



# Finding Solutions to Productive Waqf Management Problems: A Case in Indonesia

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Poverty is now a multifaceted problem as it is related to the inability to access and participate in society economically, socially, culturally and politically. According to the Indonesian Waqf Agency (BWI), Indonesia, which has the world's largest Muslim population, has great potential for waqf money estimated at Rp. 1.4 trillion as of March 2022, this figure has increased when compared to the waqf money that has been collected in the 2018-2021 period of Rp. 855 billion. With a very large Muslim population and high potential for raising waqf funds, waqf in Indonesia has enormous potential as an instrument of development and poverty alleviation. Waqf can contribute to a country's economic development, It can reduce government spending, equalize income distribution, reduce poverty, and boost economic growth. Additionally, waqf has the potential to improve people's health. Essentially, the waqf should be productive as stated in the hadith. but the latest based on research results in the management process at PT Karya Mandiri Community (KMM) Parung has 2 main problems, namely human resource problems and institutional problems. The problem of human resources is divided into three aspects, namely, Nazhir's managerial ability is relatively low, Nazhir is less creative, and people's understanding is still traditional. While institutional problems, namely coordination between the PT KMM and the community is relatively low. This study focuses on problem solving analysis of productive waqf management issues carried out by PT KMM.

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## INTRODUCTION

Poverty today is a multidimensional problem as it refers to the inability to access and participate in society economically, socially, culturally and politically. Poverty is a problem of all countries. The population of Indonesia in June 2022 was 275,361,267 people, and the number of poor people was around 26.16 million people or 9.54 percent of the total population of Indonesia.

This number decreased by 0.17 percent compared to the previous year.

Indonesia has the largest Muslim population in the world. According to a report by the Royal Islamist Strategies Studies Center (MABDA), 231.06 million Indonesians are Muslims. That's according to data from Statistics Finland, which shows that while Indonesia's population is increasing, so is the proportion of Muslims in the country.

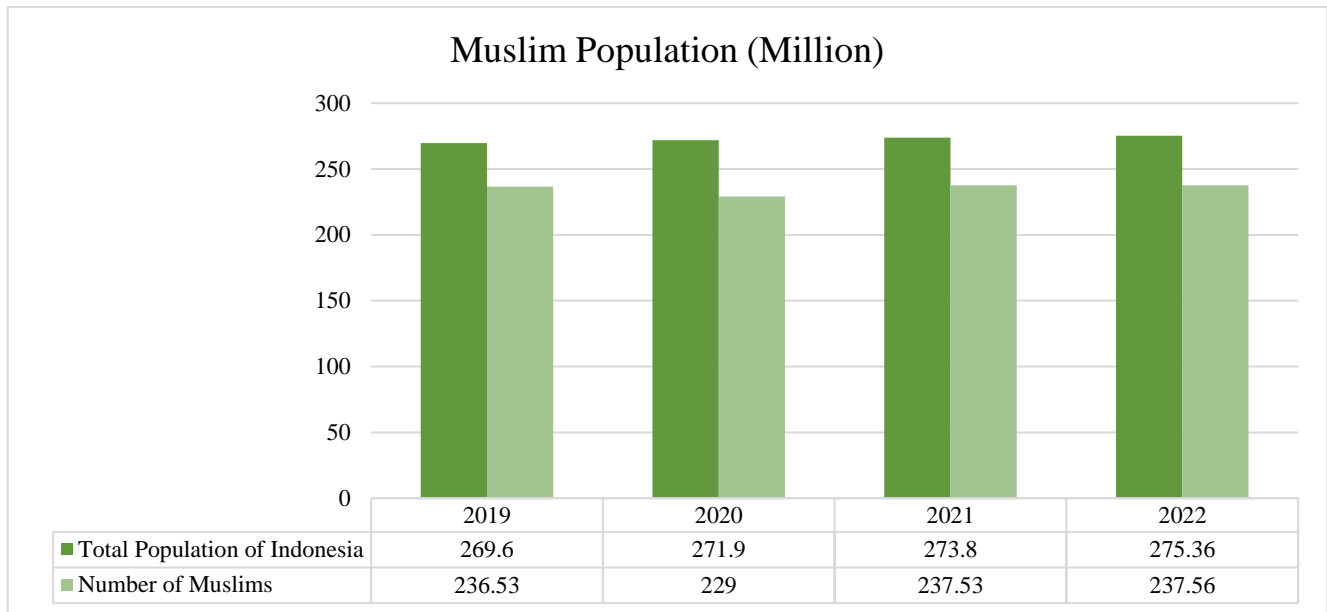


Figure 1: Total Muslim Population in Indonesia 2019-2022

Source: Central Bureau of Statistics

According to the Indonesian Waqf Board, the potential of cash waqf in Indonesia, which has the largest Muslim population in the world, is estimated to reach IDR 1.4 trillion as of March 2022, this figure has increased when compared to the cash waqf that has been collected in the 2018-2021 period of IDR 855 billion. With a large Muslim population and the high potential of waqf fund collection, Waqf in Indonesia has

enormous potential as a tool for development and poverty alleviation. As hypothesized by Edwin Nasution and Uswatun Hasanah about waqf opportunities in Indonesia, where there are around 10 million Muslim benefactors with an average monthly income of IDR 500 thousand IDR 10 million, then a minimum of approximately IDR 3 trillion per year from waqf funds. Calculated from the following table:

