



The Application of the Principle of Legal Expediency through Cash Waqf in Improving the Welfare of the People of Gorontalo

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Abstract. This research uses a type of library research by collecting in-depth information and data through literature, books and research results that are relevant to the topic being studied. The research approach focuses on collecting in-depth information in a descriptive analysis of legal (normative) aspects. Cash waqf in Indonesia has great potential in distributing the economy and improving community welfare. Law Number 41 of 2004 concerning Waqf is a major milestone in implementing the principle of legal benefit. in managing cash waqf by focusing on maximizing the benefits of cash waqf for society as a whole by considering aspects of sustainability, justice and human rights. The great potential of cash waqf in distributing the economy and improving community welfare is very relevant to the Sustainable Development Goals (SDGs). However, there are still several challenges that need to be overcome, such as (a) lack of public knowledge and awareness, (b) resistance to change, (c) legal and regulatory systems that are not yet optimal, (d) cultural aspects, and (e) complexity and third party involvement. To overcome this, it is necessary to align cash waqf management strategies with SDGs principles, so that this challenge can be overcome holistically and increase the positive impact that can be felt by the community.

Keywords: legal expediency, cash waqf, welfare.

1 Introduction

Waqf plays an important role in the economic empowerment of the people within the framework of Islamic economics. As one of the Islamic economic institutions, waqf has made significant contributions to the social, economic, and cultural development of society throughout history. One of the prominent characteristics of the waqf institution is its ability to finance various Muslim activities, including in the fields of worship, education, and health. In Indonesia, for example, the construction of various facilities and infrastructure used for worship, education, and health activities are often funded through the proceeds of waqf development[1]. One of the unique features that makes waqf so important is its ability to provide long-term benefits through its productive approach. Productive waqf practices ensure that waqf funds are not only managed efficiently, but also continue to provide benefits to society. This helps to strengthen the welfare of Muslims and society as a whole [2]. Through this approach, waqf becomes not only a source of funding for social and religious activities, but also a sustainable instrument for sustainable development.

The enactment of Law No. 41/2004 on Waqf is an important milestone in the effort to empower waqf as one of the main instruments in building the socio-economic life of Muslims. With the enactment of this law, the government provides a strong foundation to enhance the role of waqf in promoting the welfare of Muslims and society as a whole[3]. However, amidst the social and economic challenges faced by Indonesian society, the role of cash waqf is increasingly emphasized. Cash waqf, apart from being a practice of Islamic teachings that has a spiritual dimension, also emphasizes the importance of the economic and social welfare of the ummah. Despite this, Indonesian society's understanding of cash waqf is still limited. The term is still under-recognized, with a more general understanding focused on waqf in the form of immovable property, such as land and buildings[4]. The utilization of waqf assets, which is still focused on the physical aspect, has caused limitations in providing a significant economic impact on the welfare of the community. The amount of waqf assets available is quite large, has not been fully utilized effectively to overcome the problems of poverty and social inequality. As a result, the challenges of poverty and economic crisis are still a troubling problem for the people of Indonesia.

The number of waqf assets that have not been productively optimized also reflects the low awareness and interest of the public towards cash waqf compared to zakat or other Islamic financial instruments. The inability to optimize the productive use of waqf assets has led to the lack of significant economic effects. In fact, with proper utilization, waqf funds can be a powerful instrument in building the community's economy, providing business opportunities, and creating jobs. However, until now, there are still many waqf assets that have not been utilized effectively, so that their potential to reduce poverty levels and overcome economic crises has not been fully realized. This condition has a significant impact on society, especially those who are vulnerable to poverty and economic crisis. The absence of adequate access to economic resources through the utilization of waqf leads to protracted problems of poverty, social inequality, and economic uncertainty among the community. [5]

Conditions that do not optimally utilize waqf assets have a significant impact on society, especially for vulnerable groups who are in poverty and facing an economic crisis. When waqf assets are not managed well and are not used to fund projects that

support economic empowerment, opportunities for poor people to improve their standard of living are limited. This causes the cycle of poverty to continue and social inequality to widen. In fact, in the context of the Sustainable Development Goals (SDGs), eradicating poverty and reducing economic disparities are main priorities that can be supported through optimizing the use of waqf.

