

APPLICATION OF THE TABARRU BIL UJRAH CONTRACT IN THE MANAGEMENT OF PRODUCTIVE WAQF

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Abstract

This study explores the application of *tabarru' bil ujrah contracts* in the management of productive waqf. This contract combines the element of virtue (*tabarru'*) with the provision of compensation (*ujrah*) to waqf managers, which is expected to be able to improve the professionalism and sustainability of waqf asset management. This study uses a qualitative method with a literature study approach to analyze relevant concepts, theories, and previous findings. The data collection technique is carried out through the review of academic sources, such as journals, books, and documents related to the management of productive waqf and the implementation of *the tabarru' bil ujrah* contract. The results of the study show that the *tabarru' bil ujrah* contract has the potential to create a more professional, transparent, and sharia-compliant waqf management, with broader social and economic benefits. However, challenges such as waqf literacy, management capacity, and supportive regulations require more attention. This research contributes to providing a theoretical foundation and practical guidance for nadzir and stakeholders in maximizing the potential of productive waqf through innovative sharia contracts.

Keywords: Productive Waqf, *Tabarru' Bil Ujrah* Agreement, Waqf Management, Sharia Economy,

Abstract

Penelitian ini mengeksplorasi penerapan akad *tabarru' bil ujrah* dalam pengelolaan wakaf produktif. Akad ini menggabungkan elemen kebajikan (*tabarru'*) dengan pemberian kompensasi (*ujrah*) kepada pengelola wakaf, yang diharapkan mampu meningkatkan profesionalisme dan keberlanjutan pengelolaan aset wakaf. Penelitian ini menggunakan metode kualitatif dengan pendekatan studi literatur untuk menganalisis konsep, teori, dan temuan-temuan terdahulu yang relevan. Teknik pengumpulan data dilakukan melalui peninjauan sumber-sumber akademis, seperti jurnal, buku, dan dokumen terkait pengelolaan wakaf produktif serta penerapan akad *tabarru' bil ujrah*. Hasil penelitian menunjukkan bahwa akad *tabarru' bil ujrah* berpotensi menciptakan pengelolaan wakaf yang lebih profesional, transparan, dan sesuai syariah, dengan manfaat sosial dan ekonomi yang lebih luas. Namun, tantangan seperti literasi wakaf, kapasitas pengelola, dan regulasi yang mendukung memerlukan perhatian lebih. Penelitian ini berkontribusi dalam memberikan landasan teoritis dan panduan praktis bagi nadzir dan pemangku kepentingan dalam memaksimalkan potensi wakaf produktif melalui akad syariah inovatif.

Kata Kunci: Wakaf Produktif, Akad *Tabarru' Bil Ujrah*, Pengelolaan Wakaf, Ekonomi Syariah,

INTRODUCTION

The Implementation of the *Tabarru' Bil Ujrah* Agreement in the Management of Productive Waqf Waqf has great potential as one of the Islamic social financial instruments that can support poverty alleviation, economic empowerment of the people, and sustainable social development. In Islamic history, waqf has played a strategic role in building education, health, and various other public needs¹. With the development of the times and the increasingly complex needs of society, the concept of waqf is no longer limited to immovable assets such as land or buildings, but has begun to penetrate into the management of waqf² productively. Productive waqf, which is the management of waqf assets that generate economic benefits, is expected to have a broader and sustainable long-term impact³.

The waqf sector in Indonesia has shown significant development this year. According to data from the Ministry of Religion's Waqf Information System (2022), waqf land has been spread across 440,500 locations with a total area of 57.2 hectares. In addition, the potential of waqf in Indonesia, especially money waqf, is estimated to reach a value of up to 180 trillion rupiah every year. As of March 2022, the Indonesian Waqf Agency reported that the realization of money waqf collection had reached 1.4 trillion rupiah⁴. However, to maximize this great potential has not been fully realized, especially in Indonesia. Based on data from the Indonesian Waqf Agency (BWI), the value of waqf assets in Indonesia is very large, but only a small part is managed productively. Most waqf assets, such as land and buildings, are still managed traditionally without any effort to generate additional economic benefits. In addition, many waqf assets are not managed properly so that they do not make an optimal contribution to the community. This shows that there is a gap between the potential and reality of productive waqf management in the field.

This phenomenon is largely caused by the lack of understanding of the community and nadzir (waqf managers) on how waqf assets can be optimized through schemes that are

¹ Rahma Elsa Fitriani and Muhammad Taufiq, "Analysis of the Influence of Digital Waqf on Community Welfare in Fifty Cities Regency," *Scientific Journal of Sharia Economics Students (JIMESHA)* 3, no. 1 (2023): 67–78, <https://doi.org/10.36908/jimesha.v3i1.201>.