Table 1. Potential of Cash Waqf

Income level/month	Number of Muslims	Waqf rate/month	Cash Waqf Potential/month	Cash Waqf Potential/year
Rp. 500,000	4 million	Rp. 5,000	Rp. 20 billion	Rp. 240 billion
IDR 1 million - IDR 2 million	3 million	Rp. 10,000	IDR 30 billion	Rp. 360 billion
Rp. 2 million - Rp. 5 million	2 million	Rp. 50,000	IDR 100 billion	IDR 1.2 Trillion
IDR 5 million - IDR 10 million	1 million	Rp. 100,000	IDR 100 billion	IDR 1.2 Trillion
<b>Total</b>				<b>Rp. 3 Trillion</b>

Waqf is one of the Islamic economic tools that has the potential to improve the welfare of the people and

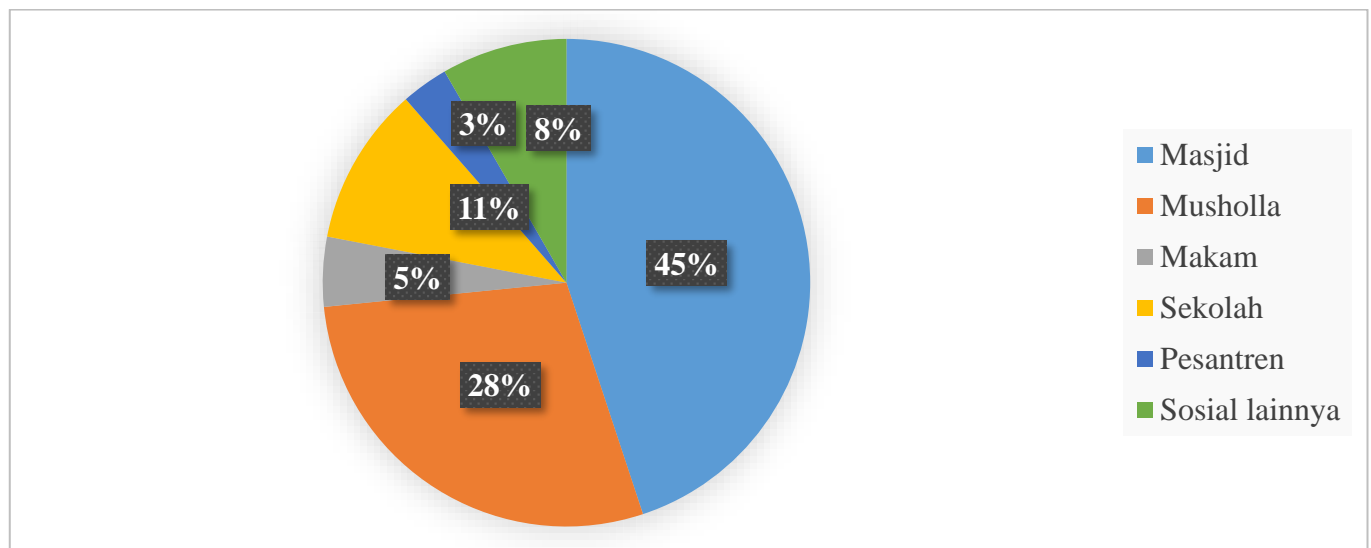
overcome the problem of poverty. Waqf has two sides of the relationship, namely the relationship with Allah in

the form of worship and also the relationship with humans in the form of Muamalah. Waqf has a social function that can bring enormous benefits to society, both Muslim and non-Muslim, if it can be managed productively and optimally. In the history of Islam, *waqf* has been known since the time of the Prophet *Sallallahu'alaibi wa sallam*. The sharia of waqf was revealed after the Prophet Muhammad SAW migrated to Medina, in the second year of Hijri. At that time, waqf land was cultivated as productively as the waqf land in the Khaibar area donated by Umar bin Khattab *radiallahu'anh*.

Waqf can influence a country's economic development, which can reduce government spending, equalize income distribution, reduce poverty and increase economic growth (Rusydia & Al-Parisi, 2016). However, the potential of waqf in Indonesia is

still not optimally utilized. Most of the waqf names in Indonesia do not lead to the economic empowerment of the ummah and tend to be on worship activities commonly carried out in mosques, mushollas, schools, madrasas, Islamic boarding schools, and cemeteries.