Based on the above problems, the author draws two problem formulations, namely how the application of the principle of legal expediency through cash waqf and the challenges that hinder the application of cash waqf utilization.

2 Methods

This research is a type of library research that aims to collect in-depth information and data through literature, books, and research results that are relevant to the topic under study. The research approach focuses on collecting in-depth information and analyzing legal aspects from a normative point of view. The main data sources used include relevant laws and regulations, such as Law No. 41/2004 on Waqf, and other relevant literature that will explore various aspects including the application of the principle of legal expediency in the utilization of cash waqf and identify the challenges faced in optimizing its benefits for the welfare of society.

3 Findings and analysis

3.1 Conceptualizing the Principle of Legal Benefit through Cash Waqf

Law has a very important role in regulating human behavior and maintaining balance in their social life. As a set of rules, the law sets standards of behavior that are considered good or bad in society. The prohibitions, orders, and permissions contained in the law aim to provide clear guidance for individuals in interacting and acting[6] Through these provisions, the law functions as an instrument to create order, uphold justice, and regulate the rights and obligations of society[7]. The main purpose of law is to achieve justice, certainty, and benefit in society.

Justice is one of the crucial aspects of the legal system, which seeks to create a balance between the interests of the parties involved in a conflict or problem. In principle, justice can be interpreted as granting rights that are equal to the capacity and position of each individual and applying rules proportionally based on the principle of legal balance[8]. Without justice, the law loses its meaning and cannot fulfill its purpose effectively. Justice is also the foundation for social stability and fairness in society, so it becomes the main footing in law enforcement.

However, justice is not always universally perceived by every individual or group. This is because the interpretation and application of the law can often vary depending on the perspective and interests of each party. Therefore, the purpose of law is not only to create general justice, but also to bring benefits and benefits to all parties without exception. The concept of legal certainty is important in this context, because it is a guarantee that the law can be applied properly and in accordance with applicable rules

[9]. Legal certainty also refers to the need for consistent and unambiguous legal interpretation, so as not to cause uncertainty or doubt in its application.

In addition, legal certainty is also related to the sustainability of the law itself, where every legal norm must be formulated clearly and leave no room for diverse interpretations. Legal uncertainty can lead to doubt and distrust of the legal system, which in turn can undermine public confidence in the legal institution itself. Therefore, it is necessary to maintain legal certainty in every process of making and implementing legal regulations. In the context of legal benefits, expediency is a very important principle in understanding the purpose of the legal system itself. Although law has complex and diverse functions, the core of all legal functions is to provide benefits to society[10]. These benefits cover various aspects of life, ranging from the protection of individual rights and interests to creating a stable and fair environment for everyone. Legal expediency is the main foundation in the formation and implementation of legal policies. Every rule or regulation made must provide real benefits for all members of society. This includes aspects such as the protection of human rights, justice in the legal process, and certainty in applying applicable rules. In the context of everyday life, people expect that the application of law will bring benefits that can be felt directly [11].

These benefits can be in the form of protecting individual rights, upholding justice in conflict resolution, or creating a safe and stable social environment. The existence of law is not only a norm or rule, but also a guarantee for the community of justice and security in living their daily lives[12]. It is important to remember that the purpose of law is not only limited to individual human interests, but also to the interests of society as a whole. Maintaining legal expediency, it is hoped that a just and prosperous society can be realized, where each member can benefit from the application of the rule of law that is fair and just.

The utilitarianism theory initiated by Jeremy Bentham, emphasizes that the main purpose of law is to create the greatest possible happiness or pleasure for as many individuals as possible. This view is based on the principle that the action or policy taken must produce the greatest benefit or satisfaction for the greatest number of people. In other words, law is directed at maximizing collective happiness in society. Thus, the policies or actions taken must be those that result in the maximum accumulation of happiness. In the context of the utilization of cash waqf in society, the application of the principle of legal expediency results in several relevant considerations. These considerations provide an in-depth picture of how the use of waqf funds should be based on the benefits that can be felt by the community at large.

