islamic history, Waqf known since the time of the Prophet Muhammad as waqf is prescribed after the Prophet SAW Medina, in the second year of Hijri. There are two opinions among the experts that developed in Islamic jurisprudence (fuqaha') about who was first to carry out Shari'a waqf. According to the majority opinion among the scholars said that the first to implement the endowment is the Prophet Muhammad is waqf land belonging to the Prophet's mosque was built.

Prophet Muhammad in the third year of the Hijria ever waqf seven palm groves in Medina; such is Grove Araf, Shafiyah, Dalal, Barqah and other grove. In the opinion of some scholars said that the first to carry out Shari'a Waqf Umar bin Khatab. This opinion is based on the hadith narrated by Ibn 'Umar, he said: "From Ibn' Umar, said:" That friend of Umar, acquire a piece of land at Khaibar, then Umar, overlooking the Prophet

Muhammad to ask for directions, Umar said: "O Messenger of Allah SAW. I got a piece of land, I have not got a treasure that good, then if you say to me? "the Prophet Muhammad. He said: "If you like it, you hold (principally) the land, and you give (results), not sold, not donated, and not inherited." Ibn Umar said: "Umar giving it (the management of land) to the poor people, relatives, slaves, sabilillah, Ibn sabil and guests. And it is not forbidden to those who manage (Nazhir) waqf meal of the results in a good way (rightly) or feed others by not intend to accumulate wealth "(HR. Muslim).

In the development of waqf practice became more widespread during the era of Islamic rule after the first four caliphs. Nurhayati in his article titled Accounting for Sharia in Indonesia is excerpted from republika.co.id (2011) explained that during the reign of the Umayyads and Abbasids, everyone flocked to implement waqf. At that time, endowments not only for the poor and needy, but waqf capital to build educational institutions, building a library and pay the salaries of its staff, the salaries of teachers and scholarships for students and students. The enthusiasm of the people to the implementation of the endowment has attracted the attention of the state to regulate the management of waqf. Then in a further developments, the government develop waqf institutions. The institution is tasked to manage, maintain and use waqf property, both in general such as mosques or either individual or family.

Tauba bin Ghar al-Hadhramiy who served as a judge in Egypt at the time of Caliph Hisham bin Abdul Malik (724-743 AD) of the Umayyads, for example, has pioneered the management of waqf under the supervision of a judge. He also set a special registration form and offices to record and oversee waqf in the region.

These efforts culminated in the establishment of waqf office to the registration and perform the

controls associated with the head of the court, which is commonly called the “judge the judges”. Waqf institution is the first time carried out in the administration of waqf in Egypt, even in all the lands of Islam in those days. At that time, Judge Tauba establishing waqf institutions in Basrah. Since then the management of waqf under the authority of the judiciary. The existence of waqf institutions have also passed during the reign of the Abbasid dynasty. Abbasid government formed an organization named al-Sadr Wuquuf. The waqf institutions in charge of taking care of administrative issues and selecting management staff waqf institutions.

2. Waqf Today

According to Kholis (2010) in which Muslim-majority countries such as Egypt, Algeria, Saudi Arabia, Kuwait, and Turkey. They long ago already managing waqf towards productive. In fact, in countries where Muslims minor, the development of waqf is equally productive. Singapore, for example, it's waqf assets, if converted to SGD S \$ 250 million. To manage it, the Assembly of Religious Islam Singapore (MUIS) made a subsidiary named Waqf Real Estate Singapore (WAREES).

What about waqf development in Indonesia as the largest maritime countries in the world and the largest Muslim population in the world? Based on data adapted from Indonesian Waqf Board follows Waqf is total assets in the form of land throughout Indonesia.

