

Research Article

Existence of Waqf in Enhancing of Indonesia Financial Stability in Era Industrial Revolution 4.0: A Conceptual Design

Syamsuri¹, Syamsuddin Arif², Alfarid Fedro³, Vina Fithriana Wibisono⁴, Veithzal Rivai⁵, Iwan Kurniawan Subagja⁶, Salim Basalamah⁷

¹Lecturer, Magister Program University of Darussalam Gontor

²Lecturer, Magister Program University of Darussalam Gontor

³Student, Magister Program Islamic Economic and Law University of Darussalam Gontor

⁴Student, Magister Program Islamic Economic and Law University of Darussalam Gontor

⁵Board of Experts of Scientists and Scholars of Indonesian Sharia, Indonesia

⁶Researcher of Universitas Krisnadwipayana Jakarta, Indonesia

⁷Indonesian Muslim University

*Corresponding Author

Vina Fithriana Wibisono

Abstract: The digitalization era of industrial revolution 4.0 provides convenience in transforming human activities into digitalization access, including in the field of financing and finance both micro and macro. However, financial system stability in the industrial revolution era 4.0 still needs to be improved. While waqf is an instrument for solving social and economic problems both macro and micro. This article is a conceptual design study that aims to find out in-depth or the extent to which the role of waqf contributes to improving the system of national financial stability. The research method used is a descriptive qualitative study of literature analysis and documentation. The results of this study indicate that waqf can contribute and provide solutions to the stability of the financial system in Indonesia by optimizing one indicator of the financial stability system, which is a reliable and safe payment system. Namely through (1) the socialization of studies on the endowment of money to the community by applying the basic principles of online membership. (2) synchronization between Bank Indonesia (BI), the Financial Services Authority (OJK), and the Indonesian Waqf Board (BWI) to create a good waqf governance, namely by applying (a) Core Principal Waqf (WCP) as a basis for waqf management in the governance system waqf management, (b) Waqf Linked Sukuk (WLS) as one of the waqf investment instruments that makes it easy for people to represent safely and reliably, and (c) the Indonesian Conscious Awareness Waqf (GISWAF) Movement, and the Islamic Center for Awqaf Studies (ICAST) as a center for the study of waqf by providing special treasures for Waqf through the academic system.

Keywords: Waqf, Money Waqf, Financial Stability, Waqf Digitalization, Industrial Revolution 4.0.

INTRODUCTION

Waqf is a unique institution because it contains worship values that have dimensions of *ḥablum minallāh* and *ḥablum minannās*, also, a waqf is a form of worship that combines spiritual aspects or religious aspects, and material or social-economic aspects. Many countries have used waqf to support programs aimed at public welfare. Some countries have developed productive waqf, for example, Turkey, Egypt, Jordan, have used waqf as an economic improvement for the people (Susanto, 2016).

According to data collected by the Indonesian Ministry of Religion, waqf land area in Indonesia

reached 49,583.38 Ha, spread over 366,501 locations throughout Indonesia, and 61.97% had been certified. For the use of waqf land mentioned above has been managed for the mosque (44.79%), mushalla (28.16%), tombs (4.53%), schools (10.61%), boarding schools (3.38%), and other social (8.53%).

A waqf land is still relatively passive and is still minimal if intended for other social matters such as the economy in particular. However, over time the development of waqf from year to year has progressed quite well. According to Hafidhuiddin said that the optimization of waqf can be wider than zakat because there is no mustahiq qualification (8 ashnaf recipients of

Quick Response Code



Journal homepage:

<http://www.easpublisher.com/easjebm/>

Article History

Received: 29.11.2019

Accepted: 09.12.2019

Published: 17.12.2019

Copyright © 2019: This is an open-access article distributed under the terms of the Creative Commons Attribution license which permits unrestricted use, distribution, and reproduction in any medium for non commercial use (NonCommercial, or CC-BY-NC) provided the original author and source are credited.

zakat), while waqf is an Islamic economic instrument that has existed since the beginning of the arrival of Islam. Throughout Islamic history, waqf has shown an important role in developing social, economic and cultural activities. Waqf has proven to be an instrument of social security to help the weak to meet the necessities of life, whether in the form of health, old age costs, the welfare of life, and education.

Entering the era of digitalization, waqf is now present with new governance, namely by utilizing Financial Technology (Fintech). The process is to establish cooperation between the Indonesian Waqf Board (BWI) with Islamic financial institutions that receive money endowments (LKS-PWU), or start-up companies that are supervised directly by the Financial Services Authority (OJK). One of them is Bank Indonesia in collaboration with the Indonesian Waqf Board, and also the Gontor pesantren educational institution by issuing Waqf Core Principle (WCP), Waqf Linked Sukuk (WLS), International Center of Awqaf Studies (ICAST). And according to the Indonesian Waqf Board (BWI) noted the potential waqf assets per year reached Rp. 2,000 trillion with waqf land area reaching 420,000 Ha, while the potential for waqf money can penetrate the range of Rp. 188 trillion per year (<http://www.bwi.go.id>).

The presence of the 4.0 industrial revolution is currently a very encouraging Islamic economy. All work will be transferred to the machine so it needs preparation with the enactment of the Internet of Things (IoT), Artificial Intelligence (AI), Big Data, Cloud Computing, and BlockChain. With the advancement of technology, it can have a significant impact on the development of the Islamic economic system in Indonesia (Supriyono, 2019). Also, Islamic economics in Indonesia can bring enormous benefits if the community can think innovative and Islamic economics can be an economic trail in sustainable development or known as Suitable Development Goals (SDGs) (Buana, 2019).

