

## **Productive Waqf: The Power Of Sustainability**

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### **Abstrak**

Artikel ini membahas tentang paradigma baru pengelolaan wakaf dengan cara yang berbeda dengan pendekatan klasik yang diterapkan masyarakat muslim puluhan tahun lalu. Tuntutan pengelolaan wakaf yang lebih produktif saat ini semakin meningkat seiring dengan kebutuhan masyarakat akan keamanan finansial yang lebih berkelanjutan. Artikel ini merupakan hasil dari tinjauan pustaka yang berfokus pada analisis deskriptif tentang diversifikasi dan pengelolaan wakaf di Indonesia. Tujuan artikel ini adalah untuk memberikan penjelasan tentang bagaimana diversifikasi dan pengelolaan wakaf di Indonesia dapat dan harus memberikan keamanan finansial yang lebih baik kepada orang-orang yang memenuhi syarat untuk wakaf.

**Kata Kunci: *Wakaf Produktif, Keberlanjutan, Manajemen***

### **Abstract**

This article discusses a new paradigm on waqf management in a way that is different from the classical approach applied by the muslim community decades ago. Nowadays, the demand for a more productive waqf management is increasing due to the society's needs for a more sustainable financial security. This article is the result of a literature review that focuses on the descriptive analysis of the diversification and management of waqf in Indonesia. The purpose of this article is to provide an explanation on how the waqf diversification and management in Indonesia can and should provide better financial security to the people who are qualified for waqf.

**Keywords: *Productive Waqf, Sustainability, Management***

### **Introduction**

In an Islamic perspective, waqf cannot be separated from the discussion about the development of Islamic law and the essence of the mission of Islamic law itself. To find out historical developments, it is necessary to examine the text and socio-cultural conditions of the community where Islamic law applies because Islamic law is a combination of Allah's revelation and the purpose of human life. Therefore, the condition of society that existed at the time the revelation was revealed needs to be considered in the study of certain laws. The mission of Islamic law as a rule is to embody the values of faith and aqidah to carry out the main mission of distributing justice to all levels of society, both legal justice, social justice and economic justice

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(Satyawana, Firdaus, & Possumah, 2019).

The sense of justice is an abstract value, but it demands a concrete and positive action through social justice, for example, among many other actions. The implementation of waqf is a concrete example of a sense of social justice, because waqf is the gift of a number of well-loved property that is given free of charge for public good. The wakif is demanded with high sincerity so that the assets given as waqf assets can provide benefits to the community at large because the breadth or economic ability he has is a very high gift of God (Wulpiah, 2019).

In addition to being an aspect of Islamic teachings with a spiritual dimension, waqf is also a teaching that emphasizes the importance of economic welfare in the social dimension. In line with this, the existence of waqf institutions becomes very urgent and strategic in the midst of the social problems of the Indonesian people and the demands for economic welfare today. Therefore, it is necessary to redefine waqf so that its meaning is more relevant to the real conditions of welfare issues.

Discussions about waqf are often mistakenly identified with immovable objects such as land, buildings, trees for fruit, or wells for water. In terms of waqf practice, nowadays a certain image or perception is created regarding waqf where waqf is generally in the form of movable objects, especially land on which a mosque or madrasa is built and its use is based on the will of the waqf giver (wâkif) with the stipulation that to maintain its existence, waqf land cannot be traded with the consequence that banks cannot accept waqf land as collateral. The author will try to describe productive waqf, both in terms of definition, types, management and empowerment of productive waqf in this paper to help educate the redefinition of waqf in the community.

### **Theoretical Review**

Productive waqf is an equity or fixed assets to be used in the blossoming efforts of the assets themselves in which the outcomes are then distributed based on the objectives of the waqf to the same degree that a piece of land is used for farming or wells to take water from, among many others (Utami, 2019). While productive waqf can also be defined as assets that are used for the benefit of production in the fields of agronomy, commerce, production, or trade and services whose benefits are not directly on the waqf objects, but from the net profits of the development of the waqf itself. Productive waqf is a scheme for managing waqf donations from the people,

namely by making these donations productive, so that they are able to produce a sustainable surplus. Waqf donations can be both in the form of immovable and movable objects, such as money and precious metals, or immovable objects, such as land and buildings.

