

DEVELOPMENT OF WAQF POTENTIAL AS ECONOMIC SOURCES OF COMMUNITY IN RIAU PROVINCE – INDONESIA

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ABSTRACT: Based on the understanding of waqf nazir or Muslim leaders in Riau Province, impermissible for waqf assets to be developed more professionally, the lack of Muslims interest to change the old paradigm into a new paradigm for productive waqf development, and a lack of public awareness of the importance of developing waqf assets as the source of the economy of the poor people is a life problem of national that must be solved together. The method use in this research is qualitative. This method is the best method to use (Cannon, 1998). Therefore, qualitative method that focused on the meaning on factual context can fulfill the needs to understand this question. The conclusion of this research showed that waqf is a potential source of community income that needs to be developed, used, and arranged professionally to get optimum result in order to fade the poor away and bring the prosperity for community, therefore bring the advantages that can be able to use appropriate to the waqf aim. That is why, it needs human resources (Nazir) who is amanah, professional, intellectual in economics, tekun and full of commitment.

Keywords: *waqf potential, sources of economy, community*

I. INTRODUCTION

Indonesia, a developing country, is facing many problems. One of them is the problem of poverty. This is caused by the speed of population growth that is not balanced with economic growth. While unbalanced economic growth is caused by lack of economic resources and available investment. Therefore, the government is always trying to make a strategy to create new economic resources, especially in Riau Province. One alternative is to develop the potential of waqaf which is managed professionally and productively. By developing the potential of this waqf can trigger the speed of economic growth and improve the welfare of the poor. In Islam Waqf is a worship "Hablum Minaallah" and social worship that functions as an Islamic economic institution. Like the Amil Zakat, Infaq and sodaqoh (BAZIS). Thus it is clear that the development of waqf is not only used for social purposes but more than that it can be used for agricultural, industrial, mining and other productive activities relevant to Islamic law. The potential waqf in Riau Province has strength and is expected to be able to answer all problems of the people which are related to economic backwardness, health, education and food problems due to poverty. This expectation makes waqf function as a socioeconomic power of the community and has a strong historical reference in the practice of Islamic society.

II. PROBLEM STATEMENT

In history, where Islam began to develop at that time waqf had played its role as an economic and social institution. began to function as a funding agency for houses of worship such as mosques, mushallas, Islamic boarding schools, hospitals, orphanages and so on. That is, waqf is expected to be an alternative source of improving the community's economy without challenges. But in Riau Province the management of waqf still encountered many problems including; Muslims in managing waqf still adhere to the old (traditional) paradigm. They assume that the purpose of the waqf is in accordance with the wishes of the person who waqf (waqf) should not be used for others. Based on that understanding, many endowments or Muslim leaders do not allow the Waqf assets to be developed more professionally. The lack of interest in the Islamic ummah changed the old paradigm to a new paradigm for the productive development of waqf. Then the lack of public awareness of the importance of developing waqf assets is a source of the economy of the poor which has been a problem of national and state life which must be solved together. Nazhir is not yet professional so waqf is not managed optimally. Nazhir's position as the recipient of the mandate from the community has an important role in realizing the goals of waqaf professionally. Nazhir professionalism is still relatively weak. This is due to the trust factor

of the community, while minimal competition as a productive waqf manager is not yet owned. Lack of socialization by the Organization of Indonesian Waqf (BWI) to build the strength of the Islamic ummah in developing waqf assets productively, such as Islamic community leaders, community social institutions and Islamic organizations and so on. From the statement of the problem above, the focus of attention as an objective of this research is:

III. RESEARCH OBJECTIVE

Knowing the concept of waqf management based on Economics.

IV. RESEARCH METHODOLOGY

The method used in this research is qualitative method. Qualitative research methods are best used (Cannon, 1998). Therefore, qualitative methods that focus on meaning or meaning in the actual context can meet the need to understand this question. Case studies, which are one of the methods in qualitative research, are able to set limits in terms of scope, time, respondents, place, and also allow in-depth research. A qualitative study was chosen to ensure that researchers can understand concepts and can see problems from various angles, especially from the point of view of the phenomenon itself. as a qualitative study it is more likely to understand and explain phenomena (Merriam, 1998) in Mohd Fuad (2006). Several methods will be needed to collect and analyze data to evaluate in depth the phenomena to be studied. Qualitative research is a new design of research study. Although the term 'qualitative study' is thought to be rarely found in the early 2000s, Sugiyono (2012) and Norman (2013) found that studies using a qualitative approach were found to be increasingly popular and by researchers since the 1990s and beyond. Qualitative research is a flexible study design, because qualitative study design does not specifically determine what and how research should be conducted at the beginning of the study (Norman, 2013). According to Sugiyono (2012) the design continues to develop and can be accessed while the research is in progress.

