THE CONSTRUCTION OF MUHAMMADIYAH ORGANIZATION MANAGEMENT ON BENEFIT OPTIMIZATION (MASLAHAH) OF MUHAMMADIYAH PRODUCTIVE WAQF

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Outline

- Introduction
- Problem Statement and Research Question
- Research Purposes
- Research Benefit
- Literature Review
- Research Framework
- Previous Research
- Research Methodology
Huge number of old waqf properties are undeveloped.

Founders’ condition are not fulfilled for many years.

Rights of the beneficiaries are not met.

Many unresolved court cases between trustees and family members.

Role of waqf becomes idle, unproductive, and a burden to the different governments.

The current law waqf in Indonesia gives the right to Waqf Board (Badan Wakaf Indonesia) to be the sole trustee to administer all types of waqf (immovable and movable) once it is registered as waqf.
Problem:
- Lack of finance and creativity in redeveloping the old waqf properties
- Development took place on only 2%

Prospects:
- The use of classical and innovative modes of financing in transforming the old and idle waqf properties into modern ones depending on the needs of the different Muslim societies.
- Encouraging Islamic banks to finance the development of idle waqf properties
Introduction..................cont
The Phenomenon in Muhammadiyah’s Waqf Asset

- Just starting Big Data-No Waqf Mapping
- Need a preliminary research

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- Muhammadiyah's awqaf is developed in the form of Charitable Business called Amal Usaha Muhammadiyah (AUM).
- Massive business capitalization in the development of AUM has made some critiques view that there was diversity in framing to the Al-Ma'un's theology paradigm in Muhammadiyah management.
- The expensive school fees at Muhammadiyah's school and the high medical expenses of Muhammadiyah's hospitals became the critics' benchmarks.
- This situation impacts the constructions of the optimization benefits (maslahah) in Muhammadiyah productive waqf
<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORPHANAGE</td>
<td>318</td>
</tr>
<tr>
<td>NURSING HOME</td>
<td>54</td>
</tr>
<tr>
<td>PESANTREN FOR ORPHANAGE</td>
<td>67</td>
</tr>
<tr>
<td>MASJID</td>
<td>6,118</td>
</tr>
<tr>
<td>MUSHOLLA</td>
<td>5,080</td>
</tr>
<tr>
<td>DISABLED CARE</td>
<td>145</td>
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<tr>
<td>EXTRAORDINARY SCHOOL</td>
<td>71</td>
</tr>
<tr>
<td><strong>PRE-until-HIGHSCHOOL</strong></td>
<td><strong>4,623 + 2,402</strong></td>
</tr>
<tr>
<td>UNIVERSITY</td>
<td>171</td>
</tr>
<tr>
<td>PESANTREN</td>
<td>67</td>
</tr>
<tr>
<td>FINANCIAL INSTITUTION</td>
<td>18</td>
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<tr>
<td>PUBLIC &amp; SPECIALHOSPITAL</td>
<td>2,119</td>
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<tr>
<td>CLINIC</td>
<td>3,500</td>
</tr>
<tr>
<td>PUBLIC HEALTH CARE</td>
<td>3,000</td>
</tr>
<tr>
<td>PUBLISHING &amp; PRINTING</td>
<td>2</td>
</tr>
<tr>
<td>EMPTY LAND</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>225 million square feet</strong></td>
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</tbody>
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Problem Statement

- Muhammadiyah as da'wah movement (105 years) has contributed to the Indonesian government expenditure by providing waqf and developing waqf benefits wisely to the public. Yet, amidst the massive capitalization of productive waqf, there is still a wide range of understanding and interpretation on Al-Maun's theology as the development fundamental of the Muhammadiyah Waqf's assets, thus, it has a wide influence on the optimum realities of the benefits of each developed waqf asset.
This is allegedly due to the meaning of waqf benefit and alignment to dhuafa are still various among the implementers, policy makers and decisions on waqf in Muhammadiyah organization.

The Indications of massive capitalization only to certain waqf assets, The problem of unproductive some potential assets, the treatment to the waqf benefits, the nazhir’s knowledge and the innovation in the development of waqf benefits still raise the question on how is actually the orientation and construction the Muhammadiyah’s management toward the productive waqf, so that, its benefit will be optimum, profitable and sustainable.
How does Muhammadiyah’s organization managements interpret the optimum benefit (maslahah) of productive waqf?
This research will analyze the reality of Muhammadiyah’s productive awqaf which is built from variants of existing reality and different from the construction of other institutional waqf management. This study also analyzes the construction of optimization of the maslahah (benefits) of waqf in the perspective of Muhammadiyah.

This research will select, classify, categorize, connect and accentuate any findings about the optimization of Muhammadiyah’s productive waqf. Thus, the construction model of the optimization Muhammadiyah productive waqf which is varied, complex and different from other waqf institution activities can be understood and simplified in certain categories.
Research Benefit

- This research will find the potential of various meanings (polysemy) which will lead to the potential of various innovations in the optimization of waqf development; and useful to open the other waqf institutions insight, subsequent researchers, waqf authority and waqf best practice researchers.