² Fahmi Medias, "Productive Waqf in the Perspective of Islamic Economics," *La_Riba* 4, no. 1 (2010): 71–86, <https://doi.org/10.20885/lariba.vol4.iss1.art5>.

³ Novy Dwi Febrianty, "Productive Waqf Management System for Strengthening the Economic Independence of Islamic Boarding Schools: (Study on Trubus Iman Islamic Boarding School)," *JOURNAL OF IMPERATIVE SYNTAX: Journal of Social Sciences and Education* 5, no. 1 (2024): 28–39, <https://www.jurnal.syntaximperatif.co.id/index.php/syntax-imperatif/article/view/339>.

⁴ Indonesian Waqf Agency, "National Waqf Index 2022," Indonesian Waqf Agency, 2023, <https://www.bwi.go.id/8706/2023/04/16/indeks-wakaf-nasional-2022/>.

in accordance with sharia principles⁵. One of the important aspects that is often overlooked is the selection of the right contract in the management of productive waqf⁶. A contract is a fundamental element in Islamic financial transactions because it determines the legality and blessing of a transaction⁷. The *tabarru' bil ujrah contract*, for example, offers a combination of the aspect of kindness (tabarru') and the giving of rewards (ujrah) to the person who⁸ manages. In the context of productive waqf, this contract has the potential to be a solution to ensure that waqf assets are managed professionally while maintaining sharia principles⁹.

On the other hand, academic studies on productive waqf have grown rapidly in recent years. The research conducted by Hafsah¹⁰, Sahmiar¹¹, Permatasari et al¹²., Hasanudin and Masni¹³, Muslihun¹⁴ focuses on the regulatory aspect. The research conducted by Sundari¹⁵, Nisa¹⁶, Syaifullah¹⁷, Nufzatutsania¹⁸, Ma'mun¹⁹ focuses on the potential of

⁵ Nawawi Nawawi et al., "Money Waqf in Indonesia: Challenges, Opportunities and Steps to Optimal Utilization," *LISAN AL-HAL: Journal of the Development of Thought and Culture* 18, no. 1 (2024): 126–47, <https://doi.org/10.35316/lisanalhal.v18i1.126-147>.

⁶ Nawawi et al.

⁷ Fatkhur Rohman Albanjari et al., *ISLAMIC FINANCIAL INSTITUTIONS*, ed. Safarinda Imani and Fatkhur, CV. MEDIA SAINS INDONESIA, vol. 11 (City of Bandung: CV. INDONESIAN SCIENCE MEDIA, 2019), 39, http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484_SISTEM_PEMBETUNGAN_TERPUSAT_STRATEGI_MELESTARI.

⁸ Nurul Ichsan, "Islamic Banking Contracts," *Asb-Shi'rah* 50, no. 2 (2016): 423.

⁹ Nuhammad Maksum, "Money Waqf Investment Management," *Neliti*, 2016, 1–23.

¹⁰ Hafsah, "Productive Waqf in Indonesian Islamic Law," *MIQOT: Journal of Islamic Sciences* 33, no. 1 (2009): 84–97.

¹¹ Sahmiar Pulungan, "A Review of Fiqh on Productive Waqf Towards the Welfare of the Ummah," *DICTUM: Journal of Sharia and Law* 20, no. 2 (2022): 357–68, <https://doi.org/10.35905/diktum.v20i2.3492>.

¹² Ermanita Permatasari, Siti Fatimah, and Siti Kholijah, "Productive Waqf in Islamic Law," *Stai Darussalam Lampung Journal* 16, no. 1 (2022): 1–23.

¹³ Nurhalisa Hasanuddin and Masni, "The Law of Money Waqf and Productive Waqf," *Osfi*, 2022, <http://dx.doi.org/10.31219/osf.io/js3wy>.

¹⁴ Muslihun, "Zakat, Waqf, Productive, Dynamism, Benefits, Professionalism," *Islamuna: Journal of Islamic Studies* 4, no. 2 (2016).

¹⁵ Siti Sundari, "Productive Waqf as a Strategy for Community Economic Empowerment Towards Sustainable Development in the 4.0 Era," *La Zhulma | Journal of Islamic Economics and Business* 2, no. 1 (2023): 57–68, <http://journal.iaitasik.ac.id/index.php/LaZhulma/article/download/117/83>.

¹⁶ Fauzatul Laily Nisa, "The Potential of Productive Waqf in Community Economic Empowerment in Indonesia," *Economics And Business Management Journal* 3, no. 2 (2024): 5–9, <https://www.ejournal-rmg.org/index.php/EBMJ/article/view/215/258>.

