PRODUCTIVE WAQF AS ONE OF THE PROBLEMATIC TO UNEMPLOYMENT IN INDONESIA

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ABSTRACT

Unemployment is sunnatullah happened on this earth anytime and anywhere. This paper describes how the problem of unemployment in Indonesia and tries to dig up the essentials of Islamic teachings that can be manifested as a solution to overcome unemployment. Waqf as a manifestation of Islamic teachings and is part of the Islamic Economic instruments has great potential and effective in reducing unemployment if utilized and empowered productively. As a new concept, waqf productive which is introduced in Indonesia is in the form of cash waqf. Prompts and waqf practice has been regulated under national law and has strong support from the education world of Islam (Islamic scholars) that Muslims have a great opportunity to be able to maximize the use and utilization. To improve and extend the cash waqf functions as one of problem solving to reduce unemployment is important to every waqf organization to develop its human resources capacity, mainly in its professionalism, commitment, and understanding of cash waqf importance for development. The paper constructed by reviewing some current journals, government reports and other publications that revolve around the matter. In order to analyze productive waqf, the study conducted library review. In reviewing the relevant literatures, the focus is on discovering the potential contributions that productive Waqf in forms of cash waqf specifically can have on the reducing unemployment.

Keywords: productive waqf, cash waqf, Islamic economic, unemployment solution

Introduction

Unemployment is a product of the inability of the labor market to absorb the available labor force. Unemployment occurs due to the number of jobs available is smaller than the number of job seekers. Availability of relatively limited employment is unable to absorb the ever-increasing job seekers every year, along with the increase of population. As for the region of Southeast Asia, Indonesia is at number three with the highest unemployment rate, under Timor Leste and the Philippines (Ismaya, 2012). High unemployment in Indonesia is not only causing problems in the economic field but also raises a variety of issues in social issues such as poverty and crime.

Based on monthly report of Socio-Economic Central Bureau of Statistics (BPS), the number of Indonesian labor force in August 2011 reached 117.4 million people and the employed labor force reached 109.7 million people. So the number of unemployed in Indonesia is as much as 7.70 million people with the Unemployment Rate (TPT) by 6.56%. Number of unemployed high school graduates that is 10.66% followed by 10.43% is vocational school graduates, junior high school graduates by 8.37% and 8.02% university, Diploma I / II / III graduates by 7.16% and primary education graduates and lower of 3.56% (BPS, 2012).
If the unemployment rate is associated with economic growth in Indonesia is targeting every one percent of economic growth energy absorbed could reach 400 workers. Such as Indonesia's economic growth is only 3-4%, of course, will only absorb 1.6 million workers, while job seekers which are average of 2.5 million people per year. Political instability and security also exacerbate the chance of large joints and interfere with other development which further aggravate the potential increase in unemployment (Tempointeraktif, 2010). This fact shows that the policies that have been done in an effort to address the unemployment problem is still not a significant impact.

Looking at the above problems, the Islamic view unemployment as a problem that is always there in every place and time, as it is as sunnatullah in the world. Islam as rahmatan lil-al-'Alamin that have universal and comprehensive doctrine has adopted several rules (dawabity) to address the sunnatullah. As Allah SWT says in Surah Al-Zukhruf paragraph 3, the verse implies meaning that in some groups is elevated above the other groups by having the ability to be able to do good for the well-being that can be felt in general by the Ummah (Shihab, 2008). The foundation of the verse could be translated as applicable on Islamic economics in the distribution aspects of the welfare of the whole ummah. As manifestations of Islam have many instruments to realize these expectations, particularly through the waqf instrument.

Waqf as socio-religious institution has to realize the economic dimensions of economic justice and social welfare of the people. Sayyid Qutb (Utomo, 2006) was a Muslim thinkers of the Egyptian-style comprehensive approach, in his book *al’Adalah al-Ijtima’iyah filIslam* formulated a theory of social justice in Islam and its supporting instruments, including endowments, not merely utopian theory but the mere fact studies departed from the authentic history of Islamic civilization. Historical facts have proved that the early generations of Islam (al-sabiqun al-awa’lu’n) successfully menginstitusikan waqf as an implementation will be the embodiment of social justice as was done by the second Caliph of Islam, Umar ibn Khattab (Nasution, ed., 2006).

