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OPTIMIZING BENEFIT OF PRODUCTIVE WAQF IN ALLEVIATING THE POVERTY: Muhammadiyah Experience

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Research Background

1

Muhammadiyah, as Da'wa organization-based institutions, been trusted to manage awqaf asset independently

2

it has inherent characteristics... improve the economy and faith of ummah through the charity institution called *Amal Usaha Muhammadiyah (AUM)*

3

the Muhammadiyah waqf asset are still managed mainly based on traditional model

4

highly dependent on Muhammadiyah volunteer and less professional nadzir



... as a strategy to mobilize the economic resources, improve the economic welfare. ... characteristic that might continue to grow ... government to solve social problems, alleviate the poverty potential reserve resource for it.

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Research Problem and Objectives

What is the research problem?

What is the optimizing benefit design for Muhammadiyah productive waqf which used to alleviate the poverty in Yogyakarta?

What is the objectives of the research?

- analyze the phenomenon of optimizing the benefit of non-productive waqf Muhammadiyah
- explore the potentials in managing all the Muhammadiyah productive waqf assets and provide many benefits for the residents around the waqf assets.

Research Benefit

1

This research will produce a design on optimizing productive waqf for *Majelis Wakaf dan Kehartabendaan Muhammadiyah Kota Yogyakarta* which will later become a



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2

The output of this research will useful for Muhammadiyah on projecting potential benefits from assets that are not optimal yet.

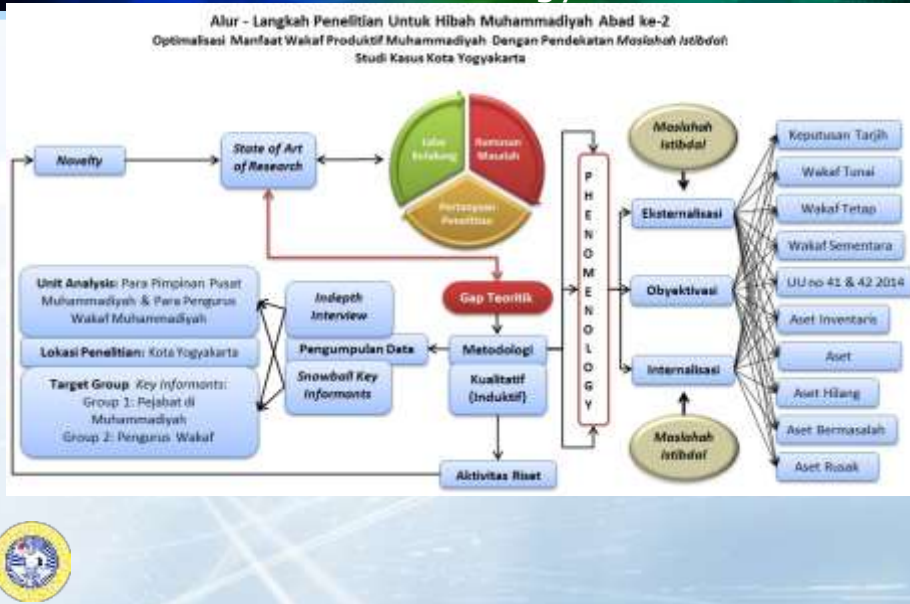
3

This is the initial concept of optimizing Muhammadiyah waqf which can be a jurisprudence proposal for Majelis Tarjih and Tajdid Muhammadiyah on determining the legal aspect for optimizing waqf benefits

4

This is initial research that encouraging the further research on measuring the maximum utility of productive waqf in alleviating the poverty.

Methodology



Analysis & Finding

Some of Muhammadiyah waqf assets so far were still managed traditionally with less benefit and rarely empower the poor such mosque, mushola, madrasah, and orphanage. The barriers rise solely in order optimizing the intangible asset such waqf land which mostly are still empty.