¹⁷ Hamli Syaifullah et al., "Management and Development of Productive Waqf: An Interconnection Study of Sharia Commercial Banks (BUS) with Islamic Philanthropic Institutions," *Al Maal: Journal of Islamic Economics and Banking* 4, no. 2 (2023), <https://doi.org/10.31000/almaal.v4i2.7442>.

¹⁸ Nufzatutsaniah, "The Potential of Productive Waqf for Waqf Assets at the Jelubang New Village Cemetery," *Al-Maqrizi: Journal of Sharia Economics and Islamic Studies Sharia Economics Study Program, Pamulang University* 1, no. 1 (2023): 29–39.

¹⁹ Mohamad Ma'mun, "Productive Waqf: Efforts to Maximize," *Salimiya : Journal of Islamic Religious Studies* 4, no. 1 (2023): 87–99.

productive waqf. The research conducted by Aziz²⁰, Setiawan²¹, Permana et al²² focuses on waqf empowerment strategies. However, studies on the application of certain contracts in the management of productive waqf, especially *tabarru' bil ujrah* contracts, are still very limited. Existing research tends to examine the potential of waqf management in general without delving into more specific aspects of the contract mechanism. In fact, this contract mechanism has a significant impact on the sustainability, efficiency, and accountability of productive waqf management.

Therefore, this study aims to fill this gap by exploring the application of *the tabarru' bil ujrah* contract in the management of productive waqf. This research will not only analyze how the contract can be applied practically, but also explore its potential benefits in creating a more professional, transparent, and sharia-compliant waqf management model. In addition, this research is expected to identify the challenges faced in its implementation, both in terms of regulations, understanding of nadzir, and public acceptance.

By raising this topic, the research is expected to make a significant contribution to the literature on productive waqf, especially in the context of sharia contracts. Practically, this research is also expected to be a guide for nadzir, the government, and other stakeholders to develop a more innovative and beneficial waqf management model for the ummah. In the end, this research aims to answer the urgent need for waqf management that is not only economically effective, but also able to maintain sharia values which are the spirit of the waqf instrument itself.

RESEARCH METHODS

This study uses a qualitative method with a literature *review approach*. The literature study approach was chosen because this study aims to analyze and examine in depth the existing literature related to the application of *the tabarru' bil ujrah* contract in the management of productive waqf. This approach allows researchers to gain a more comprehensive understanding of concepts, theories, and previous findings that are relevant to this research topic.

²⁰ Ishan Aziz, "Productive Waqf Management Strategies," *Office of the Ministry of Religious Affairs of Semarang City* 1, no. 1 (2021): 101, <https://jateng.kemenag.go.id/2021/10/ahmad-furqon-sampaikan-strategi-pengelolaan-wakaf-produktif/>.

²¹ Robi Setiawan, Tenny Badina, and Mohamad Ainun Najib, "Productive Waqf Management Strategy in the Context of Empowering the Ummah in the Productive Waqf of Dompot Dhuafa Banten," *Al Maal: Journal of Islamic Economics and Banking* 3, no. 1 (2021): 64, <https://doi.org/10.31000/almaal.v3i1.4587>.

²² Didik Gelar Permana, Ibdalsyah, and Rio Erismen Armen, "ANALYSIS OF PRODUCTIVE WAQF DEVELOPMENT STRATEGIES IN PESANTREN," *KASABA: JOURNAL OF ISLAMIC ECONOMICS* 7308 (1978).

The data collection technique in this study is carried out through a thorough literature study of various relevant sources, such as articles, journals, books, and related documents that discuss productive waqf and the application of *the tabarru' bil ujab* contract both in theoretical and practical contexts. The literature search process begins by looking for references from sources that can provide in-depth insights into this research topic. Articles and scientific journals that discuss the management of productive waqf and *tabarru' bil ujab contracts* were chosen as the main sources because of their relevance to the research objectives.

After obtaining various literature, the next step is to select and select literature that meets certain criteria. The selection criteria used include literature that has a significant contribution to the understanding of the *tabarru' bil ujab contract* in the management of productive waqf. In addition, the researcher also ensures that the selected literature is the latest and credible source, so that it can provide information that is up-to-date and relevant to the research context. Through this selection, researchers can collect quality data in accordance with the focus of the research, namely the application of *the tabarru' bil ujab contract* in the management of productive waqf.

RESULTS AND DISCUSSION

A. WAQF

Waqf is one of the worships that has high spiritual and social value in Islamic teachings. The term waqf comes from the Arabic word *waqafa*, which means to hold or stop²³. According to sharia, waqf is defined as holding a property from being sold, inherited, or granted, with the aim that its benefits continue to flow for the benefit of the ummah²⁴. Waqf is included in charity, which is charity whose rewards continue to flow even after someone has died.

