Strategy of BMT Bima Magelang in Improving Public Welfare Through Cash Waqf

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Abstract  
Cash waqf is one of the methods used to help people with various activities and overcome challenges such as poverty reduction. As a result, it is vital to have an institution that can handle cash waqf effectively and optimally. BMT Bima Magelang is one of the cash waqf institutions that can correctly manage its cash waqf assets in order to increase social welfare. The goal of this study was to determine excellent and proper cash waqf administration in line with Sharia and the standards of good waqf governance, in order to increase social welfare, particularly in Baitul Maal Wa Tamwil Bima Magelang. Because BMT Bima Magelang is one of the waqf institutions that has been successful in managing cash waqf with effective waqf governance in order to increase social welfare. This study employs qualitative research, with data gathered through structured interviews, passive participation observation, and recording. After that, the data was examined using qualitative descriptive analysis. The qualitative descriptive research approach describes the features of phenomena in the field and explains the study object. The findings of this study show that Baitul Maal Wa Tamwil Bima Magelang uses waqf management with the mudhorobah system, with mudhorobah financing allocated to goat farmers and Micro, Small and Medium Enterprises (MSMEs), and that in the management of cash waqf BMT Bima Magelang implements good waqf governance, which improves social welfare through social programs. Profits from the finance are then utilized to fund businesses and make loans. The revenues from the mudhorobah finance are then utilized for financing (scholarships) for BMT members, financing for child circumcision, and rehabilitation of locals' houses that are unsuited for habitation. These several factors indicate that BMT Bima Magelang's cash waqf management is in conformity with cash standardization, good waqf governance, and sharia management.

Keywords: cash waqf, management, public welfare

INTRODUCTION
Cash waqf is now an alternative solution in alleviating poverty. With cash waqf that is practiced according to sharia, of course it can overcome the multi-dimensional aspects of poverty and empower people to increase economic development for their welfare (Diniyya, 2019). Public welfare is an integral part of the economic development paradigm, economic development is said to be successful if the level of public welfare gets better (Sodiq, 2015). Public welfare is a state of fulfillment of the basic needs of increasing capital accumulation or
capital income (Tsabit, 2019). After the confirmation of Law No. 41 of 2004 concerning waqf, a new milestone in waqf in Indonesia (DEWAN SYARIAH NAS MUI, 2002). Cash waqf is expected to be an alternative solution to improve the public welfare (Ahmad, Zulfikar Ali, 2020). Waqf has experienced a paradigm shift from immovable assets to movable assets, in negotiable instruments, cash, and other assets. Movable assets in the form of money was introduced by Imam Zuhri “whoever makes a thousand dinars in the way of Allah, and gives them to merchants and trades them until they make their profits as alms for people in need and their relatives (الشمالي, 1443).

Through good cash waqf management, it is easy to maintain the value of waqf while increasing the public welfare (Md. Shahedur Rahaman Chowdhury, 2011). Where cash waqf and other financial assets, if managed professionally, will be more easily productive to move the economy with the primary goal of empowering and improving the public welfare the underprivileged (Syakur et al., 2018). Therefore, a strategy is also needed in the management of cash waqf (Ascarya et al., 2017).

Cash waqf be a solution in improving public welfare. This is proven by studies of Suhaimi that cash waqf fund management plays an important role in the economic development of the public welfare in Penang. The cash waqf management contributes by way of providing a financing facility towards the acquisition of waqf assets or through cash support channelled to associations or committees of a masjid (Mohamad Suhaimi et al., 2014). In addition, research conducted by Rusydiana also states that if productive waqf in Indonesia is managed properly, it will impact solutions to public welfare. In his study, it is explained that one form of productive waqf is cash waqf (Rusydiana & Devi, 2017). Increased human resources can influence the management of cash waqf management in improving public welfare (Islamiyati & Hendrawati, 2019).

However, the purpose of cash waqf as a public welfare solution cannot be achieved with less than optimal management, as happened at BMT Amanah Ummah Surabaya, Nazir's lack of competence in managing cash waqf makes the potential of waqf that should be able to improve the Public welfare of the surrounding community less than optimal (Nur Liviasari Yulma, 2016). A study carried out by Amalia states that the public's lack of understanding about cash waqf, makes people's interest in cash waqf less, this is because many people still think that waqf can only be in the form of buildings or assets (Amalia Rahma Pangastuti, 2020).