Table 1. Indonesia Waqf Land

NO	PROVINCE	SLTM	CERTIFIED WAQF	UNCERTIFIED WAQF	REMBRACE AREA (M2)
1	Nanggroe Aceh Darussalam	24,898	13,730	11,168	767,869,613.00
2	Sumatera Utara	16,280	7,761	8,519	940,015,800.00
3	Sumatera Barat	6,721	4,554	2,167	87,761,212.25
4	Sumatera Selatan	8,513	3,665	4,868	2,804,710.96
5	Riau	8,273	3,857	5,216	1,880,011,144.14
6	Jambi	5,879	4,139	1,780	14,095,677.00

7	Bengkulu	3,772	2,208	1,564	10,372,700.00
8	Lampung	14,591	8,372	6,219	22,999,814.00
9	Bangka Belitung	1,052	755	297	2,882,311.00
10	Kepulauan Riau	1,260	336	924	70,380,902.00
11	DKI Jakarta	6,317	4,383	1,934	9,088,816.7
12	DI. Yogyakarta	7,846	7,558	288	2,617,101.00
13	Jawa Barat	74,860	45,873	28,987	1,166,628,17.81
14	Jawa Tengah	103,294	82,641	20,653	143,689,700.97
15	Jawa Timur	74,429	54,193	20,236	58,219,272.28
16	Banten	17,781	10,843	6,938	1,629,968,200.00
17	Bali	1,269	1,132	137	1,954,282.00
18	Kalimantan Barat	5,123	2,318	2,805	28,361,562.00
19	Kalimantan Tengah	2,562	1,724	778	41,536,207.71
20	Kalimantan Selatan	9,866	7,369	2,497	1,182,086,114.00
21	Kalimantan Timur	3,535	1,542	2,193	14,369,138.94
22	Sulawesi Utara	897	310	587	1,477,961.00
23	Sulawesi Tenggara	2,606	1,530	1,076	4,911,420.00
24	Sulawesi Tengah	3,197	1,874	1,323	1,782,821.00
25	Sulawesi Selatan	10,109	5,647	4,462	10,879,799.11
26	Sulawesi Barat	2,593	902	1,691	1,012,484.00
27	Papua	346	142	204	494,400.00
28	Papua Barat	338	105	233	391,117.00
29	Nusa Tenggara Timur	1,266	1,043	223	2,828,811.00
30	Nusa Tenggara Barat	12,105	7,031	5,074	20,816,321.00
31	Maluku	597	270	327	1,086,191.00
32	Maluku Utara	1,563	935	627	30,221,191.00
33	Gorontalo	1,727	776	951	3,267,467.34
	TOTAL	435,395	288,429	146,966	4,142,464,288

Source: Waqf Directorate of the Ministry of Religious Affairs, dated March 14, 2014

According to the table 1 above, Indonesia has assets in the form of the waqf land area of 4,142,464,288 m² or 414.246 hectares with a total proof of ownership (certificate) as much as 435.395 pieces of which 146.966 units (33.75%) of them have not been certified. With the persistence of the waqf asset land that has not been certified, it will potentially lead to conflicts between the heirs of the owner of the asset endowment (al Waqif) with asset managers waqf (nadzir) related to management in the future especially if the asset waqf of the generated revenue.

Waqf assets located in Indonesia mostly

are idle assets or unproductive assets such as Mosque, cemetery or simply vacant land. Of course with so many idle assets is of course empowerment of the waqf assets waqf is certainly very less to be able to contribute to the economies of Indonesia. For more details can be seen in the following table.

Table 2. The Utilization Asset Waqf Year 2012

No.	Type of Waqf	Amount (units)	%
1	Worship place	258.429	77.1%
2	School	35.208	10.5%
3	Bornding School (Pompa)	9.713	2.9%
4	Place of business	2.658	0.8%
5	Cemetery	22.738	6.8%
6	Orphanage	6.647	2.0%
	Total	335.383	

Source: Ministry religion republic Indonesia

Most of the assets endowment in 2012 was shaped place of worship (mesque, Mushala or Surau) with the composition of 258.429 units, or 77.1% of all assets of waqf. With waqf asset mix as above can be said waqf assets in Indonesia is far from productive. Plus the location of waqf assets scattered throughout Indonesia. According to the table 1 above where not necessarily be at the expanse of land, but rather scattered in various regions in Indonesia, both in big cities or in the countryside. It would be difficult for the Nadzhir to manage or utilize the waqf assets more productively.