Qualitative research is the study of questions or statements, not hypotheses. Qualitative studies usually use questions such as, how, what, and why. Qualitative research involves inductive estimation to understand certain situations including the history and experience of individuals (Margono, 2010). Methods that are often associated with qualitative research designs are adapted from social sciences such as history, experience and so on. Qualitative research according to Moleong (2011) is a research strategy that usually emphasizes words rather than comparing data collected and analyzed.

V. HIGHLIGHT OF THEORY

In Law No.41 in 2004 it is explained that "endowments function to realize the potential and economic benefits of endowments in the interests of worship and promote public welfare." Then in article 22 it is stated that endowments can only be intended for: a. Religious facilities and activities; b. Educational and health facilities and activities; c. assistance to the poor, neglected children, and scholarships; d. economic progress and improvement, and e. progress and other general welfare which is not contrary to shari'ah and regulations. So, Law No. 41 in 2004 brings a new paradigm of waqf in Indonesia, because waqf is no longer merely a matter of worship but also as a religious institution that acts as an economic indicator. Potential waqf in the country is very large. According to data from the Ministry of Religion, that the total assets of waqf land in Indonesia are more than 450 thousand locations, with an area of more than 2.7 billion square meters. Of course, the enormous wealth of the people can be used as eternal capital for improving the welfare and economic development of the society that we are currently developing.

VI. DISCUSSION

Manage waqf productively

This research found that in Riau Province there are two forms of waqf management carried out by the community. The first waqf property is handed over directly in accordance with the goals of the endowment recipient and the second is productive. These productive endowments are generally in the form of plantation land. This is in accordance with the statement of the chairman of the Indonesian Ulama Council (MUI) of Riau Province in the Focus Group Discussion (FGD) explaining that waqf assets in the form of plantation land are generally accepted by religious education institutions such as pondok. Waqf assets in this form of land are very suitable to be developed to support economic resources. According to Qahaf (2007) the type of waqf viewed from an economic point of view can be divided into two namely direct and indirect. Direct Waqf, according to him, is given directly to those who are entitled. Examples of direct endowments are endowments given for the purposes of mosques, schools, hospitals, cemeteries, and so forth. This direct waqf benefits can be directly felt by the community and waqf assets can be used as fixed capital which always increases every year. Whereas productive endowments are endowment assets handed over by the endowments to be used in accordance with

endowments objectives, such as land endowments designated for oil palm plantations and other productive activities that are professionally managed so as to generate profits and the benefits can be utilized in accordance with endowments objectives.

According to respondents from this study it was revealed that waqf submitted directly was not used to produce (productive), its management did not require management. Whereas in productive waqf, some of the results can be used for the maintenance and preservation of waqf objects, and the rest can be distributed to people who are entitled in accordance with the purpose of waqf. This is in accordance with the statement Almizan (2016) that the difference between direct endowments and productive endowments is located in the management of management and how to preserve these endowments. Endowments directly require maintenance costs for funds sourced from other objects outside the endowments. This is because direct endowments do not produce anything and may not be used for these purposes.

Waqf money is included in the category of productive endowments. Respondents of this study revealed that in Riau Province most Muslim communities represented in the form of money. This money waqf asset is quite potential to be developed in the form of productive or venture capital for low income (poor) people. The findings of this study are also supported by Islamic economists in the Focus Group Discussion (FGD) explaining that the Muslim community in Riau Province prefers to be in the form of cash rather than with land assets. Mardani (2015) said also that included in the productive endowments are endowments of money. Endowments of money are endowments made by a person, group of people, institutions or legal entities in cash. While Nasution and Mustafa Edwin (2016) states that Waqf money is more strategic and has a productive value compared to other endowments. Because cash can be used for business capital in accordance with community needs when compared with land waqf assets (Karim and Sahroni, 2015).

This study also found that in addition to the enormous potential of waqf in promoting economic growth in development, in Riau Province there are many challenges that need to be a special concentration of several managers (Nazir). Some of the challenges of the endowments are as follows: First, there are very few professional endowments in Riau Province. This causes the waqf assets not to be productive, mainly related to endowments of money. In addition, very few Nazirs have a certificate from the Indonesian Waqf Board (BWI) to be appointed Nazir. Even those who do not have a certificate are included in potential vows. According to Zamhari (2011), to manage and develop productive waqf properly and correctly, it is necessary to have reliable, professional, economic, persistent and full of strong commitment of Human Resources. Therefore, waqf institutions have a very strategic role in the realization of productive waqf in Riau Province - Indonesia.

