



## Development Model of Productive Islamic Endowment Fund (Waqf) Management at Walisongo Pecangaan Jepara Foundation

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### Abstract

*Productive waqf is a waqf management scheme by producing waqf, so it is able to make benefit or sustainable income. But, development waqf in Indonesia is commonly doesn't make any changes. Waqf is limited on religious activities such as mosque, musholla, school or graveyard establishment, so waqf in Indonesia doesn't give any advantages economically. It is different with Walisongo Pecangaan Jepara Foundation which managing its waqf property productively. This study is aimed to describe the model of productive Islamic endowment fund in education institution and increasing people's economic empowerment. This study uses qualitative method with phenomenology approach. This study is supported by 2 data, premier data and secondary data. The obtained data then analyzed using data collection, data reduction, data display, drawing conclusion, and verification. The result of this study shows that waqf property in Walisongo Pecangaan Jepara Foundation has role in developing education institution, such as providing scholarship, providing welfare to educators and education staff, as establishment funding and maintenance of education facilities and infrastructure, as well as learning equipment funding. Beside, productive waqf of this foundation has role in community's economic development, especially for rice field tenants and shop tenants in managing their business that can be used to fulfill their family needs.*

**Keywords:** *islamic endowment fund; funding; financial management*

### A. INTRODUCTION

In establishment and development of Islamic facilities and infrastructure, waqf is one of the most important factors. In Indonesia there are many mosques, musholla, Islamic dormitories, school or other places built on waqf land. And this tradition of waqf is continuously developed in Indonesia, both before, during, or after colonial period at the time Indonesia proclaimed its independent.

Waqf according to law number 41 year of 2002 is law action of donator to separate and/or give a part of his property to be used for religion need and activities and/or public prosperity forever or in the meantime. In this law, waqf projected as social engineer facilities to do changes of thought, attitude, as well as Muslim's behavior (Indriati, 2017). So, based on the law, waqf is not only land or transportation as assumed by society. But, it can be money.

Waqf usually managed by Waqf Institution that accepted as ethnic law of Indonesian. Waqf Institution also can cooperate with public organization in solving problems faced by society (Kasdi, 2014). It is because waqf has economic and social role that really important for mosque, school, research and perpetuation, hospital, and public services funding (Anwar, 2007).

But, the development of waqf doesn't make any changes. Waqf is limited only for religious activities such as establishment of mosque, mushalla, school, or grave. So, waqf in Indonesia is lack of advantages economically. Based on report by Waqf Institution, in Indonesia waqf is only used on physical things. So, it hasn't give positive effect to economy and hasn't able to solve poverty in Indonesia (Syakir, 2016).

That matter can be solved by money waqf program. Productive waqf was first pioneered by Bangladesh economic figure. Money waqf can be turned as solution that make waqf to be more productive. If such waqf managed well by professional institution, it will help decreasing economy and prosperity of the society (Mannan, 1993).

Productive waqf is waqf management scheme by making waqf more profitable, so it can produce surplus or sustainable profit (Direktorat Pemberdayaan Wakaf dan Direktorat Jenderal Bimbingan Masyarakat Islam, 2008). Then, Qahar (2005) stated that productive waqf is property or settled stake that donated to be used in production and the result will be distributed as the purpose of waqf. In order to make the productive waqf run well and be able to achieve the purpose, productive waqf need to be used or managed constantly.

In Indonesia, there are many waqf managed by institution as like Walisongo Pecangaan Jepara Foundation. This foundation has managed waqf land for long time. So, the writer interested to conduct an in depth research to describe development model of productive waqf management in education institution and improving society endeavoring.

## **B. METHOD**

This research is aimed to know about development of productive waqf in Walisongo Pecangaan Jepara Foundation in education development. This research uses qualitative method using phenomenology approach. Through this approach the

writer tries to dig information about development model of productive waqf in Walisongo Pecangaan Jepara Foundation in their education management and development. Method of study used is descriptive to give clearer illustration about symptom or phenomenon. By choosing that research method it is expected that description and phenomenon found in field can be interpreted in more depth in its content, meaning, and essence (Muhajir, 1994).

The research was conducted in Walisongo Pecangaan Jepara Foundation it is because this foundation is education institution that has developed productive waqf for their education institution management. This research was supported by 2 types of data which were premier data and secondary data. Premier data obtained through in depth interview with committee of foundation related to the development of productive waqf in managing their education institution in Walisongo Pecangaan Jepara. Meanwhile the secondary data was obtained from documentation of management of waqf productive the result of observation was done during education, library resources, and result of relevant previous studies.

The obtained data then analyzed using qualitative data analysis techniques that was done continuously start from the beginning till the end of the research (Nasution, 2001). The technique of data analysis used is interactive analysis model by Milles and Hubberman. Main activities in this analysis data model include data collection, data reduction, data display, conclusion and verification (Miles dan Huberman, 2000).

### **C. THEORY OF WAQF**

Mufti gives various definitions about waqf. Imam Al-Syaukuni (1973) stated that waqf is holding things that used for interest in Allah's path, poor people, and for helping travelers who run out of his stock, and the original property still belong to people who gives waqf. Meanwhile, Imam Al-Syarbini (1957) stated that waqf is holding something unchangeable and cut from the owner and things. It used for something allowed by Syara.

