
**DEVELOPMENT OF THE HAJJ SAVINGS MECHANISM WITH
THE *WADI'AH* AGREEMENT ON BSI SURABAYA BASUKI
RAHMAT**

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Abstract

This study proposes and analyzes the development of a Hajj savings mechanism based on the principles of the *Wadi'ah* Agreement. Using a comprehensive literature review and comparative analysis, the study outlines specific implementation steps to enhance the effectiveness and sustainability of the Hajj savings program. Existing mechanisms for Hajj savings face challenges, such as a lack of transparency in profit distribution and sustainability issues. This research introduces a novel framework utilizing the principles of the *Wadi'ah* Agreement to address these challenges, aiming to improve fairness and efficiency in managing Hajj savings funds. The study's contributions highlight a distinct departure from conventional systems, providing a practical roadmap for integrating the new framework into existing financial structures.

Keywords: Hajj Savings Mechanism, Wadiah Contract, Sharia Policy

INTRODUCTION

The Hajj savings system plays a pivotal role in facilitating the fulfillment of one of the five pillars of Islam for Muslims performing the pilgrimage to Mecca. However, the conventional mechanisms of these savings systems often grapple with critical issues, including opaque profit distribution and the long-term sustainability of the program. These shortcomings highlight the need for a broader perspective and innovative approaches that can address the growing complexities of managing Hajj savings, ensuring transparency, efficiency, and fairness in the process.

The Hajj pilgrimage, while fundamentally a spiritual journey, entails significant financial commitments for many Muslims. The existing Hajj savings mechanisms, which enable participants to save gradually for the pilgrimage, are not without flaws. Among the primary challenges is the transparency in profit-sharing agreements, which often leads to confusion or dissatisfaction among savers. Additionally, the long-term sustainability of the Hajj savings program is threatened by fluctuating financial markets and inconsistent management practices, which can undermine the stability of the funds over time.

Given these dynamics, it is crucial to develop a more adaptive and inclusive Hajj savings mechanism that can respond to these emerging challenges. The use of Islamic financial instruments, particularly the *Wadi'ah* contract, has been proposed as a promising alternative. This paper explores how the principles of the Wadi'ah agreement can offer a more secure and transparent solution for managing Hajj savings, aligning with both Sharia compliance and modern financial demands.

Unlike conventional Hajj savings systems that may struggle with profit-sharing transparency, the Wadi'ah contract offers a trust-based framework. In this model, depositors entrust their funds to a financial institution, which holds the money in safekeeping without guaranteeing any returns. This contrasts with profit-sharing mechanisms, where participants may not fully understand how profits are calculated or distributed. By eliminating the element of profit-sharing, the *Wadi'ah* contract provides a clear, Sharia-compliant method of managing Hajj funds that prioritizes security and transparency.

Moreover, the sustainability of the Hajj savings program is an essential factor that must be addressed to ensure its long-term viability. As financial markets become increasingly volatile, savings mechanisms must be not only resilient but also capable of adapting to these changes. The adoption of *Wadi'ah* contracts can help mitigate the risks associated with market fluctuations by focusing on the safe custody of funds rather than engaging in risk-laden investment activities. This ensures that the savings remain secure and available when needed, protecting the financial interests of future Hajj participants.

Despite these advantages, it is also important to recognize that the *Wadi'ah* contract is not without limitations. One potential drawback is the lack of profit generation, which may deter some participants who are looking to grow their savings while preparing for the Hajj. Therefore, it is essential to strike a balance between security and profitability in designing Hajj savings products. Hybrid models that incorporate elements of both *Wadi'ah* and other Islamic financial contracts, such as *Mudharabah* (profit-sharing), could provide a more comprehensive solution, offering both security and potential financial growth (Rahman, Pratikto, Murwani, & Handayati, 2024).

This paper argues that the integration of the *Wadi'ah* contract into Hajj savings systems represents an important step forward in addressing the transparency and sustainability challenges that have long plagued the conventional model. By leveraging Islamic financial principles, it is possible to develop a savings mechanism that is not only aligned with the ethical standards of Sharia but also capable of meeting the evolving needs of modern Hajj participants.

The research will further explore the practical implications of implementing the *Wadi'ah* contract in Hajj savings programs, assessing its potential to enhance transparency, security, and overall participant satisfaction. In doing so, this study contributes to the ongoing discourse on the development of Sharia-compliant financial instruments and their role in facilitating the religious and financial obligations of Muslims around the world.