The several cases above, shows that the management of waqf that is less than optimal causes cash waqf that should be able to be a solution to economic problems, especially in public welfare, cannot be achieved optimally. The difference with this research is management cash waqf, management as a benchmark and will discuss about improving public welfare and that the object under study is located at BMT Bima Magelang.

Meanwhile, Abu Azam Al Hadi said in his study, public welfare through cash waqf will be achieved if the following things are fulfilled: greater attention to the empowerment of waqf that has not been productive, improvement of human resources related to management and professionalism issues as well as expertise in optimizing the economic potential of waqf is necessary (Hadi Ryandono & Hazami, 2016).

Become a priority, together with national and international institutions it is important to think about efforts to develop the waqf economy by opening investment channels in strategic and potential waqf, building public trust by increasing the standards of management cash waqf by good managemenent waqf governance and making waqf regulations should be encouraged to support the development of waqf for public welfare. It's in line with a timeline written in the Waqf Core Principle (WCP) (International Working Group On Waqf Core Principles, 2018).
Therefore, cash waqf will provide optimal and maximum an impact if it is managed by a competent Sharia financial institution and by applicable guidelines. In Indonesia, one of the institutions focusing on the development and management of cash waqf is Baitul Maal was Tamwil (BMT) Bima Magelang which was established through the Decree of the Minister of Religion of the Republic of Indonesia No. 538/2001 as a legal entity engaged in social, educational, sociality and/or Islamic religious fields is expected to be able to manage the waqf funds according to the terms.

In the process of managing its waqf, Baitul Maal Wa Tamwil Bima Magelang has succeeded in managing cash waqf more productively and can improve public welfare. It's proven by many waqf assets that are managed from cash waqf, besides many people trust their assets to be cash waqf in Baitul Maal Wa Tamwil Bima Magelang this is seen from the income of cash waqf each year which has increased over the last three years. at two thousand and eighteen to the year two thousand two one.15 It shows that BMT Bima Magelang can manage his cash waqf well. Of course, it requires hard work for the Baitul Maal was Tamwil Bima Magelang to be able to carry out the mandate of Law No. 41 of 2004 is in accordance with Islamic law.

The concept of cash waqf management in Baitul Maal Wa Tamwil is to make cash waqf productive with the mudhorobah system to produce an economic surplus that can be used to improve public welfare. However, in managing the mudhorobah system, BMT Bima Magelang often changes the subject of the cash waqf manager, that is indicate problem. The variety of assets owned, and the uniqueness of waqf in Baitul Maal Wa Tamwil, show that Baitul Maal Wa Tamwil Bima Magelang has a waqf management pattern that needs to be studied and understood by Muslims.

Previous study on cash waqf has been conducted in a number of countries, including Malaysia (Ab Hasan et al., 2015; Hasbulah et al., 2023; Md. Shahedur Rahaman Chowdhury, 2011), Nigeria (ASHAFA, 2021; Oladapo et al., 2017), Bangladesh (Ahmad & Karim, 2019), Kuwait and Egypt (Khalil et al., 2014). In Indonesia as well, there has been extensive discourse about cash waqf management (Atan & Johari, 2017, 2017; Iman et al., 2021; Izzah & Soemitra, 2022). However, there has been no specific research discussing the management of cash waqf in relation to the improvement of community welfare. Therefore, it is imperative to conduct this research as a means of making an academic contribution to the advancement of waqf development.

LITERATURE REVIEW
Cash waqf

According to the same definition and proposing a broad definition of cash-time, cash-time can be defined as follows: (Ismail Abdel Mohsın, 2013) Cash-time is a limitation of money by founders (founders), (individuals, companies, institutions, companies, or private or public organisations), and its outcome is permanently devoted to public welfare. Cash waqf is the limitation of an amount of money by the founders (founders), (individuals, corporations, institutions, companies, or private or public organizations), and the dedication of the proceeds is forever for the public welfare, proceeds dedicated to charitable purposes. Then, cash waqf means "delivering a sum of money by a founder and dedicating the proceeds forever for a certain purpose (Khademolhoseini, 2008). According to (komisi fatwa MUI, 2002) According to Cash Waqf (WakafAl-Nuqud) is a waqf made by a person, group of people, institution, or legal entity in the form of money.
Management

Management is an important aspect of human economic life functioning as a controller and direction in business matters. So that it requires administrative skills and enterprising initiatives from management, to be able to provide the company's success in achieving its goals, under a competitive economy and a constantly changing environment, quality and management determine the company's success in any business (P G Aquinas, 2018). Management, as presented by Mary Parker Foliet is an art. in solving something through others. Management is the art of things done through people. Generally, management activities are in an organisation that is ordered to achieve the objectives of the organisation effectively and efficiently (Candra Wijaya, 2016).

