

Productive Waqf and Poverty Alleviation: Government Contribution in Realizing Sustainable Development Goals

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ABSTRACT: Poverty is a serious challenge faced by many countries throughout the world, including Indonesia. This phenomenon is a big responsibility for the government so it is necessary to find comprehensive solutions to achieve sustainable development goals. One method of approach that is currently being intensively discussed is through the productive waqf pattern. Productive waqf applies the concept of productivity to waqf assets so that it is hoped that it will be able to make a significant contribution to poverty alleviation. This research identifies the strategies applied by the government in promoting productive waqf, namely through policy regulations, outreach to the community and efficient management. The results of this research show that the government's contribution to realizing sustainable development goals through productive waqf is very important. Productive waqf can optimize current waqf assets and increase public awareness of waqf with new innovations, namely cash waqf and share waqf. Effective supervision and transparency in the use of waqf funds are challenges that must be overcome.

Keywords: Productive Waqf, Poverty Alleviation, Sustainable Development.



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INTRODUCTION

Poverty has now become a multidimensional problem because it is related to the inability to access economically, socio-culturally, politically and participate in society, in fact poverty has become a major problem in various countries. The Central Statistics Agency (BPS) has again released data on the poor population in Indonesia, in March 2022 the number of poor people in Indonesia was recorded at 26.16 million people. The poverty line in March 2022 was recorded at IDR 505,469/capita/month with a composition of the food poverty line of IDR 374,455 (74.08 percent) and the non-food poverty line of IDR 131,014 (25.92 percent). If averaged, the average poor household in Indonesia has 4.74 household members. In this sense, the poverty line per poor household on average is IDR 2,395,923/poor household/month. The percentage of poor people

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based on provinces and regions in the 2021-2022 period shows that the poor population in Riau province in March 2022 was recorded at 6.78 percent.

Based on data from the Ministry of Home Affairs (Kemendagri), the Muslim population in Indonesia was recorded at 237.53 million people as of December 31 2021. This number is equivalent to 86.9% of the country's population of 273.32 million people. Apart from that, Indonesia is the number 1 most generous country in the world based on the World Giving Index 2022, Indonesia is ranked highest with a total score of 68%, this can be seen from the area of waqf land to the potential of waqf in Indonesia. The National Committee for Sharia Economics and Finance (KNEKS) revealed that the estimated waqf valuation in Indonesia has reached around IDR 2,000 trillion in 2021. The IDR 2,000 trillion waqf valuation comes from the estimated value of all waqf assets currently in Indonesia. The majority are in the form of land waqf with an area of 57,263.69 hectares (ha) spread across 440,512 locations in Indonesia. Riau Province is the seventh largest province in Indonesia or second in Sumatra after South Sumatra. Riau Province has an area of 87,023.66 square km with a waqf land area of 2,225.49 hectares (ha) spread across 8,317 locations. With a very large Muslim population and a very large waqf valuation reaching Rp. 2,000 trillion, waqf in Indonesia has great potential to become an instrument for development and poverty alleviation if managed productively (Razak, 2020).

Waqf is one of the pillars of the sharia economy which has the potential to improve community welfare and overcome the problem of poverty. Waqf has social and economic functions that can provide enormous benefits for society, both Muslims and non-Muslims, if it can be managed productively and optimally. Waqf for social purposes has several objectives, including providing public facilities, facilities and activities for worship, da'wah, education and health. It can also help the poor, neglected children, orphans, develop human resources or provide scholarships. Meanwhile, waqf for economic purposes aims to provide capital, employment opportunities, overcome poverty, improve the economy of the people and reduce the burden on the state.

In the midst of the socio-economic problems of Indonesian society after Covid 19, the issue of recession is added due to the influence of global economic conditions, increasing bank interest rates, the food and energy crisis, as well as market uncertainty and debt, adding to the burden on the lives of Indonesian people. Seeing this phenomenon, the existence of waqf has become very strategic and is really needed to help control the economic welfare of the people.

METHOD

The method should be well elaborated enhancing the model, the analysis approach and the steps taken. Equations should be numbered as we illustrate.

