

Cash Waqf: An Analysis of the Legality of Productive Waqf Management for Sustainable Development (SDGs)

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Received July 28, 2024; Revised August 19, 2024; Accepted December 27, 2024

Abstract

Objective: This study aims to analyze the legality and management of productive cash waqf in Indonesia, emphasizing its alignment with Sustainable Development Goals (SDGs). The practice of waqf in Indonesia remains underutilized, with inefficiencies in the management of waqf assets hindering its potential contribution to societal welfare. **Theoretical framework:** The theoretical framework integrates Islamic jurisprudence on waqf, particularly focusing on its economic empowerment potential and the regulatory landscape provided by Law No. 41 of 2004 and other relevant legal instruments. **Literature Review:** A comprehensive literature review highlights best practices in waqf management and identifies challenges in implementation. **Methods:** This qualitative study employs a descriptive approach, relying on library research to examine secondary data from journals, legal documents, and research reports. **Results:** The findings reveal that Law No. 41 of 2004 outlines comprehensive guidelines for waqf management, including provisions for movable waqf, such as cash waqf, which is regulated under Article 28. The Indonesian Waqf Agency (BWI) plays a pivotal role in ensuring productive waqf management, focusing on utilizing waqf assets to enhance community living standards. The study identifies cash waqf as a transformative tool for achieving economic empowerment and contributing to the SDGs, particularly in eradicating poverty and promoting sustainable economic growth. However, challenges remain in ensuring professional and transparent management practices. **Implications:** The implications underscore the need for capacity-building initiatives for waqf managers and regulatory reforms to streamline waqf governance. **Novelty:** The novelty of this research lies in its exploration of cash waqf as a strategic instrument for sustainable development, offering actionable insights into optimizing its potential. By bridging the gap between Islamic jurisprudence and modern management practices, this study provides a framework for enhancing the economic impact of waqf in Indonesia.

Keywords: cash waqf, productive waqf, waqf management, sustainable development goals, indonesia.

INTRODUCTION

Waqf, a unique institution in Islamic tradition, plays a significant role in fostering social welfare and economic development. In Indonesia, waqf management, particularly productive cash waqf, holds immense potential to address contemporary socio-economic challenges and align with the Sustainable Development Goals (SDGs). However, inefficiencies and a lack of professional governance hinder the optimal utilization of waqf assets. Legal frameworks such as Law No. 41 of 2004 provide a foundation for waqf development, yet their implementation requires enhancement. This study explores the legality and productive management of cash waqf in Indonesia, emphasizing its role in promoting sustainable economic empowerment and societal well-being [1].

Waqf as Islamic teaching is multidimensional, covering the dimensions of worship and society so it is very strategic to continue to be developed. Developments in waqf law in Indonesia include the administrative field, and types of waqf assets such as money waqf and waqf management rules. The development is directed at legal certainty, expanding the value of benefits and waqf actors, so it is solely based on the purpose of benefit [1]. Waqf is a continuous mobilization of wealth for religious, worship, and pious purposes. The traditional method of waqf of wealth is an effort to play a vital role in improving the social welfare of the people. Traditional waqf allows waqf management to develop waqf assets using this traditional method can finance socio-economic development [2].

Waqf has a vision for the future and has the goal of realizing sustainable benefits, this charity can encourage the realization of greater benefits, considering that its implementation is based on the awareness of investing in the hereafter and its distribution attaches importance to various productive activities. Waqf is also a form of generosity because the practice of waqf is an inseparable part of the form of spending property that he likes very much without reward [3]. Waqf institutions in their history have made important contributions to the social, economic, and cultural welfare of Islam. In one example, when the rasul SAW ordered Umar bin Hattab to waqf a piece of his beloved land in Khaibar. The substance of the Nabi SAW decree is to emphasize the importance of restraining the existence of waqf objects by managing them professionally [4].

In Indonesia, there are many waqf objects in various forms, both movable and immovable. In the course of history, waqf continues to develop along with the pace of changing times with various appropriate innovations, such as the form of money waqf, waqf of Intellectual Property Rights (IPR), and others. As part of the positive law that applies in Indonesia, waqf is included as part of the absolute authority of the Religious Court based on Article 49 of Law Number 3 of 2006 concerning Amendments to Law Number 7 of 1989 concerning Religious Courts [5].