First, the main objective of cash waqf must be to maximize the benefits or happiness obtained by society as a whole, which is very relevant to the Sustainable Development Goals (SDGs) program. The use of cash waqf must be directed at supporting various aspects of life such as education, health, economics and social affairs in order to improve the welfare of society as a whole. For example, waqf funds used to fund scholarship programs can support quality education and allocations to health services can support good health and well-being. In addition, investment in sustainable infrastructure projects and the development of sustainable education programs ensures long-term benefits, supporting industry, innovation, and infrastructure and (decent work and economic growth). Thus, optimizing cash waqf contributes significantly to achieving various SDG targets, creating a sustainable positive impact on society.

Second, the implementation of cash waqf that pays attention to aspects of justice and human rights is very relevant to achieving various Sustainable Development Goals (SDGs). [13] In the context of benefits, it is important for the cash waqf program to ensure that the benefits are enjoyed by all members of society equally and fairly, without favoring certain groups. Fair distribution of benefits in line with social inequality which aims to reduce inequality within and between countries. By ensuring that every individual or group has the same right to benefit from cash waqf according to their needs, this program can help reduce social and economic disparities, improve the welfare of society as a whole, and strengthen solidarity and togetherness in society.

A cash waqf program based on the principles of justice and human rights will bring significant positive impacts. Implementing this approach will help create a more inclusive society, where every individual has equal opportunities to develop and contribute. Thus, cash waqf is not only an instrument to improve material welfare, but also a means to strengthen the values of justice and human dignity in society. Third, in the implementation of cash waqf, it is important to take into account not only the immediate economic benefits, but also the long-term social, cultural, and environmental impacts. Transparency and accountability in the use of cash waqf funds are key to ensuring that the benefits are truly felt by the entire community.

Involving various stakeholders such as the government, Islamic financial institutions, and civil society organizations is also necessary to design a holistic and sustainable cash waqf program. This collaboration incorporates various perspectives and knowledge to achieve greater impact in improving the social and economic welfare of the ummah [14]

Under the concept of the principle of legal expediency, the implementation of cash waqf aims to maximize benefits for as many individuals in society as possible, while taking into account the principles of fairness, sustainability, and accountability. This involves a careful evaluation of the long-term impact of cash waqf policies as well as ensuring that they not only generate economic benefits, but also make a positive contribution to social, cultural and environmental aspects.

The concept of the principle of legal benefit, the implementation of cash waqf aims to maximize benefits for as many individuals as possible in society, which is in line with the concept of Sustainable Development Goals (SDGs). The focus on fair, sustainable and accountable use supports various SDGs, such as eliminating poverty, health and welfare and quality education. These principles ensure that waqf funds not only generate immediate economic benefits but also provide long-term positive impacts in the social, cultural and environmental fields. By paying attention to justice and sustainability, the implementation of cash waqf can contribute to achieving various SDGs targets and support inclusive and sustainable development.

The application of the principle of legal expediency in the utilization of cash waqf signifies an important step towards a more inclusive and just society. By prioritizing the benefits felt by all members of society, without favoring any particular group, cash waqf can be a tool to reduce social and economic disparities. Through this approach, the values of justice can be reinforced, ensuring that every individual has an equal opportunity to thrive and contribute maximally to the social and economic life of the community.

In addition to being inclusive and fair, the application of the principle of legal expediency in the utilization of cash waqf also supports the creation of a sustainable society. By considering the sustainability aspect in the use of waqf funds, programs can be designed to provide long-term benefits to society. Investments in sustainable infrastructure projects or sustainable education programs are concrete examples of how cash waqf can be an instrument to build a better future for future generations. Thus, this holistic approach is not only about improving the social and economic welfare of the people today, but also about protecting and enriching the legacy for a sustainable future.

3.2 Cash Waqf Management in Indonesia

Cash waqf in its form is considered as one of the solutions to increase the productivity of waqf, showing that money is no longer only considered as a medium of exchange, but also as a commodity capable of producing more. With cash waqf certificates that can be disseminated to the public, waqifs have the flexibility to allocate their wealth in the form of waqf without the need for large amounts of money. This model allows waqifs to give waqf in smaller units, thereby increasing accessibility and expanding the positive impact of waqf in productive development and the welfare of society as a whole[15].

