

## Research Article

# Socio-Economic Construction: Inorganic Waste Valuation Through the Indonesian Waqf Board (BWI) on Cash Waqf Development

Muhammad Hamdan Ali Masduqie<sup>1\*</sup> and Sirajul Arifin<sup>2</sup>

<sup>1</sup>UIN Sunan Ampel Surabaya & IAI YPBWI Surabaya, Indonesia

<sup>2</sup>UIN Sunan Ampel Surabaya, Indonesia

**ORCID**

Muhammad Hamdan Ali Masduqie: <https://orcid.org/0000-0001-6704-7581>

**Abstract.**

The environment is a place to live that must be maintained and preserved. The lack of public concern in preserving nature can cause environmental pollution and a lot of litter. Data from the National Waste Management Information System (SIPSN) of the Ministry of Environment and Forestry (KLHK) Indonesia in 2022 show that input results from 202 districts/cities throughout Indonesia have the number of national landfills reaching 21.1 million tons. Of the total national waste production, 65.71% (13.9 million tons) can be managed, while the remaining 34.29% (7.2 million tons) have not been managed properly the presence of waste bank operations with sharia economic principles is one of the efforts to realize a clean, beautiful and healthy environment. In its operational system, Sharia Waste Bank (BSS) have several waste management programs that can generate profits in the form of cash. The purpose of this study is to provide a new program idea in the form of waqf savings from the sale of inorganic waste. This research uses qualitative research and development (R&D) methods to analyze operational activities and new programs that can be designed through BSS. The results showed that several programs contained in the BSS both at the regional level and several universities in Indonesia have been running well, and with the idea of saving waqf from the sale of inorganic waste, it provides new innovations and alternative cash waqf payments that use money instruments to make it easier for people who want to make waqf payments. Community literacy related to the benefits of waste management can also increase along with the innovation of waqf payment programs with inorganic waste instruments. The waqf payment mechanism uses waste by saving inorganic waste until a minimum of Rp. 10,000 is collected, to be recorded by the staff of the BSS and distributed to partners namely Islamic Financial Institutions Receiving Waqf Money (LKS-PWU) which has connections with the Indonesian Waqf Board (BWI).

**Keywords:** socio-economic, inorganic waste, cash waqf, Indonesian waqf board (BWI)

Corresponding Author:  
Muhammad Hamdan Ali  
Masduqie; email:  
[hamtras1997@gmail.com](mailto:hamtras1997@gmail.com)

**Published:** 15 July 2025

Publishing services provided by  
Knowledge E

© Masduqie, Arifin. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the ICDComm 2024 Conference Committee.



## 1. Introduction

Waste is an issue or problem that exists in big cities in Indonesia. Waste can be interpreted as the definite *output* of various activities undertaken by every human.[1] The increase in the population in each region and changes in people's consumption patterns certainly cause an increase in the volume, types and characteristics of waste that are increasingly diverse. Until now, there are still many waste management that are not in accordance with environmentally friendly waste management methods and techniques and thus have a negative impact on public health and the environment. Therefore, waste has become a problem on a national scale that needs comprehensive and integrated management from upstream to downstream in order to provide economic benefits, be healthy for the community, be safe for the environment and can change people's behavior.[2]

The need for a fundamental paradigm change in waste management, namely the term gathering-transport-disposal into processing that relies on waste reduction and waste management as stated in Law (UU) Number 18 of 2008 concerning Waste Management and Government Regulation Number 81 of 2012. The paradigm regarding waste management that relies on the final approach is time to be abandoned and replaced with a new paradigm. Waste management can be done with a comprehensive approach. Starting from the upstream, that is, since a product that has the potential to become waste has not been produced. It is continued downstream, namely in the phase where the product has been used, so that it becomes waste, which is then returned to the environmental media safely.[3]

The existence of waste banks in various regions spread across Indonesia certainly brings benefits to the environment and the community in the area with various benefits provided. The city of Surabaya is one of the cities in Indonesia that has a high volume of waste circulation. According to data collected from the Surabaya City Government's Hygiene and Green Open Space Office, it is recorded that the garbage pile in the city of Surabaya is around 9,896.78 cubic meters per day.<sup>1</sup> According to the Mayor of Surabaya, Mrs. Tri Rismaharini, effective steps in reducing the volume of waste transported to the Final Disposal Site (TPA) are carried out by sorting, which can be done through compost houses or waste banks. Currently, Mrs. Risma added that there are 371 waste banks spread across almost all sub-districts in the city of Surabaya, so that waste that was previously considered useless goods, has become economically valuable thanks to the existence of waste bank.[4]