(a) Waqf for Education

According Syalabi, in the book *At-Tarbiyah Al-Islamiya* said, there are some popular Islamic institution in the world that plays a variety of science and development of civilization, which in its heyday was supported by the availability of the power of waqf funds, such as:

- a. An-Nizhomiyah, built by Mulk Nizhomul a Vizier (Prime Minister) Saljuks, a campus complete with Mosque, library, a

collection of books in very large numbers, librarians and translators. The number of waqf funds issued by Nizhomul Mulk to pay educational cost. According to Naji Ma'rif around 600,000 dinars, the funds are enough to pay the salaries of teachers / professors who taught there, and for scholarship students / students, including consumption, accommodation, clothing and other basic necessities. The education campus Nizhomiyah that exist outside Baghdad, also provided funds endowments but the numbers were smaller than in Baghdad.

- b. An-Nuriyah Kubro, in Damascus founded by Nur al-Din Mahmud Zanki (563 H). According to the report reportage Ibn Jubair who paid a visit to the campus, said that the campus is a campus education is the most complete and most beautiful in Damascus at that time, in addition to the buildings studied the pupil / student, also dormitory building, mosque, bathrooms, library, home teachers, shops and warehouses. The campus is built on 11,500 m² of land, in addition to other supporting buildings. To finance their education needs are provided waqf property is quite large, in addition to the form of building land, as well as agricultural land, plantations, shops and others.
- c. Al-Azhar in Cairo an old education that to this day still exist and affect the tens or even hundreds of thousands of students around the world with the level of education ranging S1 to S2 and open the program that many, started from the faculties of engineering and medicine to religion. According to reports Kasdi of his research, that now endowment received by Al Azhar was very large, which comes from two sources

ie Egyptian government sources started by Caliph Al-Hakim bin Amrillah followed by subsequent caliphs. Sultan Qatiby in 1479 who gave waqf in form 14 buildings, which are used to store and student dormitories Al Azhar, a textile factory, a farm, and others. Currently endowments for Al Azhar initiated by the Egyptian ministry of waqf include Construction of apartments and civil houses and Inclusion of stocks in dairies and catering Egypt, in chemical industries, export and import company, al-Faisal Islamic bank development banks and property etc.

While in Indonesia, boarding school (pesantren) have large lodges that have a number of students up to thousands of people such as: PP. Ibrahim, Asembagus Situbondo, PP. Sidogiri Pasuruan, PP. Modern Gontor Ponorogo, PP. Hidayah Mubtadiin Lirboyo Kediri, PP. Tebuireng Jombang, PP. An-Nur Malang and others. Funds have strength enough money generally comes from endowments, such as farms, shops, fish ponds, restaurants, filling stations and so forth. Similarly, some Islamic University Private which has a campus wide, majestic and beautiful with thousands of students and manage courses of various levels (Diploma, S1, S2 and S3) generally supported by the fund endowments strong and productive, such as the Indonesian Islamic University (UII) in Yogyakarta, Indonesia Muslim University (UMI) in Makassar. Yarsi University in Jakarta, Muhammadiyah University in Malang (UMM), University of Sultan Agung Semarang, Bandung Islamic University (UNISBA), Ibnu Khaldun University in Bogor and others. Most of these universities have large and productive assets such as hospitals, pharmacies, hotels, Agriculture and others, whose origins are driven by the Waqf funds.

In Jakarta there are several examples of

educational institutions which is a blend of schools with madarasah / formal schools are supported by waqf, such as:

- a. Yayasan Madrasah Ad-Da'wah, West Jakarta, founded by H. Muhammad Zen, and now continued by his son, H. Abdul Mubin, S.Ag. founded the Mosque and Madrasah building / three-story school. Awareness to make waqf become more productive is already in the Foundation's intention to build Health Center, Mini Market, BMT, office and others. Assets held in the form of Waqf land area of approximately 10,000 m².
- b. Sirathur Rahman Foundation, in West Jakarta was founded by H. Osman and now replaced by his son, H. Ahmad Azhari with waqf assets of approximately 3,000 m² has built a multi-storey building for the mosque and Islamic elementary schools and junior secondary, and there is still vacant land planned to be ground productive endowments to support the development of education.
- c. Husnayain Foundation in East Jakarta, led by KH. Cholil Ridwan with assets donated land area of almost 7,000 m², has built a Masjid Abu Bakar As-Siddiq, and school buildings are two floors, in addition to the existing health facilities (health clinics, pharmacies, cafe, kiosk, Alfamart, ATM and other etc). Besides, the Foundation also serves the consulting business of religion, psychology and economics Islam. The remaining land is still vacant will be a productive effort to support education and the propagation of Islam.

