

Productive Waqf and People Economic Empowerment in Indonesia

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Abstract

Productive empowerment of waqf is an effort to develop and manage waqf assets through various empowerment programs so that their usefulness is sustainable and waqf can be distributed evenly. In 2019, the Indonesian Waqf Board (BWI) stated that the potential of waqf assets in Indonesia annually reaches 2000 trillion with waqf land area reaching 420,000 hectares. Meanwhile, based on data from the Ministry of Religion Waqf Information System (2019), the area of waqf land in Indonesia reached 51,480.01 hectares spread over 382,722 locations. Of this amount, only 61.09% of them have been certified and 73% of waqf assets are intended only for places of worship and not yet productive. The purpose of this study is to find out what efforts can be made in optimizing the empowerment of productive waqf in improving the economic welfare of the community. There are several important aspects as an effort in realizing the success of the community's economic prosperity through the empowerment of productive waqf, that is: Optimizing the role of Nazir and Optimizing the empowerment of productive waqf.

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INTRODUCTION

One alternative that can be done as an effort to reduce poverty is by active participation from parties *non-government* in this case the public. If this public potential can be well coordinated and managed, then this can provide an alternative contribution to a positive solution to the problem of poverty. The alternative that can be taken is through empowering waqf.

Waqf is one of the Islamic financial institutions besides zakat, infaq and shodaqoh, the difference is that when waqf is fulfilled, there is a shift in private ownership towards ownership of Allah Swt, which is expected to be eternal, providing sustainable benefits. Through Waqf it is hoped that a process of distribution of benefits for the wider community will occur, from personal benefits to community benefits (Aziz, Abdul, Ulfah, 2009). The definition of waqf contained in Law No. 41 of 2004 concerning Management of Waqf has the meaning of producing waqf assets which has the potential to improve the economy for the achievement of prosperity (Mubarak, 2008); (Kementerian Agama RI, 2003).

Indonesia is a country with the largest Muslim population in the world with 230 million people or around 87% of the total population of Indonesia. The large number of Muslim population makes Indonesia one of the countries that has a great potential for waqf in the world.

In fact, this great potential is not followed by increased economic value and benefits of waqf land. In 2019, the Indonesian Waqf Board (BWI) stated that the potential of waqf assets in Indonesia annually reaches 2000 trillion with waqf land area reaching 420,000 hectares. Meanwhile, based on data from the Ministry of Religion Waqf Information System (2019), the area of waqf land in Indonesia reached 51,480.01 hectares spread over 382,722 locations. Of this amount, only 61.09% of them have been certified and 73% of waqf assets are intended only for places of worship (siwak.kemenag.go.id) and not yet productive. This shows that in reality there are still many waqf assets that have not been managed optimally so that their contribution has not been felt thoroughly (Adi, 2013; Ulum, 2015).

Every citizen has the right to live in prosperity both physically and mentally and the fulfillment of his physical and spiritual needs. This is a depiction of public welfare in general. Economic well-being in society includes the welfare of both individuals and groups. This is marked by a decent life, the ability to develop themselves, an increase in living standards in various fields and equitable

distribution in order to reduce poverty.

To realize the economic prosperity of the community through the empowerment of productive waqf, various strategic and innovative efforts need to be made, bearing in mind that various problems are still obstacles. One of them is the economic disparity factor that is still commonly found in the community. It is known that the level of inequality in Indonesia is still around 0.389%, which indicates that the distribution of assets is still uneven. Although it is known that the percentage of poor people in Indonesia in March 2019 amounted to 9.41%, decreased by 0.41% and 0.25% from March and September 2018 (bps.go.id). This shows that the reduction in the poor population has not been able to suppress the existing gap.

The non-optimal use of land waqf assets for productive activities is a challenge in the development of productive waqf. There are at least three things that cause the use of unproductive waqf assets, namely the quality of *nazhir* waqf which is still simple, the majority of waqf who allocates waqf for places of worship, and the community is not yet accustomed to economic empowerment of waqf assets for productive activities.

Islam advocates that property must be rotated or distributed evenly and well so that there is no longer a gap between the poor and the rich. This has also been explained by Allah Swt in Surah Al-Hasyr: 7, namely: "... so that the wealth may not pass between you..." as well as reinforced by another saying, QS ad-Dzariyat: 19, reads: "*and on their property there is a right to the poor who ask, and the poor who do not ask.*" This makes the opportunity for productive endowments to play a role in improving the economic welfare of the community.