It was also revealed in this study that in Riau Province-Indonesia there were no reliable projects from waqf institutions in carrying out productive waqf. So nazir and educational institutions that receive many endowments have difficulty in socializing projects built from the endowments of the money. In the case with the existence of such a reliable project, the community will be more convinced and see that the money they endow is able to add income to provide maximum benefits for the public interest. The subsequent findings of this study revealed that there are still many people in Riau Province, Indonesia who do not understand the concept of productive waqf. Their understanding of waqf is still accustomed to immovable objects such as land, graves, and mosques. This fact is in accordance with the explanation given by the Chairperson of the organization of Indonesian Waqf (BWI) of Riau Province in the Focus Group Discussion (FGD) which states that in general waqf nazirs do not have a waqf pilot project, do not understand the concept of productive waqf, and generally there are endowments institutions there are many challenges including professional waqf and do not have certificates as vahaf so that waqf assets in Riau Province do not seem to be widely managed and the community still seems to tend to associate with immovable objects. The birth of law no 41 of 2004 can be said as a turning point momentum in the context of developing a wider waqf. Waqf is no longer on objects / immovable objects, but also on objects / movable objects. So that, the development of waqf become easier and it has productive value. It is not only around the grave and place of worship. The purpose of waqf for the independence and welfare of the people is very easy to obtain. Even with waqf will make Indonesia's economic growth better. To change the old paradigm there needs to be socialization from the Organization of Indonesian Waqf (BWI) to the public, so that it is no longer representative of objects that are not moving but rather increases awareness of having representatives with moving objects such as money. Fuadi (2013) mentions in his research that socialization greatly influences people's interest in making money. According to him, understanding and encouragement from others is considered important to motivate someone to do a certain activity.

Related to the lack of socialization, in Riau Province of Indonesia it caused by the lack of funds from the government and the organization of Indonesian Waqf (BWI). To carry out socialization certainly requires a lot of funds. With this lack of funds, the government and waqf institutions could add to the socialization fund allocation to the public (Syaukani 2012). He added, according to one of the voters at the organization of Indonesian Waqf (BWI), it was stated that to conduct socialization in modern media now also requires a lot of funds and the socialization fund at the organization of Indonesian Waqf (BWI) is also not enough to do that (Zamhari 2011).

Economic-based Waqf Development

Waqf is one of the sources of funds that have the potential in the economic development of the people (Munir 2013). The success of several countries, both Muslim and secular countries, proves that waqf has very good potential to be developed. The resulting benefits also more or less contribute to realizing the economic independence of the people. And waqf certainly can be calculated as an Islamic economic instrument in a country.

There are several previous studies that discuss the role of waqf in the welfare of society. Among these are research conducted by Medias (2017) that discusses how waqf banks are able to be a solution in empowering Indonesia's socioeconomic economy. The results of his research show that money waqf has the potential if it is developed in an optimal way, namely by the existence of the waqf bank. Meanwhile, research conducted by Bahri (Bahri 2016) discusses the role of productive waqf conducted by Muhammadiyah youths in Longkeyang village, Bodeh, Pemalang, in community welfare. The results of this study indicate a significant effect, that productive endowments provide benefits that can be felt by the local community. Other research was conducted by (Abdullah, 2018) who examined how waqf became a goal of sustainable development with the maqāshid shari'ah approach. After seeing the potential of waqf in Indonesia and by also looking at the poverty rate in Indonesia, it is important to further discuss how waqf can be used as an instrument in economic development, so that waqf is able to help the poor meet their basic needs and reduce poverty in Indonesia.

Based on research findings through data and processed data shows that Riau Province has high waqf potential with the majority of the largest Muslims in Indonesia. has a large potential for waqf realization (Abdul Ghofur Anshori, 2015). For this reason, in line with ever-evolving innovations, Islamic social financial instruments such as waqf can be further strengthened so that they increasingly play a role in supporting various productive activities and welfare redistribution to the underprivileged. In the long term, this instrument is also expected to support the achievement of the growth of Sustainable Development Goals (SDGs) such as reducing poverty, overcoming hunger, and improving the quality of health and education, as well as reducing social inequalities (Erwin Rijanto, 2018). In the Focus Group Discussion (FGD), Deputy Governor of Bank Indonesia also said that waqf is an Islamic economic instrument that needs to be developed to finance the interests of the people, especially in the social and economic development of the people. In Indonesia, especially in the Province of Riau, waqf has been known and practiced by Muslims since Islam entered Indonesia. As an Islamic institution, waqf has become one of the supports for the development of Islamic society. One form of waqf that is mostly implemented in Riau-Indonesia is in the form of land (land). Habitual habits have actually developed in such a way among Muslims in Indonesia, although the results have not been maximized as expected. This fact requires professional treatment to develop the potential of waqf as a supporter of the national economy. To achieve this goal, much socialization and education is needed to the Nazis and the community (Medias 2010).