Although the majority of waqf assets still used as a Mosque and schools / school but the waqf assets for some areas have become a form of productive assets pharmacy, cafeteria, alfamart, BMT and so

are the results used to cover operating costs of the Mosque and Islamic boarding schools / schools. With such independence can make pesantren / schools are free from the dependence of local governments so that pesantren / schools are free from conflict of interest because the operational cost boarding pesantren / schools have been sourced entirely from income waqf productive assets.

(b) Waqf for Start-Up Company

After graduating from college, the average person will usually find a job, including students receiving endowment fund by working then a just enough to feed themselves and their families. While entrepreneurship will create jobs that could absorb unemployment. Usually graduates of higher education do not have enough capital to create a company that is in accordance with the educational background, they average just had a brilliant idea.

The role of waqf in Indonesia should be further enhanced use of which is currently to finance schools or school. Wider use may be as a means to provide initial capital to the high school graduates to be able to establish a business in the appropriate fields, educational background or their hobbies. Without funding from endowments is not rare that they will be difficult to realize the dreams of their noble to build the project or start-up companies that can create jobs that lead to improvements in the economy of Indonesia. The requirement for a company can apply to Bank Muamalat financing company one company has operated and experienced min. 2 years. While the other terms are as follows:

The Requirements for Investment Financing of Bank Muamalat

1. A letter of application for the financing of the management / board
2. TIN institutions still valid

3. The legality of the establishment and amendments (if any) and its endorsement
4. The licenses of business: SIUP, TDP, SKD, AIS and more (if needed) is still valid
5. Data board of directors and commissioners company
6. The financial statements of the last 2 years
7. A copy of mutations account passbook / statement last 6 months
8. Proof of legality assurance (SHM / SHGB / reg / deposit slip / etc
9. List of needs and offer evidence for the procurement of investment plans submitted

As for graduates of higher education who have recently graduated have no experience in setting up the business and plans to establish a business, if under the terms of the financing of Bank Muamalat can be ascertained filing a start-up company will be instantly rejected by Bank Muamalat. For that we need other sources of funding to facilitate the creative ideas of the graduates of higher education.

In connection with the current waqf assets largely shaped Pesantren, Mosque and then to finance working capital, start-up company sourced from cash waqf.

Based on the assumption of Nasution (2011) regarding the potential waqfin Indonesia assuming Muslims are willing to pay endowments are some 10 million people with an average income ranged from Rp.500,000, - sd Rp.10,000,000, - / per month then it will accumulated cash waqf minimum of Rp.3 trillion / year, as the following table:

Table. 3.3 Potential Cash Waqf Indonesia (IDR)

Income / Month	Total Muslims	Waqf Rate/month	Potensial Cash Waqf/ month	Potensial Cash Waqf/ month
Rp.500,000	4,000,000	5,000	20,000,000,000	240,000,000,000
Rp. 5-10 million	10,000,000	100,000	100,000,000,000	1,200,000,000,000
Rp. 5-10 million	10,000,000	100,000	100,000,000,000	1,200,000,000,000

Rp. 5-10 million	10,000,000	100,000	100,000,000,000	1,200,000,000,000
Rp. 5-10 million	10,000,000	100,000	100,000,000,000	1,200,000,000,000
Rp. 5-10 million	10,000,000	100,000	100,000,000,000	1,200,000,000,000
Rp. 1-2 Juta	3,000,000	10,000	30,000,000,000	360,000,000,000
Rp. 2-5 Juta	2,000,000	50,000	100,000,000,000	1,200,000,000,000
Rp. 5-10 million	10,000,000	100,000	100,000,000,000	1,200,000,000,000
	Total			3,000,000,000,000

Source: Nurstion, September 2011.