Waqf can influence a country's economic development, which can reduce government spending, equalize income distribution, reduce poverty and increase economic growth. However, the potential of waqf in Indonesia is still not optimally utilized. Most of the waqf names in Indonesia do not lead to the economic empowerment of the people and tend to worship public functions such as mosques, mushollas, schools, madrasas, pesantren and cemeteries (Sa'adah & Wahyudi, 2016). Saifuddin et al. (2014) also found that the role of waqf in the socio-economic economy decreased significantly due to public opinion.



**Figure 2. Estimated Allocation of Waqf Fund Utilization**

*Source: SIWAK (2018)*

Based on information from the Ministry of Religious Affairs of the Republic of Indonesia, it shows that the management of waqf land in Indonesia is still not aimed at economic empowerment, as most waqf in the country is mostly in the form of direct (consumption) waqf. This can be seen in Figure 2 which shows that the use of waqf land in mosques (44.92%), musallas (28.50%), cemeteries (4.62%), schools (10.52%) and Islamic boarding schools (3.12%) is still scattered. and other social activities (8.33%) (SIWAK, 2018). According to Djunaed and Almuin (2013), this phenomenon is caused by several factors, including traditional religious understanding, the need for places of worship, family ownership, foundation ownership, by community respondents who argue that profit-seeking waqf can cause conflict. Currently, the utilization of

waqf is mostly seen in social terms, so it has less positive impact on the community's economy. In fact, the government supports the productivity of waqf by issuing Waqf Law No. 41 of 2004 and also Government Regulation No. 42 of 2006 concerning the implementation of Waqf Law No. 41 of 2004. However, since the issuance of this order, there has been no significant development in the management of waqf in a productive direction that can develop the community's economy.

The development of waqf management has not gone as expected. Waqf management seems to be good. The slow development even shows the retreat of some institutions, both in waqf managed by the Indonesian Waqf Board and in LAZNAS or specialized waqf management institutions. The small number of cash

waqf management institutions indirectly reflects that the development of cash waqf is not encouraging and far from the potential of cash waqf in Indonesian society. Although the government is trying to make waqf assets productive by implementing the Waqf Law number 41 of 2004 and also Government Regulation number 42 of 2006 by implementing the Waqf Law number 41 of 2004, which introduces new things such as house management waqf. Articles should be productive and the distribution clear, including assistance for the poor, the establishment of the Indonesian Waqf Board, cash Waqf regulations, and other topics.

If the existing waqf assets are managed productively, then it becomes an asset for the ummah that can provide many benefits including helping the poor, the needy, etc. Basically, *waqf* is something that should be productive and that generates financial value, as the Prophet said to 'Umar: *"If you like, you (basically) keep the land and give it (its produce) to charity."* (HR. Muslim). But in reality, not many waqfs are managed productively to increase their financial impact. Under the auspices of a legal entity, PT Karya Masyarakat Mandiri, better known as Masyarakat Mandiri, is one of the units of the Dompot Dhuafa network that has community empowerment activities in the business sector. Institutionally, the company is expected to be able to manage it independently in a sustainable manner and provide direct benefits to helpless communities. As part of the company's social network. Of course, since its establishment in 2000, the productive waqf management process of PT Karya Masyarakat Mandiri has experienced several obstacles. Karya Masyarakat Mandiri. In the journey since the establishment of PT Karya Masyarakat Mandiri in 2000, of course, there have been several problems that have become obstacles in the process of developing productive waqf.

Based on this explanation, the researcher argues that the problems that occur at PT Karya Masyarakat Mandiri can be resolved by knowing the right solution in priority and can develop the potential of the nazir fostered by PT Karya Masyarakat Mandiri. The purpose of this research is to find out the problems in productive waqf management carried out by PT Karya Masyarakat Mandiri.

## THEORETICAL FOUNDATION

### Definition of Waqf

The word Waqf comes from the Arabic Waqafa which means to stop, stand and prevent (Munawir, 1997: 1576). According to sharia, waqf has assets that can be used but the contents of the goods remain intact

ensuring the use of goods in permissible cases (Al-Mubarakfury, 2016). In another definition, fiqh scholars differ in their opinion in defining waqf. Imam Ahmad bin Hambal and Imam Ash-Shafi'i argue that waqf frees the waqf property from the waqif's property. After completing the waqf procedure, the waqif is not allowed to do anything with the waqf property. Treating one owner as another owner, whether exchanging or not (Department of Religious Affairs, 2006).