Terry explains “management is performance of conceiving and achieving desired results by means of group efforts consisting of utilizing human talent and resources” (George Robert Terry, 1953). This difference Drucker defines management simply with a product made to make work more efficient and efficient (Edition & Drucker, 2008). Another with Fayol who said that the manager is calculating, planning, setting, ordering, coordinating and controlling (Henri Fayol, 1957). Ricky W. Griffin defines management as a process of planning, organizing, coordinating, and controlling resources to achieve goals effectively and efficiently (Ricky W. Griffin, 2002).

Public Welfare

According to the Indonesian dictionary, welfare comes from the word prosperous which means safe, peaceful, prosperous, and safe, or can be interpreted as a word or expression that refers to a good condition, or a condition where the people involved in it are in good health, peace, and prosperity (Kesejahteraan - Wikipedia Bahasa Indonesia, Ensiklopedia Bebas, n.d.). Islam views welfare as a falah concept or an integral and inseparable part of consumption activities where humans can meet their life needs properly and in balance (Wida et all., 2020). Islam's deep commitment to brotherhood and justice led to the concept of welfare (falah) for all mankind as the main goal of Islam.

The concept of al-falah in Islam can be understood, meaning seen from all sides. It is comprehensive for the survival of human life. It also includes spiritual, spiritual, bodily happiness, physically and mentally (Khaerul Aqbar et al., 2020). This concept of public welfare coincides with the maqosid of the company according to Syatibi Maslahah its original meaning is maslahah in Islamic law is anything that is intended to maintain the objectives of the Shari'a which is essentially summarized in al-mabaadi’ al-khamsyah which is to protect against religion (hifzd al-din), soul (hifzd al-nafs) mind (hifzd –‘aql), offspring (hifdz al-nasl), and property (hifzd al-maal) (لااثبات الشاطبي 1997).

Every law that contains the purpose of maintaining these five things is called maslahat, and anything that makes these five elements disappear is called mafsadahan, an economic aspect of the function of public welfare in the framework of a hierarchy of individual and social utilities include in tripartite, namely needs (daruri), pleasure (hajat), and luxury (tahsinaat).

METHOD

This research uses a qualitative descriptive type in the form of providing an analytical model to illustrate how the logical flow of data analysis is (Sugiono, 2014). A research approach with case studies is used to focus research on BMT Bima Magelang. The key instruments in this study were money waqf nazhir, MSME managers, and the researchers themselves. Data collection techniques through library research and field research. The
research was conducted by collecting data in the form of literature studies from various scientific articles relevant to the management of cash waqf in improving people's welfare. Data collection techniques were carried out by conducting participatory observation, in-depth interviews, and documentation. Data analysis used in this study uses techniques developed by Miles and Huberman in the form of reducing data, presenting data, and drawing conclusions. (Michael, 1992).

RESULTS AND DISCUSSION
Mechanism
BMT in Baitul Maal is an institution that manages cash waqf funds, which are non-profit and profit oriented. The Baitul Maal is tasked with managing cash obtained as (loans, financing,). As in the case of savings, distribution of deposits or deposits on call and so on, cash waqf at BMT Bima Magelang also has a period. The cash waqf system or in this case there are two types of cash waqf contracts, namely muabbad and muaqod.

Contemporary cash waqf refers to a type of financial endowment where the donated funds can be reclaimed after a period of 5 years following its establishment. The law allows for the existence of the Indonesian Waqf Board (BWI), as stated in the Waqf Law No. 41 of 2004. This law defines two types of cash waqf: muabbad waqf, which is permanent, and muaqod waqf, which is temporary or for a specific period. In terms of the process, muaqod waqf is simpler compared to muabbad waqf. The implementation of cash waqf is contingent upon the fulfillment of the specified terms and conditions. The waqf term is a requirement defined by the Indonesian Waqf Board (BWI) in accordance with the Republic of Indonesia statute number 41 of 2004 regarding waqf. Article 6 pertains to the concept of waqf, specifically addressing the notion of current cash waqf, which refers to the practice of setting aside funds in the form of cash or generally known as muaqqod, whereas muabbad waqf refers to funds that are considered perpetual.