The Hajj savings system must evolve to keep pace with the changing financial

landscape and the increasing demand for transparency and sustainability. The *Wadi'ah* contract, with its focus on trust and security, offers a viable alternative to conventional savings mechanisms, ensuring that Muslims can save for their pilgrimage in a manner that aligns with both their religious beliefs and financial needs. However, further innovation is required to address the limitations of this model and provide a solution that balances the needs for security and growth. By broadening the perspective on Hajj savings and embracing Sharia-compliant financial instruments, the Hajj savings system can become more inclusive, adaptive, and effective in meeting the spiritual and financial needs of Muslims around the world.

RESEARCH METHOD

This research adopts a descriptive and qualitative approach, focusing on the development of a Hajj savings mechanism utilizing the *Wadi'ah* agreement at Bank Syariah Indonesia (BSI) KC Surabaya Basuki Rahmat, located in Surabaya, East Java. The study aims to gather comprehensive insights into the current practices and challenges related to Hajj savings mechanisms.

The research employs both primary and secondary data sources. Primary data will be collected through structured interviews with stakeholders, including customers and managers, to explore their expectations and experiences with the Hajj savings mechanism. Secondary data will be sourced from existing literature and institutional records to provide context and support the primary findings.

Data collection will be systematic, employing the following techniques: a) **Preliminary Assessment:** Initial visits will be conducted to understand the unique features and operational context of BSI KC Surabaya Basuki Rahmat; b) **Observation:** This phase involves direct observation of the bank's processes and customer interactions to identify practical challenges and operational dynamics; c) **Interviews:** A set of open-ended questions will be formulated to elicit detailed responses from participants, focusing on the effectiveness of the current Hajj savings program and suggestions for improvement.

The data will be analyzed using thematic analysis to identify common patterns and insights from the interviews and observations. Triangulation will be employed to enhance the validity of findings by comparing results from multiple data sources. Ethical considerations, including informed consent and confidentiality, will be rigorously followed to ensure the integrity of the research process.

RESULTS AND DISCUSSION

The *wadi'ab* contract is one of the contracts in the Sharia financial system which has an important role in managing public funds. In the context of Hajj savings, the *wadi'ab* contract is the main basis for managing funds. The discussion regarding *wadi'ab* contracts covers various aspects, including principles, mechanisms, roles, and implications in sharia financial practices.

Basic principles of the *wadi'ab* contracts are two main principles applied in the *wadi'ab* contract, namely: *Wadi'ab Amanah*, this contract asks for help from someone to look after the custodian's assets. In this context, Islamic banks act as trustees (custodians of assets) and customers as trustees (custodians of assets). Then, *wadi'ab dharmanah*, objects placed with other people for their care. In this case, the bank has the right to use the funds deposited by the customer as long as the funds are not withdrawn by the customer. Wadi'ah Agreement Mechanism in Hajj Savings:

In the context of Hajj savings, the *wadi'ab* contract is implemented when an individual saves funds for the Hajj pilgrimage to a bank or sharia financial institution. The bank acts as a representative (*wakalah*) who receives and manages these funds in accordance with Sharia principles. These funds are guarded and managed with *itqan* (thoroughness) and *amanah* (trust) to ensure the implementation of the Hajj pilgrimage.

The Role of the Parties in the *Wadi'ah* Contracts:

Muwadi' is a party that entrusts funds to a bank or sharia financial institution with the hope that these funds will be safeguarded and managed well in accordance with sharia principles. Deputy (Bank): Responsible for the management and security of the Hajj

savings funds provided to him. Representatives have a moral and sharia obligation to safeguard these funds as well as possible.

Sharia and Legal Implications in Wadi'ah Contracts:

The *wadi'ah* contract contains significant legal implications in the context of Sharia finance. Its presence ensures that financial transactions are based on trust and responsibility in accordance with Sharia principles. The principle of wadi'ah also regulates the relationship between the muwadi' and the deputy, ensuring that both parties understand and comply with their respective obligations and rights (Kunaifi et al., 2022).

Challenges and Solutions in the Practice of Wadi'ah Contracts:

Although the *wadi'ah* contract offers a clear framework for managing funds, several challenges need to be overcome, such as issues of trust, transparency, and law enforcement. Solving this problem involves implementing best practices in fund management, increasing Sharia financial literacy, as well as cooperation between Sharia financial institutions, regulators, and the community.

In the Sharia banking system, the *wadi'ah* contract is very important because it provides efficiency and trust in financial transactions. This agreement also ensures that funds entrusted by customers will always be available whenever the customer needs them. However, it is also important to remember that the *wadi'ah* contract does not provide financial benefits for the custodian of the assets. The benefit obtained by the custodian of the assets is a sense of security and comfort because the assets are well looked after by the recipient of the trust.