Based on the background of the problem, the purpose of this study is to find out what efforts can be made in optimizing the empowerment of productive endowments in improving the economic welfare of the community.

LITERATURE REVIEW

Potential Waqf

In the days of Islamic glory, waqf had never reached glory even though the management system was still very simple. In the 8th and 9th centuries hijriyah was regarded as a golden age of wakaf development. At that time endowments included various objects, namely mosques, prayer rooms, schools, agricultural land, houses, shops, gardens, bakeries, office buildings, conference and

commercial buildings, bazaars, markets, baths, barber shops, rice buildings, soap factories, egg hatcheries, etc. From the data above, it is clear that mosques, prayer rooms, schools are only part of the items represented. It was customary at that time that the Sultan (King) at that time always tried to perpetuate and encourage people to develop endowments continuously. In terms of shape, waqf appears not limited to immovable objects, but also to movable objects.

In several countries such as Egypt, Jordan, Saudi Arabia, Turkey, waqf in addition to facilities and pre-facilities of worship and education also take the form of agricultural land, plantations, flats, money, stocks, *real estate*, etc. all of which are carried out productively. Thus the results can really be used to realize the welfare of the people.

Of these countries, Turkey is the country with the longest history in the management and empowerment of waqf and reached its peak during the Ottoman period. In 1925 it was estimated that waqf land reached more than half of productive land. In Turkey, the management of waqf is not only managed by *Mutawalli*, but also by the agency of the Directorate General of Waqf. How serious Turkey is in managing and developing waqf. The Directorate General of Waqf does not only manage endowments but also provides supervision and auditing of endowments managed by *mutawalli*. While an institution that mobilizes waqf resources to finance various types of projects *joint venture* is Waqf Bank & Finance Corporation.

So far there are two services provided by the Directorate General of Waqf, namely health services and educational and social services. Health services are provided through hospital endowments. One of them is a hospital that was founded in 1823 in Istanbul by the mother of Sultan Abdul Mecit. This is one of the modern hospitals in Istanbul, has 1,425 beds and around 400 doctors, nurses, staff. Whereas education and social services are carried out through *Imaret* institutions, known since the Ottoman era. The role of the Director General of Waqf in Turkey is so great in the management of waqf by continuing to develop waqf assets productively through commercial efforts and proceeds for social purposes. The commercial endeavors of the Directorate General of Endowments of Turkey regarding waqf assets are by conducting cooperation and investment in various institutions, among others *Yvalik and Aydem Olive Oil Corporation, Tasdelen Healthy Water Corporation, Auqaf Guraba Hospital, Taksim Hotel (Sheraton), Turkish Is Bank, Aydin Textile Industry, etc.*

Besides Turkey, Egypt has also managed its potential waqf productively. Initially, waqf property in Egypt was also irregular. To bring order to that matter, the Egyptian government took steps to control the waqf land and other waqf property by guarding and supervising and directing other waqf property. Initially, this waqf issue was handled by a department. However, problems continue to emerge. Until 1971 a Waqf Agency was formed which specifically handles waqf issues and their development. In accordance with Qanun No. 80/1971, the Waqf Agency is tasked with investigating and carrying out all distribution, as well as all activities of the waqf in accordance with the stated objectives. In addition to controlling the management of waqf, this body was also given the authority to spend waqf as well as possible. For example, distributing the results of waqf every month by following activities in the branch, building and developing waqf institutions, making plans and conducting final evaluations and making reports and informing the public.

So far there are various kinds of assets managed by the Mesir Waqf Board, including assets that are set aside by the government for general budgets; debt collateral, grants, wills, and alms collateral: documents, money/assets to be spent and other objects that are useful for increasing and developing endowments. In order for these assets to be productive and beneficial to the wider community, the Waqf Board sets several policies. *First*, entrust the results of waqf property in Islamic banks in order to develop. *Second*, through *Wizaratu Auqaf*, the Waqf Board participated in establishing Islamic banks and entered into partnerships with several companies. *Third*, utilizing vacant lands to be managed productively by establishing economic institutions in collaboration with various companies. *Fourth*, buy bonds from important companies.

