## **CHAPTER I**

### INTRODUCTION

## A. Background

In the history of Islamic civilization, according to Islamic jurisprudence, there are two opinions about who first performs shari'a waqf. The first opinion says that the waqf was first performed by Prophet Muhammad SAW, evidenced by the existence of Quba mosque in Medina. As what Haq (2012) declared that the first waqf performed by Muhammad SAW when he built a Quba mosque in Medina. In Islamic civilization, the Quba Mosque in Medina is known as the first mosque built by Prophet Muhammad SAW since his arrival to Medina. This shows that waqf was first performed by Prophet Muhammad (Ahmad, 2015). In addition, the Prophet Muhammad SAW also donated seven palm gardens in Medina namely A'raf, Shafiyah, Dalai, Barqah and other gardens (Matondang & Hamzah, 2006).

Some scholars say that the first waqf performer was Umar bin Khattab where he got a suggestion from Rasulullah SAW to inaugurate his land in Khaibar (Aini, 2014). The Hadith which states that Umar bin Khattab has represented is:

"It is narrated from Ibn 'Umar that Umar Ibn Khattab acquired the land (garden) in Khaibar, then he came to the Prophet (s), saying," O Messenger of Allah, I have acquired the land which I have never acquired better than myself for the land, what do you command (me) to do about it? ". The Prophet (SAW) replied, "if you will, you will endure it and you are denied (the result)". Ibn Umar said, "So Umar gave the land (by requiring) that the land was not sold, not granted, and not inherited, that is to the needy, relatives, riqab (slave), sabilillah, guest and ibnu sabil. It is not sinful for the man who

manages to eat from the produce of the land morally (naturally) knows to feed a friend, without making it a possession. "

The above hadith describes the beginning of waqf practice performed by Umar bin Khattab. He obtained the land in Khaibar worth as much as a hundred dirhams. The land is the most treasured and valuable property, so thousands of people are competing to own the land. Then Umar RA met Rasulullah SAW to ask his opinion about the nature of giving the land because he is confident to the perfection of the advice of Rasulullah SAW. So the Prophet gave advice to Umar RA to manage and provide the wealth by holding the principal and give the benefits. With such records the land may not be sold, awarded, inherited, otherwise will transfer of property rights. The benefits of the waqf land can be channeled to the poor, relatives in blood relations, slaves, fisabilillah, ibn sabil, gharim, feeding the guests. It is permissible for the person who takes care of the waqf land to take little bit of the benefit for eating (her/himself and friends) without intending to accumulate wealth.

According to Budiman (2014) waqf has given socioeconomic role in the history of Islamic civilization significantly. The important role played by waqf has implicated and has an important impact on the economy generally. It is possible if the waqf runs well, then there will be major changes in the economy. For example, government spending is massively reduced, budget deficits may decline slightly and a dependency on foreign debt can be overcome a bit, and will lead to a decline in interest rates. It takes a high effort to achieve these goals and need all layers of society helped to succeed waqf

management program productively. It starts from the national level to the provincial, district and local levels.

The rapid development of waqf has a positive impact on the welfare of the wider community. In this modern era, the utilization of waqf properties is not only used for the sake of worship such as build mosques, but also there have many innovations been done through the utilization of waqf properties. The real examples are the establishment of shopping centers, hotels, educational institutions and even social and humanitarian agencies which is built on the land of waqf. As performed by Persyarikatan Muhammadiyah by establishing a social and humanitarian institution on the waqf land.

In an effort to alleviate the burden of the government in overcoming the problem of poverty and the number of abandoned orphans on the street, the Perysarikatan Muhammadiyah established social and humanitarian institutions in the form of orphanages built on the land of waqf. With the orphanage, it is expected that the government burden will decrease slightly and reduce the government responsibility and government spending in the social and human area. Persyarikatan Muhammadiyah refers to that phenomenon intentionally established social and humanitarian institutions in the form orphanage.

All Indonesian citizens are fully the responsibility of the government either welfare, security or life comfortable in the state. There is no exception for the homeless, the poor, orphans and so on. Obviously, the citizen deserves to get all the rights and obligations from the government as they are legally Indonesian.

Muslims are required to help everyone as the syari'ah has commanded us. There is no limitation to help someone who is in distress regardless of religion, race, and color. Especially for orphans who really need love and help in order to get a decent life. Islam strongly advocates helping and orphaning because they are also worthy living beings to be given help, compassion, and compensation.

The virtue of sponsoring orphans encourages the Muhammadiyah to provide real action by establishing various businesses, better known as the Muhammadiyah business charity (amal usaha muhammadiyah), such as educational institutions, providing health services and establishing social institutions (orphanages) (Abror, 2012). As a movement of Islamic da'wah that has the social ideals of realizing the Islamic community which is truly the basis of Muhammadiyah philosophy.