According to the Waqf Law No. 41 of 2004, Waqf is a legal act of Waqf in which he separates and / or transfers part of his property to be used permanently or temporarily in accordance with his interests in worship and / or public welfare according to sharia regulations. Meanwhile, the definition of waqf in the Compilation of Islamic Law (KHI) in Article 215 (1):

"Waqf is a legal act of a person or group of people or legal entities who set aside part of their property and permanently institutionalize it for worship or other public interests in accordance with Islamic teachings." Based on the provisions on the definition of waqf objects in article 215 paragraph 4 KHI are: All objects, both movable and fixed, which according to Islamic teachings are permanent and not only disposable and valuable. According to the fiqh experts, the definition of waqf is as follows:

1. Waqf, according to Abu Hanifah, is holding an object that legally remains the property of the waqif for its definitive use. Based on this definition, the ownership of waqf property cannot be separated from the waqif, but he has the right to withdraw it and can sell it. When the wakif dies, ownership passes to the heirs, so only the "beneficial use" is acquired from the wakif. Therefore, the Hanafi school defines waqf as follows: "not taking action on an object that has the status of permanent ownership, and giving its benefits to charity (social) now and in the future".
2. The Maliki school is of the opinion that waqf does not detach the waqf property from the waqif's property, but it prohibits the waqif from doing actions that can transfer his ownership of the waqif's property to other parties and the waqif is obliged to provide benefits for charity and cannot withdraw the waqf. In this case, the waqf prevents the waqif from using his waqf property for a period of time in accordance with the wishes of the waqif if he makes a contract (sighat). So basically this waqf is valid for a

certain period of time and therefore cannot be claimed as a permanent waqf.

3. The Shafi'i Mazhab and Ahmad bin Hambal are of the opinion that waqf detaches the waqf property from the waqif's property after the waqf procedure is completed. A waqif may not do anything with the waqf property such as B. Dealing with other people's property owners, whether in return or not. If the Wakif dies, his heirs cannot inherit the WAQF property. The Wakif passes on the benefits of the waqf property to Mauquf 'Alaihi (the beneficiary of the waqif) as compulsory zakat, which the WAKIF cannot refuse to donate. If the Wakif refuses, the Kadli has the right to force him to give it to Mauquf 'alaihi. For this reason, the Shafi'i school of thought defines WAQF as follows: "We do not operate on an object that has the status of Allah SWT by donating its benefits for (social) welfare."

Based on Law No. 41 of 2004 concerning waqf, it explains that waqf is a legal act of a waqif to separate or transfer part of his property to be utilized forever for a certain period of time in accordance with his interests for the purposes of worship and or public welfare according to sharia<sup>11</sup>. From several definitions of waqf above, it can be understood that the scope of waqf includes:

- 1) Property belonging to a person or group of people
- 2) The property is eternal in substance, not exhausted when used
- 3) The property is relinquished by the owner.
- 4) Assets that are divested of ownership cannot be donated, inherited, or traded.
- 5) The benefits of the property are for the public interest in accordance with Islamic teachings.

Andri Soemitra in *Sharia Banks and Financial Institutions* (2017) concludes that from some of these definitions, it can be concluded that waqf aims to provide the benefits or benefits of the waqf property to the rightful person and is used in accordance with the teachings of Islamic sharia. This is in accordance with the function of waqf functions for article 5 of Law No. 41 of 2004 which states that waqf functions to realize the potential and economic benefits of waqf property for the benefit of worship and promoting public welfare.

### Legal Basis for Waqf

According to [Andri Soemitra \(2017:455\)](#), there are literally no Qur'anic verses that explain the concept of

waqf in detail. Since waqf is included in *infaq fi sabilillah*, the basis applied by the scholars in explaining the concept of waqf is based on the generalization of verses in the Qur'an that explain *infaq fi sabilillah*. The verses referred to include Q.S. Al-Baqarah (2):261, Q.S. Al-Baqarah (2):267, Q.S. Ali Imran (3):92, Q.S. Al-Hajj (22):77. According to [Siska \(2019:3\)](#), among the basic hadiths and arguments regarding waqf is a hadith that explains the story of Sayyidina Umar bin al-Khaththab when he got land in Khaibar. After Sayyidina Umar bin al-Khaththab asked about the use of the land, the Prophet Muhammad suggested holding the origin of the land and donating the proceeds from the land. The hadith regarding this matter in detail is as follows

*"Umar acquired land in Khaibar, so he asked the Prophet, saying: O Messenger of Allah, I have acquired land in Khaibar that is of high value and I have never acquired anything of higher value than it. What do you command me to do? The Messenger of Allah said: "If you wish, hold on to the source and give away the benefit or use of it." So Umar gave it in charity; it was not to be sold, given away, or bequeathed. Umar gave it in charity to the poor, to his family, to free slaves, to those fighting in the cause of Allah, travelers and guests. In any case, it may be used in a way that is appropriate by those who manage it, such as eating or feeding friends without making it a source of income." (HR. Bukhari).*