So clearly, in Egypt not only is the form of waqf property managed so diverse, but its use by the Waqf Agency is very flexible. Its management is carried out by professionals with a clear legal basis. All that was done solely so that waqf property could be productive and could play a major role in driving the people's economy.

In Bangladesh, there is a non-governmental organization which is the solution in dealing with poverty, namely *Social Investment Bank Limited (SIBL)*. This bank is an alternative income increase for millions of poor people, in addition to being a choice that benefits wealthy citizens for investment, better, safer and more peaceful. How, SIBL introduces Cash Waqf Certificate, a new

product in the history of voluntary banking sector. In Dhaka, SIBL opens the opportunity to open a cash waqf deposit account with the aim of various important long-term goals.

SIBL itself sets targets for the use of funds from the management of cash waqf thus rigid. Among others, improving the living standards of the poor, rehabilitating people with disabilities, improving the living standards of slum dwellers, assisting the education of orphans, scholarships, developing modern education, developing schools, courses, academies to universities. Then, fund research, establish hospitals and blood banks, solve non-Muslim social problems, assist in job creation projects and eradicate poverty. The cash Waqf in Bangladesh has proven to be a unique opportunity to create investment. The method used by SIBL is to open the exchange of savings of rich people with a *Cash Waqf Certificate*. In this way the old custom in Bangladesh changed drastically: that the opportunity for membership does not only belong to the rich, but to all levels of society.

The story of the success of waqf in Muslim countries should be a mirror to foster the spirit of empowerment of waqf in Indonesia. When viewed from the amount, waqf property throughout the country is quite large. Most of the waqf is in the form of land built for houses of worship, Islamic educational institutions, cemeteries and others that are on average unproductive. For this reason, the current condition of waqf in Indonesia needs special attention, because the current waqf is generally in the form of immovable objects, which actually have considerable potential such as strategic productive lands to be managed productively. Waqf assets in order to have productive weight must be managed with good and modern management, but still based on Islamic Sharia under the coordination of the Indonesian Waqf Board (BWI). And the empowerment of endowments is absolutely necessary in order to establish the economic strength of the people in order to improve the welfare of the community at large.

Of course the empowerment in question requires cooperation with all parties, especially the banking world which has the power of funds to provide loans or other third-party institutions that are interested in developing waqf. This partnership requires the support and commitment of all parties such as the government, clerics, professionals, intellectuals, entrepreneurs, architecture, banking, business institutions, Syari'ah financial and guarantor institutions and the general public, especially Muslims throughout Indonesia. So that

the potential for waqf will have an important role in the national economic order, especially when Indonesia is experiencing a crisis that is very alarming.

Development of Waqf

Mustafa Edwin Nasution once made the assumption that the middle class Muslim population in Indonesia was 10 million with an average income of between 0.5 million and 10 million per month. According to the calculation of the numbers, this is a huge potential. For example, if the people who earn US \$ 0.5 million over 4 million people and every year each berwakaf Rp 60 thousand per year will be collected Rp 240 billion. If there are 3 million people who earn 1-2 million and each year has 120,000, each will have a fund of Rp 360 billion. If the residents who earn 2-5 million are 2 million people and each year has a Rp. 600 thousand contribution, Rp. 1.2 trillion. And if the residents earn Rp. 5-10 million totaling 1 million and each year representing 1.2 trillion each, 1.2 trillion funds will be collected. So the funds collected reach 3 trillion a year. This is clearly an enormous potential.

In this context, it is time for Indonesia to learn from the country of Bangladesh, the birthplace of experimental instruments through the *Social Investment Bank Limited* (SIBL) which raises funds from rich people to be managed and channeled to the people in the fields of education, health and other social welfare through product mechanisms *funding* only in the form of a cash waqf *certificate* which will be owned by the funder. In this new financial instrument, a cash waqf certificate is an alternative financing that is social and business as well as the active participation of all wealthy citizens to share happiness with their siblings in enjoying education, health and other social welfare well. By not relying too much on government budgets and foreign loans, it is hoped that the application of the cash waqf certificate instrument will be an alternative source of social funding. The beneficial effect of the Cash Waqf Certificate (SWT) which has begun to be felt in Bangladesh is that education and health facilities are still better than Indonesia, even though the country is still classified as poor.