This section typically has the following sub-sections: Sampling (a description of the target population, the research context, and units of analysis; the sampling itself; and the respondents' profiles); data collection; and measures (or measurements).

The research methodology should cover the following points: (1) A concise explanation of the research methodology is prevalent; (2) reasons to choose particular methods are well described; (3) research design is accurate; (4) the sample design is appropriate; (5) data collection processes are proper; and (6) data analysis methods are relevant and state-of-the-art.

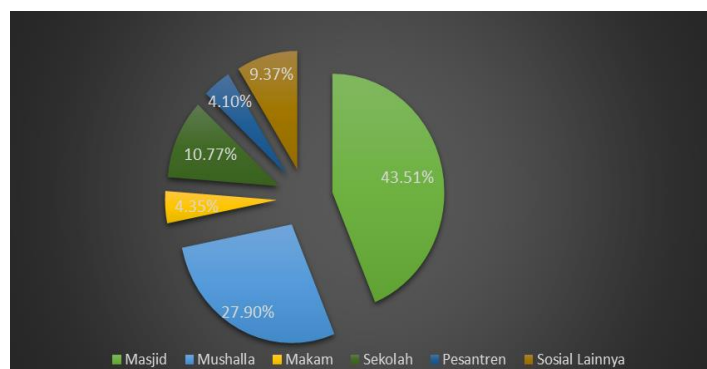
RESULT AND DISCUSSION

The Real Condition of Waqf Assets in Indonesia

One of the important roles of waqf is carrying out the process of distributing benefits to society at large, especially for the economic growth of Muslims. This goal can be achieved if waqf is managed professionally, well and correctly. Good waqf management can be achieved if there is an element of supervision. The government is expected to be able to play a role in monitoring waqf in Indonesia. By creating regulations and comprehensive technical management instructions. The government's seriousness in managing waqf is the public's hope that waqf is truly able to take a leading role in building the nation.

In essence, waqf is expected to be able to provide a real role in the socio-economic life of the people in Indonesia. Especially in order to reduce the poverty rate, but in reality, the poverty rate in Indonesia is still quite high according to the data mentioned previously. In fact, waqf can contribute to the economic development of a country, in the sense that the word waqf can reduce government spending, equalize income distribution, reduce poverty, and can increase economic growth. However, in reality, currently the potential of waqf has not been utilized optimally in Indonesia. Most of the waqf allocations in Indonesia are less directed towards economic empowerment of the people and tend to be used for ordinary worship activities, such as for mosques, prayer rooms, schools, madrasas, Islamic boarding schools and cemeteries.

The development of waqf in Indonesia is still not well socialized, based on data obtained from the Indonesian Ministry of Religion, it shows that the management of waqf land in Indonesia still does not lead to economic empowerment because most of the land waqf is still in the form of direct (consumptive) waqf. This can be seen in Figure 1 which shows that the use of waqf land is still dominated by mosques (43.51%), prayer rooms (27.90%), cemeteries (4.35%), schools (10.77%), Islamic boarding schools (4.10%), and other social services (9.37%). %, what's worse is that of the total 57,263.69 hectares (ha) of waqf land, only 57.42% is certified. This phenomenon is caused by several factors, including the community's traditional religious understanding, the need for places of worship, family property, and foundation ownership. There are still many people who state that profit-oriented waqf can cause conflict and division, thereby disrupting the solemnity of worship.



Source: Indonesian Ministry of Religion Waqf Information System

Figure 1 Use of waqf land in Indonesia

So far, waqf has only been used for the social sector, especially for worship, so it has had little positive influence on the community's economy. Even though the potential for waqf land can be used as a commercial asset, such as building hospitals, offices, housing, minimarkets, futsal fields, etc., this condition is seen as potential that has not been utilized efficiently. There is a lot of waqf land in Indonesia in terms of quantity, but the quality of its empowerment is not optimal. Considering that there are still many waqf lands that are abandoned and unproductive due to lack of funds and lack of guidance for the Nazirs who manage them, this has caused a setback in the development of waqf in Indonesia.