Law of the Republic of Indonesia No. 41 of 2004 concerning Waqf and Government Regulation No. 42/2006, is directed to empower waqf which is one of the instruments in building the socio-economic life of Muslims. The presence of this waqf law is a momentum for the productive empowerment of waqf and the expansion of the meaning of waqf objects because it contains a comprehensive understanding and management pattern of empowering the potential of waqf in a modern way [6].

The legal umbrella to protect waqf assets and for the public benefit is the existence of a positive law on waqf as a whole, where this is proof that the government pays attention to waqf seriously as a step to protect and develop waqf in the future. The government's efforts to regulate regulations related to this issue are still being carried out to empower religious institutions optimally for the benefit of improving the welfare of many people. Although the government's efforts still require synergistic

support and cooperation, and the seriousness of all parties involved so that waqf has a positive impact and benefits the community [7].

Waqf (habs) in Islamic sharia is one of the important spare parts that can be used as an official (legitimate) means for the distribution and equitable distribution of sustenance of Allah SWT to realize the benefit of mankind, an Islamic ideal. To the belief of the majority of Muslims that property is a divine trust, developing waqf property as a productive institution so that it can function as a means of human "liberation" is inevitable [8].

The practice of waqf that occurs in people's lives has not been fully orderly and efficient so in various cases, waqf property is not maintained as it should. Many waqf problems have arisen, such as waqf assets that are abandoned or transferred to third parties in illegal ways. This situation can occur, one of which is due to the negligence or inability of *the nazhir* to manage and develop waqf property [9].

Based on the background that has been explained above, the main problems in this study are as follows: What is the law of productive waqf in Indonesia? How is money waqf managed in Indonesia?

LITERATURE REVIEW

Some of the research related to the research conducted by the researcher includes a study entitled "*The Development of Waqf in Indonesia*" written by Ahmad Faisal, which explains the formation of a new waqf regulation, in this case, Law No. 41 of 2004, starting with the preparation of a draft law based on opinions and analysis from the perspective of jurisprudence, sociology, as well as several legal foundations related to the approval of the initiative preparation of the waqf bill by the President [10].

The journal entitled "*Analysis of Productive Waqf Management Strategies in Indonesia*" states that productive waqf which can be interpreted as waqf whose assets, if managed, can provide economic benefits in the form of plantation/agricultural land, money and various movable and immovable objects, need to be further improved by making more targeted mechanisms and strategies [11].

The research entitled "*Management of cash waqf in waqf and land management institutions of the Nahdlatul Ulama region of Yogyakarta special region*" written by Achmad Muchaddam Fahham explained that for Nahdlatul Ulama (NU), managing waqf is not something new, because as a socio-religious movement, NU has actually been struggling with waqf management for a long time, especially waqf in the form of immovable objects such as land. Building, or others, through the NU Waqf and Land Institution (LWP) but managing cash waqf, can be said to be a new thing for LWP NU because it was only in 2010 that LWP NU established a cash waqf manager [12].

The management of productive waqf has become a major concern in the development of the Islamic economy in Indonesia. This concept refers to the use of waqf assets for productive activities that generate sustainable profits and benefits, without changing the status of waqf assets as the property of Allah. Productive waqf has great potential in supporting the economic development of the people, especially in the fields of education, health, and social welfare. In the Indonesian context, money waqf is one of the important innovations that allows people from various walks of life to contribute to the management of waqf [13]–[15].

According to Law Number 41 of 2004 concerning Waqf, money waqf is legally recognized and supervised by the Indonesian Waqf Board (BWI). Money waqf is a waqf instrument in the form of money that is used for productive activities, such as investment or financing of micro, small, and medium enterprises (MSMEs). A study

conducted by Hasanah shows that money waqf regulations in Indonesia provide a strong legal basis to maintain transparency and accountability in waqf management. However, its implementation still faces challenges in terms of public understanding and lack of socialization from the authorities [16]–[18].

Several studies show that the management of productive waqf can be the driving force of the sharia economy in Indonesia. The existence of a money waqf scheme allows managers, such as Nazhir, to optimize the potential of waqf assets through investment in sectors that generate profits without violating Sharia principles. According to Adiwarman Karim, the productive waqf management model requires professional management and strict supervision to ensure that waqf assets are not used carelessly. He emphasized the importance of training Nazhir to increase their capacity to manage waqf productively [19]–[21].