But clearly, in developing this type of waqf model professionalism and integrity of waqf managers (*nadzir*) are supported by all stakeholders, especially the government which holds all strategic policies, *nadzir* institutions and other social components so that waqf can have a direct impact in social improvement. So that

endowments are not only a series of religious doctrines that are not touched by a new interpretation, but endowments are able to answer various social problems experienced by humanity.

Empowerment of Waqf

First, implementing Law No. 41 of 2004 concerning Endowments. This is very important for the protection of waqf land and other waqf assets that have been recorded by the Ministry of Religion and as a regulation for empowering waqf potential more optimally, both in the form of movable and immovable objects. With this specific Waqf Law it is hoped that the maximum protection, utilization and empowerment of waqf property will not experience very serious obstacles.

Second, fixing the ability of Human Resources (SDM) who sit in the institutions of destiny. And the most important thing besides being professional is trustworthy (*amanah*). Of course the meaning of the mandate here does not stop with the moral aspect, but the values of professionalism will also determine whether the institution can ultimately be trusted or not. At the very least, the Nadjir institution can be said to be a trustworthy institution if it can meet the following requirements:

1. Responsibility
2. Efficient
3. Rational

Third, securing all waqf wealth, both at the central and regional levels. Therefore, if the waqf property is in the form of land, then what must be done is:

1. Immediately give certificates of waqf land in all corners of the country. The pattern of the implementation of waqf for a long time is indeed mostly done by means of trust without providing elements of evidence that can strengthen administrative (legal).
2. Conduct advocacy support for disputed waqf lands. As we all know that the waqf lands that were handed over to the nazhir waqf before PP No. 28 In 1977 many had no proof of the waqf, so the waqf land was to be owned by God and the rights of the people were largely transferred to the hands of the irresponsible.

Fourth, there is strict oversight of the implementation of wakaf property management. This aspect of internal management supervision includes: value estimators, organizational management, financial management, management of the distribution of management results and

management of reporting to higher parties or institutions.

Fifth, stimulate or encourage more broadly to the community to be more concerned about the importance of waqf assets in the midst of social life. Through socialization efforts that are carried out in a continuous, continuous and interesting manner, so that everyone who has the ability to represent more feels has a responsibility for the importance of the implementation of the Waqf Worship.

METHODOLOGY

The method used in this study is a qualitative approach to literary studies with descriptive methods. The qualitative method was chosen with the aim of obtaining in-depth data on natural conditions with the researcher as an instrument of descriptive data of the things observed (Moleong, 2001; Sugiyono, 2010). Descriptive research that is used aims to answer the formulation of existing problems using a systematic, factual, accurate, nature and relationship between existing phenomena. This type of research is a literature study that is a data collection technique by conducting a review of the literature, books, notes and certain reports relating to the problem (Nazir, 1998; Sugiyono, 2014).

This research was conducted through the literature in the form of previous studies and in-depth analysis of documents related to the research topic that is related to productive waqf management and economic welfare of the community. Secondary data into the type of data used in this study, namely support from certain documentation, articles, and websites.

RESULTS AND DISCUSSION

Empowerment of waqf is one of the efforts to utilize the results of endowments that are sustainable and strategic for the designation of waqf. Efforts to empower productive waqf are an effort to empower the targeted community through the results of the land waqf or cash waqf or money waqf. These efforts are not only based on the waqf assets themselves, but also on the ability and quality of waqf nazir in managing, producing or developing waqf assets as well as on the distribution programs of the waqf results. In accordance with the concept of empowerment, the existence of participation, institutions and groups is an important aspect that must be implemented.

The unequal distribution of assets causes problems of inequality and inequality which is getting higher. Waqf is one of the instruments in

Islam which is used as one of the solutions to overcome these problems. Waqf as a worship that affects the welfare of the socio-economic life of the people. Efforts to revitalize the management of waqf funds can be a driving force for the community to improve its economy. One of them is that the use of waqf can be used as an alternative financing and strengthening of the Indonesian economy (Darwanto, 2012; Munir, 2013).