Muslims in Indonesia have long been practicing waqf in their daily lives and waqf assets have enormous potential but unfortunately they still cannot be managed and utilized optimally. The ratification of Waqf Law Number 41 of 2004 is a momentum for the development of waqf management in Indonesia in a better and more professional direction, especially with the issuance of Government Regulation Number 42 of 2006 which regulates the implementation of Law Number 41 of 2004. However, since the issuance of this regulation until now there has been no significant development in the management of waqf in a productive direction that can develop the community's economy.

There are at least four things that cause the use of waqf assets in Indonesia to be unproductive, namely the quality of the waqf nazir which is still simple and not competent, the majority of waqifs allocate waqf land for places of worship, the community is not used to empowering the economy of waqf assets for productive activities and it is not yet optimal. *database* National waqf which can be used to analyze the potential for developing waqf assets in Indonesia. Therefore, in order for waqf assets to be able to develop and produce good benefits, waqf must be managed in a professional, transparent and accountable manner.

Potential for Waqf Asset Development in Indonesia

The development of waqf management in Indonesia has gone through quite a long journey, this journey is classified into three periods as follows:

1. Traditional period

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In this period, waqf management in Indonesia was still far behind other Muslim countries which had moved towards productive waqf (Rosalinda, 2015). At that time, the existence of waqf did not yet show a wider social contribution to productive needs. At that time, the function and benefits of waqf as an economic enabler for society were still not well understood, because society in general only understood that waqf allocations were only used for religious activities. *hđAh*, just like building mosques, madrasas, tombs, etc.

2. Semi-professional period

In this period, productive waqf empowerment has begun to be implemented even though it is not yet optimal. In this period, waqf has begun to develop with the addition of meeting halls, weddings, shops, mini markets, or other facilities (Kasdi, 2017). Meanwhile, in the mosque grounds, there are many rooms built on waqf land for use or rent. The profits from the waqf are used for mosque operational costs or to help orphans. Apart from that, land empowerment for agriculture has begun to be developed, establishment of business places such as shops, cooperatives, workshops, mills and so on. The results are then used for educational development.

3. Professional Period

This period was marked by the productive empowerment of waqf potential. The professionalism carried out includes aspects of management, nazir resources, business partnership patterns, waqf of movable objects, such as money, shares and other securities, with full government support. Then, with the enactment of Law No. 41 of 2004 concerning waqf, the spirit of empowering the potential of waqf in a productive and professional manner for the interests and welfare of the people in the economic, educational, health and social fields began to be socialized. Institutions that manage waqf funds channel them to and invest them in the sharia financial sector. Then, the results are given to developing social needs, such as improving Islamic education, developing hospitals, assistance for developing religious facilities and infrastructure.

As an innovative step in the development of waqf, waqf is classified into several types based on the purpose, time limit, and use of the goods, here are the details:

1. There are three types of waqf based on their objectives:
 - a. Social waqf for the good of society (*good*); namely if the aim of the waqf is for the public;
 - b. family waqf (*dzurri*); that is, if the purpose of the waqf is to benefit the wakif, his family, his descendants, and certain people, regardless of whether they are rich or poor, sick or healthy, old or young;
 - c. Joint waqf (*musytarak*) is when the purpose of the waqf is for the public and the family together.
2. The various types of waqf based on time are divided into two types:
 - a. Perpetual waqf, namely if the waqf is goods that are eternal, such as land and buildings with land, or movable goods that are determined by the wakif as eternal and

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- productive waqf, where part of the proceeds are distributed according to the purpose of the waqf, while the rest is used for the costs of maintaining the waqf and replacing damage(Oktarina, 2018);
- b. Temporary waqf is if the goods donated are goods that are easily damaged when used without providing conditions for replacing the damaged parts. Temporary waqf can also be caused by the wakif's wishes which set a time limit when donating his goods.
3. The various types of waqf based on their use are divided into two:
- a. Productive waqf, namely waqf that is managed for productive activities and the results are used for the public interest(Hakim & Sarif, 2021). Namely waqf which is managed for productive activities that produce economic value and the results are then given in accordance with the objectives of the waqf, such as waqf for agriculture, fisheries, plantations, shophouses, and so on;
 - b. Consumptive waqf, namely waqf that is not used for productive activities. Namely waqf whose principal goods are directly used according to the purpose of the waqf, such as mosque waqf which is intended for prayer, schools for teaching and learning activities, hospitals for treating sick people and so on.