However, the main obstacle in the management of productive waqf is the low public awareness of the benefits of money waqf. A study by Sholahuddin revealed that many people still view waqf as limited to traditional forms, such as land or buildings, so they are less educated about the potential of money waqf as an instrument of economic empowerment. On the other hand, several cases of money waqf management have shown promising results, such as the establishment of waqf-based education and health facilities that provide real benefits to the surrounding community [22]–[24].

The literature also shows the need to strengthen regulations and supervision of the management of money waqf. The results of the research by Rahman and Fikri highlight the importance of periodic audits and transparent reports from Nazhir to the community and government agencies. In addition, collaboration between the government, Islamic financial institutions, and academics is needed to promote innovation and increase the effectiveness of productive waqf management [25], [26].

Overall, the existing literature underlines the great potential of productive waqf, especially money waqf, in supporting sustainable economic development in Indonesia. However, optimizing the management of productive waqf requires a deeper understanding from the community, strong regulatory support, and professionalism in the management of waqf assets. With synergy between all stakeholders, money waqf can be a strategic solution to overcome various socio-economic challenges in Indonesia [27], [28].

Table 1. Literature Review of the Legality of Productive Waqf Management

Title of Article/Journal	Writer	Research Methods	Study Focus	Research Results
The Legality of Money Waqf in the Perspective of Islamic Law and Laws in Indonesia	Ahmad Zaky, et al.	Literature Studies	Analyze the legality of money waqf based on Law No. 41 of 2004 and the view of fiqh.	Money waqf has a strong legal basis in Indonesia, in line with sharia maqashid if managed productively.
The Effectiveness of Money Waqf Management in Supporting the Economic Development of the Ummah	Nurul Hidayah, et al.	Case Studies	The effectiveness of waqf institutions in managing money waqf for productive economic projects.	Transparent and professional management of money waqf can support the economic empowerment of the people.
Supervision of the Indonesian	Sri Mulyani	Juridical Analysis	The role of the Indonesian	BWI has a strategic role in supervision, but there are

Waqf Agency on the Management of Money Waqf			Waqf Agency (BWI) in the supervision and legality of money waqf management.	still obstacles to implementation at the operational level.
Money Waqf and Its Role in Economic Empowerment in Indonesia	Muhammad Alwi, et al.	Qualitative Studies	The role of money waqf in the economic empowerment of the underprivileged through productive businesses.	Money waqf has the potential as a sharia financial instrument for poverty alleviation, but it needs further education.
Legal Constraints in the Management of Productive Waqf in Indonesia	Ratna Saari Devi	Qualitative Studies	Analyze legal obstacles in the management of productive waqf, including money waqf.	The lack of understanding of the law of waqf causes the management of money waqf to be not optimal in some regions.
Optimizing Money Waqf through Sharia Fintech	Rahmawati, et al.	Case Studies	The use of financial technology (fintech) for the management of digital-based money waqf.	Sharia fintech can accelerate the collection of money waqf, but it needs more comprehensive regulations.
Productive Waqf in Indonesia: An Analysis of Legal and Economic Perspectives	Hendra Wirawan, et al.	Qualitative and Literature Studies	Analysis of the legal aspects and economic benefits of the management of productive waqf including money waqf.	The implementation of productive waqf still faces challenges in law, regulation, and low public literacy.
Money Waqf Management Model Based on Maqashid Sharia	Fadhilah Hasanah	Literature and Empirical Studies	Review the money waqf management model that is in line with the sharia maqashid.	Money waqf can be optimized with a modern management system that prioritizes the welfare of the people.

The table above presents a summary of the literature based on title, author, year of publication, research method, study focus, and research results. This information is relevant to support your research on the legality and implementation of productive waqf, especially money waqf, in Indonesia.