Based on a survey conducted by the Association of Indonesian Internet Service Providers (APJII), there were 143.26 million people who used the internet in Indonesia and 80% of this number was the number of internet users conducted through smartphones. This fact is an opportunity taken by various parties, especially in the field of Islamic economics in the field of Islamic Banking, Halal Products, and others in the face of the industrial revolution 4.0. The effects of the industrial revolution must be followed. At present, the level of internet penetration in people's life activities is 57% and it is estimated that in 2020 it will reach 88%. This was responded by banks by carrying out various innovations that made it easier for customers, for example by making mobile banking applications. This opportunity also applies to Islamic banking, how they can adapt to

these changes and progress. The total assets of the Indonesian Islamic financial industry as of May 2018 amount to 8.38% of the total national finance, this shows the opportunities that can be taken (Harahap, 2019).

Based on the explanation above, the writer tries to explain this paper with the idea that the presence of the industrial revolution 4.0 era can help the development of waqf by utilizing the digitization system to stabilize the financial system in Indonesia.

METHODS

The research method is the procedure for how a study is carried out which includes research techniques and research procedures (Hasan, 2002). So the type of research used is normative research or library research, meaning that this research is based on library sources to discuss the problems that have been formulated. By examining secondary data by investigating the study including a description of the research subject, background differences in the views of the female circumcision that were implemented in books, previous books and scientific works (Sutrisno, 1997). About waqf in the era of the industrial revolution 4.0 in stabilizing the financial system, and other supporting data that fit the theme of this study.

In legal research, there are several approaches, with information approaches that will be obtained from various aspects of the issue being sought the answer (Marzuki, 2013). This study uses two approaches namely the conceptual approach. The conceptual approach will bring up interesting objects from the perspective of practical knowledge so that they can determine their meaning precisely and can be used in the process of thinking by identifying the principles, views, and doctrines that already exist to bring up new ideas (Mulyadi, 2012).

RESULT AND DISCUSSION

Waqf

In the Arabic language, the word "waqf" (pl. Awqaf) means to hold, confine, prohibit, detain, prevent, or restrain. Legally, it means "to protect something, by preventing it from becoming the property of a third person" (Mohammad *et al.*, 2005).

According to the enactments of the state of number 41 the year 2004 about Waqf is waqif's legal action to separate and or submit part of his property to be used forever or for some time certain by their interests for worship and general welfare according to sharia.

According to Indonesian Waqf Board Number 4 the year 2010 about guidelines for management and development of Waqf property that Waqf Property is a treasure that has endurance and or long term benefits

and has economic value according to sharia which is represented by Waqif (Giver).

So, the significant of waqf is to provide continuous charity that can generate perpetual income flow for needy. It can also be collaboration within the community in the environment where everybody (with the same status) aims to contribute to each other event even though everybody can fulfill their needs and wants.

Since the emergence of Islam, Muslims have voluntarily given out their wealth for the benefits of others in the form of waqf. Throughout the history of Islamic civilization, it is obvious that the scope, effect, magnitude and viability of waqf has been far greater than any other voluntary institutions in Islam such as sadaqah, grants, wills, qard and nadzir (Islahi, 2018)

Waqf in Al-Qur'an and Sunnah

The term waqf does not appear in the Holy Quran but verses within it make clear references to the critical importance of being charitable and helping others selflessly. Both of these two attributes are the basic drivers for doing waqf (Mohsin, 2009).

“By no means shall ye attain righteousness unless ye give (freely) of that which ye love; and whatever ye give, of a truth God knoweth it well.” – (QS. Al-Imran [3]:92)

“It is not righteousness that ye turn your faces toward East or West, but it is righteousness to believe in Allah, and the Last Day, and the Angels, and the Book, and the Messengers, to spend of your substance out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves, to be steadfast in prayer, and practice regular charity.” – (QS. Al-Baqarah [2]:177)

The first of the two verses (verse 92 from Surat Al Imran) spurred Abu Talha, one of the companions of the Prophet (PBUH), to offer a prime piece of land he owned as a charity in Allah's cause to earn rewards. Instead, the Prophet (PBUH) advised Abu Talha to divide his land among his relatives in a clear instance of allocation of wealth to one's kin. The second verse from Surat al Baqarah urges Muslims to be genuine in their faith and immediately after that, it urges them (through their direct actions) to help their fellow Muslims from various groups, especially the underprivileged members of the community. Moreover, this verse provides a potential framework and description of the different possible beneficiaries of charitable contributions starting with kin to paying the ransom for freeing slaves. The actions of the Companions also corroborate the validity of waqf. For when Prophet Mohammad (PBUH) responds in his

Hadith to Umar's desire to give a garden he owns to charity, the Prophet says:

“Give it in charity with its land and trees on the condition that the land and trees will neither be sold nor given as a present, nor bequeathed, but the fruits are to be spent in charity.” ‘So Umar gave it in charity, and it was for Allah's Cause, the emancipation of slaves, for the poor, for guests, for travelers, and kinsmen. The person acting as its administrator could eat from it reasonably and fairly and could let a friend of his eat from it provided he had no intention of becoming wealthy by its means’ (Mohsin, 2009)

The Prophet's approval of Umar's intention not only provides solid proof that waqf was satisfied by Islam but the quoted Hadith which was narrated by ibn Umar (PBUH) also provided guidelines for the implementation of waqf. Firstly, it is indicated that once a property becomes a waqf, it cannot be sold or gifted or given as an inheritance. Secondly, the Hadith stipulated that the Waqif or the founder of the Waqf can decide with flexibility who the beneficiaries will be. Thirdly, the management of the waqf can be done by the waqif who can also benefit from the waqf during his lifetime but not to accumulate wealth (Mohsin, 2009).