The Sharia Waste Bank of UIN Sunan Ampel Surabaya (BSS UINSA) is one of the waste banks in the city of Surabaya and is located within the State Islamic Religious College (PTKIN). With the presence of BSS UINSA, it makes an option for the surrounding community and the academic community of higher education as a means to exchange waste into money or participate in waste processing activities held within a predetermined time frame. BSS UINSA is present in the Peerguruan Tinggi UINSA environment as a participatory effort to deal with problems related to waste so far. With a 3R-based waste management strategy (*Reduce, Reuse and Recycle*), it is hoped that it can change the mindset of the academic community of higher education towards waste that is seen as having no *value*. The practice of Waste Bank in Indonesia was initiated by Bambang Sawerda who has a success story as a pioneer of banking-based waste management, and is located in Bantul Regency, Yogyakarta.[5]

Some of the products owned by BSS UINSA are waste savings, waste deposits and making crafts from waste materials. The target customers determined by BSS UINSA are lecturers, students, education staff, campus staff along with the community around UINSA who can deposit waste on the UINSA campus based on the regulations that have been set by the Management. In this case, the researcher provided ideas related to the development of programs that had been owned by BSS UINSA previously, in the form of waqf payments obtained from the results of inorganic waste exchange.

Waqf money is a direct translation of a popular term in the economic world, *cash waqf* which is a product initiated by Abdul Mannan in Bangladesh.<sup>2</sup> Several other literatures interpret *cash waqf* as cash waqf. However, the meaning of cash is often interpreted as the opposite of credit, so the mention of cash waqf as the meaning of *cash waqf* is considered inappropriate. Therefore, in this study, we will use the redaction of money waqf as a translation of *cash waqf* unless it has been listed in the positive law and the naming of a product, as is the case with the Cash Waqf Certificate.

Waqf money can be collected in a forum that has competence and capabilities and is able to work professionally,[6] so that later the waqf funds that have been collected can be used as business capital productively. As a follow-up to the development of money waqf in Indonesia, therefore through this research will develop money waqf through the results of inorganic waste exchange carried out through BSS UINSA.

## 2. Methods

The purpose of this study is to provide new program ideas in the form of waqf savings from the sale of inorganic waste. This study uses qualitative research and development (R&D) methods to analyze operational activities and new programs<sup>3</sup> that can be designed at the Sharia Waste Bank UIN Sunan Ampel Surabaya (BSS UINSA), namely related to waqf savings (cash waqf) from the proceeds of inorganic waste sales. Research and development as a method or step used in order to create a new product or develop and improve an existing product, as well as to be used as a test tool for the effectiveness of a product or program.[7]

## 3. Results and Discussion

### 3.1. Products of UIN Sunan Ampel Surabaya Sharia Waste Bank (BSS UINSA)

The Sharia Waste Bank UIN Sunan Ampel Surabaya (BSS UINSA) has a variety of products in which there is an educational, *social*, *ecology*, and *business* mission. The following are the products owned by BSS UINSA, including:

#### 1. Fundraising

Fundraising for its implementation at BSS UINSA is by collecting inorganic and organic waste.[8] This means that customers bring garbage as stated in the catalog. The next step is to buy the waste using al-ba'l contract (buying and selling) by BSS UINSA after weighing the waste beforehand. After being nominated, customers can choose the fundraising products offered by the UINSA BSS Management, including:

##### a. Waste Savings

Waste savings is a fundraising product owned by BSS UINSA and managed using the Wadiah Yad Damanah contract, where BSS UINSA collects funds from customers in the nature of entrustment. The object that is saved is inorganic waste (dry waste) which has been nominized at the price listed in the BSS UINSA waste catalog.