Basically, waqf should be productive in the sense that it must be able to produce because waqf can fulfill its purpose if it has produced where the results are used according to its designation (Effendi, Setiadi, Hidayat & Othman, 2022). The first person to make a sustainable waqf was Umar bin al Khatthab who donated a plot of fertile fields in Khaybar. Which were then managed and the results were for given to and used by the community. In this case, this waqf is a productive waqf in the sense of bringing economic aspects and community welfare (Sukmana, Ratnasari & Widiastuti, 2022). Ironically, many Indonesians think that waqf is unproductive land that even dies, which in fact requires maintenance costs from the community, such as graves, mosques, etc.

In the management of productive waqf assets, the party who most determines the success or failure of the use of waqf assets is Nazhir waqf, namely a person or group of people and legal entities who are entrusted with the task of wakif (people who endow their assets) to manage waqf, even though in fiqh books, Islamic scholars do not necessarily include Nazhir waqf as one of the pillars of waqf because waqf is a tabarru' deed (a sunnah action). However, after paying attention to the purpose of waqf to preserve the benefits of waqf assets, the existence of Nazhir is very much needed, even occupying a central role in waqf management. (Sari, 2022). Nazhir is responsible and obliged to maintain, maintain and develop waqf and distribute the results or benefits of waqf to the target of the waqf (Zuhri, 2018; Munawar, Pangestu & Qomaruddin, 2022). With such an important role, it is not surprising that some places in Indonesia have even made programs to improve the competence and qualifications of Nazhir and require them to complete the program and competency exams after that.

In addition to the aspect of natural resources, human resource factor is also very important to consider in discussions about the success or failure of productive waqf. Apart from the factor of the location of assets that are not economically strategic and the condition of the arid land, for instance, a conspicuous obstacle to

productively cultivating waqf land is the ability of its human resources (HR) as experienced by many Nazhir waqf in rural areas in almost all corners of the archipelago (Alam, 2021).

In addition to the technical constraints of land that are not economically strategic, in our society there are often pros and cons of the transfer or exchange of waqf land for productive purposes and its utilization (Kamariah & Nirwana, 2021; Raufmansyah, 2021; Sugiarto, Fahmi, Muslih & Hendriyanto, 2022). For example, there is a wakif who donates his garden land to a pesantren in the city center, while the land that the wakif owns in the countryside is far from the pesantren and the pesantren does not have sufficient capital to manage the waqf land. Such waqf land certainly cannot be managed properly due to transportation constraints and other means. However, when the wakif were offered to sell the land and the proceeds from the sale for the benefit of pesantren such as a library building, for example, it turned out that many wakifs refused because they held to the notion that waqf could not be sold. This poor knowledge of waqf causes a lot of material losses in the context of waqf management in Indonesia even though the opportunity to develop sustainability and productivity of waqf products in Indonesia is very undeniably large (Hassanain, 2016).

## **Research Method**

The systematic literature review (PRISMA) methodology was used. Fifteen studies on productive waqf research were collected using the Snowballing technique from various sources and summarized based on their findings.

## **Results And Discussions**

### **Types of Productive Waqf**

Cash waqf in its form is seen as one of the solutions that can make waqf more productive because money is not only a medium of exchange. Cash waqf is seen to be able to produce more results. Wahbah az-Zuhaily, in the book *Al-fiqh islami wa fairatuhu*, mentions that the Hanafi school allows cash waqf because the money as business capital can last a long time and has many benefits for the benefit of the people. In line with that, MUI has also issued a fatwa regarding cash waqf as follows:

- a. Cash waqf (cash waqf / waqf al-Nuqut) is a waqf carried out by a group or person or legal entity in the form of cash waqf.
- b. Included in the definition of money are securities.
- c. Waqf whose law is Jawaz (optional)
- d. Waqf that can only be distributed and used for things that are permitted by syar'i
- e. The principal value of waqf which must be guaranteed for its sustainability, may not be sold, donated or inherited.

In addition to the MUI fatwa above, the government through the DPR (House of Representatives) has also ratified Law No. 41 of 2004 concerning waqf, which also regulates the permission for waqf in the form of money as follows:

#### 1. Cash Waqf

Generally, the definition of cash waqf is the delivery of waqf assets in the form of cash which cannot be transferred and frozen other than for the public interest which does not reduce the principal amount. In Indonesia, cash waqf is relatively new. Cash waqf is a waqf object other than land and buildings which are immovable property (Husein, 2021). Waqf in the form of cash is permitted, and in practice it has been implemented by Muslims. The benefits of cash waqf include:

- a) Someone who has limited funds can start giving waqf funds without having to wait to become a landlord first.
- b) Through cash waqf, assets in the form of vacant land can be used with more productive means for the benefit of the people.
- c) Cash waqf funds can also help some Islamic educational institutions.