Cash waqf that has been collected can be utilized for productive projects eg as project Hydroelectric Power Plant (HEPP) which are based on information from the players hydropower that investment per Megawatt (MW) was USD 2.7 million (Rp.37.8 billion assuming Rp.14,000 / USD). Projects start-up without back-up by the company sponsor the less powerful it will be considered a high-risk venture in which the Bank will try to avoid it. If the project is funded by companies / institutions that are not in line with Islam would create a conflict of interest to another. This is where the role of cash waqf to provide financing solutions for strategic projects but with the status of start-up company with no conflicts of interest that may be counter-productive to the growth of the Indonesian economy.

The waqf funds may be provided on a rolling basis or in other words can be used by one party which, after the business went, the funds shall be returned without any interest. Furthermore, the funds can be given back (rolling) to other start-up businesses through the business running smoothly and then the endowment funds can be returned to Nadzhir and so on. Furthermore, to accelerate the opening of jobs and increase the economy of Indonesia, the company that have been assisted by the cash waqf can be a guarantor or back-up cash flow for other start-up company as well as a mentor. It is expected to help accelerate economic

development for the Indonesian nation.

(c) Waqf as Finance for Strategic Business

Cash waqf funds than can be used as financing for business start-ups can also be used as a source of funds for businesses that have established businesses such as housing developers, the textile industry, agriculture, fisheries and other businesses that have more established. With the support of the cash waqf there then the business can obtain cheap funding sources so it certainly will not charge the entrepreneur. By enjoying a cheap source of funding it, the owner can allocate the revenue is supposed to pay margin / profit sharing to Bank Syariah into retained earnings to increase capital of the company. Thus, companies can use retained earnings to increase sales for the next year.

Similarly, the use of cash waqf for start-up companies, the use of cash waqf source of funds for companies already established are also free from conflicts of interest, the company is also able to run the business in accordance with the company's business blue print that has been determined by the owner. Based on the 1945 Basic Law Article 33, paragraph 2 reads: "branches of production which are important for the State and who dominate are controlled by the State". Then in paragraph 3 are translated into "Earth, water and natural resources contained therein controlled by the State and used for the prosperity of the people."

According to article 33, paragraph 3 is positioned company is like Mining, PAM, PLN and others. If then firms such strategic (Pertamina, PAM, PLN, etc.) using the cash waqf firms owned strategic country will not experience conditions like today which is always dictated the government and other shareholders. Results from the company - a state enterprise will be used in full to the prosperity of the Indonesian people and not the interests of a group again.

D. Conclusions and Recommendations

Indonesia has a lot of waqf assets that are scattered throughout the archipelago, both located in the urban areas to the rural areas. But unfortunately there is still an waqf asset that are still not freehold title (SHM) so may cause conflicts between Nadzhir as the receiver of the mandate of Wakif with the heirs of the asset.

Waqf assets currently still largely shaped Mosque and Islamic Boarding School / school even though the waqf assets are also built into the canteen, mini market or productive business. However, revenue generated from the waqf assets is only sufficient for operational purposes Mosque and Islamic Boarding School / School in waqf asset.

Waqf actually not only in the form of land or building assets, it can also take the form of cash or cash waqf familiar with. Cash waqf funds collected can be used as initial capital for the high school alumni can create jobs by opening a start-up company that is labor-intensive. At the next stage start-up company that has produced the waqf can refund to be given back to other start-up company (revolving fund). In addition to start-up company, cash waqf also could be an additional capital for companies already established or even state-owned enterprises that dominate the life of many (ideally) like-PAM, PLN, Telkom, Pertamina and others. By using the waqf fund start-up company and state-owned strategic enterprise can run a business that is free from conflicts of interest that are expected to pro to the people of Indonesia that could ultimately the welfare of society and the economy of Indonesia.

Of the empowerment of waqf is great homework for all elements of Indonesia as the country with the largest Muslim population in the world. Without the participation of the President, Parliament, Ministry of Religious Affairs empowerment waqf, Indonesian Waqf Board, Wakif, Nadzhir and the

role of Indonesian society in general of course empowerment of assets and cash waqf will benefit only Islamic education that can only be enjoyed by most people only. If in the future there is a waqf's empowerment project in the form of assets or in the form of cash waqf and do research, it will be seen directly influence the role of waqf assets and the cash waqf in improving the Indonesian Economy.

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