BSS UINSA has the prerogative to divide *the ratio* (profit) or not because the contract used in managing customer funds from the proceeds of the sale of waste is a deposit.

b. Waste Deposit

Waste deposits are a fundraising product managed using the Mudharabah Mutlaqoh contract,[9] namely BSS UINSA collects customer funds from the proceeds of the sale of inorganic waste (dry waste) which has been nominized into rupiah value according to the price in the BSS UINSA waste catalog.

This contract has a time range of 3, 6, 9 and 12 months with a ratio of 60%:40% (manager: customer).

2. Services

a. Print by paying for garbage

Print with a payment method using waste is a product of BSS UINSA in the aspect of service using the ljarah contract. This means that BSS UINSA provides advice in the form of a printer and BSS UINSA customers can take advantage of it by deducting the savings balance from the sale of waste that has been in the passbook. Of course, this is an innovation that supports academic activities for students in the campus environment of UIN Sunan Ampel Surabaya, considering the location of BSS UINSA is in the campus environment of UIN Sunan Ampel Surabaya and there are also other buildings in the Faculty of Islamic Economics and Business (FEBI) UIN Sunan Ampel Surabaya.

b. Environmental consulting

1) Craft Classes

In the implementation of this class, BSS UINSA customers and the Academic Community of UIN Sunan Ampel Surabaya learned how to recycle inorganic waste that has no economic value into economic goods. So that with this Craft Class activity, it can increase the creativity of students and make students contribute more to waste management, as illustrated below:

2) Hydroponic Classes

This class learns how to grow vegetables and others using the water method or often known as hydroponics. This is based on the fact that it is difficult for Urban People who want to carry out cropping activities due to the lack of vacant land.



**Figure 1:** BSS UINSA Craft Class Activities.

Therefore, the existence of the hydroponic method is expected to be a solution to this problem. The hydroponic method only requires a narrow plot of land and can be applied by anyone.

c. Establishment of Fostered Waste Bank

The establishment of the Fostered Waste Bank is a social product. This activity aims to help people who have difficulty accessing waste bank management. In addition to helping establish a Waste Bank, this product also fosters the community to participate more in environmental protection.

3. Waste Recycling

Waste Recycling is a product owned by BSS in saving the environment. BSS carries out recycling activities, both organic (wet) and inorganic (dry) waste.

### 3.2. Cash Waqf Economy Through the Sale of Inorganic Waste

The urgency of good waste management in the campus environment is the creation of a beautiful and healthy environment, and is based on several innovations created by the management of the Sharia Waste Bank UIN Sunan Ampel Surabaya (BSS UINSA) and the Academic Community of UIN Sunan Ampel Surabaya to overcome suboptimal waste management. Optimal waste management certainly has a positive impact on the

environment, especially a comfortable learning environment, and provides a means for the Academic Community to channel ideas about the output of waste management that provides various benefits for individuals and the general public.

The management of BSS UINSA is based on the operational activities of waste banks in the village. Waste banks in the village environment aim to accommodate waste owned by households known as household waste. In the waste bank system guidebook, the village waste bank is one of the systems whose activities focus on managing community household waste collectively. However, in reality, not all village waste banks can develop well. As data obtained from the republic that the waste banks in several villages are not developing because there are problems in managerial capacity.

Therefore, in order for the waste bank to run in accordance with the expectations desired by the waste bank management, five stages are needed, including the following: (1) initial socialization; (2) technical training; (3) the implementation of the waste bank system; (4) monitoring and evaluation; and (5) development. Thus, it can be concluded that in order for household waste to be managed properly, a system is needed through a waste bank whose activities focus on managing community household waste collectively.

Household waste or waste in the campus environment if you want to convert it into rupiah, you need someone who can manage and record waste buying and selling transactions in waste banks, especially BSS UINSA. In this case, the waste that has been collected at BSS UINSA will be managed and converted into rupiah. Then from this rupiah which will later be used as money waqf savings by village waste bank customers (waqif candidates).

The programs owned by BSS UINSA as one of the Waste Banks with sharia principles in the city of Surabaya are waste savings, waste deposits and making handicrafts from waste materials. In this case, the researcher provided ideas related to the development of programs that had been owned by BSS UINSA previously, in the form of waqf payments obtained from the results of inorganic waste exchange.