METHODOLOGY

This study aims to find out the law of productive waqf in Indonesia and the management of money waqf in Indonesia. The researcher tries to describe what the research subjects understand and describe. Then the qualitative approach was chosen with a descriptive method and this type of research used library research, namely research was carried out by searching for literature (literature) in the form of journals, notes, and reports of research results from previous research. Secondary data is

obtained from observations about waqf law in Indonesia. The data collection technique carried out by the author by identifying themes or discourses from journals, theses from previous research results, *the web* (internet), or also data taken from other information related to the theme of this research to look for things in the form of notes, newspapers and so on related to the focus of the research. The collected data was then analyzed in a qualitative descriptive manner.

Table 2. Research Methods

Research Aspects	Explanation
Research Objectives	Knowing the law of productive waqf in Indonesia and the management of money waqf in Indonesia.
Research Approach	Qualitative
Research Methods	Descriptive
Type of Research	Library Research
Data Source	Literature in the form of journals, notes, and reports of previous research results. Web (internet), newspapers, or other relevant data.
Data Used	Secondary data is in the form of observations on waqf law in Indonesia.
Data Collection Techniques	Identify themes/discourses from various sources such as journals, theses, previous research results, and the web. Documentation in the form of notes, newspapers, and others.
Data Analysis Techniques	Qualitative descriptive analysis.

RESULTS AND DISCUSSION

Management of Productive Waqf in Indonesia

The concept of waqf has experienced significant development, especially since the enactment of Law Number 41 of 2004 concerning waqf. For example, waqf objects are no longer only defined with land that is waqf for eternity (as in government regulation Number 28 of 1977 or the Compilation of Islamic Law), but waqf objects are divided into movable and immovable goods (article 16) and can be pledged for a certain period (Article 1). This makes the management of waqf more serious and professional. Indonesian people are increasingly aware of contemporary waqf, especially productive waqf and cash waqf [29]. The enactment of Law Number 41, all regulations regarding waqf are still valid as long as they do not conflict with and/or have not been replaced by new regulations based on this law [30].

There are 5 (five) shari'ah principles regarding waqf property, namely: (1). The property that is waqf is durable and the results can be developed continuously. (2). The beneficiaries of waqf must be a community group that is desired by *the waqf* and the nazir to be able to develop their benefits. (3). The benefits of waqf are given to the poor and vary for the benefit of the general public. (4). The waqf statement has the principle of legality and must be written in a special document in front of the appointed official. (5). The manager (Nazir) is determined to show that waqf is not private property but public property [31]. Waqf has an important role as one of the instruments in the economic empowerment of the people. In history, waqf has played an important role in the development of the social, economic, and cultural life of the community. The two laws and regulations in the form of Law No. 41 of 2004 and Government Regulation No. 42 of 2006 regulate the interests of "*mahdhah*" worship,

education, social, and last but not least, the interests of the economic welfare of the people [11].

Article 2 of Law 41/2004 determines that a valid waqf is if it is carried out based on sharia. Then article 6, waqf is carried out by completing the elements of waqf, namely: Waqf; Nazhir, Waqf Property; Pledge, Waqf; allocation of waqf property; and the period of waqf. Waqf is said to be valid if it has fulfilled the principles and conditions, namely: a. Waqif (waqf giver) b. Maukuf (object of waqf) c. Maukuf 'alaih (purpose of waqf) d. Shighat (waqif requirement as the will to waqf his property). All words, writings, or gestures from the person who has made the contract to say his wishes [32]. The Waqf Law regulates, among other things, the form of waqf objects, namely immovable objects, movable objects, and money. This can be seen in the provisions in Articles 28 to 31 of Law Number 41 of 2004 and Articles 22 to 27 of Government Regulation Number 42 of 2006. Waqf for movable objects, including money, is carried out by waqf through Sharia Financial Institutions (LKS) appointed by the Minister (Article 28 of Law Number 41 of 2004) [33].

Waqf is one of the instruments in the Sharia economy that can be used as development funding. In addition, waqf also has the potential to improve community welfare if it is managed properly and productively. With the large opportunities for waqf development in Indonesia, considering that the Indonesian people have the largest Muslim population, it is appropriate for us to manage and develop waqf for the welfare of the ummah [34]. The meaning of productive waqf itself is the basic property that is waqf to be used in productive activities and the proceeds of the waqf are distributed to those in need by the allocation of the waqf itself. Such as waqf land assets that are used to plant crops where the results can be sold and intended for those in need. Productive waqf is also called *istismari* waqf, which is waqf property that is used for productive purposes, be it in the fields of agriculture, industry, trade, and services. The benefits of productive waqf itself are obtained from the profits or results of waqf management for the benefit of the people, not directly obtained from waqf property [35].