These Hadiths Are Also Established That Waqf Can Be Implemented For Movable And Immovable Assets.

Waqf Will Be Valid If It Has Been Fulfilled and Conditions. There Are Four (4) Pillars Of Waqf (Nawawi, 2012):

1. *Waqif* (the person who inaugurates the treasure or donor)
2. *Mauquf bih* (goods or property represented or asset or beneficiary)
3. *Mauquf 'Alaih* (parties who are given waqf)
4. *Shighat* (a statement or pledge waqif as a will to forgive a part of his property or declaration).

Existence of Classic to Contemporary Waqf

Waqf is known since the time of Muhammad SAW, precisely since the migration from yasrib which was later renamed a visionary name into Medina. The first person who carried out waqf was Rasulullah SAW himself, namely waqf land owned to be built by the mosque. The mosque which was built based on piety was known as the Quba Mosque. Next, the Nabawi Mosque was built on land owned by the Orphans from Bani Najjar that had been purchased by Rasulullah SAW for eight hundred dirhams. Next, Rasulullah SAW in the third year of hijriyah consecrated the seven-date palms in Medina including the A'raf, Shafiyah, Dalal, Barqah and other gardens (Kasdi, 2007)

Then the other friends followed what had been done by Umar bin Khattab, among others, Abu Talha

who donated his favorite garden in Bairaha. Furthermore, Abu Bakr who donated a plot of land in Mecca intended for his descendants who came to Mecca. Next was Uthman's best friend giving away his wealth in Khaibar. Ali ibn Abi Talib endowed his fertile land. Not to forget Mu'ads bin Jabal also gave his house, which is popularly known as Dar al-Ansar.

The Waqf movement after the Sahabah era and so on experienced better development and so in the reign of the Caliph Umayyah and Abbasid the practice of waqf continued to grow and become more widespread. Even the management of waqf continues to be organized and getting better. This is marked by, for example, in the days of the Umayyad Khilafah, the waqf was managed by a separate waqf institution and under the justice department. Likewise in the time of the Abbasid Caliphate waqf was managed separately by a waqf institution known as Sadr al-wuquf who had the authority to administer and recruit staff to manage the waqf institution.

During the ayyubid dynasty in Egypt, the development of waqf was quite encouraging, where almost all agricultural lands became waqf properties and all were managed by the state and became state property (Baitul Mal).

During the Mamluk dynasty, the development of waqf was very rapid, not only in quantity but also in the types of waqf property, not only land but also buildings or office buildings, guesthouses, schools. Even sahaya servants are represented to maintain/care for the Mosque or Madrasa. Waqf is truly felt for the public and social interests, helping the needy and poor, so that the benefits of waqf have become the backbone in the economic wheel during the Mamluk dynasty. During this mamluk dynasty especially in the reign of Raja al-Dzahir Bibers al-Bandaq (658-676 H / 1260-1277M), Provisions relating to waqf are collected in the laws of waqf and Raja al-Dzahir chooses judges from each of the four Sunni schools of thought.

In the era of the Ottoman Empire known as the Ottoman Empire or Devlet-i y Aliyye-Yi Osmaniyye waqf managers increasingly developed. Among the laws that were issued in the Ottoman dynasty was the regulation on the bookkeeping of the endowment,

which was issued on the 19th of Jumadil End of 1280 Hijriyah. The law regulates the recording of waqf, certification of waqf, ways of managing waqf, efforts to achieve waqf objectives and institutionalizing waqf to realize waqf in terms of administration and legislation. In 1287 Hijriyah was issued a law that explained the position of the Ottoman Turkish lands and productive land with waqf status.

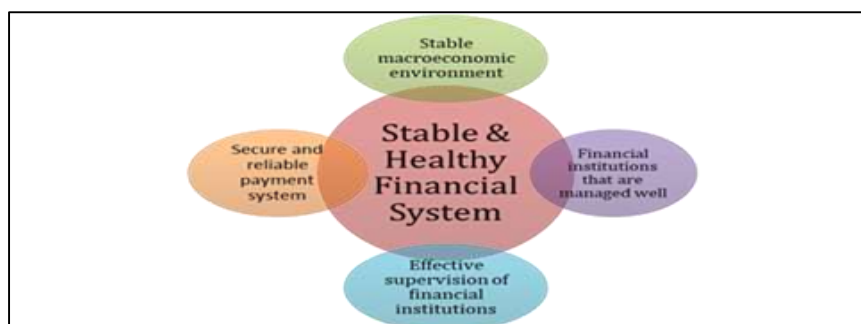
Along with the times, many philanthropic institutions are engaged in educating the public about the sunnah of waqf and the importance of waqf. The following is a list of Islamic philanthropic institutes operating in Indonesia that collect zakat, infaq, and also endowments, such as the Qur'an Waqf Board which focuses on collecting endowments, dhuafa wallets which focuses on collecting zakat funds and public donations, The zakat house which focuses on collecting zakat funds, ACT Quick Response (ACT), which focuses on raising donations and donations to help disaster victims, PKPU who moves to collect donations for social activities, and others.

Role of Cash Waqf in the Stability of the Financial System

Understanding financial system stability or a stable macroeconomic environment, where there is a financial system resilience to an uncertain economic turmoil so that economic activity can run smoothly without obstacles (Yolandra, 2017).