In Islam, waqf has a strong legal basis, both from the Qur'an, hadith, and ijma' ulama. In the Qur'an, Allah SWT emphasizes the importance of giving away the wealth of the loved one in order to achieve true virtue, as in His words: "*You will never reach the (perfect) virtue, until you spend some of the wealth that you love.*" (QS. Ali Imran: 92). This verse is one of the main foundations of waqf, because it contains the message that giving

²³ Indonesian Waqf Agency, "Getting to Know Waqf," Indonesian Waqf Agency, accessed November 23, 2024, [https://www.bwi.go.id/mengenal-wakaf/#:~:text=Kata "Waqf" or "Wact," Arabic contains several meanings.](https://www.bwi.go.id/mengenal-wakaf/#:~:text=Kata%20%22Waqf%22%20or%20%22Wact%22,Arabic%20contains%20several%20meanings.)

²⁴ Ali Amin Isfandiari, "A Review of Fiqh Muamalat and National Law on Waqf in Indonesia," *La_Riba* 2, no. 1 (2008): 51–73, <https://doi.org/10.20885/lariba.vol2.iss1.art5>.

something of value for the good of the ummah is a form of faith and obedience to Allah SWT.

The hadith also emphasizes the virtue of waqf as charity. In a hadith narrated by Imam Muslim, quoted from the book Syarah Riyadhus Shalihin Volume 3 by Imam an-Nawawi, from Abu Hurairah r.a., he said that the Prophet PBUH said: *"When a person dies, then his deeds are cut off except for three things: charity, useful knowledge, or a righteous child who prays for him."*²⁵. In this context, waqf is included in the category of jariyah alms because its benefits can be felt continuously by many people.

The scholars also agree that waqf is a recommended charity. In ijma' ulama, waqf is seen as a form of devotion to Allah and commitment to the welfare of the ummah ²⁶. Waqf teaches Muslims to share, not only in the form of daily alms, but through assets that can provide long-term benefits.

Waqf has a number of conditions and harmonies to be considered valid according to sharia. Based on the BWI website, the ²⁷ requirements and pillars of waqf are as follows, First, there must be a waqf, namely a person who waqfs his property. A waqf must be someone who has reached puberty, has a sense of reason, and has full rights to the property to be waqf. Second, the property that is waqf or mauquf must be in the form of objects of value, be it movable objects such as money and vehicles, or immovable objects such as land or buildings. The property must be able to be used without reducing its principal value. Third, there are beneficiaries or mauquf 'alaih. This recipient can be an individual, a community group, or a certain institution that is used as a waqf destination. Fourth, there must be shighat, which is a statement or contract from the waqf that he waqf his property voluntarily and without certain conditions.

In practice, waqf has various types that can be adjusted to the needs of the community. Based on its purpose, waqf is divided into two: expert waqf (family waqf) and khairi waqf (general waqf). Expert waqf is intended for the benefit of the wakif's family or close relatives, while khairi waqf is intended for the public good, such as building mosques, schools, hospitals, or other public facilities. In addition, there are also waqf based on the form of property, such as land waqf, building waqf, and money waqf.

²⁵ Berliana Intan Maharani, "Uninterrupted Practices of Reward After Death," Detik Hikmah, 2023, [https://www.detik.com/hikmah/khazanah/d-6657868/3-amalan-yang-tidak-terputus-pahalanya-setelah-meninggal-dunia#:~:text=Artinya:%22If the son of Adam,\(HR Muslim No. 1631\).](https://www.detik.com/hikmah/khazanah/d-6657868/3-amalan-yang-tidak-terputus-pahalanya-setelah-meninggal-dunia#:~:text=Artinya:%22If the son of Adam,(HR Muslim No. 1631).)

²⁶ Indonesian Waqf Agency, "Legal Basis of Waqf," 2024, <https://www.bwi.go.id/dasar-hukum-wakaf/>.

²⁷ BWI Editor, "Definition of Waqf," Indonesian Waqf Agency, 2021, <https://www.bwi.go.id/literasiwakaf/pengertian-wakaf/>.

Money waqf is a form of innovation that is developing in the modern world, where the money that is waqf is managed by a special institution to generate sustainable benefits.

The virtue of waqf lies not only in its spiritual aspect, but also in its role as a social and economic instrument ²⁸. Waqf allows a person to make a continuous contribution to society, even after he or she dies. For example, waqf land used to build schools can provide education for the younger generation, so that the benefits continue to be felt by many people for a long time. Waqf also has great potential to reduce social inequality, because the results of waqf asset management can be used to help those who are less fortunate.