The phrase *habasta aslaha wa tashaddaqa biba* in the hadith indicates that waqf is a legal action by relinquishing ownership rights of an object and donating the proceeds from its benefits for public, religious and social benefits. To this day, the scholars after the Prophet Muhammad have *agreed* on the permissibility of waqf, which is a *sunnah* law. There is no one among the scholars who deny this ([Rozalinda, 2015](#)). According to [Andri Soemitra in Banks and Islamic Financial Institutions \(2017: 455\)](#), in the framework of the Indonesian State, waqf has been carried out by Muslim communities in Indonesia since pre-independence. Therefore, the Indonesian government has established special regulations governing waqf in Indonesia, namely Law No. 41 of 2004 concerning Waqf. To complement the law, the government also passed a regulation, namely Perpu No. 42 of 2006 concerning the Implementation of Law No. 41 of 2004. In short, according to [Elsa Kartika \(2007: 57-58\)](#) in the law and government regulations, several regulations have been written that can be used as a basis for waqf, including the following:

- 1) Basic Agrarian Law Number 5 of 1960.

- 2) Government Regulation No. 28 of 1977 concerning Procedures for Perwakafan of Owned Land.
- 3) Regulation of the Minister of Religious Affairs No. 1 of 1978 concerning Details of Government Regulation No. 28 of 1977 concerning Procedures for Perwakafan of Owned Land.
- 4) Joint Instruction of the Minister of Religious Affairs of the Republic of Indonesia and the Head of the National Land Agency Number 4 of 1990, Number 24 of 1990 concerning Certification of Waqf Land.
- 5) National Land Agency Number 630.1-2782 on the Implementation of Waqf Land Certification.
- 6) Presidential Instruction Number 1 of 1991 concerning the Compilation of Islamic Law.
- 7) Law no. 41 Year 2004 on Waqf.
- 8) Government Regulation No. 42 of 2006 concerning the Implementation of Law No. 41 of 2004 concerning Waqf.

### The pillars and conditions of Waqf

Waqf can be declared valid if the pillars and conditions are met. There are four types of waqf pillars, namely:

- 1) The person who makes a *waqf* (*al-waqif*)
 

One of them is a person who is free to do good even though he is not Muslim and the basis of his will is his own will not because of demands or coercion from other parties. In article 215 paragraph KHI jo. 28 of 1977 states that "Wakif ad is a person or persons or legal entities who donate their property." The conditions are:

  - a) Indonesian legal entities and persons or persons who are mature and of sound mind and are not prevented by law from performing legal acts, of their own free will and without coercion from other parties, can donate their property with due observance of the applicable laws and regulations.
  - b) In the case of legal entities, those who act for and on behalf of them are their lawful administrators (Article 217 KHI jo. Article 3 PP no. 28/1977). (Abdurrahman, H. 1992)

- 2) The object being donated (*al-mauquf*)
 

As for some of the requirements for objects that are waqfed are:

  - a) The object can be utilized for the long term and can be taken advantage of (Said Aqil, Husain: 2004)
  - b) Assets belong to the person making the endowment, even if they are mixed and inseparable from others, so it is permissible to endow money in the form of capital or shares in a company.
  - c) The object that is donated must have economic value, its substance remains, and can be utilized according to Islam.
  - d) The object being endowed must be permanent.
  - e) Waqf assets must be received immediately after the waqf is pledged. If the waqf is intended to build public places of worship, there should be a body that receives it called *na'zir*. The person who manages the waqf is allowed to take part of the waqf proceeds for his basic needs (Abdul: 2007). In article 15 of Law No. 41 of 2004 concerning waqf, property can only be waqfed if it is legally owned and controlled by the waqif (Ministry of Religion of the Republic of Indonesia: 2007).
- 3) The person who receives the benefits of waqf (*al-mauquf 'alaibi*)
 

According to Abdul Rahman Ghazali (2010), being endowed does not contradict the values of worship. According to the Ministry of Religious Affairs of the Republic of Indonesia (2007), it is not legal to waqf monasteries, churches, or places of immorality. Waqf must be optimized within the limits of what is appropriate and permitted by Islamic Shari'ah. In essence, waqf is a charity that aims to bring us closer to Allah SWT, therefore *mauquf 'alaibi* must be on the path of goodness.
- 4) Lafaz or pledge of waqf (*sigbah*)
 

The *sigbah*, also known as the waqf pledge, can be verbal, textual, or gestural, or even by action. *Sigbah* should be uttered with words that express the intent and purpose of the contract from someone who is able to speak because the ownership rights in the contract for waqf are based on the process of

transferring them to the recipient of the waqf through *qabul* (Aziz, Abdula: 2010). In Law No. 41 of 2006 in article 6, the elements or pillars of waqf are added to two things, namely the *nazhir* (waqf manager) and the period of waqf.