#### 2. Cash waqf certificate

Cash waqf certificates are one of the most promising and potential instruments that can be used to raise large amounts of people's funds. Cash waqf certificates are a kind of endowment given by Muslim individuals and institutions where the profits from these funds will be used for the welfare of the community. This cash waqf certificate can be managed by a separate social investment agency or it can also be one of the products of Islamic banking institutions. The purposes of cash waqf certificates are as follows:

- a) Help in empowering social savings
- b) Completing banking services as a facilitator which creates cash waqf and assists waqf management.

### 3. Share Waqf

Stocks as movable goods are also seen as being able to stimulate results that can be dedicated to the people. With a large capital, stocks will actually make a fairly large contribution compared to other types of trading.

### **Productive Waqf Management Goals**

Waqf management is management that provides guidance and services to a number of assets that are devoted to realizing certain goals as much as possible to obtain benefits for the purposes that have been determined on the assets. For this reason, the purpose of waqf management can be concluded as follows:

- a) Improving the feasibility of waqf property production so as to achieve the ideal target to provide the greatest possible benefit
- b) Protecting the main points of waqf property by holding good maintenance and care in investing waqf property
- c) Carrying out the task of distributing waqf results properly in accordance with the predetermined endowment objectives
- d) Sticking out to the conditions of waqf
- e) Explaining to benefactors and encouraging them to do new waqf.

### **Productive Waqf Management**

#### a. Endowment laws and regulations

Before the existence of Law no. 41 of 2004, waqf in Indonesia is regulated in PP no. 28 of 1977 concerning the waqf of owned land and in Law no. 5 of 1960 concerning basic agrarian regulations (UUPA, 1960).

#### b. The establishment of an Indonesian waqf body (BWI)

For the Indonesian context, the waqf institution that will specifically manage waqf funds and operate nationally is the Indonesian Waqf Board (BWI). The task of this institution is to coordinate the existing nazhir or independently manage the entrusted waqf property, especially cash waqf

## **Formation of business partnership**

To support the successful development of the productive aspects of cash waqf funds, the model for the use of these funds needs to be directed to productive business sectors and business institutions that have a good reputation. This can be done by forming and establishing partnerships with venture capital companies.

## **Productive waqf management program**

### 1. Short term program

In order to develop waqf land productively, one thing that the government must do in a short-term program is to form the Indonesian Waqf Board (BWI). The existence of Indonesian waqf bodies has a very strategic position in empowering waqf productively (Kasdi, 2017). The establishment of BWI aims to coordinate with nazhir and waqf management coaches nationally and internationally.

### 2. Medium and long term program

In addition to developing the existing nazhir institutions to be more professional and trustworthy, BWI must provide management support for the implementation of the management of productive lands, such as:

- a. Human resources support
- b. Advocacy support
- c. Financial support
- d. Supervisional support

## **Productive Waqf Land Management**

Productive waqf lands that have been inventoried by the Ministry of Religion of the Republic of Indonesia throughout Indonesia can be maximally empowered in the form of:

- a. Waqf assets that produce goods or services
- b. Waqf assets in the form of business investment

The following case is an example of a sustainable and productive waqf land in a very economically strategic spot. On the land, stands a two-story Jami' Mosque

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which is considered quite elite compared to the neighboring mosques. The first floor is rented out for wedding receptions and meetings, while the second floor is for praying spaces. The empowerment of the land through a design of an Islamic business building (wakaf Center) with a +15 floor which has a level under the auspices of a professional Nazhir waqf (manager) becomes a necessity.

### **Conclusion**

To optimize the potential of waqf, our ability and hard work are required to make it happen, especially in an effort to change the paradigm of waqf property management. The common perception and perspective on the development and empowerment of productive waqf is very important so that the growth of community support in order to realize a strong and prosperous community economy. Productive zakat is assets that are used for production purposes, both in agriculture, industry and trade whose benefits are not on waqf objects but from the net profits from the results of the development of the waqf. Types of waqf: cash waqf and stock waqf. Productive waqf development strategies: Legislation, establishment of Indonesian waqf bodies, establishment of business partnerships, issuance of cash waqf certificates. Productive waqf management program: Short term, medium term and long term. Empowerment of productive waqf land: waqf assets that produce goods or services, waqf assets in the form of business investments.

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