The implementation of money waqf in Indonesia is supported by a fatwa issued by the Indonesia Ulema Council which has been regulated in the law. No. 41 of 2004 concerning waqf and PP. No. 42 of 2006 concerning the implementation of the Law is a guideline in the implementation of money waqf in Indonesia, this is done because money waqf is considered to have high potential and can provide more benefit value, especially in improving people's welfare.

Indonesia is one of the countries that has the greatest asset potential in the collection and development of money waqf. However, the realization of the collection and distribution of money waqf funds in Indonesia is considered not optimal. One of the things that makes the lack of money waqf collection in Indonesia is due to the level of understanding of the average person who does not understand the concept of money waqf and is still fixated on the understanding and habits in traditional waqf that are limited to immovable assets, for example land waqf.

One thought and understanding in the concept of waqf should be able to be used as a productive asset through social, educational or productive economic activities for the community. Therefore, it is very necessary to innovate endlessly in the midst of the development of the times. The understanding and concept that is very relevant to the development of money waqf. Money waqf can be carried out productively through innovations in the development of money waqf, because with the existence of various new concepts in the collection of waqf, the greater the potential funds that can be used for the benefit of the people.

As an example, related to innovations in waqf payments, the State of Bangladesh introduced money waqf to the community through social capital market operations as a development of waqf. With the alternative development of money waqf, it is hoped that it can be managed properly, so that money waqf does not lose its benefits and can be felt by the community, especially for people in need.

Bangladesh invites its citizens to participate in the money waqf movement to help each other's communities. With the profits obtained from money waqf, one can help provide valuable assistance for the establishment or operation of educational institutions such as schools, mosques, hospitals, clean water supply, scholarships and research funding. A person's involvement in social investment can also help the implementation of poverty alleviation, da'wah, social welfare, case settlement and other public assistance projects.

Waqf money can be collected in a forum that has competence and capabilities and is able to work professionally, so that later the waqf funds that have been collected can be used as business capital productively. As a follow-up to the development of money waqf in Indonesia, researchers will develop money waqf through the proceeds of inorganic waste sales carried out through BSS UINSA. Since the past, waste has been a problem that has never been solved for some people. Piles of garbage and



many cases of garbage scattered or not disposed of in place, require a solution for efforts to reduce the volume of waste distribution so as not to cause unpleasant odors.

Through the waqf savings program from the sale of inorganic waste initiated by BSS UINSA, it is hoped that there will be high interest from the UINSA academic community to deposit inorganic waste collected both from their surrounding environment and from the campus environment. Later, BSS UINSA as the manager of waste savings owned by customers, will not be taken, but the nominal proceeds from the sale of inorganic waste will be allocated as a monetary waqf.

### **3.3. Cash Waqf Payment Mechanism from Inorganic Waste Sales through the Indonesia Waqf Agency (BWI) in collaboration with the Sharia Waste Bank (BSS) UINSA**

Money waqf based on the MUI fatwa, namely, money waqf (cash waqf/waqf al-nuqud) is a waqf carried out by a person, group of people, institution or legal entity in the form of cash. Included in the sense of money are securities. Waqf of movable property in the form of money, hereinafter referred to as money waqf, is a waqf in the form of money that can be managed productively, the proceeds are used for Mauquf alaih (BWI Regulation number 1 of 2009 concerning Guidelines for the Management and Development of Movable Waqf Property in the Form of Money).

In Law Number 41 of 2004 concerning Waqf Articles 28-31 and Government Regulation Number 42 of 2006 concerning the Implementation of Law Number 41 of 2004 concerning Waqf, Articles 22-27 have regulated the permissibility related to the implementation of money waqf (property in the form of money). Thus, what is meant by money waqf is waqf carried out by waqf (individuals, groups of people and institutions or legal entities) in the form of money and securities such as stocks, checks and others).