## Productive Waqf

### Definition of Productive Waqf

According to Mundzir Qahaf, productive waqf is waqf assets that are functioned for the benefit of production, both in the fields of industry, agriculture, services and trade where the benefits are not in the waqf object constantly, but from the net income from the development of waqf. In this context, productive waqf is managed to produce goods and services which are then sold and the proceeds are used in accordance with the purpose of waqf. Productive waqf can also be said to have a very social dimension, because it is solely devoted to the benefit of the people. This type of waqf is suitable for the reality of Muslims today who face the obstacles of poverty, ignorance and backwardness. The profit from productive waqf is expected to help the community around the waqf management. For example, productive waqf in the form of rice fields, fish ponds, shops, kebuhs, and so on.

### Productive Waqf Management

Waqf is one of the economic resources that has proven to have a major role in an economy. According to Suhairi, waqf management in Indonesia has gone through a long period. There are at least three major periods of waqf management in Indonesia. The first period is the traditional management period, the second period is the semi-professional period, and the third period is the professional period. An example of this is the addition of a building for meeting purposes. The professional period is the period when the potential of waqf in Indonesia began to be looked at in order to be empowered professionally and productively. The professionalism applied covers movable waqf objects such as money, stocks and securities.

According to the Ministry of Religious Affairs of the Republic of *Indonesia* in *The New Paradigm of Waqf in Indonesia*, waqf management is an important aspect in the process of developing a new paradigm of waqf in Indonesia. According to Djunaidi, et al, productive waqf management for the welfare of the people is an obligation that cannot be ignored. Especially when looking at Indonesia's economic condition, which is experiencing an economic crisis that requires anticipation from many parties. Therefore, it is

appropriate for Indonesian Muslims to appreciate the waqf law positively. According to Usman Rachmadi, the form of receiving property for *waqf* from *waqif* to be managed and developed as intended is called *nazhir* or *nadir*, which is an element or pillar of waqf.

### Productive Waqf Development

According to Achmad Djunaidi, managing productive waqf will be better if the usual supervision is carried out, namely supervision in the administrative and financial fields. Among them is providing services and support to the management of productive waqf assets. The most important form of service in this context is taking part in the investment and planning process and providing financial assistance. As for the results after going through the investment and maintenance process. It is the calculation of the expected income that becomes the study of the economic viability of a waqf asset project. In the financing model of traditional waqf assets, classical *fiqh* books explain the financing model for the reconstruction of waqf assets, namely loans, *buker*, *Al-Ijratain*, adding new waqf assets and exchanging the replacement of waqf assets.

## RESEARCH METHOD

### Research Approach and Methods

The approach and method in the following research is to use a qualitative approach method and is also referred to as an interpretation method because the final result of the data will be continuous with the interpretation of the data obtained when the researcher descends in the field. Next in qualitative research, the instrument used is a person or can also be called a *human instrument*, which means the researcher himself. Apart from that, to be an instrument, researchers should have theoretical preparation and data or information, so that they can ask, analyze, photograph and construct the social situation being studied to be more focused and meaningful. The definition of meaning in data is actual data, definite data is a value behind the data that appears (Sugiyono, 2013). Here the researcher will use a field approach, in this study it aims to study intensively the background of the current situation and environmental contacts of a social unit, individuals, groups and communities. This researcher is characterized by an in-depth nature of a particular social unit (Suryana, 2010: 85).

### Data and Data Sources

Based on the various types, the data used in this research are primary data and secondary data. Primary

data is obtained from field observations, namely by interviewing experts in the field of productive waqf, especially the main actors, namely the practical PT Karya Masyarakat Mandiri-Dompét Dhuafa Parung. Secondary

data is obtained from scientific journals and various sources such as data from the Central Statistics Agency (BPS), the Ministry of Religious Affairs, the Indonesian Waqf Board (BWI), and other relevant parties.

**Table 2. Research sources**

No.	Name	Institution	Position
1	Jodi H. Iswanto	PT Karya Masyarakat Mandiri	Director
2	Casdimin	PT Karya Masyarakat Mandiri	General Manager
3	H. Maman	Cipanas Farmer	-
4	H. Ujang	Cianjur Farmers	-
5	Nurman Hakim, M.E.I	Ibn Khaldun University	Ibn Khaldun University

The selection of respondents was carried out with all the considerations and understanding of the respondents on the issues surrounding the analysis of strategic priorities and solutions for productive waqf management at PT Karya Masyarakat Mandiri (KMM) Parung. The requirement for a respondent's validity is not the number but the capacity of the respondent's understanding.

### Data Collection Techniques and Procedures

In order to facilitate this research process, researchers apply data collection techniques in the form of interviews. An interview is a conversation conducted with a specific purpose, and this conversation is generally carried out by two parties, namely between the interviewer who asks questions and the interviewee who provides answers to these questions (Moeloeng, Lexi, J.: 39). The researcher used a semi-structured interview type, in which the researcher had prepared several general questions that were relevant to the research theme but were still followed by several general questions related to the research theme that were deemed necessary during the interview process but relevant. The purpose of the researcher applying this method is to find problems that occur more openly where the interviewee is asked for his opinions and ideas.