Indonesia has currently made various efforts to revitalize the potential of existing waqf assets so that they can produce wider benefits that can be felt by the community. Various regulations and rules have been issued by the government to optimize the potential of existing waqf assets. The peak occurred in the birth of Law No. 41 of 2004 concerning Waqf which issued a new breakthrough by issuing various formulations regarding waqf that were different from those currently practiced by Indonesian society. The object of waqf has been expanded from the previous one, the administration and administration of waqf is regulated in such a way that it is more structured. These efforts show that waqf in Indonesia has entered the professional management stage, this step is then termed productive waqf(Ascarya et al., 2022).

Productive waqf is a form of developing the waqf paradigm(Qurrata et al., 2019). Productive waqf can also be understood as assets that can be used for production purposes in the fields of agriculture, industry, trade and services whose benefits are not directly from the waqf objects but from the net profits from the results of waqf development which are given to people who are entitled according to the purpose of the waqf. Productive waqf is a strategy for managing waqf donations from the people, namely by making these donations productive so that they can produce sustainable benefits. Where waqf donations can be in the form of movable assets such as money, precious metals, securities and others, as well as immovable objects such as land and buildings. Profits from productive waqf are used to support and finance the waqf's social service functions(Iman et al., 2021).

Muhammad Syafi'i Antonio described that productive waqf is waqf empowerment which is characterized by the main characteristics, namely an integrated waqf management pattern, the principle of Nazir welfare and the principles of transparency and responsibility(Fahmi et al., 2018). An integrative waqf management pattern means providing opportunities for waqf funds to be allocated to empowerment agendas with all kinds of costs included therein. The Nazir welfare

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principle means that the Nazir's work is no longer considered as a voluntary social worker, but as a professional who can make a decent living from this profession. Meanwhile, the principles of transparency and responsibility require waqf institutions to report the fund management process to the congregation every year.

There are two types of productive waqf that the Indonesian government is currently promoting, the details are as follows:

1. Cash waqf

One of the most prominent movable object waqfs is cash waqf. Cash waqf is a waqf in the form of money in the form of rupiah which is then managed by the nazir productively, then the results are used for mauquf alaih. It is understood that in cash waqf, the money donated must be in rupiah currency and cash waqf cannot be given directly to the mauquf alaih but must be invested first by the nazir, then the profits from the investment are distributed to the mauquh alaih.

Cash waqf or cash waqf is the transfer of waqf assets in the form of cash which cannot be transferred and is frozen for purposes other than public purposes which does not reduce or eliminate the principal amount. Cash waqf has the advantage of being flexible in its use. Waqf, which has so far focused on religious purposes only, through cash waqf distribution is able to expand its scope, including through investment and social interests. In practice, cash waqf can be done by individuals, groups of people or institutions or legal entities in the form of cash, including securities. Through cash waqf, the use of waqf can be more productive so that it can improve the economic prosperity of the people, fulfill people's rights and reduce people's suffering.

The law of cash waqf has been the focus of jurists for a long time. There is a difference of opinion regarding the law of cash waqf. Imam Bukhari revealed that Imam Az-Zuhri thinks dinars and dirhams can be waqf. The way is to make the dinar and dirham as business capital (trade), then channelize the profit as waqf. The Hanafi and Maliki school of thought put forward the ability to waqf money, as Al-Mawardi said where Abu T'saur narrated from Imam Shafi'i about the ability to waqf dinars and dirhams.

Wahbah Zuhaili revealed that the Hanafi school allows cash waqf because it has been widely practiced among the community. The Hanafi school of thought believes that laws established based on custom have the same force as laws established based on custom *nash* (text). The basis of the Hanafi madhhab's argument is a hadith narrated by Abdullah bin Mas'ud R.A which means: "What is considered good by Muslims is good in the eyes of God, and what is considered bad by Muslims is bad in the eyes of God." Method doing cash waqf according to the Hanafi school is to make it as business capital by way of mudharabah, while the profit is donated to the waqf party.