The term cash waqf is more accurately translated as cash waqf, given that the object of waqf is money. Cash waqf refers to the practice of waqf done by individuals, groups, or institutions in the form of cash. The study of cash waqf law has been the concern of fuqaha (Islamic jurists). Sources suggest that the practice of cash waqf has been recognized in communities that follow the Hanafi school of thought. However, there are differences of opinion among scholars on the law of cash waqf. Imam Al-Bukhari, in his narration, noted that Imam Az-Zufiri was of the opinion that dinars and dirhams (the prevailing currency in the Middle East at that time) could be endowed by using them as capital for business or trade, and then the profits were distributed as waqf[16].

There are differences regarding the ruling of cash waqf, which is a major concern in Islamic scholarship. According to Imam Al-Bukhari (d. 2526 AH), Iman AzZuhri (d. 124 AH) was of the opinion that dinars and dirhams (both currencies in the Middle East) could be endowed. This interpretation is based on the use of money as capital for business or trade, where the profits are then distributed as waqf. In addition, Wahbah Az-Zuhaili also points out that the Hanafi madzhab allows cash waqf as an exception, on the basis of *istihsan bi al'Urfi*, referring to a practice that has been commonly practiced by the community. From the opinions of the Ulama, it can be concluded that waqf using money has an equal position with waqf using other assets, such as land, trees or water. Cash waqf has long been practiced in various Islamic countries, including Malaysia, Egypt, Bangladesh and countries in the Middle East. Terminologically, cash waqf can be translated as cash waqf since the object of waqf is cash.

Basically, cash waqf is flexible in allocating resources for charitable purposes. This can be seen from any individual or institution that utilizes waqf funds according to the needs and conditions, without being tied to a particular type of asset. The spread of cash waqf is widespread in communities that have benefited from waqf without having to reside in the place where the waqf asset is located. The flexibility of cash allows for more efficient waqf management and wider and more equitable distribution of benefits.

Therefore, cash waqf is an indispensable alternative in the effort to alleviate poverty and improve social welfare.

Law No. 41/2004 on waqf is an important milestone in the effort to empower waqf as a vital instrument in advancing the socio-economic life of Muslims. The enactment of this law reflects the awareness of the great potential contained in waqf in building a more prosperous and equitable society. With a strong legal foundation, waqf is not only seen as a form of religious charity, but also as a productive instrument in managing resources for the welfare of the people [17]

One of the biggest innovations accommodated in Law No. 41/2004 is the regulation of cash waqf, which is explained in detail from Article 28 to Article 31. This reflects the commitment to bring a modern approach to waqf management, in accordance with the demands of the times. Through these provisions, waqifs are authorized to endow money through Islamic financial institutions appointed by the Minister. The cash waqf procedure, which is regulated in detail and meticulously in the law, includes important steps such as the submission of a written declaration of will, the issuance of a cash waqf certificate, and the reporting of waqf assets to the Minister by an Islamic financial institution on behalf of the nazir.

Technically, the implementation of cash waqf is regulated in Government Regulation No. 42/2006 concerning the implementation of waqf, which explains that the type of assets that can be handed over by a waqif in cash waqf is money in rupiah currency. The technical rules concerning cash waqf detail the steps that must be followed by the waqif to carry out the waqf process effectively [18] First, the waqif is required to be present at the Sharia Financial Institution as the cash waqf recipient (LKS-PWU) to declare his/her cash waqf will. However, if the waqif is unable to attend, he can appoint a representative or proxy to represent him. Second, the waqif is obliged to explain the ownership and origin of the money to be waqf, ensuring transparency and clear legal existence related to the assets being waqf.

In the process of cash waqf, the waqif is required to submit a cash amount to the LKS-PWU. This step is the real implementation of the wakif's declaration of will in endowing his assets. The waqif is required to fill out a declaration of will form that serves as an Akta Ikrar Wakaf (AIW), which officially records the waqif's willingness to endow the property. Cash waqf can be done within a certain period of time (mu'ajjat), and the money that is waqf must be used as business capital (ra's al mal) so that legally it is not used up once [19]

The proceeds from the business conducted by the nazir or manager are then donated as the benefit of the cash waqf. In addition, cash waqf can also be done absolutely and limited (muqayyad), depending on the needs and preferences of the waqif. This criterion can be seen in terms of the business conducted by the nazir, whether it is free to conduct various types of lawful businesses or limited to certain types of businesses, as well as in terms of the beneficiaries, whether the parties entitled to receive the benefits of waqf have been determined or not. These technical rules provide clear guidance on the implementation of cash waqf to ensure that this process can be carried out smoothly in accordance with sharia principles for the benefit of the ummah as a whole.