### Data Analysis Method

In data analysis techniques, researchers apply the Miles and Huberman model analysis approach in the book *Qualitative Research Methods Data Analysis* written by Prof. Dr. Emzir, a discussion of: first, data reduction is data collection, focusing, and sorting and selecting which data is needed. Second, the data model is the process of collecting data that is organized according to their respective criteria. Third, conclusion drawing is part of the final step in a research activity,

which is related to the summary of all data that has been obtained so that there is a benefit and input for the future (Emzir, 2012: 145).

## RESULTS AND DISCUSSION

### Overview of PT Karya Masyarakat Mandiri-Dompét Dhuafa

Under the auspices of a legal entity, PT Karya Masyarakat Mandiri, better known as Masyarakat Mandiri, is one of the units of the Dompét Dhuafa network that has community empowerment activities in the business sector. Institutionally, the company is expected to be able to manage it independently in a sustainable manner and provide direct benefits to helpless communities. As part of the social enterprise network, PT Karya Masyarakat Mandiri is responsible for the development of ethical values, including a commitment to local capacity building. The company is responsible for the social, environmental and economic impacts on the community as a whole.

Historically, the independent community emerged and developed inseparable from the role of Dompét Dhuafa. As an institution dedicated to the management of Zakat Infaq Shadaqah (ZIS), Dompét Dhuafa always innovates in each of its programs. At the beginning of the Dompét Dhuafa program, especially economic empowerment, this institution not only provided individual capital assistance, but also tried to develop the community's economic network by establishing Baitu'l-Maal Wa't-Tamwil (BMT). On the other hand, the group empowerment model began with the development of the Community Independence Development Program (P2KM) which later became known as Masyarakat Mandiri (MM). In the early stages (pilot project), MM focused on Bogor, Tangerang and Bekasi. The program ran from 2000 to 2005. In early July 2005, MM received the status of an independent institution from Dompét

Dhuafa, since then MM has its own organizational structure and is part of the Dompot Dhuafa network, which champions economic development activities at the level of vulnerable and disadvantaged communities (disadvantaged groups).

The mission, vision and values that have been developed by the Mandiri Community since its inception are different from the growing poverty problems that require solutions in the form of comprehensive and integrated program models. The role and position of the Mandiri community here is to strengthen the activities of program facilitators so that the interests of government, business and donor agencies can be integrated with the community in the framework of community-based empowerment. Community Mandiri encourages and continues to encourage the independence of the poor towards a more prosperous life.

Due to the complexity of the problem of poverty, any effort to solve it requires a comprehensive, holistic and sustainable approach. The action chosen by independent communities is to increase capacity and expand opportunities for the poor. This is closely related to the concept of community empowerment, where the empowerment process begins with making the community independent to improve living standards and optimize local natural and human resources. Economic empowerment that impacts the micro and small business sector can also be integrated into the education and health sectors that support communities with economic potential in poor rural, coastal and urban areas across Indonesia.

### Waqf Management Issues at PT Karya Masyarakat Mandiri

Based on the results of *literature review* and in-depth interviews with experts and practitioners in the field of waqf at PT Karya Masyarakat Mandiri, it can be concluded that the problems that occur in the process of waqf management at PT Karya Masyarakat Mandiri are 2 main problems, namely human resource problems and institutional problems. Human resource problems are divided into three aspects, namely, the managerial ability of the nazir is fairly low, the nazir is less creative, the understanding of the community is still traditional. While the institutional problem is that the coordination between PT KMM and the community is fairly low.

### Human Resource Issues

The resource issues referred to in this section are the waqif as well as the nazir (farmers and managers of PT Karya Masyarakat Mandiri). Human resources play a

very important role in waqf development because they are the agents of waqf development. Based on the results of an interview with Mr. Adi who said that:

*"So, one of the problems in waqf management here is that we experience problems with farmers who are recipients of waqf funds because their thinking patterns tend to be traditional, meaning that farmers still use the mindset that waqf is used for consumptive needs, not productive ones. In the process, after receiving waqf and guidance in management, nazir tend to be less creative in the management process and the managerial skills of nazir are generally still very low".*

The main priority is the weak leadership ability of the nazir. According to Hasan (2011), nazir has a strategic position and role in the management and development of waqf anywhere and anytime. It is the duty and obligation of the nazir to do everything related to maintaining waqf goods, securing their benefits and developing their benefits. However, the current condition of nazir in Banjarnegara Regency is that many do not have good leadership skills, as noted by an expert.

Hamzah (2016) says that for waqf management to run effectively and efficiently, it requires good management skills. According to Rozalinda (2016), the ideal waqf management is one that is similar to a corporation, while the key role in waqf management is the presence of a najiro. Therefore, developing productive waqf requires nazis who have good leadership skills; nazis in the form of legal entities and organizations generally have better leadership skills than individual nazhir (Fajariah et al., 2020).