In the modern era, waqf management requires a more professional approach so that the benefits can be felt to the maximum. The government, through institutions such as the Indonesian Waqf Agency (BWI), has the responsibility to manage and develop waqf assets in accordance with sharia principles. Technology and management innovation are also important factors to ensure that waqf assets can be managed in a transparent, accountable, and productive manner.

B. PRODUCTIVE WQF

In Islam, waqf is a form of worship that has high spiritual value and great social benefits ²⁹. Traditionally, waqf is often in the form of land or buildings used for worship purposes, such as mosques, tombs, or madrasas. However, along with the times, the community's needs for the management of waqf assets have also changed. Waqf is no longer only seen as a means of worship, but also as an economic instrument that is able to empower the ummah more broadly.

a. Definition of Productive Waqf

Productive waqf is the management of waqf assets by making them a source of income through productive activities ³⁰. The waqf assets are still maintained in their basic value, while the proceeds from their management are used to support various social activities, such as education, health, community empowerment, and poverty alleviation. In other words, productive waqf is the transformation of the traditional waqf concept into a more modern and dynamic form of management.

²⁸ Ahmad Fauzan and Muhammadiyah Amin, "Effectiveness of Supervision of Waqf Asset Management at the Religious Affairs Office, North Belopa District, Luwu Regency" 19, no. 2 (2024): 177–84, <https://doi.org/10.56338/iqra.v19i2.5397>.

²⁹ Fauzan and Amin.

³⁰ Pulungan, "A Review of Fiqh on Productive Waqf Towards the Welfare of the Ummah."

For example, if someone endows a piece of land, the land is not only left alone to be used as a place of worship, but can also be managed into agricultural land, business districts, or shopping centers. The proceeds from such management, such as profits from the rental or sale of products, are used to fund social activities that are in accordance with the purpose of waqf.

b. Legal Basis of Productive Waqf

Productive waqf has a strong legal basis in Islam, both from the Qur'an, hadith, and laws and regulations in Indonesia. In the Qur'an, Allah SWT says: *"You will never reach virtue (perfect) before you spend some of the wealth you love."* (QS. Ali Imran: 92) This verse hints at the importance of infaq, almsgiving, and waqf as a form of generosity of a Muslim. In this case, productive waqf is a form of jariyah alms that provides sustainable benefits to the community.

The hadith of the Prophet PBUH also emphasizes the importance of charity. In a hadith narrated by Imam Muslim, the Prophet said: *"When a person dies, his deeds are cut off except for three things: charity, useful knowledge, or a righteous child who prays for it."*

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Productive waqf is a tangible form of jariyah alms, because its benefits can be felt continuously by the ummah. In Indonesia, productive waqf has been regulated in Law No. 41 of 2004 concerning Waqf. Article 22 of the law states that waqf property can be used for activities in accordance with sharia, such as the construction of public facilities, social services, and other productive activities. This shows that the Indonesian government supports more innovative waqf management and is oriented towards the benefit of the people.

c. Principles of Productive Waqf

The management of productive waqf is based on several important principles, namely:

1. Sustainability Waqf assets are managed in such a way that the benefits can be felt continuously by the community. This approach aims to ensure that waqf not only provides short-term benefits, but also long-term.
2. Security of Waqf Principal Assets that are waqf, such as land or money, may not be traded or inherited. The principal value must remain intact in

³¹ Maharani, "An uninterrupted practice of reward after death."

accordance with the basic principles of waqf.

3. The benefits of the people The results of productive waqf management are used for activities that support the welfare of the community, such as education, health, or economic empowerment.
4. Compliance with Sharia Every activity in the management of productive waqf must follow sharia principles, both in the investment process and the use of the results.

C. AKAD *TABARRU' BIL UJRAH*

The tabarru' bil ujah contract is one of the unique concepts in the sharia economy that combines the principle of help-help (*tabarru'*) with commercial elements in the form of wages (*ujrah*). In Islam, this contract is designed to create a balance between social and economic aspects while still being based on sharia principles, such as justice, transparency, and sustainability. Basically, this contract involves the provision of benefits or services with social intentions, but still provides space for the provision of rewards for the efforts or services performed.

a. Definition of *Tabbru' Bil Ujah Contract*

The tabarru' bil ujah contract is an agreement in the sharia economy that combines the principle of helping (*tabarru'*) with the provision of rewards (*ujrah*) to those who provide services or benefits. This agreement is designed to create a balance between social and commercial aspects while still being based on sharia principles.

In this contract, one party makes a voluntary contribution or benefit with social goals (*tabarru'*), such as helping another party in need. However, on the other hand, the party who provides services or manages the transaction still receives *ujrah* in return for the effort or service performed. Thus, this contract integrates two main objectives: virtuous intentions and appreciation for the services provided.