Financial System Stabilization (SSK) is very dominant in maintaining the stabilization of state finances which aims to attract the trust of depositors and investors to invest their funds in financial institutions. The better a financial system, the higher the level of public trust in financial institutions, of course also offset by an increase in the quality of banking services, socializing financial products to the public or by increasing and developing innovations about financial service facilities for the public benefit overall.

Supporting indicators that underlie financial system stability is (i) a stable macroeconomic environment; (ii) well-managed financial institutions; (iii) effective supervision of financial institutions; and (iv) a secure and reliable payment system. The pressure on one factor can have an impact on other factors.



Indicators of the Underlying Supporting Financial System Stability

The Stability Of The Financial System Is A Public Policy So That In General All Parties Are Associated With The Financial System, That Sense Of Responsibility Is (Crocket, 1997):

- Financial authorities (governments, central banks, the deposit insurance agency, etc.).
- Financial actors (banks, capital markets, non-bank financial institutions)
- Public, especially users of financial services.

However, the implementation of the functions encourages stability of the financial system carried out by the central bank. Because the central bank can quickly mitigate the impact of instability on the economy through its instruments to reduce liquidity pressures and accelerate recovery of public confidence.

The Effectiveness of Cash Waqf through Fintech in the Industrial Revolution Era 4.0

In e-commerce services, cash waqf is the main focus. Because the cash waqf is one of the important breakthroughs in Indonesian waqf. With the existence of cash waqf, lands waqf that has been neglected can be developed into a productive waqf project, which of course requires capital. So that the existence of cash waqf and its development can be used as a means of producing capital waqf that lacks capital for its management and development. The ease of making waqf transactions through the use of internet networks and e-commerce sites is a strategic choice to get more contributors or waqif both collectively and personally (Anidya, 2017).

Utilization of the results of the Waqf system and management that was built constructively by the Waqf body has also received serious attention from researchers. Especially of the many comprehensive research on cash waqf has been able to cope with various problems with poverty through productive activities, employment, and social action programs and humanitarian programs, either especially aimed at providing access for poor people to improve their well-being to a higher level, or social and humanitarian assistance procurement.

In Order Optimizing Cash Waqf Through Digitizing Systems By Utilizing E-Commerce Services Then The Need For Vigorous Efforts And Programs Of Its Own, Namely: (Zaimah, 2017).

- a. Waqf institutions that already have official websites on the internet, must partner with several Sharia Banks or Conventional Banks.
- b. Waqf nadzir provides convenience through direct transfers or other non-cash transactions.
- c. Some profiles are made as dramatic as a possible homepage that evokes emotional awareness (ghirah) waqif for candidates to represent immediately.

- d. The personal page of the donor is provided specifically with his secretion authorization (account login in-out) on several professional websites so that it allows representatives to monitor directly the results of the representation of the funds they represent.

Thus, there is a new direction in online waqf fundraising strategies that will demand more development of human resources and information technology to support the collection of waqf funds according to the principles of the waqf institution. The following are the principles of online membership where there are convenience and freedom (Atabik, 2014).

1. That anyone can represent. Now, people who want waqf don't have to wait to be rich. Anyone can collectively get a waif and get a Certificate of Waqf Money (SWU).
2. Broad network and online utilization. Whenever and wherever we can contribute with some money digitally.
3. Money Is Not Reduced. Funds that are represented, not a penny, will not be reduced in amount. On the contrary, the funds will develop through investments that are guaranteed to be safe, by managing them reliably, responsibly, professionally, and transparently.
4. The benefits multiply. The investment proceeds will be useful for improving religious and social infrastructure, and social welfare.
5. Afterlife Investment. The multiplied benefit becomes a reward for the waif that continues to flow, even though it has been edited, as a provision in the hereafter.
6. Growing the Real Sector. Investment funds can be allocated to open new jobs. This will be felt enough for anyone who needs employment.
7. An alternative to waqf management amid an economic crisis. Then the endowment of the money as a social investment needs to get more supervision. Because of the indications that the Waqf property can contribute to the fate of the poor (mustadh'afin).

Safe and Reliable Payment System, As an Indicator for the Development of Cash Waqf through Fintech in Stabilizing The Financial System

How important is the role of the payment system for the economy in a country, because a payment system can maintain and support the stability of the country's finances. The payment system is not only beneficial for the country's economy but also has an important role in society and banking. With an efficient, smooth and safe payment system, the public has a wider and more practical alternative to non-cash payment instruments, resulting in reduced transaction costs, with many people who understand the payment

system, expanding banking access and increasing payment security.

As time goes by technological advances are now increasingly developing which has made the payment system even more sophisticated with the existence of more effective and efficient non-cash payments that have replaced the role of cash (currency). Non-cash payments are more easily implemented and accepted by the public, for example in some countries now have started using ATM cards, debit cards, credit cards, mobile banking, e-money or electronic money (Usman, 2017).

Likewise, cash waqf in Indonesia which has been regulated based on the MUI Fatwa on May 11, 2002, contains (1) Endowments of cash waqf made by people, groups of people, institutions or legal entities in the form of cash. (2) Included in the definition of money are securities. (3) Cash waqf legal is jawaz (permissible). (4) Cash waqf may only be distributed and used for things that are permitted in a shar'i manner. (5) The principal value of the endowments of money must be guaranteed to be sustainable, may not be sold, granted, or inherited.