Ibnu Abidin is of the opinion that cash waqf which is said to be a custom that applies in society is a custom that applies in the Roman region, whereas in other countries cash waqf is not a habit. Because of this, Ibn Abidin is of the view that cash waqf is not permitted or is not valid. Those who also hold the view that cash waqf is not permissible are some of the Shafi'i school of thought. According to Al-Bakri, some Shafi'i schools of thought do not allow cash waqf, because the dirhams and dinars will disappear when paid so that they have no form. This difference of opinion is the reason why cash waqf is permissible and not based on the form of money.

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The Indonesian Ulema Council (MUI) on May 11 2002 issued a fatwa regarding cash waqf as follows:

- a. Cash waqf (*waqf cash/waqf al-Nuqut*) is a waqf carried out by a group or person or legal entity in the form of cash waqf;
- b. Included in the definition of money are securities;
- c. The legal endowment *jama'az* (can);
- d. Waqf that can only be channeled and used for things that are permitted by syar'i;

The principal value of the waqf, which must be guaranteed to be preserved, cannot be sold, donated or inherited.

The large number of Indonesian Muslims represents a large potential for collecting cash waqf funds in Indonesia. If we assume the potential for cash waqf in Indonesia, the number of Muslim benefactors is estimated to be around 50 million people with an average monthly income of IDR. 500 thousand to Rp. 10 million, with a cash waqf variation of Rp. 5000- Rp. 100,000 every month, then at least around Rp. 15 trillion per year from cash waqf funds alone. It will increase even more if 50% of Muslims in Indonesia have a spirit of generosity and donate their money, then around 30 trillion will be collected annually. The huge potential of cash waqf needs to be taken seriously by promoting outreach and education to the community so that this potential can be optimized.

The collection of cash waqf in Indonesia has been widely carried out by waqf institutions, such as the Indonesian Waqf Board, Dompot Dhua'fa Republika Cash Waqf, PKPU Waqtumu Cash Waqf (Muamalat Cash Waqf) which was launched by Baitul Muamalat Indonesia, Indonesian Waqf Savings (IWI) and the Indonesian Waqf Institution. Sharia Finance for Cash Waqf Recipients (LKS-PWU) which has been determined by the Minister. It needs to be emphasized that the cash waqf collected is public funds, so it must be used for the benefit of the wider community. So the use of cash waqf should be carried out professionally, transparently and responsibly. Through professional, transparent and accountable management, it can attract public interest in conducting cash waqf.

Cash waqf has various advantages and benefits including the following:

- a. The nominal cash waqf varies greatly so that people who have limited funds can still give their waqf funds without having to wait to become landlords first;
- b. Through cash waqf, waqf assets in the form of vacant land can begin to be utilized by building buildings, processing it for agricultural land or public facilities that support the people's economy;
- c. Cash waqf funds can help Islamic educational institutions whose finances are unstable so that the academic community is paid modestly;
- d. Muslims can be more independent in developing the world of education without having to depend on the State education budget which is increasingly limited.
- e. The procedures for cash waqf are as follows:

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- f. Cash waqf that can be donated is in rupiah currency;
- g. Cash waqf in the form of foreign currency must first be converted into rupiah;
- h. Wakifs who wish to donate their money are required to be present at the Cash Waqf Sharia Financial Institution (as nazir) which has been appointed by the Minister of Religion based on suggestions and considerations from the Indonesian Waqf Board;
- i. Expressing his will, namely donating his money;
- j. Explain the ownership and origin of the money to be donated;
- k. Deposit a sum of money in cash to the sharia financial institution;
- l. Fill out the wakif's will statement form which functions as the Waqf Pledge Deed;
- m. In the event that the wakif is unable to attend, the wakif can appoint a representative or proxy.
- n. The Wakif can also declare the waqf pledge for movable objects in the form of money to the nazir in the presence of the Waqf Pledge Deed Making Officer (Head of the District Religious Affairs Office), after which the nazir hands over the waqf pledge deed to the Sharia Financial Institution.