Productive waqf is a scheme for managing waqf donations from the people, namely by producing the donation, until it can generate a sustainable surplus. Waqf donations can be in the form of movable objects, such as money and precious metals, or immovable objects, such as land and buildings. This productive waqf surplus is a source of endowment funds for financing the needs of the people, such as financing education and quality health services [36]. To manage productive waqf in Indonesia, the first thing that must be done is the need to establish a body or institution that specializes in managing waqf and is national, which by law No. 41/2004 is named the Indonesian Waqf Agency. The Indonesian Waqf Agency (BWI) is given the task of developing waqf productively so that waqf can function to improve the standard of living of the community. The main task of this agency is to empower waqf, both immovable and movable object waqf in Indonesia so that it can empower the economy of the people [37]. The birth of BWI as contained in the rules of Law 41/2004 concerning waqf is expected to be the main driving force in waqf law in Indonesia so it is hoped that waqf will become a medium in improving the welfare of the people, not only a shadaqah worship that is permissible or mubah, but also a sunnah shadaqah worship [38].

In the management of productive waqf, the things that need to be done by waqf managers to maximize the benefits of waqf assets can be done in three ways, namely: *first*, there is a profit orientation that can be felt by waqf recipients (maukuf 'alaih). *Second*, regulation and supervision are related to various devices that are formally needed in the management of waqf. *Third*, public orientation and the management of productive waqf can have a significant impact on public welfare and give birth to benefits with the main pillar of fulfilling sharia goals (maqashid asy sharia) [39].

Productive waqf is a waqf of property that is used for production, both in the fields of agriculture, industry, trade, and services whose benefits are not in direct objects, but from the net profit from the development of waqf given to people who are entitled by the purpose of waqf. Here, productive waqf is processed to be able to produce goods or services and then sold and the results are used for waqf [37].

There are two patterns of development of productive waqf assets that can be carried out by managers, namely: *First*, the development of waqf for social activities, such as waqf for social justice, people's welfare, education development, health facilities, public policy advocacy, legal aid, human rights, child protection, environmental conservation, women's empowerment, arts and culture development and other programs. *Second*, development with economic value, such as developing trade, financial investment, developing industrial assets, purchasing property, and so on [40].

Productive waqf management program (Directorate of Waqf Empowerment, a guide to the empowerment of strategic waqf land in Indonesia, Ministry of Religion of the Republic of Indonesia, Jakarta: 2007).

1. Short-Term Programs

To develop waqf land productively, one thing that the government has done in a short-term program is to establish the Indonesian Waqf Board (BWI). The existence of Indonesian waqf bodies has a very strategic position in empowering waqf productively.

2. Medium And Long-Term Programs

By developing existing nazhir institutions to be more professional and trustworthy. In the context of these efforts, the Indonesian waqf agency which functions as the coordinator of waqf institutions must provide management support for the implementation of the management of productive lands, such as human resource support, advocacy support, financial support, and supervision support [41].

Productive waqf can be in the form of many things, ranging from those related to food, property, and livestock, to stocks. There are several types of productive waqf, namely a. agricultural land waqf, the object that is waqf can be in the form of rice fields or plantation land. b. livestock waqf, waqf in the case of livestock farming is carried out by raising and breeding livestock. c. water facility waqf, water waqf is by building water sources in the form of wells in areas that are difficult to get water clean. d. Retail waqf is a waqf whose management focuses on business and trade. e, stock waqf, this type of waqf allows a company to waqf part of its shares and give it to *nazhir* or waqf management institution. f. education waqf which is carried out by managing waqf funds for the benefit of education. g. health waqf, which is distributing and managing waqf funds to meet the needs of the community in terms of health. The implementation of this waqf is usually carried out by building hospitals or clinics, including the provision of medical equipment such as medicines and ambulances [42].