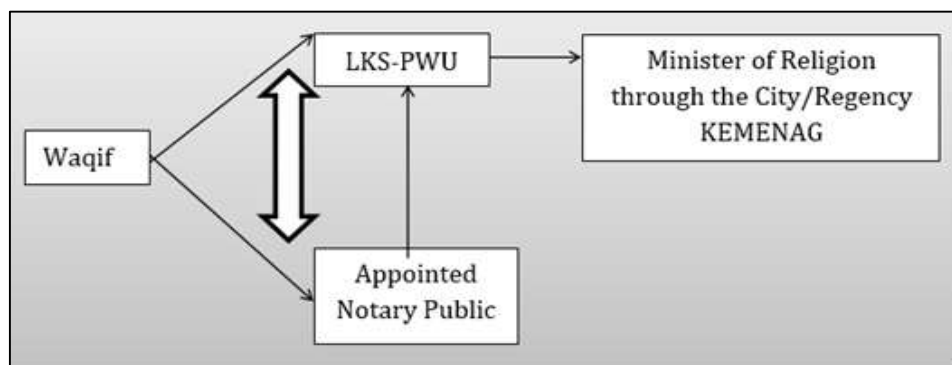
To manage the development of waqf someone must manage the properties of waqf, namely waqf nadzir by Article 6 of Law No. 41 of 2004, that nadzir is considered as one of the elements of waqf. Nadzir can take the form of individuals, organizations and legal entities. For nadzir to work by what is required by waqif and by applicable laws and regulations, it is necessary to have an institution or agency whose job is

to foster and oversee nadzir. In Indonesia, for example, in Article 47 paragraph (1) of Law no. 41 of 2004 concerning Waqf mandated the need for the establishment of the Indonesian Waqf Board (BWI) (Law No. 41 of 2004).

In contrast to the endowments of objects, waqf must involve Islamic financial institutions waqf (LKS-PWU) (Government Regulation No. 42/2006). This is an effort to channel waqf funds in the form of productive financing to the real sector that can be mobilized, namely by providing micro-credit through collective investment contract mechanisms such as Islamic mutual funds, Islamic insurance which are collected through the Certificate of Cash Waqf (SWT) to the middle-class community, to the bottom to have business opportunities and little by little can rise from poverty and collapse due to a prolonged crisis (Indonesian Waqf Board, October 2016.)

The LKS-PWU appointed by the Minister are Bank Sharia Mandiri; BNI Sharia .; Bank Muamalat; DKI Bank Sharia; Bank Mega Sharia Indonesia; BTN Sharia; BPD Sharia DIY; Bank Sharia Bukopin; BPD Central Java; West Kalimantan BPD; BPD Riau; East Java BPD; North Sumatra BPD; CIMB Sharia, Sharia Harvest, BPD Sumsel & Babel (Khusaeri, 2015).

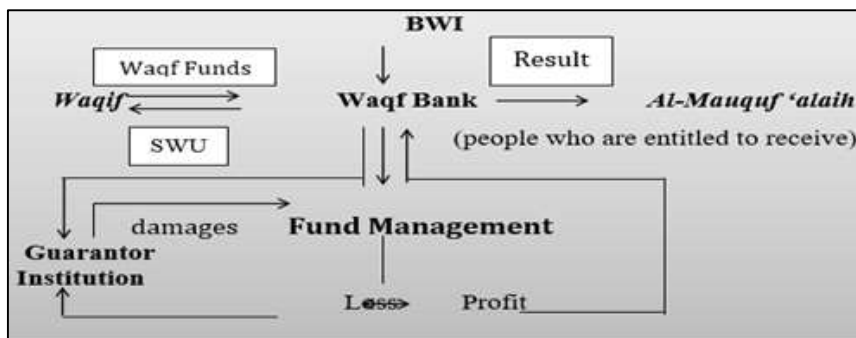
Furthermore, according to Article 45, LKS-PWU on behalf of Nazhir registers the endowment of money to the Minister through the Ministry of Religion in the Regency / City. And passed on to the local BWI. If there is no BWI Regional, then copy it to the central BWI.



Management of cash waqf can be done in two ways: (Khusaeri, 2015).

1. Through the LKS-PWU products themselves, both *wadi'ah*, *mudharabah* or other PP of Waqf Article 48 paragraph (4).
2. Outside LKS-PWU products, insured (PP of Waqf Article 48 paragraph (5)).

Or it can be seen from waqf institutions managed by Waqf Bank Indonesia or business entities that collect funds from the public in the form of deposits and channel them back to the public in the form of credit or other forms to improve the lives of many people, namely as follows:



Management and Distribution of Cash Waqf Resultson the Waqf Bank Model in Indonesia

The Illustration Above Scheme Represents A Major Opportunity For The Creation Of An Investment In Various Sectors Such As Health, Sanitation, and Social Services. If Elaborated Namely:

1. Waqf bank, namely the holder of authority as nadzir, starts from the recipient, manager, distributor of endowment funds. This waqf bank is under BWI and is responsible for BWI in receiving, managing and distributing endowment funds from endowments. BWI as supervision of waqf bank performance.
2. Waqif (representative people) receive an SWU (Letter of Waqf for Money) issued by a waqf bank. Optimizing fundraising is assisted by BWI. Fund management will be accompanied by collaboration with the guarantor institution to ensure that there is no reduction in the waqf principal value. Where the distribution of funds will be carried out by making the information network and distribution map effective.
3. Technically starting from the waqf deposit to the waqf bank. This waqf bank will place the waqf funds in an account in the name of the waqf and then issued by SWU as a statement letter for waqf funds containing the endowment name, address, the number of funds represented, and the target chosen by the waqf.