With the largest Muslim population in the world, Indonesia has the potential for considerable waqf. Based on the present data that the Ministry of Religious Affairs, said the number of land waqf in Indonesia is in 430,766 locations with an area of 1,615,791,832.27 square meters spread over 366,595 locations across Indonesia. Seen from natural resources or land (capital resources) number of property waqf in Indonesia is the largest number of property waqf worldwide (Directorate of Waqf Endowments, 2006). As for the cash waqf Indonesia has the potential of IDR 20 trillion per year, assuming 20 million Muslim population of Indonesia share waqf wealth of IDR 1 million per year (Directorate of Waqf Endowments, 2008).

With the issuance of the Law on waqf in 2004, and in 2006 published the Government Regulation on the Implementation of the Law of Waqf, and some regulation of its derivatives. Waqf legislation is based upon a very noble spirit, which is to increase the welfare of society. Before the regulations implemented, waqf management had implemented paradigm over the implementation of the doctrine of worship mahdhah only, such as for the construction of mosques, prayer rooms, provision of land grave, and others. However, after the regulatory legislation in 2004 began to issue donation empowered with a new paradigm for social development purposes (charity) and prosperity (Arif, 2010). Phenomenon has become an important momentum for Indonesian Muslims, who have a strong tradition in waqf must continue to be developed and to be productivized. In history, waqf become one cornerstone of the Islamic civilization in the past, including to support the development of science, research in the fields of academic and technology, translating books and scientific journals, development of facilities pre-medical and health care facilities, providing jobs and various programs for the welfare of the other communities.

**Overview of Unemployment in Indonesia (Increasing in Numbers, Government Policy and Efforts)**

Indonesia is a country with the fourth largest population in the world. In the year 2000 the population of Indonesia was 205 million people. Ten years later that number is predicted to increase to 235 million people. Thus, the population grew during this decade to reach about 15% or grew by an average of 2% per year (Wahyu, 2005). On one hand, a large population is believed to be the authorized capital in achieving national development goals, but on the other hand, the improper management, a large number of people at once will cause the population problem is very crucial, especially in the field of employment (Hakim, 2004). Large population with a relatively high growth rate was coupled with the young age structure of the population in the two until a decade ago. Predictably, the next decade Indonesia will face an explosion of new workforce which of course takes a new job as well.
According to Nanga (2001), unemployment is people who have been classified in the labor force actively looking for work at a certain wage level, but not getting the desired job. While Suryana (2000) defines that the unemployed as people belonging to the category of the labor force who are unemployed and actively looking for work. Term unemployment is not related to those who intend not to work as students or college students (working or trying to find a job while going to school or college, they are assumed not looking for jobs), a housewife who inadvertently focus on family care, or the working-age population because of the physical condition they cannot work so they do not look for job (Suyanto, 2008). And the unemployment problem is very important to note because the growing of unemployment raises various criminal insecurity and social unrest, political instability and poverty. In these conditions, the economic pressure spreads everywhere that affect people's emotions and households even unemployment resulted in worsening health both physically and psychologically (Suyanto, 2008).

Using criteria of the Central Bureau of Statistics, the unemployment in 2003 has risen to a million compared to 2002. If in 2002 the unemployment was at eight millions, then in 2003 was about nine millions people. It means that approximately 9% of the entire workforce so that in 2003 the Indonesian labor force was 100 million people. Figures 9 million they will not include the data of disguise unemployment (Manpower and Transmigration, 2004). The BPS survey in August 2010 unemployment rate experienced a downward trend in the last three years, although still relatively high. In 2007, the percentage of open unemployment reached 9.11 percent. This figure can be lowered by up to 8.14 per cent of the total labor force in 2009 (see table below). Despite the decline, a number of people, such as economist e.g. Faisal Basri and Didiek J Rachbini, argue that the rate of unemployment decreased is caused by the increase in employment in the informal sector (IMZ, 2011).

<table>
<thead>
<tr>
<th>Year</th>
<th>Open unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>9.11 %</td>
</tr>
<tr>
<td>2008</td>
<td>8.39 %</td>
</tr>
<tr>
<td>2009</td>
<td>8.14 %</td>
</tr>
</tbody>
</table>