The most common example of the application of this contract is in sharia insurance (*takaful*). Participants contribute to the mutual fund to help fellow participants who experience disasters (*tabarru'*). At the same time, *takaful* operators receive *ujrah* for fund management and service administration.

b. Legal Basis of the *Tabbru' Bil Ujah Agreement*

The tabarru' bil ujah contract has a clear and strong legal foundation in Islamic law. This foundation includes the main sources of sharia, namely the Qur'an and hadith, as well as relevant fiqh rules in the field of muamalah. This concept

combines two important elements in Islam, namely help (*tabarru'*) and reward for services (*ujrah*), so as to create a balance between social and commercial aspects.

First, the legal basis of the *tabarru' bil ujrah* contract can be found in the Qur'an, especially in verses that encourage the principle of helping in goodness. Surah Al-Ma'idah verse 2 affirms, *"And help yourselves in goodness and piety, and do not help each other in sin and transgression."* This verse is the main moral foundation that underlies the *tabarru'* contract, where participants make contributions or contributions to the fund together with the intention of helping others. This illustrates the value of solidarity that is the basis for sharia-based transactions. In addition, Surah An-Nisa verse 58 *"Indeed, Allah has commanded you to convey the trust to its owner. When you establish the law among men, you shall establish it justly. Indeed, Allah has given you the best teaching. Indeed, Allah is All-Hearing and All-Seeing."* This paragraph provides an order to fulfill the mandate, which is relevant in the context of the management of *tabarru funds'*. This paragraph emphasizes that operators responsible for managing funds must do so with full trust and transparency in accordance with sharia principles.

The second foundation comes from the hadiths of the Prophet PBUH which strengthen these principles. According to the Hadith narrated by Imam Muslim from Abu Hurairah, the Prophet PBUH said , *"Whoever solves the difficulties of a believer from the various difficulties of the world, surely Allah will ease his difficulties on the Day of Resurrection. Whoever makes it easy for those who are in difficulty, Allah will make it easy for him in this world and the Hereafter."*³². This hadith provides spiritual motivation to help others selflessly, as embodied in the mechanism of *tabarru'*. At the same time, Islam also rewards efforts or services, as stated in a hadith narrated by Ibn Majah: *"Give wages to the workers before their sweat dries."* In the *tabarru bil ujrah* contract, this hadith is the legal basis for providing rewards to parties who manage funds or provide administrative services. The giving of *ujrah* does not contradict the intention of *tabarru*, as long as these two elements are carried out clearly and do not mix in their intentions.

In addition, the rules of *fiqh* also provide a legal framework that supports the validity of the *tabarru' bil ujrah* contract. One of the relevant rules is, *"Al-ashlu fil mu'amalat al-ibahah illa an yadulla dalil 'ala tabrimihi,"* which means that the original law

³² Muhammad Faizin, "Friday Sermon: Let's Make It Easier for Others," Ministry of Religious Affairs of the Republic of Indonesia Website, 2023, <https://kemenag.go.id/islam/khutbah-jumat-mari-mudahkan-urusan-orang-lain-dqzQ6>.

in muamalah is permissible unless there is evidence that prohibits it³³. This rule is the basis that as long as there are no prohibited elements, such as *riba*, *gharar* (uncertainty), or *maisir* (speculation), then the *tabarru' bil ujah* contract can be applied. In this context, the *tabarru'* contract is carried out with virtuous intentions, while *ujrah* is given in exchange for management services carried out in a fair and transparent manner.

Furthermore, the principle of "*Al-ghunmu bil ghurmi*" is also relevant, which means that the profits must be balanced with the risks incurred. In this contract, operators who receive *ujrah* for fund management also bear certain risks in carrying out their duties, so that the provision of this reward is considered fair. This principle ensures that no party is harmed in the transaction.

In the contemporary era, the implementation of the *tabarru' bil ujah* contract has also been strengthened by fatwas and regulations issued by Islamic financial institutions, such as the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). Among the DSN MUI that has been formulated by the MUI are FATWA OF THE NATIONAL SHARI'AH COUNCIL NO: 52/DSN-MUI/III/2006 (concerning the Wakalah Bil Ujah Contract on Sharia Insurance and Sharia Reinsurance), the National Sharia Council Fatwa Number: 57/DSN-MUI/V/2007 (about the Letter Of Credit (L/C) With the Kafalah Bil Ujah Agreement), THE NATIONAL SHARIA COUNCIL FATWA NO: 58/DSN-MUI/V/2007 (about Hawalah Bil Ujah), and FATWA OF THE NATIONAL SHARIA DEWAI - INDONESIAN ULEMA COUNCIL NO: 113/DSN-MUI/IX/2017 (about the Waxalah Bi Al-Ujah Agreement).