### Institutional Issues

Waqf institutions emerged alongside the emergence of Muslim communities as religious bodies, which usually required facilities for worship and education such as mosques, prayer rooms and Islamic boarding schools to ensure their continuity (Huda, 2013). Today, waqf institutions also exist because they manage waqf assets to generate income. The institutions referred to here are related institutions such as PT Karya Masyarakat Mandiri Parung (KMM).

Based on the results of interviews with Mr. H. Maman said that the institutional problems that occur are low coordination with institutions, this is based on frequent miscommunication between PT. KMM and nazir in the field. Apart from that, according to H. Maman as a nazir in the field, he considered that the role of PT. KMM in waqf management and development efforts was fairly low, which meant that PT. KMM still had a contribution but not as expected by the nazir.

## Waqf Management Solutions at PT Karya Masyarakat Mandiri

Based on the results of literature research and interviews with waqf experts of PT Karya Masyarakat Mandiri (KMM) Parung, it can be concluded that solving waqf problems is divided into two parts, namely human resource problems and institutional problems. Based on the results of data processing, the main priority is that the solution implemented by PT Karya Masyarakat Mandiri (KMM) Parung to improve productive waqf management is the solution to human resource problems then the solution to institutional problems.

This is almost in line with Yulian's (2017) study on optimization strategies for waqf management in Indonesia, which shows that internal factors including nazir resources are the main solution.

### Human Resource Solutions

The staffing solutions discussed here are solutions that can be provided to solve the staffing problems described above. Based on the results of interviews with H. Mamam and H. Ujang, the conclusions that can be drawn in identifying employee solutions for handling productive waqf are: intensive information and training for farmers such as nazirs, training and mentoring of nazirs. and Conducting comparative studies of Nazirs who successfully run waqf :a productively.

This solution is very important because the problem of nazir management and nazir creativity in PT Kerja Masyarakat Mandiri is still weak. nazir has quite heavy duties and responsibilities, but still the nazir qualifications are not considered. Based on PP No. 42 of 2006, Article 53 states that the nazir is entitled to receive advice from the minister and BWI. Through intensive mentoring and assistance to nazirs, it is hoped that they will be able to increase their creativity and leadership skills so that they can manage waqf assets properly. The obstacle of Nazir Development and Supervision in PT KMM is the limited funding that is still minimal to conduct training and consultation activities.

### Institutional Solutions

The institutional solution referred to here is a solution that can be given to overcome the institutional problems that have been described previously. Based on the results of interviews with H. Mamam and H. Ujang, the conclusions that can be drawn in determining institutional solutions in productive waqf management are as follows, optimizing the role of PT KMM and synergizing with BWI or the local Ministry of Religion.

In the process, the need for intensive assistance and coordination between the Nazir and PT KMM is necessary to improve the optimal results of productive waqf management. According to the Nazir expert, an entrepreneurial spirit and a wide business network are needed, because most Nazirs are not the right people to build the economy. So it is necessary to coordinate with other related agencies in the hope that we can work together for mutual benefit. In addition, Nazirs should work closely with BWI or the local religious office to achieve better leadership results in this process.

## CONCLUSIONS

The HR solutions mentioned here are solutions that can be used to solve the HR problems previously described. Based on the results of interviews with H. Mamam and H. Ujang, the conclusions that can be drawn in the step of determining human resource solutions in productive waqf management in order are as follows, intensive socialization and education to farmers as nazir, coaching and mentoring nazir, and conducting comparative studies to nazir who have succeeded in managing waqf productively.

This solution is very important because the problem of nazir management and nazir creativity in PT Kerja Masyarakat Mandiri is still weak. Nazirs have quite heavy duties and responsibilities, but still the qualifications of the nazir are not considered. Based on PP No. 42 of 2006, Article 53 states that the nazir is entitled to receive advice from the minister and BWI. Through intensive mentoring and assistance to Nazirs, it is hoped that they will be able to increase the creativity and leadership skills of Nazirs so that they can manage waqf assets properly. The obstacle of Nazir Development and Supervision in PT KMM is the limited funding that is still minimal to conduct training and consultation activities.

Based on the conclusions and results of the study, suggestions that can be given from this research are as follows:

Nazir leadership and creativity are serious problems for Nazirs, so intensive and continuous training and support are needed, as well as monitoring their performance. To improve performance efficiency in productive waqf development, inter-institutional cooperation is needed. A special forum is needed to connect the elements of different institutions such as the government, BWI, Nazir, BAZ, Islamic mass organizations and other related institutions in order to coordinate well and synergize and network, and training is needed for all elements and from the government,

Nazir, and the general public, who generally still have a traditional understanding. Socialization can be done through lectures, Friday sermons, bulletins or various existing social media.

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