Meanwhile, BMT Bima Magelang has enforced the prevailing terms and conditions. BMT Bima Magelang effectively oversees the management of this waqf fund through the Baitul Maal mechanism. One of their productive initiatives involves partnering with goat breeders in the Sembung area. This collaboration entails the main manager of cash waqf providing financing of 40 million, with a profit-sharing system in place. The objective is to enhance the income of both BMT and the goat breeders.

In managing cash waqf, BMT Bima uses the mudhorobah method because the term "mudharabah" is the term most widely used by Islamic banks (Faisal et al., 2021). This principle is alternatively referred to as "qiradhi" or "muqaradah". Mudharabah is a contractual agreement that takes the form of a partnership, in which the first party (shahib al'mal), represented by BMT Bima Magelang, supplies finances, while the second party (mudharib), or the goat breeder, is responsible for operating the firm. The business outcomes are allocated based on the agreed-upon nisbah (percentage of profit sharing) stated at the start of the contract.

As for its administration, BMT Bima Magelang continued its pursuit of the goat farmer via the mudhorobah. BMT Bima Magelang programmed its own time management through the purchase of Rp3,370,000,000,000 worth of land and credentials. The site where the hospital was constructed. BMT Bima then employs Musyarakah, a cooperative akad comprised of the mixed capital's proprietors, to generate profit. Both In the Travel Partners and BMT offer financial resources to support a specific enterprise, regardless of its status or inception. The partner may then return the capital to BMT in a phased or simultaneous fashion, accompanied by the agreed-upon profits. Public fees may be collected using cash, non-cash assets, or cash.
At BMT Bima, the SOP for funding waqf is as follows: The wakif initially transfers a portion of his assets for the establishment of a waqf. The subsequent phase involves the reception of the waqf by BMT in its capacity as nazhir. At this juncture, BMT collaborates with MSMEs to administer the cash waqf assets utilizing a mudhorobah system. The proceeds from the management of the waqf are distributed to the community in the form of mauquf alaihi in the fourth stage. BMT is deemed to have achieved success in enhancing the well-being of its community by means of mudhorobah, which entails providing employment to fulfill family requirements, and mauquf alaihi, which is a form of community welfare derived from the management of cash waqf or direct assistance (Khotib Anshari, 2021).

**Figure 2.**
Scheme of Cash Waqf in BMT Bima Magelang

**Accountability**

**Good nazhir**

BMT Bima includes national cooperation through the monopoly of the Republic of Indonesia. From that BMT Bima implements member recruitment, in AS 25 of 2002 concerning membership, the purpose of recruiting cooperative members is from member to member on a family basis, BMT Bima Magelang expects members who enter coverage to agree and think so that there is no intention to destroy coverage. For the sake of good governance, BMT Bima Magelang organizes a candidate-level program for a maximum of three months and has become a member by paying for tree savings.

**Table 1.**
Waqf fund at BMT Magelang

<table>
<thead>
<tr>
<th>Year</th>
<th>Waqf Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Rp. 201,981,750.00</td>
</tr>
<tr>
<td>2019</td>
<td>Rp. 472,419,415.00</td>
</tr>
<tr>
<td>2020</td>
<td>Rp. 750,015,116.00</td>
</tr>
<tr>
<td>2021</td>
<td>Rp. 661,970,449.00</td>
</tr>
</tbody>
</table>

Source: Primary data BMT Bima

**Mauquf alaihi**

In this concept, BMT Bima Magelang is right in improving people's welfare, by providing financing so that the people who are given the financing can increase their business. With the increasing community business, this community can meet their daily needs. This follows the maqosid sharia which includes hijādzu maal (Protecting assets) which is classified as maqosid sharia as explained by Imam Al-Ghozali that the economic aspect of public welfare
functions within the framework of a tripartite hierarchy of individual and social utilities, namely needs \((\text{daruriyat})\), pleasure \((\text{hajiyat})\), and luxury \((\text{tahsiniyaat})\).

**Public Welfare**

BMT Bima Magelang has been successfully implemented in improving the public welfare, one of which is the program that has been implemented by BMT Bima Magelang, namely by holding financing programs such as goat farmer. As the result previously provided financing with a profit-sharing system to a goat farmer for 40 million, after being given that much money, this farmer could increase the empowerment of the goats.’ (Enny Setyowati, personal communication, oktober 6, 2021).