These fatwas provide technical guidance on how this contract is implemented, especially in Islamic financial products such as *takaful* insurance, fund management through *wakalah* or others. The DSN-MUI fatwa stipulates that the management of *tabarru' funds* must be carried out in accordance with sharia principles, with transparency in the provision of *ujrah* to the management. This regulation ensures that the *tabarru' bil ujah* contract does not deviate from Islamic values and still meets the needs of the modern economy.

Thus, the legal basis of the *tabarru' bil ujah* contract is very comprehensive,

³³ Segara Gustanto and Jaih Mubarak, "The Rules of Fiqh" *al-Ashlu Fi Al-Ashya 'al-Ibahah* "in the Context of Sharia Economics and Business," n.d., 81–93.

covering theological, moral, and practical aspects. The Qur'an and hadith provide normative directions that emphasize the importance of solidarity and justice, while the rules of fiqh provide flexibility in the application of these principles in diverse contexts. Modern regulations then strengthen the implementation of this contract, so that it becomes a solution that suits the needs of the community without ignoring sharia values. The combination of these various legal bases makes the *tabarru' bil ujah* contract a form of transaction that is not only halal, but also relevant in supporting sharia-based economic growth.

c. Benefits and Challenges of Akad *Tabarru' Bil Ujah*

The *tabarru' bil ujah* contract is a typical form of transaction in the sharia economy because it combines two important elements, namely *tabarru'* (helping) and *ujah* (service reward). The presence of this contract offers various benefits that are relevant both socially and economically. However, like any other system, its implementation also faces challenges that require special attention to remain in accordance with sharia principles.

One of the main benefits of the *tabarru' bil ujah* contract is its ability to increase social solidarity³⁴. The element of *tabarru'* which is the basis of this contract teaches the community to help each other and care for the needs of others. In addition, the element of *ujah* in this contract provides benefits in terms of transparency and justice. *Ujah* is a reward given to service providers or operators who manage *tabarru* funds³⁵. With this element, the appreciation for the services provided becomes clearer and more structured. Operators or service providers who have worked hard to manage funds with professionalism and trust deserve fair rewards. This encourages the creation of a balanced transaction ecosystem, where the assisting party and the assisted party get benefits according to their respective contributions.

Furthermore, the *tabarru' bil ujah* contract is also fully in accordance with sharia principles. This contract is specifically designed to avoid elements that are forbidden in Islam, such as *riba* (interest), *gharar* (uncertainty), and *maisir* (speculation). In the mechanism, the *tabarru'* fund is managed in a trust manner to

³⁴ Darmawati H, "Akad in Islamic Economic Transactions."

³⁵ Tesha Aprilyani, Elis Mediawat, and Aneu Cakhyaneu, "DETERMINANTS OF THE PROPORTION OF TABARRU' FUNDS FOR SHARIA LIFE INSURANCE COMPANIES IN INDONESIA," *Iqtishaduna* 1, no. 2 (2020): 1–10.

help participants in need, while *ujrah* is given with a transparent agreement from the beginning. This ensures that the transaction takes place fairly, without any exploitation or ambiguity that could harm either party.

Although it has many benefits, the implementation of *the tabarru' bil ujah contract* also faces several challenges that need to be managed wisely. One of the main challenges is the potential for commercialization that can reduce the spirit of *tabarru*. In its implementation, there is a risk that the element of *ujrah* may become more dominant, so that the focus on the social or virtue aspect (*tabarru'*) becomes neglected. For example, if the operator emphasizes too much on the benefits of *ujrah*, the spirit of mutual cooperation that is at the core of this contract can be displaced by business interests. This is certainly contrary to the main purpose of the *tabarru* contract, which prioritizes solidarity and social assistance.

Another significant challenge is the complexity in fund management. In the *tabarru' bil ujah contract*, the management of funds must be carried out with high transparency and in accordance with sharia principles. This requires strict systems and regulations to ensure that funds are used appropriately. The operator or service provider must have a clear and auditable mechanism to demonstrate that the *tabarru'* funds are managed with trust. In addition, this challenge also involves strict supervision from Islamic financial authorities, such as the National Sharia Council (DSN-MUI) in Indonesia, to ensure that there are no sharia violations in the management of funds or the implementation of *ujrah*.

It is important to note that transparency in fund management requires advanced technology as well as a competent workforce. A poor system can lead to errors in management, which ultimately harms participants. In addition, the lack of understanding of the contract mechanism by participants can trigger distrust of operators or service providers. Therefore, education to the community is also a challenge that needs to be overcome.