Cash waqf management has a significant impact in encouraging Islamic banks to play the role of a professional nazir in managing waqf funds. As the trustee of waqf assets, banks have a great responsibility to ensure that the funds are properly invested in halal business sectors that generate benefits for society. As nazir, banks have the

flexibility to invest in various types of assets, be it financial assets such as stocks, bonds, warrants, and options in the capital market, or real assets such as the purchase of productive assets, the establishment of factories, the opening of mines, and plantations.

The investment approach promoted by Sharia banks as *nazir*, according to Muhammad Syafi'i Antonio includes: short-term investments in the form of microfinance, which provides encouragement for small entrepreneurs to develop, to medium-term investments channeled to industry or small businesses, and long-term investments used to support the growth of the manufacturing industry and other large industries[20]. Through this approach, Islamic banks not only act as managers of waqf funds, but also as catalysts in advancing the people's economy and creating positive social impacts for the wider community.

According to Monzer Kahf as quoted by Karnaen A. Perwataatmadja, he divides the waqf financing model into two, namely the traditional model and the institutional model. In the traditional model, there are several approaches that have long been recognized and used in waqf practice. First, is the financing of waqf by creating new waqf assets to complement existing waqf assets. This approach allows for the addition of waqf assets to expand the benefits that can be provided to society. Second, it is a loan to finance operational and maintenance costs in order to restore the function of the pre-existing waqf assets. This approach aims to ensure the continuity and sustainability of the existing waqf assets. Furthermore, the traditional model is through the exchange or substitution approach of waqf assets. Where existing waqf assets are replaced with assets that are more useful or in accordance with the needs of the community. The *hukr* financing model, which involves a long-term lease scheme with an upfront lump sum payment that aims to reconstruct or repair existing waqf assets. Third, the *ijaratain* financing model. Is where there is a division of the long-term lease into two parts, namely a large lump sum advance payment to reconstruct the waqf asset and periodic annual rental payments during the lease term.

On the other hand, in the institutional waqf financing model, there are several approaches that are more structured and in line with Islamic banking principles. These include the *murabahah*, *istishna'*, *ijarah*, *shir'kah*, *muzara'ah* profit-sharing, and long-term lease and *hukr* financing models. These models offer a more organized approach to financing waqf projects, taking into account sharia principles and the holistic needs of the community. Thus, a number of opinions on the utilization of cash waqf offered by Kahf provide a comprehensive and diverse view of utilizing waqf funds. This becomes relevant for Islamic banks that act as *nazir*, as they can provide financing alternatives that are in accordance with sharia principles and the needs of the community in an effective and sustainable manner. By implementing these models, Islamic banks can fulfill their role as financial institutions committed to the economic development of the *ummah* and social empowerment through waqf practices.

The implementation of waqf financing models that comply with sharia principles is also relevant to SDG 1 (ending poverty) and SDG 8 (decent work and economic growth). By using waqf to fund social and economic empowerment programs, such as skills training and micro-enterprise development, Islamic banks play an active role in reducing poverty and creating employment opportunities. Additionally, by ensuring that waqf is run sustainably and transparently, these models contribute to SDG 12 (responsible consumption and production) and SDG 13 (action on climate change), supporting environmental protection and efficient use of resources.

3.3 Challenges in Utilizing Cash Waqf in Gorontalo

The potential for cash waqf in Indonesia is enormous given the growth of the Islamic financial market in the country. With the majority of the population being Muslim, this potential is wide open. Cash waqf has an important role as a financial instrument in economic and social development. With the endowed funds, it can be invested in various sectors such as religion, education, and social services, giving a significant impact to the wider community.