This was further validated by BMT Bima, which provided the goat farmer with funds under a profit-sharing arrangement. The capital from BMT Bima enabled the goat farmer to enhance their management practices, resulting in a mutually advantageous partnership. Prior to receiving funding support \((\text{mudhorobah})\) from BMT Bima Magelang, the goat farmer lacked intensity in managing various aspects, including marketing and quality enhancement. By receiving a capital injection of 40 million from BMT Bima, we may expand our goat farming operations and enhance the quality of our empowerment initiatives. This will involve raising the number of goats and improving the standards of our goat farmers. As a result, there will be a significant increase in public interest and trust in purchasing goats from us (Sariyanto, personal communication, oktober 8, 2021).

The financing provided by BMT Bima Magelang to the goat farmer demonstrates a collaborative partnership between the two entities. This is evident from the consistent monthly increase in turnover, with monthly earnings ranging from 3-6 million rupiah and annual earnings ranging from 100-500 million rupiah. Additionally, during the qurban day, the earnings can reach an impressive 500 million to 1 billion rupiah (Sariyanto, 2021). Mr. Sariyanto, a goat farmer, has experienced a significant increase in income turnover. This demonstrates the ability of BMT Bima Magelang to enhance public welfare through cash assistance. Moreover, the positive impact extends beyond Mr. Sariyanto, as he is grateful for the improvement. This has enabled him to initiate social programs in his neighborhood, such as providing free rice every Friday. Additionally, with the permission of Allah, he can distribute groceries to the surrounding residents.

The concept of BMT Bima Magelang is well-suited for enhancing public welfare by providing finance to individuals, enabling them to expand their businesses. Through the growing endeavours of the community, it is able to fulfil its daily requirements. This adheres to the maqasid \((\text{objectives})\) of Sharia, which encompasses \(\text{hifdzu maal}\) \((\text{protecting asset})\) categorized as a Sharia objective, as elucidated by Imam Al-Ghozali. It pertains to the economic dimension of promoting public welfare, operating within a hierarchical structure of individual and social benefits that are threefold, namely needs \((\text{daruriyat})\), pleasure \((\text{hajiyat})\), and luxury \((\text{tahsiniyaat})\) (Alabi إسحاق الشاطبي, 1997).

The recent profit-sharing initiative by BMT Bima contributed to the improvement of welfare through various programs, including scholarships, housing repairs, and assistance to fire victims \((\text{Interview})\). This aligns with the Islamic concept of public welfare theory as outlined in \textit{maqasid al-sharia}. The assistance provided by BMT Bima Magelang falls under the category of \textit{maslahah}, specifically in terms of preserving the well-being and security of the community. According to Imam Al-Ghazali, this leads to prosperity, as the economic aspect serves to fulfill the tripartite hierarchy of individual and social utilities, namely necessities \((\text{daruriyat})\), pleasure \((\text{hajiyat})\), and luxury \((\text{tahsiniyaat})\).
Nevertheless, certain challenges persist, such as little public understanding regarding cash waqf, primarily due to the absence of physical exposure.

**CONCLUSION**

BMT Bima Magelang has adopted a cash waqf mechanism utilizing a *Mudhorobah* system financing arrangement involving goat farmers and small and medium-sized enterprises (SMEs). BMT Bima Magelang effectively enhances and cultivates the capabilities of its human resources through proficient waqf governance, hence optimizing the management of cash waqf in accordance with sharia principles. Furthermore, the benefits of this finance include providing corporate capital, loans, funding for scholarship members, financing for children’s circumcision, financing for accident incidents, and financing for house modifications. The management of cash waqf, which involves receiving profit sharing, extends beyond *mudhorobah* financing. This practice aims to enhance welfare, as exemplified by Mr. Sariyanto, a goat farmer who receives financing from BMT Bima Magelang. Through this arrangement, Waqf Benefit Recipient (*Maquf alaih*) has been able to enhance his business management skills and contribute to the welfare of the local community. The implementation of cash waqf at BMT Bima Magelang serves multiple purposes, including worshiping Allah SWT and contributing to the eradication of poverty and improvement of public welfare. BMT Bima Magelang aligns its efforts with the maqosid concept, which encompasses the fulfillment of basic needs (daruriyat), meeting additional needs (hajiyat), and enhancing quality of life (tahsinaat). BMT Bima Magelang faces numerous challenges in managing cash waqf, such as a lack of selectivity in giving finance, which significantly hampers the management of cash waqf. Additionally, there is a lack of public knowledge is still low on cash waqf because so far the results of cash waqf have not been seen.

**REFERENCES**