Thus, the *tabarru' bil ujah contract* has great potential to support an inclusive and equitable sharia economic system. However, to realize its potential optimally, collective efforts are needed to overcome the existing challenges, both in terms of management, supervision, and education. The success of this contract does not only lie in its mechanism, but also in the commitment of all parties involved to uphold sharia principles in every step.

D. TABARRU BIL UJRAH CONTRACT ON PRODUCTIVE WAQF MANAGEMENT

The management of productive waqf using *the tabarru' bil ujah* contract has a complex mechanism but is very beneficial for the sustainability of the benefits of waqf assets. This mechanism is designed to combine the principle of help-help through the tabarru element with appreciation for management services through the ujah element, resulting in a professional, transparent, and in accordance with sharia principles.

In the initial stage, this mechanism begins with the process of handing over assets or waqf assets from a wakif (waqf giver) to a nadzir (waqf manager). This handover is carried out on the basis of tabarru', which is the giving of property intended for the public interest without expecting worldly rewards. The wakif handed over the assets with the aim that the benefits can be used for the welfare of the community in a sustainable manner. The waqf assets handed over can be in the form of land, buildings, or even cash. In this case, the wakif places his trust in the nadzir to maintain the immortality of the property and ensure that the benefits continue to flow to the mauquf 'alaih (beneficiaries).

After the handover process, the nadzir began to manage the waqf property in accordance with sharia principles. The element of ujah appears at this stage, where the nadzir is given an award in the form of a reward for his efforts and hard work in managing waqf assets productively. The amount of ujah is usually determined through an agreement between the wakif and the nadzir, or in some cases it is regulated by an authorized institution such as the Indonesian Waqf Agency (BWI). Ujah is given not as a form of personal gain for the nadzir, but as a form of fair appreciation for his services and expertise in ensuring that the management of waqf assets runs properly and in accordance with sharia.

In this mechanism, the waqf assets that have been handed over are managed to generate economic benefits. For example, if the asset is in the form of land, nadzir can use it to build commercial properties such as shophouses or shopping centers. If the waqf is a cash fund, then the funds can be invested in Islamic financial instruments, such as sukuk or infrastructure projects that generate income. The results of this management, after deducting operational costs and ujah nadzir, are then allocated for waqf purposes that have been determined by the waqf, such as

financing education, social assistance, or the construction of public facilities such as hospitals and schools.

In order for this management to run transparently and accountably, nadzir is required to provide periodic reports on the management of waqf assets. This report includes income generated from management, the use of funds including the division between *ujrah* and benefits, and the development of waqf assets. This transparency aims to maintain the trust of the waqf and ensure that waqf assets are truly utilized in accordance with the sharia mandate.

The benefits of this mechanism are enormous. With the element of *ujrah*, nadzir has the motivation to manage waqf assets professionally, so that the economic potential of these assets can be maximized. On the other hand, the element of *tabarru'* ensures that the social spirit and sincere intention in waqf are maintained. This combination allows productive waqf to be one of the sustainable sources of funding for Muslims.

However, this mechanism also faces challenges. One of the biggest challenges is to ensure that *the element of tabarru'* is not displaced by the element of *ujrah*, so that the social spirit of waqf remains the core of management. In addition, the management of waqf funds requires special expertise and a strict supervision system to ensure that all processes run in accordance with sharia. Therefore, it takes professionals and clear regulations so that this mechanism can be carried out optimally.

Overall, the implementation of *the tabarru' bil ujah* contract in the management of productive waqf is an innovative solution that allows waqf assets not only to remain but also to grow, providing greater benefits to the ummah. With good governance, this mechanism can become one of the main pillars in the sustainable development of the Islamic economy.

CONCLUSION

Based on the analysis in the article that discusses the implementation of the *tabarru' bil ujah* contract in the management of productive waqf, it can be concluded that this scheme has great potential in optimizing the benefits of waqf assets. This contract integrates social elements (*tabarru'*) with management professionalism through the provision of service rewards (*ujrah*). This approach is able to bridge the needs of the ummah with sharia

principles, while increasing the efficiency and sustainability of waqf management. However, its implementation still faces a number of challenges, such as the lack of sharia literacy among nadzir, limited regulations that support innovative management, and the risk of shifting the focus from social values to commercial goals. To overcome these challenges, more adequate education, training, and regulatory support are needed to ensure the sustainability of transparent and trustworthy productive waqf management. The implementation of the tabarru' bil ujah contract is expected not only to increase the economic potential of waqf, but also to become a sharia-based management model that can be replicated to support sustainable social development.

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