According to the opinion of the writer, there are several aspects related to the strategy of facing obstacles, challenges, and problems in the management of waqf and the strategy for developing and managing waqf, which is described as follows:

a. Strategies for Facing Obstacles, Challenges, and Problems in Management of Waqf

The Coldness of Muslims Against Understanding Waqf

Since and after the arrival of Islam, the majority of Indonesian people implement waqf based on religious beliefs adopted, namely the understanding of Shafi'iyah and local customs. Before the existence of Law No. 5 of 1960 concerning: Basic Rules for Agrarian Affairs and Government Regulation No. 28 of 1977 concerning: Land Ownership Representation, Indonesian Islamic societies still use religious customs, such as the custom of carrying out legal acts of land acceptance orally based on mutual trust in certain people or institutions, the habit of viewing waqf as pious deeds that have noble values in the presence of God without must go through administrative procedures, and the waqf property is considered to be the property of Allah Swt alone which anyone will not dare to interfere with the lawsuit without the permission of Allah.

In comparison, in his opinion Imam Ahmad bin Hanbal instead allowed selling the waqf property with other waqf properties. In the case of a collapsed mosque the case may be sold if the mosque is no longer in line with the purpose of theas the intention or intention of the *wakif* contractorwhen the waqf is performed. However, the proceeds from the sale must be used to build other mosques that can be utilized more fully. So basically, changes in the designation and status of this waqf land are not permitted, except if the waqf land can no longer be used in accordance with the purpose of waqf, then the relevant waqf can be changed, both its designation and status. The aspect of the benefit of the object represented is the essence of waqf itself. So that the regulation of the

waqf objects is expected to be able to move the whole potential of waqf for the welfare of the wider community.

Nazhir Traditional - Consumptive Endowments

The presence of Nazhir as a party who is given trust in the management of waqf property is very important, which cannot be underestimated. Although the mujtahid did not make Nazir one of the pillars of waqf, the ulama agreed that the *waqf* should appoint a capable waqf, both individual and institutional (legal entity). The appointment of this capable nazhir is intended to keep the wakaf property safe and manageable, so that the wakaf property is not wasted. So important is the position of the nazhir in the ministry, so that the function of the waqf does not depend on the nazhir itself. For this reason, as an important instrument in paraphrasing, Nazir must fulfill possible conditions so that waqf can be empowered properly.

Considering one of the goals of the waqf is to make it a productive source of funds, it is imperative that nazhirs are able to perform their tasks professionally and responsibly. If Nazhir is not able to carry out his duties (obligations), such as leasing waqf land for business/for personal gain/deliberately selling it to a third party in an illegal way, then *Qadhi* must replace it.

Weak Political Will Holder Authority

Political Will from the government, especially the regional government together with the Regional House of Representatives (DPRD) has a lack of interest in the empowerment of waqf productively through a Perda that supports the empowerment of waqf. In addition to the problem of laws and regulations related to empowerment of waqf, the budget aspect also received less attention for conducting pilot projects. We can be sure that no local government has consciously provided adequate space to budget for productive empowerment of waqf. Moreover, all this time waqf, including its empowerment, is "tucked" in the development budgeting and improvement of religious life. Though we also know that the problem has so many aspects, that the problem of waqf is almost untouched.

Therefore, the important thing is the maximum empowerment of Law No.12 of 1999 concerning Regional Autonomy and Local Regulations in every province and district. The law governing Regional Autonomy provides opportunities for the role of local governments significantly in efforts to empower waqf productively. In regions that have special

autonomy such as the implementation of Islamic Shari'ah, the regional government together with the local DPRD is very likely to make a regulation or local regulation that specifically regulates the empowerment of waqf productively.

The Influence of the Economic-Political Crisis in the Country

If examined further, the facts prove that the banking sector has not functioned normally. Even the rate of economic growth has declined from year to year. This indicates that the political and security issues which became a crucial issue during this transition period are the same problem with the same economic problems. With another understanding, it is very impossible to do *decoupling*, separation between political and economic problems because both are intertwined with the national needs that go hand in hand. However, the presence or absence of investment in the economic sector is very dependent on the fairness of the political process that is taking place.

The increasingly uncertain political conditions have made several banks in the world regions such as the *World Bank*, *Asian Development Bank*, and other donors increasingly shrinking their assistance to Indonesia. This is very reasonable because security conditions cannot guarantee foreign investment. In addition, the weakness of the elite political lobby is also unable to convince foreign investors to provide assistance, so the domestic economic downturn is complete.

b. Solution and Strategies for Waqf Development and Management

The real strategy in developing productive waqf lands is by partnership. Nazhir institutions must establish business partnerships with other parties who have capital and business interests in accordance with the existing strategic land position. This cooperation is in order to mobilize the full economic potential of these waqf lands. Once again it must be emphasized that the system of cooperation with third parties must still follow the Shari'ah system, both by way of *musharaka* and *mudaraba*. The third parties are as follows:

1. Business investment institutions in the form of non-financial service business entities. This institution can come from other institutions outside waqf, or other waqf institutions interested in developing waqf land that is considered strategic.
2. Individual investment that has enough capital. The capital to be invested is in the form of ownership shares in accordance with

the existing value levels. This individual investment can be done by more than one party with a composition of understanding in accordance with the levels implanted.