2. Endowment of shares

One of the things that started the practice of saha waqf in Muslim countries was Bahrain, precisely in 1999, through a fatwa stating that it was permissible for the state to issue ijarah sukuk to finance state expenditure. With the issuance of the ijarah sukuk, Bahrain was able to raise funds of 10 billion US Dollars. Financial portfolios such as shares can be used as a forum for investing waqf funds, as has been implemented by Social Investment Bank Ltd. (SIBL) Bangladesh for the development of waqf properties (Waqf Properties Development Bond). Likewise, waqf development in Singapore also uses musyarakah sukuk financing to finance the construction of Beach Road and Bancellon Street.

In Indonesia, share waqf begins with DSN-MUI fatwa No.32/DSN-MUI/IX/2002: sharia securities are long-term securities based on sharia principles issued by the issuer to sukuk holders in the form of profit sharing/fee/margin and repayment bond funds at maturity. Apart from that, there is also a statement of sharia conformity regarding Cash Waqf Linked Sukuk as well as a letter from the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) No. B-816/DSN-MUI/XI/2018, states that the cash waqf linked sukuk scheme does not conflict with sharia principles.

Share waqf has quite high potential as an instrument for mobilizing sharia financial funds in Indonesia, because it is a long-term financing instrument and is an alternative to obtaining project investment funds. Waqf funds have the capacity to earn income as a sharia financial social activity in the form of stock products, so sharia financial instruments need to be an important part of implementing national development. This instrument is quite effective in reducing the level of poverty or overcoming inequality of opinion in improving economic prosperity in meeting the

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needs of the Indonesian people and empowering the improvement of low-income communities and opening access to the business world in Indonesia.

Share waqf is a powerful innovation in empowering the many unproductive waqf assets in Indonesia. Because in reality, waqf must always develop and produce benefits without reducing the essence of the waqf's initial assets (Winarsih et al., 2019). Share waqf consists of two different contracts, namely waqf and shares. Waqf is built on a social contract, there is no material return expected for the wakif but only hopes for the pleasure of Allah SWT and the benefit of the waqf results for the people which are managed through the nazir. The shares built on this ijarah agreement have a business nature. These two different contractual objectives of share-based waqf are collaborated for the sake of greater benefit value.

This share waqf does not provide profit sharing (dividends) to the wakif, but all profits are allocated for the benefit of the people according to the purpose of the waqf. Share waqf is carried out based on an ijarah agreement, because ijarah has flexibility and good potential. The characteristics of ijarah are that shareholders jointly bear the risk of assets, costs associated with ownership and the proceeds from rent are distributed to shareholders. The emergence of additional costs or unexpected costs for leased assets as well as the possibility of failure and absolute fixed profits.

Optimizing waqf assets by issuing waqf shares requires the participation of at least four parties, namely the Indonesian Waqf Board (BWI) as nazir, Developer, Special Purpose Vehicle (SPV) as share issuer, Investors. Development is carried out on waqf land which is managed by Nazir with the concept of an underlying asset as collateral for investors, namely in the form of waqf land which will be productive. The issuance of shares can use waqf assets as the underlying asset as long as they fulfill three principles, namely: (a) As long as the management is able to maintain the durability of the waqf assets; (b) The issuance of shares will provide good benefits for the public interest; (c) As long as it will not provide certain benefits to certain people or parties. The scheme offered above is a share waqf based on an ijarah agreement.

Another scheme in the share waqf is the Al-Intifa' share waqf, that is, there are supporting assets underlying the issuance of the shares. This scheme is almost similar to the ijarah contract. The underlying assets referred to here are not in the form of tangible assets, but in the form of benefits from these assets. Al-Intifa' means taking advantage, in the sense of the word benefit from the asset used as the underlying asset in the sale of shares. So that investors or shareholders have the right to use the benefits of the share issuer's assets, but do not have the right to own those assets. Ijarah shares symbolize ownership of the benefits of the assets (not the form of the assets). The Al-Intifa' share waqf scheme is as follows:

- a. Nazir or the waqf asset manager needs cash funds, then makes an ijarah share contract with the SPV which previously carried out data collection in collaboration with BWI, Ministry of Finance, BUMN and BI;
- b. Furthermore, the guardian is appointed as a mediator between Nazir and the investors mentioned. *Special Purpose Vehicle* (SPV) hand over ijarah shares to investors and investors pay in cash;

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- c. Then the SPV finances the development of the waqf assets (*underlying asset*) to build public facilities such as schools, hospitals, hotels or other forms that provide benefits to all parties and provide material benefits during the development and rental period of the company, in this case the developer (BUMN) pays rent to investors and partly to Nazirs through the SPV;
- d. When the waqf assets mature, the waqf assets return to the nazir whose management is assisted by the relevant institutions through the SPV.