Management of Money Waqf in Indonesia

In Law No. 41 of 2004 concerning Waqf, money waqf is also regulated in a separate chapter. In Article 28 of the Law on waqf of movable objects. Then in Article 29 paragraph (1) it is also stated that waqf movable objects in the form of money as referred to in Article 28 are carried out by *the waqf* with a statement of will made in writing. In paragraph (2) of the same article, it is stated that the waqf of movable objects in the form of money as referred to in paragraph (10) is issued in the form of a money waqf certificate. Meanwhile, in paragraph (3) of the same article, it is stipulated that the money waqf certificate as referred to in paragraph (2) is issued and submitted by the Islamic financial institution to the *waqif* and *nazhir* as proof of the

handover of assets and waqf. The provisions regarding waqf for movable objects in the form of money will be further regulated by Government Regulations [43].

The management of cash/money waqf in Indonesia is grouped into two, namely cash waqf managed by Sharia Banks and Private Institutions, a) cash waqf managed by Sharia Banks. Several roles can be favored when cash waqf is managed by banks: office network, ability as a fund manager, experience, information network and distribution map, and positive image. Islamic banks are only *recipients* and distributors. Meanwhile, the function of fund management will be carried out by other institutions, such as the Cash Waqf Agency (BWN), which in itself is responsible for fund management, including the cooperative relationship with the guarantor institution in BWN, b) cash waqf is managed by private institutions. The advantages obtained when cash waqf is managed by the private sector are; By the real needs of the community, there is direct control by the community, fostering community solidarity.

The Ministry of Religious Affairs defines money waqf as waqf carried out by a person, group of people, and institutions or legal entities in the form of money. Money waqf or cash waqf is a form of waqf given to *nazhir* in the form of cash by *the waqf*. Money waqf is one of the solutions to make waqf more productive. Money waqf that is managed and empowered by an institution professionally will be able to provide welfare for the community. This is in line with the term "prospering" contained in the Waqf Law which is interpreted as the efforts of the parties, especially waqf managers to improve the quality of life of Muslims through the utilization of waqf objects. The management of money waqf is only regulated by one directorate under the Ministry of Religion (as the supervisor). Other institutions related to the management of money waqf are the Indonesian Waqf Board BWI (as the regulator and manager of waqf/*nazhir funds*), *nazhir* (waqf fund manager), and the Sharia Financial Institution for Money Waqf Recipients (LKS PWU, as the party that receives and collects waqf funds) [45].

The conditions that must be met by a Sharia Financial Institution to become a recipient of money waqf are as follows:

- a. Has an operational office in the territory of the Republic of Indonesia.
- b. Engaged in Islamic finance;
- c. Has the function of receiving entrustment (*wadi'ah*).
- d. Sharia Financial Institutions submit a written application to the Minister of Religion by attaching the articles of association and ratification as a legal entity.
- e. Apply to become a Sharia Financial Institution.
- f. The recipient of the Money Waqf in writing to the Minister of Religion by attaching the articles of association and ratification as a legal entity [46].

Then the Minister shall appoint a Sharia Financial Institution within seven days at the latest or reject the application as a Money Waqf Recipient.

Appointed Sharia Financial Institutions:

- a. Announcing to the public its existence as a Sharia Financial Institution Receiving Money Waqf.
- b. Providing a Money Waqf Certificate blank.
- c. Receiving in cash waqf money from *waqf* in the name of *nazhir*.
- d. Placing waqf money into a deposit account (*wadi'ah*) in the name of *the nazhir* appointed by *the waqf*.

- e. Receive a *waqif* statement in writing in the waqf will statement form.
- f. Issuing money waqf certificates and handing over the certificates to the *waqif* and handing over a copy of the certificate to the *nazhir* appointed by the *waqif*.
- g. Registering the waqf of the money to the Minister of Religion in the name of *nazhir* [46].

Analysis and Discussion

The analysis of cash waqf in Indonesia reveals its significant potential as a transformative financial instrument aligned with the Sustainable Development Goals (SDGs). The legal foundation provided by Law No. 41 of 2004 and supplementary regulations, such as Law No. 38 of 1999, establishes a robust framework for managing waqf assets. Article 28 and Article 29 specifically regulate cash waqf, emphasizing the importance of documentation, transparency, and accountability through money waqf certificates issued by Islamic financial institutions.