Sources : BPS 2010

Given the high rate of unemployment in Indonesia, be interesting to question the policies regarding what has been done and what will be the alternative policies owned by the Indonesian government to address them. A series of economic development policies implemented in Indonesia, basically it is intended to achieve various objectives such as economic growth, price levels are low and stable, equitable distribution of income and of course a high level of employment (Ace Partadiredja in Wahyuni, 2005). Policy in the era of Sukarno's leadership with guided economic system (Hill in Basri, 2002) Indonesia experienced hyperinflation during Indonesian Rupiah sanering legislations that make the economy collapsed. The Suharto government by combining Rostow's theory of economic development and economic growth theory Harrod-Domar which tend to be oriented capitalism, adopted in Indonesia's economic development policies. Policies applied were proven to bring Indonesia's economic development success with astounding numbers. The success in economic development is expected to spill over positively to the welfare of the Indonesian people as a whole (Rachbini, 1991). However, the mechanism of the expected trickle down effect was on the way to come. Indonesia's high economic growth was not accompanied by equity in all fields, particularly the equity income and employment opportunities. This is because the modern formal sector, which is the target of Indonesia's economic development policy was not able to appear as a provider of jobs for new labor force because despite having large profit margins, but less able to absorb the labor force due to the nature of the production is more capital intensive (Hakim 2004).

Continues at the current administration, the Government is deemed not serious about tackling the problem of unemployment. Indonesia's economic policy for a more pro-market society tends to hurt most. Blindly policy conducts on liberalization, privatization and economic stabilization regardless of local conditions that distanced the government from the people (Sjafri, 2002). Actually the society which survive the economic crisis by developing informal sector and small and medium enterprises (SMEs) are able to absorb the labor force. However, the government has not shown adequate guidance even tends directly or indirectly issued a policy that
turns off economic business people. Therefore the solution to tackle the high rate of unemployment from the perspective of human rights is to conduct a review of economic policy and returned to the farm sector, marine and real sector SME and informal characteristics not solely rely pursue growth with large investors (Ismaya, 2012).

In theory, there are three basic ways to create jobs or long-term effort (Rucker in Salim, 2006). The first way is to slow down the population growth rate which is expected to reduce the rate of growth of labor force supply. The second way is to increase the intensity of labor in producing output. But in the long run this does not always work because it is not always conducive to sustainable economic growth. The third way is through economic growth. This way is not without qualification, as empirically proven that economic growth and employment opportunities are not a direct relationship. But here is the challenge to be real: for the indirect relationships, the role of government to be strategically crucial for designing strategies of economic growth but also "friendly" towards employment.

In Islamic economics perspective, optimizing the role of 

waqf

as part of the third pillar of Islam economy is by creating investment opportunities, including investments to empower poor community groups. However the investment is spearheading the provision of employment and improvement of public welfare. As a reference material and the potential opportunities waqf could play a more significant role especially potential based on the results of the research reported by 

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(IMZ, 2011) reached the figure of 2% of GDP is still not optimized properly. Waqf can be pursued as an economic instrument that can act as a stimulus for the creation of a just economic growth, so the effort reduced the rate revenue gap through job creation can run optimally.

**Definition and the Foundation Law of Waqf in Economic Perspective**

Waqf is a religious dimension that combines worship and dimensions of well-being which are closely related to the development of social welfare. It is a worship that is loaded of appreciation for economic empowerment of the people. Therefore, waqf occupies important positions in public life. Waqf is linguistically derived from the word waqaafa, yaqifu, waqfan which means "stop, stand, hold, or remain silent place standing (Munawar, 2002). According to the terminology of syara", waqf is to hold property that it is possible to take advantage of it, the shape of the object is fixed (Al-Malibary, in Mujieb, 1994). While other definitions in the dictionary of fiqh mentions that the waqf is off the property of objects that can be taken advantage without reducing the object, to individuals or for purposes that are permitted by syara’ (Mujieb, 1994). While Abu Bakr al-Jaziri (in Munawwir, 2002) explains the origin of waqf as hold objects, then it should not be inherited, bought and sold and assigned, and use the results for people who conducting waqf to the community. Khalil (2008) states that technically defined as asset waqf allocated for the benefit of the ummah that the substance or essence detained, while the benefits may be enjoyed in the public interest. Waqf is managed by nadzir (waqf receiver) which is a mandate bearer of 

Wakif.

Waqf meaning of language and technical terms associated with the "immortality" constituent endowments. There are several opinions about the elements of permanence in waqf include: (i) Imam Shafi‘i, very stressed waqf on fixed asset endowments as well as a legitimate requirement, (ii) Imam Hambali, also stressed waqf on fixed assets, (iii) Imam Hanafy, emphasis on "authenticity" of the goods whether it is be shared fixed and current assets, and (iv) Imam Malik, immortality elements waqf asset is relative depending on the age of the average waqf their assets. The opinion of some, Imam Maliki expand waqaf area include current assets also in the form of cash assets that can be used to support the productive potential of waqf (Hidayat, 2010). Whereas in the context of legislation in Indonesia waqf is interpreted solely to find the intersection of a variety of ulema’s opinion that the meaning of waqf in the broader and more complete in Indonesian context. This can be seen in the formulation of the terms of waqf in Law Number 41 Year 2004. Waqf means the legal act of Wakif to separate and/or to give up some of his/her property to be used permanently or for a specified period of time in accordance with its interests for purposes of worship and/or general welfare according to sharia (Arif, 2010).