Cash waqf management has great flexibility in its use, especially in the maintenance and management of waqf land. According to Mustofa Edwin Nasution, as cited by Umrotul Hasanah, outlines several ways to utilize the potential of Cash Waqf Certificates (SWT) in Indonesia. First, the scope of the target audience of cash waqf can be wider than that of regular waqf. This is because cash waqf certificates allow for the participation of a larger segment of Muslims, including those who may not have the ability to undertake traditional forms of waqf. Secondly, cash waqf certificates can be purchased in various fractions of value, which can be customized according to each individual's ability and preference. This opens up opportunities to awaken the spirit of charitable giving[21], where cash waqf contributions can continue to provide sustainable benefits to society. Cash waqf management not only provides flexibility in its use, but also expands accessibility and opportunities to participate in religious charity.

From an economic perspective, cash waqf has significant development potential in Indonesia. This waqf model provides an opportunity to expand the accessibility of participation in charity for various segments of society. Unlike the traditional waqf model that often involves physical assets, cash waqf allows participation from diverse segments of society, regardless of their social or financial status. This creates more equitable opportunities for individuals who may not have the access or ability to donate physical assets as waqf, but still wish to contribute to the welfare of the community[22]. The development of cash waqf can also expand the positive economic impact more broadly in society. By mobilizing financial resources from various walks of life, cash waqf can be an instrument to drive productive investment and local economic development. This not only creates an opportunity for the community to collectively share their sustenance, but can also assist in strengthening the local economic base and improving general welfare.

The potential of cash waqf in Gorontalo, as stated by the Head of the Regional Office of the Ministry of Religious Affairs of Gorontalo Province, Dr. H. Muhajirin Yanis, M.Pd.I, shows a promising picture. Assuming the participation of half of Gorontalo's population, or around 500 thousand people, in setting aside money for waqf of Rp. 1,000 every day, the funds collected can reach a fantastic figure, reaching Rp. 180 billion in one year. This assumption shows how small donations from individuals can contribute to creating significant resources for waqf programs that can have a positive impact on society at large.

With potential funds reaching trillions of rupiah, the development of various waqf programs in Gorontalo becomes more feasible. Funds collected from cash waqf can be allocated to various fields, including education, health, social welfare, and community

economic development. However, in reality, the utilization and management of cash waqf in Gorontalo has not been fully optimal. This is influenced by several challenges, among others:

1. Lack of Knowledge and Awareness

The limited knowledge of cash waqf triggers the lack of awareness among the people in Gorontalo. The majority of the population has yet to fully understand what cash waqf is and how the concept can be implemented in the context of everyday life. This lack of understanding results in the inability to see the potential and benefits of cash waqf as a tool to improve the quality of life of the community. [23]

The dominance of the traditional understanding of waqf which focuses on land or property has a direct impact on the lack of awareness regarding the potential of cash waqf, which is an important instrument in supporting the Sustainable Development Goals (SDGs). This limited understanding hinders the use of cash waqf to support broader development initiatives, such as education, health and poverty alleviation. As a result, the potential for cash waqf to contribute to SDG 4 (quality education), SDG 3 (health and welfare), and SDG 1 (ending poverty) is not optimal. If left untreated, Gorontalo will continue to lack important resources that can be used to support various sustainable development programs, thereby hampering the achievement of the desired SDGs targets.

2. Resistance to Change

Resistance to change is a common phenomenon in many societies, including in Gorontalo, when faced with the introduction of new concepts such as cash waqf. Changes in financial customs and practices are often perceived as a threat to stability and identity, resulting in discomfort and resistance among the community. In Gorontalo, where the tendency to maintain tradition is still very strong, strong persuasive efforts may be required to change financial behaviors that have been ingrained over the years. It should be understood that resistance to change does not only arise from uncertainty or reluctance to abandon familiar practices.

This is influenced by the limited knowledge among the public, who tend to recognize only movable waqf such as land or property [24] The limited understanding of cash waqf is directly related to the problems faced in achieving the Sustainable Development Goals (SDGs). People who are still accustomed to the practice of movable waqf often experience difficulties in internalizing the concept of cash waqf, which results in resistance to change and concerns about the new concept. This lack of understanding hinders the use of cash waqf as a strategic tool to overcome poverty and support quality education.