The birth of the Law of the Republic of Indonesia Number 41 of 2004 concerning Waqf is directed to empower waqf which is one of the instruments in building the socio-economic life of Muslims. The presence of this waqf law is a momentum for the empowerment of waqf productively, because it contains a comprehensive understanding and management patterns of empowerment of waqf potential in a modern way (Zainal Arifin Munir, 2013). Talking about waqf in the context of empowerment, then in addition to taking into account various potential waqf as mentioned above, it is equally crucial that it involves the economic substance of the waqf itself. As stated by Mundzir Qahaf (2015), based on the economic substance of waqf can be divided into two types: 1) Direct Waqf, namely waqf to provide direct services to those who are entitled, such as mosques, schools and hospitals. 2). Productive Waqf, namely waqf property used for the benefit of production which benefits are not to the endowment object directly, but from the net benefits of the development of endowments given to people who are entitled in accordance with the objectives of waqf (Jaih Mubarak, 2018). Furthermore, it can be said that productive endowments in terminology are the transformation of professional endowments management to increase or increase the benefits of endowments. While Bahdin Nur Tanjung and Farid Wajdi (2010) said that productive waqf is empowering waqf which is characterized by the main characteristics, namely: waqf management patterns must be integrated, principles of nazir welfare, and principles of transformation and responsibility. For the benefit of community empowerment, productive waqf can be used as an investment instrument, which will have a greater impact on the economic sector than just supporting infrastructure and facilities for religious services and social activities (Mundzir Qahaf, 2015). For this reason, towards productive waqf as an investment instrument, the approach used in empowering waqf objects is not merely an economic approach, but a business approach. Of course, according to Suharto, Edi (2015), business can be firmly established if supported by strong human resources and good management. In addition to productive endowments, as mentioned earlier there are more flexible endowments namely cash endowments in the form of money endowments which have far greater potential in empowering the economic community.

According to Dewi Sri Indriati (2017) to implement productive waqf, a strategy is needed to develop it. As according to Erwin Rijanto (2018), there are a number of things that need to be done for a productive waqf development strategy, namely: a). Regulations of waqf laws and regulations; The Directorate General of Islamic

Community Guidance continues to conduct regulations in the field of waqf legislation. After the birth of Law Number: 41 of 2004 concerning Waqf and Government Regulation Number 42 of 2006 concerning the Implementation of Law No. 41 of 2004 concerning Endowments, currently a Draft Regulation of the Ministry of Religion is being drafted on Guidelines for Implementing Waqf in Indonesia. With the regulation of the Ministry of Religion it is expected that the practice of waqf can proceed as it should for the benefit of the general welfare, b). Socialization of waqf regulations and new waqf paradigms. In order to popularize waqf legislation and the new paradigm of waqf in Indonesia, the Directorate General of Islamic Community Guidance conducts socialization through various local and national events, such as: (1) Workshop on campus community representation, (2) Socialization of Waqf Cash in the Baitul Mal neighborhood wat- Regional Office and Sharia Financial Institutions, (3) Training of management of waqf management in the environment of Nazhir, and others. The socialization was carried out aimed at informing the public in general, and to state apparatuses related to the management of waqf in Indonesia, while at the same time making the mass media a government partner in efforts to empower waqf. C) Improving the quality of Nazhir and the waqf institution Nazhir and the waqf management agency as the spearhead of the management and development of waqf property are given motivation and guidance in order to improve management professionalism, through various training and orientation. Nazhir's quality in Indonesia continues to be given motivation and direction in order to reform, both concerning managerial abilities and individual skills that are crucial in the productive empowerment of waqf.

VII. CONCLUSION

Waqf is a potential source of community funding that needs to be developed, utilized, and professionally managed to obtain optimal benefits in order to alleviate poverty and prosperity of the people, so as to produce benefits that can be utilized in accordance with waqf objectives. Therefore, it is very necessary to have reliable, professional, economic, persistent and full of strong commitment for Nazi Human Resources. Generally waqf nazirs do not have reliable waqf pilot projects, do not understand the concept of productive waqf and generally waqf nazir do not have certificates as nazir so the waqf assets in Riau Province appear to have not been widely managed and the public still seems to tend to represent non-movable objects. For this reason, there is a need for socialization from the Organization of Indonesian Waqf (BWI) to the community, so that they are no longer affiliated with objects that are not in a move but rather increase awareness of being affiliated with moving objects such as money.

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