If we notice, from its definition the regulations about waqf is articulated that economic contained, as it is mentioned that this means transferring wealth from something that is considered consumtive later to become productive and produce something that can be consumed in the future. This results in a productive waqf property services and benefits, such as mosques, hospitals, schools, and others. In addition, endowments can also produce other goods or services that can be sold to the users and the net result can be distributed in accordance with the charitable objectives. Waqf of some definitions can concluded that it aims at providing benefits or property avail
to be waqaf to whoever has the right and use in accordance with the teachings of Islam and the Islamic waqf in accordance with the functions mentioned in Article 5 of Law no. 41 of 2004 which states that waqf is to realize the potential economic benefits of waqf property for the purposes of worship and to promote the general welfare.

In the study of Islamic law (fiqh) there is not one verse in the Quran that describe the concept of waqf textually concrete. Waqf include infaq fi sabillillah, the basis used by ulema in explaining the concept of waqf is based on the generality of the verses of the Qur'an which describes infaq fi sabillillah. The verses describe suggestions for doing infaq for their wealth to get a reward and kindness. In the context of Islamic law, considered a charitable endowment better and greater reward and benefits than ordinary alms or infaq. Among the hadith which stand as the is the basis and arguments of waqf is hadith which tells the story of Umar bin Al-Khattab when acquiring land in Khaibar. Once he asked for advice to the Prophet Muhammad about the land, the Prophet recommends to hold the soil origin and to give away the harvest. Another hadits describes the waqf is a hadits narrated by Imam Muslim from Abu Hurairah as follows:

اذا مات الانسان انقطع عمله الا من ثلاث صدقة جارية او علم ينتفع به او ولد صالح يدعو له

"When a man dies, his deeds stops except three things, namely charity Jariah (waqf), beneficial knowledge, and pious son /daughters who pray for him”

In Indonesian context, cash waqf (money) strengthened about the Waqf Act, in addition to waqf productive also regulated cash waqf. In Article 28 of the Act states that Wakif shares the waqf moving objects in the form of money through Islamic financial institution designated by the Minister. Then in Article 29 paragraph (1) is also mentioned that the moving object in the form of cash waqf as referred to in Article 28, conducted by Wakif with the statement that will be made in writing. In subsection (2) The same article stated that a moving object in the form of cash waqf as referred to in paragraph (1) shall be issued in the form of cash waqf certificate (Nasution, 2006).

In an economic perspective, empowerment is understood in terms of waqf significant economic redistribution of wealth from the majority group spread to other groups either in cash or not. Redistribution also involves the provision of public services, such as health, education from one group to another. So that people can feel the benefits of the material and it also raises the cost of redistribution. Therefore, driving or redistributist agents serve as intermediaries between the redistribusi utilization and cost of redistribution. In this case, there are three types of redistributive agent: the government, individuals and private institutions (Baskan, 2002). Policies undertaken by these agencies including endowments termed as redistributive mechanisms.

Urgency, Potency, and Productive Waqf Development Strategy - Cash Waqf for Workforce Empowerment

Development of waqf property is new in the waqf in Indonesia, given the endowments for management is still conventional and traditional and still limited intended for purposes of worship and religious social. So, although the waqf property is land which is quite a lot but have not been able to contribute to the welfare of the people (Ikhsanudin, 2012). Waqfs are activities that contain elements of future investment and develop productive assets for future generations in accordance with the charitable purpose, in the form of benefits, services, and use the results directly. All forms mentioned above endowments into stock, and parts or units of investment funds.