In Islamic law, waqf must meet several constituent elements that are the pillars of the implementation of waqf, namely:

1. People who do waqf (waqif)
2. Endowed property (mauquf)
3. Purpose of waqf or those who are entitled to receive waqf results (mauquf alaih)
4. Waqf statement from waqf called sighat or waqf pledge

Meanwhile, according to article 6 of Law Number 41 of 2004 concerning waqf, the pillars of waqf include:

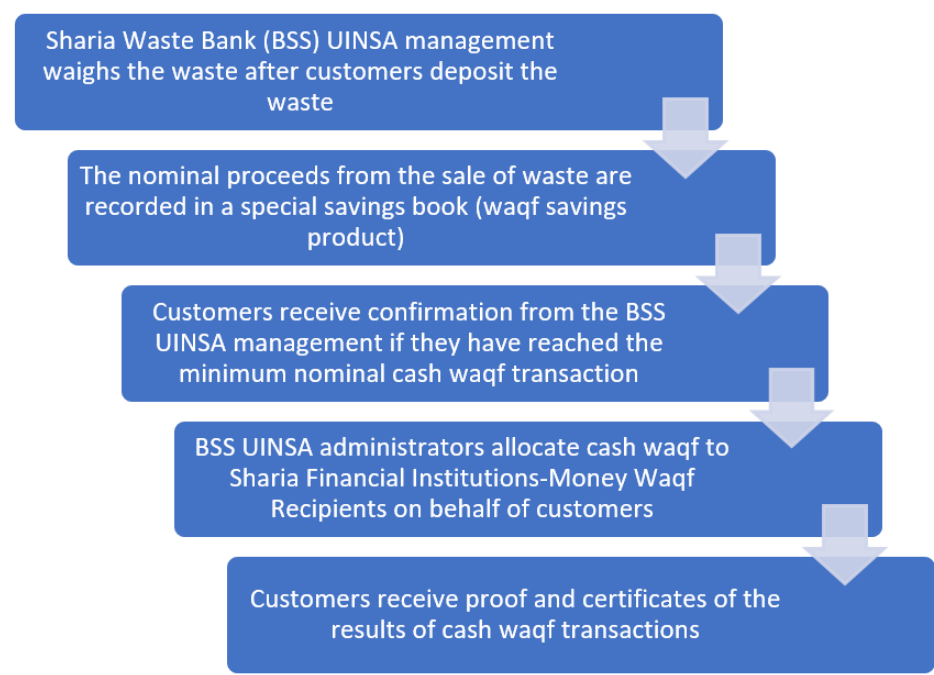
1. Waqif (the party who waqf his property)
2. Nazhir (the party who receives waqf property from the waqf to be managed and developed in accordance with its designation)
3. Waqf property (waqf property can be in the form of movable objects and can be in the form of immovable objects)
4. Waqf pledge (a statement of waqf will spoken orally or in writing to the nazhir to waqf his property)
5. Allocation of waqf property

If in Islamic law, nazhir and the period of waqf do not become harmonious, so that without nazhir and the period of implementation of waqf it becomes valid. However, as the world is developing, the problem of waqf is increasing and waqf is not only in the dimension of worship, but also in the social dimension. Therefore, positive law in Indonesia adds nazhir and waqf periods. Nazhir is the party that receives waqf property from waqf to be managed and developed in accordance with its designation.

In this case, BSS UINSA as a non-bank financial institution engaged in environmental economics, has the idea of providing a facility for the UINSA academic community and the people of Surabaya City to deposit waste intended to allocate money waqf funds. The money waqf that will be allocated by BSS UINSA is the result of collaboration between BSS UINSA and the Indonesia Waqf Agency (BWI) East Java Region.

Regarding the way carried out by the management of BSS UINSA in managing the money waqf savings fund from the proceeds of waste sales, every month a recap of waste that has been collected from various products will be carried out, such as waste savings, waste deposits and also a new money waqf savings program. The following is the mechanism for saving money waqf from the proceeds of waste sales that has been designed by researchers:

Based on the description of the mechanism for paying money waqf using the waste payment medium in Figure 1, it requires cooperation from various parties to realize the program. BSS UINSA will collaborate with Indonesia Waqf Agency (BWI) East Java Region to accommodate customers who want to make money waqf payments after the minimum nominal is met, and if there is confirmation, then it will be connected with



**Figure 2:** Cash Waqf Payment Mechanism through Waste Savings.

(Sharia Financial Institutions-Money Waqf Recipients (LKS-PWU) under the auspices of BWI East Java.

### 4. Conclusion

The implementation of the waqf savings program from the proceeds of waste sales carried out by the Sharia Waste Bank UIN Sunan Ampel Surabaya (BSS UINSA) in collaboration with the Indonesia Waqf Agency (BWI) East Java Region certainly requires cooperation and support from many parties. In this case, the involvement of the academic community of UIN Sunan Ampel Surabaya is a very important element so that it can run optimally and the benefits are not only felt by the internal parties of the Campus, but also to make it easier for the people of Surabaya City to make money waqf payments.