Muhammadiyah have been starting an innovation management which has beginning in this period (2015-2020) in order to improve the management system of existing waqf assets such as reconstructing Waqf policies, re-inventary and organize all assets including waqf assets, improve existing information systems and data bases, and also make waqf assets that have not been utilized properly in order to become productive waqf assets

empowering the community using the existing waqf assets and maximize it. So that the assets of waqf can provide good benefits as well as economic empowerment of the ummah



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Conclusion and Recommendation

Muhammadiyah as an institution that takes care of waqf should be more serious in terms of management of waqf assets and fix the existing of the system. Because in fact Muhammadiyah is still having problems in terms of management. Because good management provides an important role to be able to maximize the utilization of waqf assets and facilitate the next steps of Muhammadiyah in order to make productive all the existing waqf assets. So the assets that exist today such as mosques / mushola not only as a means of a place of worship but also make the existing waqf assets to be truly productive and can provide more benefits for the community.



Thank You!

Wallahua'lam bisshowab



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OPTIMIZING BENEFIT OF PRODUCTIVE WAQF ON ALLEVIATING THE POVERTY: MUHAMMADIYAH EXPERIENCE

By

Yuli Utami, Tjiptohadi Sawarjuwono, Abu Azam Al Hadi

A. RESEARCH BACKGROUND

As a variable of Shariah Economic System, Waqf considered as vehicle that mobilizing the economic resources and used as a strategy to improve the economic welfare. Its durable characteristic let it significantly assisting government to solve social problems, alleviate the poverty and has a potential reserve resource for it might continue to grow. Waqf represents a logical consequence of the ownership system in Islam which is accompanied by moral responsibility and sharing. It is one of the devices created by the Muslims to fulfill many public services that are assisting government in financing the state's expenditure such as education, health care, national security, transportation, facilities, the basic infrastructure, foods, shelter and jobs for many people (Moshin & Ismail, 2012).

In general, the awqaf in Indonesia and other countries in this world are still managed traditionally and used for the public activities consumptively (Billah, 2016). According to the latest Indonesian Religion Ministry data of SIWAK (Kementerian Agama, 2017), there are 317.390 locations of land Waqf with 47.686,72 acres with 64,91% of them are certified and about 10% have high economic potential and the rest have not been recorded. However, waqf obstacles were less intensively discussed (Alfarisi, 2016). However, recently has re-emerged the interest of Muslims to re-activate the life of the waqf institution and lately the concept of waqf itself has been developed variety. Though, it still faces the problems of maintenance cost for direct waqf which is a burden as a dilemma on society (Kahf, 2005).

Muhammadiyah, as Da'wa organization-based institutions, been trusted to manage awqaf asset independently since it was found. However, it has inherent characteristics that differ from other endowment institution which is based on Al-Maun philosophy i.e. improve the economy and faith of ummah through the charity institution called *Amal Usaha Muhammadiyah (AUM)*. Ummah will be at peace in worship and faith when their basic needs are fulfilled. The main Muhammadiyah Waqf for AUM are education (provide schools and universities), health (provide Hospitals and Health Clinics) dignify the orphans (provide orphanage and boarding school). The other AUM are support the main one such financial institution (BMT), mini market, printing, and many other. (Muhammadiyah, 2016). This research has design to explore the productive waqf that managed by Muhammadiyah and to analyze its potential effort in alleviating the poverty and at the same time will identify the problems that faced on it.

B. RESEARCH QUESTION

What is the optimizing benefit design for Muhammadiyah productive waqf which used to alleviate the poverty in Yogyakarta?

C. RESEARCH OBJECTIVE

This research will analyze the problems in optimizing the waqf asset *majelis waqf dan kehartabendaan* Muhammadiyah Yogyakarta city and explore the potentials of it in managing all the waqf assets and make the waqf provide many benefits for the residents around the waqf asset. This research is done based on the phenomenon that the non-productive waqf should contribute to Indonesian economy and the productive waqf has to be optimize its benefits with that Muhammadiyah management approach

D. RESEARCH BENEFIT



This research will produce a design on optimizing productive waqf for *Majelis Wakaf dan Hartabendaan Muhammadiyah Kota Yogyakarta* which will later become a benchmark for all Muhammadiyah institution in Indonesia. The output of this research will be useful for Muhammadiyah on projecting potential benefits from waqf assets that are not optimal yet.