3. Sharia Banking Institutions or other Sharia Financial Institutions as parties who have loan funds. The loan funds will be given to the *creditorsharing* by the credit system with the revenuesystem after a qualifying study by the bank.

Legislative regulation which includes Law no. 41 of 2004 concerning Endowments and Government Regulation No. 42 of 2006 concerning implementation. Both of these laws and regulations have an urgency, that is in addition to the interests of worship *mahdhah*, it also emphasizes the need for productive empowerment of waqf for social interests (the welfare of the people). The presence of these regulations is an improvement of some of the existing waqf laws and regulations by adding new things as an effort to empower waqf productively and professionally.

For the Indonesian context, the waqf institution which specifically will manage waqf funds and operate nationally is in the form of the Indonesian Waqf Board (BWI). This BWI should be professional-independent and the government in this case only as a facilitator, motivator and regulator. To carry out all of the practical plans above, the role of BWI as a waqf property management institution (cash funds) nationally is needed Human Resources (SDM) who truly have the ability and willingness to manage endowments, are highly dedicated and committed to the development of waqf as well as understanding waqf issues and matters related to waqf. The organization of this waqf body should be lean and solid and its members must consist of experts from various disciplines that are related to the development of productive endowments, such as: criminal and civil law experts both nationally and internationally, Islamic legal scholars (fiqh waqf, ushul fiqh), interpretive scholars, economists, business practitioners, architecture, funders, sociologists, sharia banking experts, and other scholars who have an interest in general representation.

Optimization of the Regional Autonomy Law and Regional Regulations, if examined further, there are still many regional resources that have not been well managed. If each region has sufficient regional resources, it is not impossible that the representative institution is formed through a Regional Regulation and specifically regulates the possibility and feasibility of waqf,

both concerning conventional waqf, money waqf, and other forms of waqf. So that the issue of waqf is no longer the authority of the central government or certain institutions appointed by the central government-but rather a productive program of each region.

The establishment of a business partnership to support the successful development of the productive aspects of cash waqf funds, it is necessary to direct the model of the utilization of these funds to the productive business sector with business entities that have a good reputation. One way is by forming and establishing cooperation (*networking*) with venture capital companies. The form of management of waqf funds that have been collected through the issuance of the Cash Waqf Certificate (SWT), whether conducted by Syari'ah Banking or by the Nazaf Wakaf Cash Institution can be empowered by establishing strategic cooperation involving direct management (*nazhir*) of strategic waqf lands, if It is considered that the funds collected are sufficient. Of course this partnership must have a joint commitment so that strategic lands or buildings can be empowered in the interests of increasing economic profits. However, all types of cooperation must involve the Shari'ah Guarantee Agency which is the last bastion so that efforts to manage cash waqf funds in case of losses can be overcome. Because the principle of the endowment fund itself must be maintained intact and should not be reduced at all, let alone run out.

The issuance of the Cash Waqf Certificate is intended as an instrument for empowering rich families in fostering social investment while at the same time realizing social welfare. The three benefits of the Cash Waqf Certificate are Social Security, Social Welfare, Family Heritage Mastery.

Issuance of Investment Waqf Certificate, Investment of assets through waqf in the Islamic order is actually something very unique that is different from i So unique, this waqf sector is sometimes even referred to as a "third sector" (*third sector*) which is different from the government sector and the private sector, the uniqueness of it appears that the development of assets through waqf is not based on the target of achieving profits for investors - both government and private -but it is based more on elements of virtue (*birr*), kindness (*ihsan*) and cooperation. Investment in the government sector (*public sector*) and the private sector (*private sector*). Therefore, religion promises an eternal reward for endowments (*waqif*) as long as the assets they represent are still beneficial to the

interests of many people. In this regard, it is very interesting cases of waqf investment developed in several Middle Eastern cities such as Mecca, Cairo and Damascus, all of which, are processed with a profit system that guarantees the development of waqf investment. And from there it can be seen clearly, that the same waqf land area can be obtained various income in the example above is income from the management of waqf funds with the company profit system.