What Muhammadiyah does is to formulate a theology based on Al-Maun's al-Qur'an which is interpreted to be the three main activities of education, health and the pauper of the poor (establishing orphans) (Qodir, 2008). In other words, transforming a religious understanding of mere sacred doctrines and less socially sounds becomes cooperative or cooperative for human liberation. The theology is now better known as Al Maun's theology taught by KH Ahmad Dahlan as the founder of Muhammadiyah.

Al-Maun's theology is oriented on three things: schooling, healing, and feeding gave birth to a new idea for Muhammadiyah to make a breakthrough by establishing an orphanage built on waqf land. Thus, orphans abandoned on the streets can get a decent shelter, and get access to education easily and freely. The idea is derived from Al-Maun's theology in which Muhammadiyah provides compensation to the poor and orphans. It is categorized into feeding that requires Muhammadiyah to feed the poor and orphans (Qodir, 2008).

The Education obtained at the orphanage at least provides enough stock for orphans to live independently in the future. So that it can reduce the burden of the government and reduce the unemployment rate and the weak level of public education. It does not escape the goodness of the existing development of the orphanage environment.

Many orphanages under the auspices of Muhammadiyah only rely on funds from Muhammadiyah and helping hand from the donors. The problem is that when funds from the association are dismissed and donations from donors do not exist, the orphanage will find difficulties to survive. The burden they bear will be even harder. Therefore, it is necessary to create a concept or innovation so that the orphanage can be independent and stop depending on financial support and donations.

The facts prove that the orphanage is identic with the shelters of underprivileged and disadvantaged children. This situation makes foster children become less productive, less skill, and will have difficulty in survival

when it is deawasa later. This is because the condition of the orphanage is pathetic. So that result in the lack of attention from the orphanage to foster children in providing supplies to fight in the future. Through the Assembly of Social Services (MPS) and LAZISMU PP Muhammadiyah launched the idea for strengthening children and family empowerment in 400 Muhammadiyah-Aisiyah (Rizki, 2012).

MPS and LAZISMU PP Muhammadiyah formed a Child Center Indonesia in order to realize the great ideals of Muhamdiyah to revitalize the role of orphanage and efforts to fulfill the basic rights of children. The strategic plan of care pattern is given priority in the CCI projections, so it is not only a place for shelter or residential children but as a place of provision that will be very useful for foster children. The program also pays attention to other aspects such as social services, economy, and children's education and family benefits that their children are in the orphanage.

The programs undertaken lead to the strengthening of the family of the orphanage in the hope of being economically self-sufficient and developing an orphanage in order for the child to have full rights to be with his family. In addition to focusing on the development of an orphanage, the program will also change the paradigm of parenting care to family-based care. Instead of focusing on the child alone but rather providing assistance to vulnerable families to improve economic capacity and parenting skills. From the above phenomenon, we can conclude that there is a gap or problems that must be addressed.

The problem arises in the social institution (orphanages) is the nature of dependence on Persyarikatan Muhammadiyah and donors in financial terms. This study will look for a potential that can be developed by the orphanage. This research was conducted at the orphanage located in the D.I. Yogyakarta province and stood on the land of Persyarikatan Muhammadiyah land. Therefore, the topic of this research will be The hierarchy of Financial Independency in the Muhammadiyah's Orphanages Management Yogyakarta: an AHP and SWOT approach.

#### **B.** Research Limitation

This research will limit to the potential analysis of the financial independency of the beneficiaries of unproductive waqf, i.e. Panti Asuhan Yatim Putri Asisyiyah Yogyakarta, Panti Asuhan Muhammadiyah Wates, Panti Asuhan Muhammadiyah Nanggulan, , Panti Asuhan Tuksono Kulon Progo, Panti Asuhan Ahmad Sudjari, Panti Asuhan Muhammadiyah Seyegan Sleman, Panti Asuhan Muhammadiyah Prambanan, Panti Asuhan Yatim Piatu Dhuafa Muhammadiyah Prambanan

## C. Research Question

From the phrase that has been described above, will certainly raise a question about: What economic potential hierarchy can be built by Yogyakarta Muhammadiyah orphanages for financial independence?

# D. Research Purpose

The purposes of this study are:

- To analyze the economic potential that exists in every orphanage in the region of D.I.Yogyakarta and stood on the waqf land of Persyarikatan Muhammadiyah.
- To provide the information for Persyarikatan Muhammadiyah and the donors about the sources of income generation existed in the Muhammadiyah orphanages and their effort to fulfill their needs.

## E. Research Benefit

The output generated from this research is expected to provide benefits for:

- Providing benefits for the orphanage as a research object in the form of new concepts and innovations that can be developed.
- Providing benefits for Muhammadiyah organization for it can innovate the allocation of funds for orphanages. So that funds can be used for special purpose.
- 3. Provide benefits to all social institutions in Indonesia and provide new insights for them on how to develop orphanages on their own feet.
- This research can be utilized by the next researcher on the development of orphanage institution.