3. This is the initial concept of optimizing Muhammadiyah waqf which can be a jurisprudence proposal for Majelis Tarjih and Tajdid Muhammadiyah on determining the legal aspect for optimizing waqf benefits.
4. This is initial research that encouraging the further research on measuring the maximum utility of productive waqf in alleviating the poverty.

E. THEORETICAL BASIS AND LITERATURE REVIEW

The types of waqf, i.e.: First, Waqf Ahli, this waqf addressed to certain people, someone or more, the wakif's family or not. Waqf like this is also called waqf Dzurri. When the expert relatives (recipient of waqf) no longer (extinct), then the waqf can be directly given to the poor. Second, Waqf Khairi. This waqf is addressed to the public with unlimited use that covers all aspects for the benefit and welfare of mankind in general, which is use for social security, education, health, defense, security and others (Qahaf, 2005, hal. 44-45), (Kementrian, 2006). By its purpose, waqf promote to introduce the combination of the two above called waqf (musytarak); if the purpose of waqf for public and family together. While based on the time limit, waqf is divided into two kinds: Eternal waqf (long lasting) and Temporary waqf (the goods are easily damaged or the wakif intentionally giving a time limit). Based on its utility, waqf is divided into two: direct waqf (basic waqf such as mosques, schools, hospitals) and productive waqf; (principal goods are used for production activities and the results are given in accordance with the purpose of waqf).

Indonesia has great potential of productive waqf although this was not maximally empowered; Zainal (2016) found that the distribution of waqf properties in productive activities has significant implication of mobilize the economic activities of society as a whole. Since today's waqf management urge needs for capital to re-develop the old waqf properties, therefore, Mohsin and Ismail (2012) suggested for need to introduce the concept of waqf-share as fund raising to improve and to upgrade the current situation of these properties so that they can deliver the suspected services needed in the different societies. Djunaedi and Almuin (2013) proposed that nazhir have to had a cooperation with investors, both domestic and abroad to invest in projects of productive waqfs. Rozalinda (2016) use a specific term for this investment need called Ijarah instrument for waqf.

F. METHODOLOGY

This research is qualitative research with phenomenology approach which tried to explain or reveal the meaning of the concept or phenomenon of experience based on the awareness that occurs in Muhammadiyah experience in in-depth interviews. The phenomenological approach suspends all judgment about a natural attitude to find a particular base. The delay is usually called epoche (period) which is distinguishing the data area (subject) with the interpretation of the researcher (Cresswell, 1998). Phenomenology creates an experience that is actually lived as the basic data of a reality (O.Hasbiansyah, 2005). Phenomenology also explains the phenomena and meanings for individuals by conducting interviews on a number of individuals. This finding is then linked to the philosophical principles of phenomenology (Cresswell, 1998). And the core of the phenomenology study is to find answers about the meaning of a phenomenon (Denzin, Norman K. dan Yvonna S. Lincoln, 1988).

To understand social interaction in Muhammadiyah Waqf, this research used constructive theory of Berger and Luckmann (2013). This theory said that public institutions are created and maintained or changed through human action and interaction. Although social institutions and society objectively evident, yet in the reality, everything was built in a subjective definition through interaction process. Therefore, moment of externalization (adaptation based on interpretation of the text or dogma), objectivities (a moment of interaction between the two separate entities an inter-subjective interaction) and internalization (a process of subjective dimensions interpreting the objective reality in Muhammadiyah Waqf) will always proceed a



formant in this research were an academicians from Universitas Airlangga, an expert of Malaysia and three Waqf experts from Muhammadiyah organization, first is chief of Pusat Muhammadiyah, second is member of Majelis Tarjih and Tajdid Pimpinan Pusat Muhammadiyah, and last is chief of Majelis Wakaf dan Kehartabendaan Muhammadiyah. The

object of this study is the result of productive waqf in Daerah Kota Istimewa Yogyakarta (DIY) especially in Umbulharjo, Tegal Rejo, Wirobrajan and assemblies waqfs Ngampilan of Muhammadiyah.