The Indonesian Waqf Agency (BWI) plays a pivotal role in operationalizing productive waqf by ensuring effective asset management. Cash waqf is particularly advantageous because of its liquidity and flexibility, enabling investments in ventures that directly improve community welfare. By channelling funds into projects aligned with SDGs, such as poverty alleviation, job creation, and economic growth, cash waqf bridges Islamic social finance with modern development priorities [46].

However, challenges persist, including insufficient public awareness, limited professional capacity among *nazhir*, and the need for more comprehensive regulatory oversight. Addressing these gaps is essential to maximizing the impact of cash waqf. In conclusion, productive management of cash waqf presents a strategic opportunity to empower communities economically and advance sustainable development, making it a vital component of Indonesia's financial and social landscape.

CONCLUSION

The implementation of Law No. 41 of 2004 concerning waqf provides a comprehensive legal framework consisting of 11 chapters and 71 articles, focusing on the governance and management of waqf assets, including cash waqf. Additionally, Law No. 38 of 1999 on the Management of Zakat complements these regulations, offering guidelines for effective financial stewardship. Article 28 of the Waqf Law highlights the recognition of movable waqf, such as cash waqf, while Article 29 further elaborates on procedural aspects, including the issuance of waqf certificates by Islamic financial institutions to ensure transparency and accountability. These provisions establish a robust foundation for the legal recognition and regulation of cash waqf in Indonesia. The establishment of the Indonesian Waqf Agency (BWI) under Law No. 41/2004 signifies a critical step toward optimizing waqf management. Tasked with empowering both immovable and movable waqf assets, BWI aims to transform waqf into a productive instrument for economic empowerment and societal development. Cash waqf, in particular, has emerged as a key tool for fostering sustainable economic growth by pooling financial resources and deploying them in productive ventures. Managed professionally, cash waqf can significantly contribute to improving community welfare and addressing poverty, aligning with the principles of Islamic social finance. This study underscores the alignment of productive waqf management with the Sustainable Development Goals (SDGs). By leveraging cash waqf to promote poverty eradication, reduce inequality, and enhance economic opportunities, waqf institutions can play a pivotal role in achieving goals such as no poverty (SDG 1), decent work and economic growth (SDG 8), and reduced inequalities (SDG 10). Furthermore, the professional governance of waqf assets promotes transparency, accountability, and inclusivity, thereby strengthening trust in Islamic financial institutions. The findings highlight the necessity of capacity-building initiatives for *nazhir* (waqf managers) and

enhanced regulatory mechanisms to ensure effective implementation. The issuance of money waqf certificates represents a significant innovation, ensuring clarity and trust in the waqf process. However, challenges remain in raising public awareness and fostering a culture of trust and collaboration in waqf management. In conclusion, the strategic management of cash waqf offers a promising avenue for enhancing the role of waqf in economic empowerment and achieving the SDGs. This study provides a framework for integrating Islamic jurisprudence with modern financial practices, demonstrating how waqf can serve as a catalyst for sustainable development and societal well-being.

Acknowledgements

The completion of this research titled "Cash Waqf: An Analysis of the Legality of Productive Waqf Management for Sustainable Development (SDGs) in Indonesia" would not have been possible without the invaluable support and contributions of various individuals and institutions. We extend our deepest gratitude to Sekolah Tinggi Ekonomi dan Bisnis Syariah IGM Palembang, Indonesia, for providing the foundational support and resources essential for the initiation and progression of this study. Our heartfelt appreciation also goes to Sekolah Pascasarjana Universitas Islam Negeri Syarif Hidayatullah Jakarta, Indonesia, for the academic guidance, constructive feedback, and scholarly insights that enriched the quality of this research. Furthermore, we acknowledge the significant role of Universitas Islam Negeri Raden Fatah Palembang, Indonesia, for its unwavering support, both administratively and academically, and for facilitating access to essential resources and networks critical to this research's successful completion. Finally, we are grateful to the faculty members, colleagues, and peers from these institutions for their encouragement and constructive dialogues, which contributed to the clarity and depth of our findings. May this research serve as a meaningful contribution to advancing waqf management and achieving the Sustainable Development Goals in Indonesia.

Author Contribution

All authors contributed equally to the main contributor to this paper, some are as chairman, member, financier, article translator, and final editor. All authors read and approved the final paper.

Conflicts of Interest

The author declares no conflict of interest.

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