And also, according to the opinion of the writer, there are several important aspects as an effort in realizing the success of the community's economic prosperity through the empowerment of productive waqf, which is described as follows:

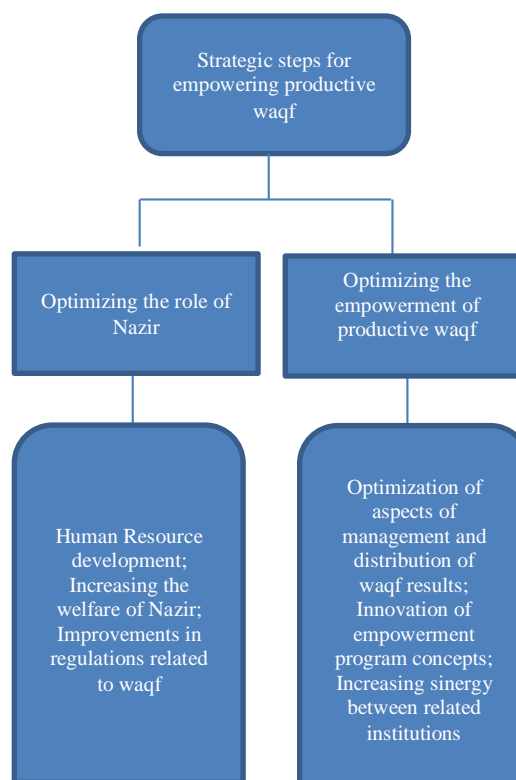


Figure 1: Strategic steps for empowering productive waqf

Optimizing the role of Nazir

One of the important aspects of productive wakaf is the vow. The wakaf Nazir is authorized to carry out all activities relating to the management of the waqf and is always mindful of the requirements set forth by the wakif and the applicable sanctions rules (Ali, 1988; Fadilah,

2015). The quality of human resources managing productive waqf is the main thing for nazir in managing waqf. The existence of the Indonesian waqf Agency has become a strategic step in empowering Nazarists in various ways such as training, apprenticeship, and capital assistance. This will be in line with the concept of empowerment.

Optimizing the empowerment of productive waqf

Optimizing productive waqf empowerment is done through two aspects, namely aspects of waqf management and aspects of channeling or utilizing the results of waqf.

First, in the aspects of waqf management. In the practice of empowering productive waqf, waqf nazir can manage its waqf assets based on the type of waqf property itself.

Second, optimization of the distribution aspect. The steps that can be taken include: determining *Maukuf alaih* or waqf recipients in a mature and conceptual manner, preparing locations and targets that will become empowerment programs on target, preparing mechanisms for empowering waqf programs in accordance with the goals and objectives as well as waqf nazir capabilities, as well as conduct regular program supervision and evaluation.

CONCLUSION

The legal basis for the implementation of the waqf is the Qur'an and the Hadith, Law No.41 of 2004 on Waqf, Agrarian Law (UUPA) of waqf issues, article 5, article 14 verse 91, and article 49, Government Regulation (PP) No. 42 of 2006, Inpres No. 1991 1991 Compilation of Islamic Law (KHI).

In the days of Islamic Glory, waqf had never reached glory even though its management was still very simple, in the 8th and 9th centuries Hijriyah was seen as the golden age of waqf development. And in the present era of Muslim countries, productive endowments have shown significant growth, in Indonesia itself since Law No. 41 of 2004 concerning Waqf, its growth also increased from year to year. According to MA Mannan's survey, a breakthrough showing the flexibility and *scope* of management and administration development was carried out by introducing cash waqf in Muslim countries and Indonesia. The reason is, with cash waqf the majority of the population can participate. This could be a means of social reconstruction and development. To mobilize participation, various

efforts were made to introduce the importance of waqf, including cash waqf as a means of transferring the savings of the rich to entrepreneurs and members of the community.

The solution is to develop appropriate strategies, among others, Partnership, Regulation of laws and regulations on law, Establishment of BWI, Optimization of the Regional Autonomy Law and Local Regulations, Issuance of Cash Waqf Certificate (SWT) and SWI.

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