G. FINDING

Some of Muhammadiyah waqf assets so far were still managed traditionally with less benefit and rarely empower the poor such mosque, mushola, madrasah, and orphanage. The barriers rise solely in order optimizing the intangible asset such waqf land which mostly are still empty. The obstacles, as internal factors, came from the waqf management itself (poor management and lack of professional human resources) and the external factors such as rigid regulation on exchanging the assets form and less of the role of government in promoting waqf as poverty solution. The government does not perceive that waqf fund can be a source of income to support high economic growth. However, Muhammadiyah has a positive tagline for future innovate waqf targeting which was stated by Chief of *Majelis Wakaf dan Kehartabendaan* Muhammadiyah (2017) :

“Muhammadiyah started an innovation management which has beginning in this period (2015-2020) in order to improve the management system of existing waqf assets such as reconstructing Waqf policies, re-inventory and organize all assets including waqf assets, improve existing information systems and data bases, and also make waqf assets that have not been utilized properly in order to become productive waqf assets. He also said that the next 5 years Muhammadiyah has a target to produce 75% of existing waqf assets into productive assets. Given the views of experts with existing phenomena can also provide solutions or solutions to any obstacles and problems that arise.” (Male, 26 April 2017)

So that Muhammadiyah becomes easier in overcoming the existing problems and can maximize the assets of waqfs managed into productive waqf assets and has many benefits for everyone. (Expert1, 2017) said that at this time waqf has begun to be noticed by the Bank of Indonesia. Bank of Indonesia has begun to see the huge impact that arises from the waqfs and begins to contribute to the development of waqf in Indonesia. (Expert1, 2017) also said that :

“If many sectors of waqf are being addressed such as improving the quality of waqf and nadzir management, improving the community's understanding of waqf in order to have a broad understanding of waqf as well as improvements in regulation from the government to make specific regulations About productive waqf.” (Male, 41 Years Old, 05 April 2017)

Because of the great benefits of waqf land, if it can be maximized its benefits well and correctly, it is not impossible waqf be a good solution in eradicating poverty and unemployment by empowering the community using the existing waqf assets and maximize it, so that the assets of waqf can provide good benefits as well as economic empowerment of the ummah.

H. Conclusion and Recommendation

- 1) Muhammadiyah as an institution that takes care of waqf should be more serious in terms of management of waqf assets and fix the existing of the system. Because in fact Muhammadiyah is still having problems in terms of management. Because good management provides an important role to be able to maximize the utilization of waqf assets and facilitate the next steps of Muhammadiyah in order to make productive all the existing waqf assets. So the assets that exist today such as mosques / mushola not only as a means of a place of worship but also make the existing waqf assets to be truly productive and can provide more benefits for the community.
- 2) As the output of research results, that mapping is a very appropriate step for muhammadiyah to record, categorize and assess existing waqf assets. Once all the assets of the waqf have been properly recorded Muhammadiyah will facilitate in determining the next step to maximize and make productive of existing waqf assets.



muhammadiyah also inevitably have to fix in terms of existing human resources including. Inevitably, muhammadiyah should begin to increase the number of existing human resources that still limited because of its existing human resources. Nor can Muhammadiyah rely on volunteer nadzir alone in managing existing waqf assets, and must start hiring professionals who truly understand about waqf and other things such as management as well as matters that can support and making waqf assets productive.

- 4) And the last is Muhammadiyah should pay more attention to wakaf assets by making regulations that can minimize risks or issues that may cause problems. Because as we all know that the regulations of the government is not specific enough to support the productive waqf. Therefore Muhammadiyah must anticipate it by making the regulations for muhammadiyah waqf assets itself, so that the existence of regulations that can support productive and strict regulation about waqf can avoid the problems that will arise and can maximize the benefits of the entire waqf assets of Muhammadiyah.

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