Apart from the two schemes above, you can also apply a share waqf scheme, namely the Indonesian Waqf Board rents out land waqf to developers, developers build buildings with the aim that the building can be productive after the rental period. After the developer completes the construction of the waqf asset, an SPV is appointed to issue waqf shares with waqf land as the underlying asset. Waqf shares are sold to the public, namely investors who wish to invest for a long period of time. After construction is complete, the developer will complete the lease period to the Indonesian Waqf Board by handing over the ownership of the building that has been completely built. So, payments to the Indonesian Waqf Board are not made every month or every year but in full in the form of buildings, after construction is complete.

Productive waqf has two functions as a means of worship and achieving social welfare. Returns from productive waqf management can be used as an instrument in poverty alleviation programs through a social security system so that sustainable development goals can be realized. Productive waqf will actually be able to help the government's poverty alleviation program through community empowerment programs (Guo & Ma, 2023; Kapadia & Madhav, 2016; Syibly et al., 2022). Utilization of waqf assets to improve the welfare of the people will be realized well if it involves various components of society starting from the authorities, entrepreneurs, ulama and the community. Because in reality, global waqf is a wealth that is handed over by the wakif to the mauquf 'alaih to be managed and utilized for the interests and benefit of the people. So that the management of the waqf which has been handed over by the wakif to the nazir (mutawalli), can be empowered productively in supporting the community's economic activities.

Through this research, it can be seen that the proceeds from waqf funds greatly contribute to the welfare of the poor and reduce the poverty that plagues Indonesian society. The high potential for waqf in Indonesia, considering that the majority of Indonesia's population is Muslim. If the socialization, management and utilization of productive waqf can be maximized by the government, it is very possible for the Indonesian state to become prosperous with the collected waqf funds.

CONCLUSION

There are still many abandoned waqf assets found in Indonesia that have not been utilized efficiently so that through productive waqf efforts it is hoped that we can optimize the potential of waqf in Indonesia. Currently, Indonesia has extensive waqf land assets in terms of quantity, but the quality of its empowerment is not yet optimal. This could be because there are still many

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waqf lands that are neglected and unproductive due to lack of funds and lack of guidance for the nazir who manage them, this has caused a setback in the development of waqf in Indonesia. Through the productive waqf program, it is hoped that it can become an instrument for development and poverty alleviation in Indonesia (Muneer & Khan, 2019).

Cash waqf is a waqf in the form of rupiah currency which is managed by the nazir productively, then the proceeds are used for mauquf alaih. Management of cash waqf funds as an investment instrument has the potential to optimize existing waqf assets, because the benefits of this investment can be enjoyed by people everywhere, both locally, regionally and internationally. Apart from that, cash waqf has many advantages and makes it easier for people to donate waqf. Share waqf has quite high potential as an instrument for mobilizing sharia financial funds in Indonesia, because it is a long-term financing instrument and is an alternative to obtaining project investment funds. This share waqf does not provide profit sharing (dividends) to the wakif, but all profits are allocated for the benefit of the people according to the purpose of the waqf. Share waqf is carried out based on an ijarah agreement, because ijarah has flexibility and good potential.

The growth of productive waqf in Indonesia is in the process of moving towards a better direction. The existing laws and regulations are quite helpful in elaborating waqf in Indonesia. However, the existence of regulations alone is not enough because there must be synergy between the community and the government in developing and socializing productive waqf. Understanding of productive waqf is currently only felt by urban communities and has not yet reached rural areas, plus the facilities and benefits of productive waqf have not yet been felt by rural communities, so it requires hard work to develop it.

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