Development of the Hajj Mechanism

Developing a hajj savings mechanism is an important effort to increase the accessibility of Muslims to the hajj pilgrimage and ensure effective fund management in accordance with sharia principles. This discussion covers various aspects, starting from the need for a hajj savings mechanism, and the underlying sharia principles, to risk management strategies and the resulting socio-economic impacts (Kunaifi & Syam, 2021).

Need for a Hajj Savings Mechanism:

Limited accessibility and cost of Hajj travel often become obstacles for Muslims in carrying out their Hajj obligations. The Hajj savings mechanism helps individuals to plan and accumulate funds systematically to meet future Hajj expenses. Hajj savings also provide opportunities for financially disadvantaged Muslims to collect funds easily and regularly, thereby realizing financial inclusion in the context of the Hajj pilgrimage.

Sharia Principles in the Hajj Savings Mechanism:

The Hajj savings mechanism must comply with sharia principles which include the prohibition of usury, speculation, and activities that conflict with the principles of justice and alignment with the interests of the people. The use of Sharia contracts such as *wadi'ah*, *mudharabah*, or *musyarakah* contracts is an alternative for managing Hajj savings funds in accordance with Sharia principles (F. Rahman, 2022).

Risk Management in the Hajj Savings Mechanism:

Risk management is an integral part of the Hajj savings mechanism. Sharia financial institutions that offer Hajj savings need to identify, assess, and manage various risks such as liquidity, credit, operational, and sharia risks. Risk management strategies include investment portfolio diversification, establishing fund reserves, regular monitoring, and implementing good governance in managing Hajj savings funds.

Socio-Economic Impact and Sustainability of the Hajj Savings Mechanism:

The Hajj savings mechanism not only provides individual benefits for savers but also has a broad socio-economic impact (Fadali Rahman et al., 2023). Increased financial inclusion, increased accessibility to the Hajj pilgrimage, as well as contributions to economic growth and sharia financial stability are positive impacts from the development of this mechanism. The sustainability of the Hajj savings mechanism here requires a long-term commitment from financial institutions, government, and society in supporting the development and maintenance of infrastructure and supporting regulations.

In the context of developing the Hajj mechanism, the use of the *wadi'ah* contract can be a solid foundation for managing Hajj savings funds. The following are several aspects that explain the continuity of the Hajj mechanism with the *wadi'ah* contract

concept:

1. Management of Hajj Savings Funds Based on *Wadi'ab* Agreement: *Wadi'ab* Agreement is used as the main principle in managing Hajj savings funds. Sharia banks or financial institutions act as representatives (representatives) who receive funds from customers (muwadi') for Hajj. Thus, funds saved by Muslims are guarded and managed with *itqan* (thoroughness) and *amanah* (trust) in accordance with sharia principles.
2. Risk Management and Sharia Compliance: In the *wadi'ab* contract-based Hajj mechanism, risk management and compliance with Sharia principles are the main focus. Sharia banks or financial institutions must maintain security, transparency, and fairness in managing Hajj savings funds in accordance with the provisions of Islamic law.
3. Increasing Financial Accessibility and Inclusion: The hajj mechanism based on the *wadi'ab* contract provides the opportunity for Muslims from various levels of society to save systematically and plan to carry out the hajj. Thus, this mechanism helps increase financial accessibility and inclusion among Muslims.
4. Positive Social and Economic Impact: The *wadi'ab* contract-based Hajj mechanism has positive social and economic impacts, including increasing the welfare of the Muslim people, contributing to economic development, and empowering the community through better access to the Hajj pilgrimage.

CONCLUSION

Developing a hajj savings mechanism using the *wadi'ab* contract concept is an important step in facilitating Muslim access to the hajj pilgrimage in a sustainable manner and in accordance with sharia principles. In the overall discussion, several important points can be concluded that the need for a Hajj Savings Mechanism: Hajj savings is a financial instrument that helps Muslims plan and save systematically to carry out the Hajj pilgrimage, overcoming limited accessibility and high costs.

The Role of the *Wadi'ab* Agreement in Managing Hajj Savings Funds: The *Wadi'ab* Agreement is the main basis for managing Hajj savings funds, where banks or sharia financial institutions act as representatives who safeguard and manage customer funds with *itqan* and trust.

Positive Social and Economic Impact: The sustainable Hajj savings mechanism with the *wadi'ab* contract has a positive impact, including increased financial inclusion, contribution to economic growth, and community empowerment through better access to the Hajj pilgrimage.

The Importance of Risk Management and Sharia Compliance: Risk management and compliance with Sharia principles are important aspects in implementing the Hajj savings mechanism with *wadi'ab* contracts, ensuring security, transparency, and fairness in managing customer funds.

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