Investment has meant directing a portion of property owned by a person to form a production capital, which is able to produce the goods and benefits or can be used for the benefit of the next generation. Endowments also sacrificed for the benefit of present consumption in order to achieve the development of productive property-oriented social, and the results will also be felt by the community coming together (Nasution, 2006). From that sense, the results of waqf property or products can be divided into two parts. First, the waqf property services in the form of goods produced for direct consumption by the person entitled to the endowments, such as hospitals, schools, orphanages and settlements that can be used for descent. Second, managed waqf property for investment purposes and to produce goods or services that are of Personality ‘legal or permissible, any shape and can be sold in the market, so that the net profits may be distributed in accordance with the objectives specified wakif endowments, general or social endowments and specifically the family waqf. Waqf such as this is called productive waqf (Utomo, 2006).
The property of waqf land of Indonesian Muslims are very large, which covers area of 403 845 m² in 1566672406 locations. Of these 75% are certified and approximately 10% are located strategically and potential to develop economically. Judging from the size, the waqf land is of equal or at least close to the breadth of Singapore (http://bimasislam.depag.go.id/?mod=publicservices&op=detail&id=38). Potential in the form of cash waqf is also very large. The largest number of Muslims around the world is a great asset for the collection and development of money waqf. If the 20 million Muslims in Indonesia would collect cash waqf valued at IDR 100 thousand per month, then the funds collected amounted to IDR 24 trillion per year. If the 50 million people who share waqf, then each year will accumulate waqf funds of IDR 60 trillion. If only there were 1 million only Muslim community which share waqf funds amounting to IDR 100,000 per month it will obtain the waqf fund raising IDR 100 billion per month (IDR 1.2 trillion per year). If invested with a return rate of 10 percent per year, it will get additional waqf fund of IDR 10 billion per month (USD 120 billion per year). What a tremendous potential (Nafis, 2009). Of course this is a very important asset and promising if the lands and the waqf fund can be productively developed.

Waqf property in Indonesia is also a lot more that do not produce (77 percent) than those producing or productive (23 percent). Utilization is the biggest mosque waqf property (79 percent) than any other designation, and more are in rural areas (59 percent) than urban areas (41 percent). In addition, it is known that the number of working full nadzir is minimal (16 percent). Generally they work part-time and unpaid (92 percent) (Nafis, 2009). In the Indonesian context, specifically waqf institutions manage cash waqf fund and operate nationwide in the form of Indonesian Waqf Board (BWI). Its job is to coordinate the existing nadzir and manage independently of the waqf property entrusted to him, especially cash waqf. The results are then used optimally for social purposes, such as improving Islamic education, the development of hospitals Islam, support the economic empowerment of the people and the development of infrastructure or worship (Directorate of Waqfs Empowerment, 2006). With the paradigm of productive waqf, then 10% of land waqf (from 1,566,672,406 m² in 403 845 locations) located in strategic locations should not be utilized for the construction of a mosque, school or cemetery land. In the midst of this time of high unemployment, it is time to be relevant optimized the waqf presence as problem solving in reducing unemployment. The potential land combined with funds endowments (cash waqf) can be put to productive use in the form of business that can absorb labor force.

Construction or development efforts should not focus on urban areas, not the 59% of land endowments are in rural areas. One of Indonesia’s drawbacks is the absence of a fundamental sector, causing our economy vulnerable. Based on the geographical condition of Indonesia, the agriculture and fisheries sector is a very worthy flagship for the count. Unfortunately, the development of the agricultural sector, as an example, is decreasing from year to year. Data from the Ministry of Agriculture said the agricultural land area in the period 2000-2005 decreased to 0.17 percent per year. Due to weaknesses in the policy, the government can not control the conversion of agricultural land to non-agricultural. Current conversion rate reached 110,000 hectares per year. In the fisheries sector, a huge potential untapped optimal to date, the potential of fishery Indonesia reached 65 million tons, while China is only 45 million tons. Outside the agriculture and fisheries sector, the industrial sector is not directed related to agriculture and fisheries production potential. As a result, exports of agricultural commodities and national fisheries only in raw form. Value added instead picked another country that has a strong manufacturing and export back to Indonesia (Djono, 2008). Potential existing endowments can be empowered to revitalize the rural economy. In general waqf land is categorized into three namely rural land, urban land, and land on the beach. Here the potential of each: (Mubarok, 2008)

<table>
<thead>
<tr>
<th>No</th>
<th>Land location</th>
<th>Type of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>Rice field, fisheries pond</td>
</tr>
<tr>
<td>2</td>
<td>Plantation</td>
<td>Plantation, home industry, tourist attraction</td>
</tr>
<tr>
<td>3</td>
<td>Field/crop pasteur</td>
<td>Real estate, landscaping, home industry</td>
</tr>
<tr>
<td>4</td>
<td>Swamps</td>
<td>Fisheries swamp, vegetables swamp</td>
</tr>
<tr>
<td>5</td>
<td>Hilly lands</td>
<td>Plantation, buildings, home industries, refining of mineral water</td>
</tr>
</tbody>
</table>
Potential of Waqf Land in Urban Areas