Based on the explanation above, in issuing waqf certificates, money has been regulated and issued by LKS-PWU in cooperation with Islamic banks. This is a process in the context of establishing a secure and reliable payment system through representation to create economic independence and stabilize the financial system in Indonesia.

Besides that, it is not enough for waqf development to stop at the Indonesian Waqf Agency but there must be support from other parties such as the government and the Financial Services Authority (OJK) so that the current development of waqf funds continues to grow.

To strengthen the management institution of waqf in the era of industrial revolution 4.0, then there are some new policies issued by the government, namely:

1. Waqf Core Principle (Wcp)

Waqf Core Principle (WCP) is the world standard management waqf initiated by Bank Indonesia (BI), to strengthen the management of waqf in Indonesia in particular and the world in general. The WCP was launched by Minister of Finance Sri Mulyani Indrawati, BI Governor Perry Warjiyo, and Vice-President of the Islamic Development Bank (IDB) Mohamed Nouri Jouini on October 14, 2018, in Nusa Dua Bali. The launch of the WCP is a strategic step aimed at improving the governance of Nazir institutions so that they can manage waqf property and distribute the results better. The principles that are proclaimed continue to provide flexibility in the development of waqf throughout the world. The main purpose of these principles is to create credible management of waqf endowments as well as enhance the role of financial instruments in Muslim countries (Havita *et al.*, 2019).

The WCP is formulated for two purposes, namely: First, to provide a concise description of the position and role of management and waqf supervision systems in economic development programs. Second, to provide a methodology that contains the core principles of the management and supervision system of waqf.

The method used is a comparative study between financial regulations that are currently well-formed, such as banking regulations and insurance regulations, with the basic properties of waqf management. The analysis is carried out in this WCP document is to look at and assess the relevance of contemporary regulatory elements to be used as a management and regulation for waqf supervision. Principal rules that are contrary to the concept of waqf, are identified and separated, while relevant points are proposed to be made into the principles of waqf management and supervision. Based on the history of waqf management, this WCP document can also offer new regulatory elements for waqf management and regulatory supervision.

There are five core areas of the WCP, namely: (1) Legal Foundations, (2) Waqf Supervision, (3) Good Waqf Governance, (4) Risk Management, and (5) Sharia Governance.

Meanwhile, 29 Principles Of Waqf Management Are Divided Into Two Categories, Namely:

First, supervisory powers, responsibilities, and functions, for the first category, there are (1) responsibilities, objectives, powers, independence, accountability, and collaboration. (2) permissible activities, (3) licensing criteria, (4) waqf supervisory approach, (5) waqf supervisory techniques and tools, (6) waqf supervisory reporting, (7) corrective & sanctioning powers of waqf supervisors, consolidated supervision, and home-hosted relationship.

Second, prudential regulations and requirements, it is (8) good nadzir governance, (9) risk management, (10) collection management, (11) disbursement management, (12) asset waqf problems (provisions & reserves), (13) transactions with related parties, (14) country & transfer risks, (15) reputation & waqif loss risk, (16) revenue / profit-loss sharing risk, (17) disbursement risk, (18) operational risk, (19) sharia control and internal audit, (20) financial reporting & external audit, (21) disclosure and transparency, and (22) abuse of waqf asset usage & financial services.

With the WCP mentioned above, waqf has great potential to be able to help fulfill funding from several programs, especially to achieve sustainable development goals (Sustainable Development Goals / SDGs) and become one of the available solutions for Islamic economics and finance.

2. Waqf Linked Sukuk (WLS)

Sukuk is an economic instrument that is based on collecting funds from investors. For this reason, the integration of Sukuk and waqf will be an effective financing instrument.

Based on The Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI) Sharia Standards No. 1738 of the Sukuk Investment, Sukuk is defined as:

"Investment Sukuk is a certificate of equal value representing undivided shares in ownership of the tangible asset, usufruct, and services or (in the ownership of) the asset of particular projects or special investment activity".

Sukuk waqf is a financial instrument with a written document or certificate that has the same value and can be traded. This document represents the money that is donated. This definition is a general definition, where all funds are either donated funds fixed assets or movable assets such as money, plans, cars, livestock, and other movable assets.

The level of community trust becomes an important point in the achievement of Sukuk waqf

linked or waqf related Sukuk. This innovation is considered good and has the potential to increase the role of Islamic finance in the progress of the national economy. Islamic Economics Observer, Yusuf Wibisono said that the innovation was very interesting and perspective. With the mechanism of placing waqf on a government Sukuk instrument, the risk of losing the principal waqf will be zero. To increase trust, this mechanism must be clear and transparent from the start. Starting from who is the organizer, the purpose of the Sukuk fund, how much is the yield, to its realization. According to BWI data, Indonesia has a huge potential for waqf land which is around 4,359 square km. While the potential for cash waqf reached Rp 180 trillion, but the collection has only reached Rp 400 billion.

3. THE INDONESIA AWARENESS WAQF MOVEMENT (GISWAF) ON THE PROGRAM OF THE INTERNATIONAL CENTER FOR AWQAF STUDIES (ICAST).

The First GISWAF Was Held In East Kalimantan On Sunday, June 23, 2019. The Reason For This Movement Was:

(1) Feel the Strategic Position of Waqf

Waqf is one of the key economic strengths of Muslims and the Indonesian people. No half-hearted, this event was supported directly by the Darussalam Gontor University (Unida Gontor), Bank Indonesia, the Indonesian Waqf Board, East Kalimantan Governor, and East Kalimantan MUI. The program provides a synergy of how much the spirit of all the elements mentioned above makes us feel the strategic position of waqf.