- The construction of Muhammadiyah management on benefit optimization of Muhammadiyah productive waqf has never been explored thoroughly or covered a single area. In fact, the deepening of this issue is important for study materials, development materials, evaluation materials, comparative materials and even for economic contribution measurement materials, especially optimum benefit measurements of productive waqf contributions.
By knowing the construction of productive waqf, the Muhammadiyah management able to propose the waqf policies, promote good governance in strengthening public trusts, set the benefits of certain endowments, even can attract the investors and manageable to evaluate the Muhammadiyah waqf multiplier effect.

As the principle of Islamic epistemology, the Islamic Worldview approach used in this study will enrich the approach methods in social economic cases and can primarily be the reference of research method in the waqf studies.
Literature Review

2.1. Muhammadiyah
   2.1.1. The History of Muhammadiyah’s Philantrophy
   2.1.2. Al-Ma’un Theologi and The Critiques to Tajdid Movement
   2.1.3. Amal Usaha Muhammadiyah

2.2. Theoretical Background
   2.1. The development of Productive Waqf and Waqf laws in Indonesia
   2.2. The application Productive Waqf
      2.2.1. Teori Maslahah
          a. Mashlahah Mu’tabarah
          b. Formulasi Mashlahah formulation into Productive waqf activities
   2.2.2. The Theory of Social Realities
   2.2.3. The Islamic Worldview

2.3. The contemporary Productive Waqf

2.4. Previous Research
Previous Research

- Hosen (2017: 1-6) concluded that the success of waqf management can be seen from how much benefit (*maslahah*) created by the awqaf assets. Benefit or Profit in the economy can be measured by the theory of Optimizing utility or Maximalization Utility. Unfortunately, this theory is different and cannot measure the *maslahah* as outlined by Islam.

- Baidhawy (2013: 1-12) found that the capitalization of AUM began to shift away from the *maslahah* (in Muhammadiyah perspective). This is due Muhammadiyah began to lose its guidance in developing social practice thinking based on Al-Maun spirit which had advocacy to the *dhuafa* and *mustadh'afin*. The AUM facility today is more suitable for and can only be enjoyed by middle and upper class. Baidhawy supports the statement of one Muhammadiyah young leaders, Moeslim Abdurrahman, who proposed that there should be a new meaning in the application of Al-Ma'un's theology.

- Burhani (2013: 34) assumed that if Muhammadiyah Organization wants to sustain develop, it has to maintain Al-Ma'un theological translation efforts toward the three pillars (schooling, healing and feeding) and also has to adopt a new system to embody the theology of Al-Ma'un in the era of global capitalism.
Research Methodology

- The method used in this research is qualitative method with phenomenology and Islamic worldview approach.
- Data obtained through indepth-interview on some key-informant experts; selected using snow ball method; and analyzed using Berger and Luckmann (1991) phenomenology theory which is applied in the Islamic Worldview framework.
- Data encoding is done using ATLAS.TI.
<table>
<thead>
<tr>
<th></th>
<th>POSITIVISM</th>
<th>INTERPRETIVISM / SOCIAL CONSTRUCTIONISM</th>
<th>NORMATIVE?? (ISLAMIC RESEARCH??)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ONTOLOGY</strong></td>
<td>QUANTITATIVE</td>
<td>QUALITATIVE</td>
<td>QUALITATIVE / QUAL &amp; QUANT</td>
</tr>
<tr>
<td>What counts as reality in may ways to structure it as type of “KNOWLEDGE”?</td>
<td>REALISM? REAL FACT TO EVERYBODY</td>
<td>IDEALISM (NOT PRE-DETERMINED, BUT SOCALLY CONSTRUCTED)</td>
<td>REINTREPRATE REALITY (according to the standard given by God)</td>
</tr>
<tr>
<td><strong>EPISTEMOLOGY</strong></td>
<td>OBJECTIVE MEASURES? (FACTS &amp; FIGURES? EXPERIMENT? SIMULATION?)</td>
<td>Subjective measures? Socially constructed based on knowledge gathered by examining / exploring, could also be exploratory &amp; explanatory in nature</td>
<td>Subjective Ideal Islamic from al-Quran &amp; al-Sunnah. Finding gap the cause of disturbance to achieve target standard.</td>
</tr>
<tr>
<td>How can the “KNOWLEDGE” of that reality be established?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AXIOLOGY</strong></td>
<td>VALUE – FREE (can be scientifically / systematically proven</td>
<td>VALUE LADEN (An assumption that the nature of research values &amp; the foundation of value judgments will be based on researcher’s interpretation &amp; experience toward the social reality)</td>
<td>VALUE GUIDED (Ma’ruf &amp; Munkar)</td>
</tr>
</tbody>
</table>
Thank You
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