<table>
<thead>
<tr>
<th>No</th>
<th>Land location</th>
<th>Type of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highway verges</td>
<td>offices near main streets, shopping centers, apartments, hotels / lodging, conference hall</td>
</tr>
<tr>
<td>2</td>
<td>Roadside highway</td>
<td>near the main road offices, shops, shopping malls, hospitals, restaurants, educational facilities, hotels/lodging, apartments, conference hall, gas station, pharmacy, telecommunication/internet outlets, workshops</td>
</tr>
<tr>
<td>3</td>
<td>Roadside highway</td>
<td>motorway near gas station, garage, restaurants, outlets, stalls, kiosks</td>
</tr>
<tr>
<td>4</td>
<td>Land is near/in residential</td>
<td>education facilities, clinics, pharmacies, outlets, stalls catering, BMT</td>
</tr>
<tr>
<td>5</td>
<td>Land offices near downtown</td>
<td>Restaurants, workshops, SRB/BMT, stalls, kiosks/cafe, clinic, day-care services</td>
</tr>
</tbody>
</table>

Potential of Waqf Land in Coastal Areas

<table>
<thead>
<tr>
<th>No</th>
<th>Land location</th>
<th>Type of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coastal lines</td>
<td>Fisheries ponds, tourism objects, home industries</td>
</tr>
<tr>
<td>2</td>
<td>Mangrove swamps</td>
<td>Swamp plantations</td>
</tr>
</tbody>
</table>

In building projects on *waqf* land in terms of the funding can be combined with cash *waqf* by funds raised by bank *syariah* which have been appointed by the Minister of Religion as *LKS-PWU*. And in terms of employees, for rural areas we can replicate the idea of the New Deal of Franklin D. Roselvelt (U.S. President in 1933 -1945). In the short term, people are unemployed in the afternoon in the agricultural area, the project will work itself in irrigation development and given advocacy in the primary perpetrators of the industrialization of agriculture. So, when irrigation is completed, they will still work with a main beneficiaries of irrigation itself.

The program is also applicable to endowments, as it can synergize with existing systems. In terms of recruitment and workforce training necessary can be done through a 3 in 1 program of the government. There should be effective communication is done by various stakeholders namely government, Indonesian Waqf Board (*BWI*), Bank *Syariah* as *LKS-PWU*, and other relevant parties. So in terms of regulations, policies, and implementation can support each other as not to clash with each other. In addition to reducing the unemployment rate also will stem the tide of urbanization. The results are in addition to the cost of business operations and salaries of workers, as well as the flow of new endowment funds that can be deposited into the *LKS-PWU* to run again in order to fund various other welfare variables.

**Closing**

**Conclusions and Recommendations**

Cash *waqf* and productive *waqf* take role in improving standards of the economy of the community through the provision of employment land. Potential of *waqf* in Indonesia either for cash *waqf* or land *waqf* is very large. If this potential can be actualized and empowered to be able to help solve the problem of
unemployment in Indonesia. There are some strategic steps that need to be carried out by the Institute of Education and Islamic organizations in Indonesia to develop productive waqf, namely, first, establish the assessment team for the development of productive and cash waqf. Cash waqf and productive waqf can work well if there is a serious assessment of a team of professionals who are qualified and involve people from multiple disciplines both experts in economics, law, fiqh, and other soil science work together in preparing, reviewing and developing a plan productive waqf and cash waqf. Second, resolve issues and certify waqf land for the development of productive waqf. Without a strong legal basis of the status of the land will bring friction in the future. Third, make a step-by-step program for the development of productive waqf. These steps started the preparation phase, SWOT analysis so that each phase of the program could be implemented well. Fourth, conduct hearings and study the management of productive waqf to the institutions that have been established enough productive land and manage cash waqf. Fifth, create a social enterprise development planning productive waqfs. In this phase, Nadizr must seriously prepare the business scenario of stage business planning, to implementation effort. Sixth, do lobbying and networking to build productive waqfs financing either by domestic institutions (Directorate of Waqfs Ministry of Religious Affairs, as well as Indonesian Waqf Board / BWI) and representative institutions of an Islamic state in Indonesia such as the Embassy of Kuwait, the UAE, OMAN and others. Seventh, implement business scenarios to be monitored, evaluated and reviewed on a periodic basis for the success of a business productive waqfs.

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