Today, more and more Muslims are eager to give away some of their wealth to be represented. But unfortunately, there are still many who don't know the knowledge of the Waqf itself. Then there needs to be a scientific basis that is sufficient to understand the endowment so as not to cause disputes.

One of the centers for the study of waqf is the International Center for Awqaf Studies (ICAST) at UNIDA Gontor and chaired by Ustadz Syahrudin, M.Sc. Fin. And ICAST Launching was also attended by KH Hasan Abdullah Sahal, Chairperson of Pondok Modern Darussalam Gontor. ICAST was established by Darussalam Gontor University (UNIDA) in collaboration with Bank Indonesia and the Indonesian Waqf Board. ICAST was established to print and foster professional waqf nadzir and must be carried out systematically and continuously.

(2) Make Your Family Understand About Waqf

The GISWAF program here is one of which is to understand relatives and family to fully understand one's lack of understanding of the actual waqf. Then this movement is socialized so that our families can have the perspective of waqf. Because there are cases where someone who wants to give away some of his

assets, but he got a conflict from his own family. Even though someone understands waqf but his family does not understand the benefits of waqf. This is a rejection that often happens not because of the reason that his family is a cheapskate. But the rejection was due to a lack of understanding of the actual waqf.

CONCLUSION

Cash waqf is one of the important breakthroughs in liaison in Indonesia. With the existence of money waqf, waqf lands that have been neglected can be developed into a productive waqf project. So, now the waqf transaction has to determine the utilization of waqf property through the internet network and e-commerce sites. This is a strategic choice to get more contributors or representatives both collectively and personally to face the era of the industrial revolution 4.0.

In order to socialize waqf online to the public, it is necessary to include several principles as a basis for online representation, such as (1) that anyone can do a Waqf; (2) wide network and online utilization, (3) money is not reduced; (4) multiple benefits, i.e. The investment results of the fund will be beneficial for improving religious and social infrastructure, as well as social welfare; (5) afterlife investment; (6), growing the real sector; (7) alternatives to waqf management during an economic crisis.

a. To stabilize the financial system in Indonesia, appropriate indicators are developed by waqf institutions, namely in a safe and reliable payment system, by way of developing cash waqf through Fintech or digitizing. To optimize it, there is a need for regulation and support or cooperation between the government (Bank Indonesia), the Indonesian Waqf Board (BWI), and the Financial Services Authority (OJK). Several programs issued by BI as the foundation of each institution to compete in the era of the industrial revolution 4.0 and be able to create good waqf governance, include:

b. Waqf Core Principle (WCP), has two purposes: First, to provide a brief description of the position and role of the management and supervisory systems of waqf in economic development programs. Second, to provide a methodology that includes the core principles of management and supervision system of waqf. There are five core areas of the WCP, namely: (1) Legal Foundations, (2) Waqf Supervision, (3) Good Waqf Governance, (4) Risk Management, and (5) Sharia Governance.

c. Waqf Linked Sukuk (WLS), Waqf linked Sukuk or waqf related to Sukuk as an innovation that is considered good and has the potential to increase the role of Islamic finance in the national economic progress. However, with the mechanism of placing waqf on a government Sukuk instrument, the risk of losing the principal waqf will be zero.

d. The Indonesia Awareness Waqf Movement (GISWAF) on the Program of the International Center for Awqaf Studies (ICAST). The purpose of the GISWAF is to encourage the community to Feel the Strategic Position of the Waqf; Avoiding Charity without Knowledge, ICAST was formed as a center for waqf studies and in order to print and foster professional waqf nadzir, and must be carried out systematically and continuously; and can understand the families about waqf.

ACKNOWLEDGMENT:

We are grateful to the highest education (KEMENRISTEKDIKTI) for our provider funding of this research, also we are grateful to Dr. Syamsuri and Dr. Syamsuddin Arif for helpful supervisor for us.

REFERENCES

1. Al-Qur'an., & Islahi, A.A. *Provision of Public Goods: Role of The Voluntary sector (waqf) in Islamic History*. In A. Mannan (Ed.), *Financing Development in Islam*, (Jeddah: IRTI-IDB).
2. Accounting and Auditing Organization for Islamic Financial Institutions, 2015, *Shari'ah standards : Shari'ah standards for Islamic financial institutions*, ed. by Dar All Maiman (Manama, Kingdom of Bahrain.)
3. Ahmad, A. (2014). *Manajemen Pengelolaan Wakaf Tunai di Indonesia*, *ZISWAF: Jurnal Zakat dan Wakaf*, 1(1), Badan Wakaf Indonesia, Oktober, 2016.
4. Bank Indonesia, *Stabilitas Sistem Keuangan: Apa, Mengapa, dan Bagaimana*, Direktorat Penelitian dan Pengaturan Perbankan, Biro Stabilitas Sistem Keuangan.
5. Greget, K. B. (2019). *Islamic Finance Specialist of UNDP (United Nations Development Programme) dalam seminar Optimalisasi Ekonomi Sharia di Era Revolusi 4.0 di Aula Gedung 3 FEB UNS pada Sabtu, 14 September*.
6. Crocket, A. (1997). *Why is Financial Stability a Goal of Public Policy*, Paper pada Simposium Maintaining Financial Stability in Global Economic, Federal Reserve Bank of Kansas City, 28-30 Agustus.
7. *Ensiklopedia Hukum Islam*. Ensiklopedia Islam 7 TAAW-ZUNN, Pt. Ichtiar baru Van Hoeve.
8. Sunarji, H. (Dosen Fakultas Ekonomi dan Bisnis Islam UIN Sumatera Utara dan Pengamat Ekonomi Sharia), dalam *Opini Harian Waspada*.
9. Iqbal, H. (2002). *Pokok-Pokok Materi Metodologi Penelitian dan Aplikasinya*, (Jakarta: Ghalia Indonesia).
10. Havita, G., & dkk. *Model Bank Wakaf di Indonesia Dalam Potensinya Untuk Mengembangkan Wakaf Uang dan Mengatasi Kemiskinan*, di unduh dari <https://media.neliti.com/media/publications/169718-ID-model-bank-wakaf-di-indonesia-dalam-pote.pdf>, ,