3. Legal and Regulatory System

The problems that arise in the context of legal and regulatory systems related to cash waqf include several aspects, namely, a legal system that provides adequate protection for the actors and beneficiaries of cash waqf. This includes the protection of ownership rights, the use of cash waqf funds in accordance with the specified objectives, and transparency in the management and accountability of cash waqf funds. Without adequate legal protection, there is a risk of misuse or imperfection in the implementation of cash waqf, which can harm the parties involved[25]. The discrepancy between regulations at the local and national levels can also be a challenge in regulating cash waqf. Thus, coordination and consistency between the various levels of government are required in establishing policies and regulations related to cash waqf to create a clear and conducive legal environment for the development of cash waqf.

Therefore, the need for adequate protection and regulatory consistency are crucial aspects in overcoming the challenges associated with the legal and regulatory system governing cash waqf. By addressing these issues, a legal environment that supports the growth and development of cash waqf as a beneficial instrument for social and economic development can be created.

4. Cultural Aspects and Local Values

Some cultural values and norms may conflict with the concept of cash waqf, such as the preference for physical ownership and the desire to involve the whole community in the decision-making process[26]. This can be a serious challenge in introducing cash waqf in Gorontalo, where traditional value systems are still strongly entrenched. Where physical possessions have strong symbolic and emotional value, they are often perceived as a source of financial security and social stability. Therefore, for some individuals, the idea of "endowing" money in the abstract may not be immediately well received as it does not provide the same certainty as physical ownership.

A participatory culture that emphasizes the involvement of the entire community in decision making can be an obstacle in introducing cash waqf, especially because waqf management is often considered a shared responsibility. The introduction of cash waqf, involving financial institutions or external entities, may be perceived as a disruption to traditional decision processes, which may hinder the integration of this concept in society. This relates to problems where public trust and participation in the decision-making process is very important. The inability to adapt cash waqf management according to local culture can hamper efforts to utilize the potential of cash waqf in supporting inclusive and sustainable development, thereby hampering the effective achievement of SDGs targets.

5. Complexity and Third Party Involvement

The complexity of the process and the involvement of third parties in the implementation of cash waqf through Islamic financial institutions can be a significant obstacle. The complex process, which involves an in-depth un-

derstanding of Islamic finance principles, extends time and increases administrative costs. In addition, the involvement of third parties in the management of waqf funds may raise concerns regarding transparency, security, and efficiency in fund management, especially if the Islamic financial institutions involved do not have sufficient reputation or experience in managing trust funds.

The public needs confidence that the waqf funds they donate will be managed properly and used in accordance with the mandated purposes. Therefore, the reputation and experience of the Islamic financial institutions involved play an important role in building trust and increasing public participation in cash waqf through Islamic financial institutions.

Therefore, to overcome this challenge, it is important to take a sustainable approach and engage directly with the people of Gorontalo. This may involve a more inclusive approach in designing cash waqf programs, taking into account local preferences and involving community leaders and religious figures in the process. In addition, comprehensive education on the long-term benefits of cash waqf and how it works in supporting the needs of the community could help ease concerns and increase acceptance of the concept. Thus, cash waqf can be integrated more harmoniously into the existing value structure and cultural norms in Gorontalo.

4 Conclusion

Cash waqf management in Indonesia has shown significant development after the enactment of Law No. 41/2004 on waqf. With a strong legal foundation, cash waqf becomes a vital instrument in building a more prosperous and equitable society. The principle of Legal Benefit Through Cash Waqf is the main foundation with a focus on maximizing benefits for society as a whole. The aspects of sustainability, justice, and human rights become important points in the application of cash waqf, signaling a change towards a more inclusive and just society.

However, to achieve the Sustainable Development Goals (SDGs) there are still some challenges encountered in the management and utilization of cash waqf including; (a) lack of knowledge and public awareness, (b) resistance to change, (c) suboptimal legal and regulatory systems, (d) cultural aspects, and (e) complexity and third-party involvement. To overcome these challenges, cooperation between the government, Islamic financial institutions, and the community is needed to increase understanding and participation in cash waqf management. Thus, cash waqf management can become more effective and have a greater positive impact on the overall social and economic welfare of the community.

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