### Endnotes

<sup>1</sup>Muhammad Hamdan Ali Masduqie, Syarifudin Syarifudin, and Ana Toni Roby Candra Yudha, “Green Economy of Waste Bank in the Perspective of Maqashid Sharia in Surabaya,” *Jurnal Ekonomi Syariah Teori Dan Terapan* 8 (2021).

<sup>2</sup>Akmaludin Sya'bani, "Wakaf Uang (Cash Waqf, Waqf An-Nuqud); Telaah Teologis Hingga Praktis," *El-Hikam* 9, no. 1 (2016): 161–86.

<sup>3</sup>Sri Gustiani, "Research and Development (R&D) Method as a Model Design in Educational Research and Its Alternatives," *Holistics Journal* 11, no. 2 (2019): 12–22, <https://jurnal.polsri.ac.id/index.php/holistic/article/view/1849>.

## References

- [1] Anih Sri Suryani, "Peran Bank Sampah Dalam Efektivitas Pengelolaan Sampah (Studi Kasus Bank Sampah Malang)," *Aspirasi: Jurnal Masalah-Masalah Sosial* 5, no. 1 (2014): 71–84.
- [2] Siegwart Lindenberg, "How Cues in the Environment Affect Normative Behaviour," *Environmental Psychology: An Introduction*, 2018, 144–53. Ulfia Septiani, Najmi Najmi, and Rina Oktavia, "Eco Enzyme: Pengolahan Sampah Rumah Tangga Menjadi Produk Serbaguna Di Yayasan Khazanah Kebajikan," in *Prosiding Seminar Nasional Pengabdian Masyarakat LPPM UMJ*, vol. 1, 2021.
- [3] Muhammad Hamdan Ali Masduqie, Syarifudin Syarifudin, and Ana Toni Roby Candra Yudha, "Green Economy of Waste Bank in the Perspective of Maqashid Sharia in Surabaya," *Jurnal Ekonomi Syariah Teori Dan Terapan* 8 (2021).
- [4] M. Bahrul Marzuki, "Volume Sampah Di Surabaya Mencapai 1,6 Ribu Ton Perhari," <https://m.jatimtimes.com/baca/167726/20180224/170513/volume-sampah-di-surabaya-mencapai-1,6-ribu-ton-perhari>, 2021.
- [5] Hidayatul Fajriya, "Manajemen Pemasaran Pada Bank Sampah Syariah Secara Bertahap, Berkesinambungan Dan Sistematis," *Al-Musthofa: Journal of Sharia Economics* 2, no. 2 (2019): 56–66.
- [6] Akmaludin Sya'bani, "Wakaf Uang (Cash Waqf, Waqf An-Nuqud); Telaah Teologis Hingga Praktis," *El-Hikam* 9, no. 1 (2016): 161–86.
- [7] Vika Annisa Qurrata et al., "Effectiveness of Cash Waqf Management in Improving Community Welfare: Challenges and Opportunities," *Review of Integrative Business and Economics Research* 10 (2021): 342–59.
- [8] Sri Gustiani, "Research and Development (R&D) Method as a Model Design in Educational Research and Its Alternatives," *Holistics Journal* 11, no. 2 (2019): 12–22, <https://jurnal.polsri.ac.id/index.php/holistic/article/view/1849>.
- [9] Vera Apridina Safitri, Lindriana Sari, and Rindu Rika Gamayuni, "Research and Development, Environmental Investments, to Eco-Efficiency, and Firm Value,"

*The Indonesian Journal of Accounting Research* 22, no. 03 (2019): 377–96,  
<https://doi.org/10.33312/ijar.446>.

- [10] Setiyo Budi Santoso et al., “Pengelolaan Sampah Anorganik Sebagai Upaya Pemberdayaan Nasabah Bank Sampah,” *Community Empowerment* 6, no. 1 (2021): 18–23.
- [11] Nasratullah Nasrat et al., “Ways to Reduce Poverty in the Economic System of Islam,” *Integrated Journal for Research in Arts and Humanities* 3 (2023): 113–20.