11. Abdurrohman, K. (2007). Dinamika Pengelolaan Wakaf di Negara-negara Muslim, *ZISWAF: Jurnal Zakat dan Wakaf*, 4(1) Juni.
12. Khusaeri, K. (2015). Wakaf Produktif, *Al-A'raf: Jurnal Pemikiran Islam dan Filsafat*, XII (1). Januari-Juni).
13. Bashari, M.A. (2017). *Mendorong Pengembangan Islamic Sosial Finance dalam Rangka Mewujudkan Masyarakat Sejahtera*, Bank Indonesia, Departmen Ekonomi dan Keuangan Sharia, Festival Ekonomi Sharia, Makassar, 25 Agustus.
14. Mulyadi, M. (2012) Riset Desain Dalam Metodologi Penelitian, *Jurnal Studi Komunikasi dan Media*, (16(1) January).
15. Peter Mamud, M. (2013). *Penelitian Hukum*, (Jakarta: Kencana Prenada Group).
16. Mohammad, M., Iman, A., & Omar, I., (2005). *An Ideal Financial Mechanism for the Development of the Waqf Properties in Malaysia*, 2005, (Johor: Pusat Pengurusan Penyelidikan, University Technology Malaysia).
17. Abdel, M. (2009). *Cash Waqf: A New Financial Product*, Petaling Jaya, Selangor, Malaysia: Prentice-Hall.
18. *Ar-Raudhah*, N. (Beirut: Dar al-Kutub al-Ilmiah), Ed.4th.
19. Penulis Anggota Badan Wakaf Indonesia (BWI) dan Ketua Pengawas Sharia Kopsyah Benteng Mikro Indonesia uploaded on <http://majalahpeluang.com/waqf-core-principles/>,
20. Peraturan Badan Wakaf Indonesia Nomor 4 Tahun 2010 Tentang Pedoman Pengelolaan Dan Pengembangan Harta Benda Wakaf, downloaded on
21. Peraturan Pemerintah No. 42 tahun 2006 tentang Wakaf Uang.
22. Mundzir, Q. (2005). *Manajemen Wakaf Produktif*, translate by Rida, Mas Muhyiddin, Khalifa, Jakarta.
23. Firda, S.A. (2017). *Manajemen Investasi Wakaf Produktif Berbasis Sharia (Studi di Aksi Cepat Tanggap)*, Skripsi, Institut Ilmu Al-Quran Jakarta).
24. Supriyono, E.d.y. (2019). (Chairperson of the Association of Indonesian Accounting Lecturers in Central Java Province) in the Sharia Economic Optimization seminar in the Revolutionary Era 4.0 in the Hall of Building 3 FEB UNS on Saturday, September 14.
25. Heru, S. (2016). Eksistensi dan Peran Ekonomis Harta Wakaf, *Hunafa: Jurnal Studia Islamika*, 13(2), Desember.
26. Sutrisno. (1997). *Metode Penelitian Research*, cet, 1, (Yogyakarta: Yayasan Penerbit Fakultas Psikologi Ugm).
27. The state enactments of number 41 the yearn 2004 about Waqf.
28. Tim Direktorat Pemberdayaan Wakaf Kemenag RI, 2007.
29. Rachmadi, U. (2017). Karakteristik Uang Elektronik Dalam Sistem Pembayaran, *Yuridika*, 32(1), Januari.
30. UU No. 41 tahun 2004 tentang Wakaf (Jakarta: Departemen Agama RI, Direktorat Jenderal Bimas Islam dan Penyelenggaraan Haji, 2004).
31. Anastasia, D. Y. (2017). *Stabilitas Keuangan: Financial Technology dan Sektor Perbankan Sebagai Indikator Sistem Pembayaran di Indonesia*, Makalah Universitas Katolik Indonesia Atma Jaya, Jakarta.
32. Nely Rahmawati, Z. (2017). Analisis Progresif Skema Fundraising Wakaf dengan Pemanfaatan E-Commerce di Indonesia, *Anil Islam*, (10(2), Desember).
33. <http://bwi.or.id/index.php/en/unduh.html?task=finish&cid=42&catid=2&m=0>,
34. <http://siwak.kemenag.go.id/>
35. <http://unida.gontor.ac.id/3-alasan-harus-hadir-ahad-23-juni-2019-ini-di-islamic-center-samarinda/>,
36. <http://www.bwi.go.id>
37. <https://dosen.perbanas.id/potensi-tanah-wakaf-di-indonesia/>
38. <https://republika.co.id/berita/ekonomi/Sharia-ekonomi/18/10/16/pgoisp370-waqf-linked-sukuk-terobosan-prospektif-minim-risiko>