While Imam Al-Shan'ani said that waqf is holding useful property without break the things and used for public. Most of mufti stated that waqf is restrained property that possibly can be taken advantages from, which unchangeable and the purpose is to get closer to Allah. The donated property is automatically own by Allah and not the people who do waqf. Waqif (people who gives waqf) should be donated the result as his purpose (Abu Zahrah, 1971).

According to law number 14 2004 waqf is law action of waqif to separates or gives a part of his property to be used forever or in the meantime according to the need for religious activity or public prosperity. Waqf aimed to use property by its function.

The function is to create potential and economic advantages of property for religious activity and increasing prosperity of society.

Furthermore, in article 22 law number 14 2004 explained that in achieving the purpose and function of waqf, then waqf is only used for; a) facility and religious activities, b) facilities and education activities as well as health, c) charity for poor, orphan, and scholarship, d) progress and improvement of social economy, and/or e) improvement of prosperity which doesn't across Syariah and law .

Article 6 stated that waqf is done by completing some requirements such as; a) waqif (people who gives waqf), b) judge, c) property that will be taken as waqf, d) declaration of waqf, e) the use of waqf, and f) duration of waqf.

The judge of waqf has a task as like stated in article 4 includes; a) do administration waqf, b) manage and develop waqf as like it's purpose, c) control and protect waqf, d) report the implementation to Indonesia Waqf Institution. Besides, in article 42, judge has obligation to manage and develop waqf as its purpose, function, and the use. Furthermore in article 43 emphasized that (1) management and development of waqf by judge as proposed in article 42 carried out according to Syariah principal, (2) management and development of waqf as stated in paragraph (1) carried out productively.

## **D. RESULT AND DISCUSSION**

### **1. Profile of Walisongo Pecangan Jepara Foundation**

Walisongo Pecangaan Jepara Foundation is one of big Islamic education foundations in Jepara. This foundation was built by Kiyai Masayih, figures at Pecangaan Kulon, Troso, and around. Founders of the foundation were K.H. Mahfudh Asymawi, K. Djufri Alwi, and K.H. Abdul Jalil.

This foundation had been built since 1965, started from the appearance of Mualimin NU and Madrasah Diniyah Awaliyah that became pioneer of education institution in this foundation. In 1970 Mualimin NU changed its name to PGAP (First Religious Teacher Education) and PGAA (High Religious Teacher Education). The next development was done as follow up of government rules. So, in 1978 PGAP changed into MTs (Islamic Junior High School) and PGAA changed into MA (Islamic Senior High School).

In this journey, this foundation experiencing pretty fast development, especially in education field, so since 1980 founded a foundation named Walisongo Pecangaan Jepara Foundation with notarial deed J. Moeljani Semarang No. 100 Date of February 18, 1980, H. Hasan Asnawi as principal and K. Mahfudh Asymawi as vice of principal.

Walisongo Pecangaan Jepara Foundation has a vision which is "Manifesting Walisongo Foundation as independent and qualified foundation in providing

human resources and public services as act of religious maintenance as well as nation and country establishment.” Meanwhile the purpose of this institute is to develop and apply Islamic teaching Ahlus Sunnah Wal Jama’ah. Meanwhile business fields of this foundation are education, leadership, and information of Islamic teaching experiences, compensation (charity) for orphan, and profitable business. Income obtained from students’ guard, rented waqf land, rented shopping complex, donation from alumnus, subsidy from government, donation from community, and help from business and industry.

Till this time, there are 8 of education units managed by Walisongo Pecangaan Jepara Foundation. They are Madrasah Diniyah Awaliyah, Madrasah Diniyah Wustho, Madrasah Tsanawiyah, (MTs), Madrasah Aliyah (MA), Junior High School (SMP), Senior High School (SMA), Vocational School (SMK), and Islamic dormitory (Pondok Pesantren). Number students of all units in the academic year 2020/2021 is 1598 students, meanwhile students who stay at dorm are 92 for both boy and girl managed by 196 education and educational staff.

Walisongo Pecangaan Jepara Foundation has asset in from of educators and educational staff as well as students. And also it has permanent assets and lance assets which are no more than 100 (one hundred) billion rupiah.

That relative big assets owned by foundation were obtained from participation of community and donation from government. One important thing is this foundation is owned by community and not individual’s or family’s. Even K.H Mahfudh Asymawi during his life always states that “Walisongo Pecangaan Jepara Foundation is not mine nor my family’s but community’s”. That statement has taught and planted to committee, teacher, staff, driver, and society. So, it grows belief and wonderful participation from all parties, both from big family of Walisongo Pecangaan Jepara Foundation, government, and community. So, it’s proper if education institution obtained credibility and sympathy from community and government both in regional, province, or national level.

## 2. Development of Productive Waqf in Walisongo Pecangan Jepara Foundation

It has been explained in the beginning and as stated by Syakir (2016) that according to Waqf Institution, in Indonesia waqf is only used for physical matters. So, it hasn’t given positive effect toward community economy as well as poverty in Indonesia. But, the waqf management in Walisongo Pecangaan Jepara Foundation is different.

Walisongo Pecangaan Jepara Foundation is one of foundations that have been using waqf through endeavoring waqf property for long time. This foundation has immovable property such as land and field. There are around 19 hectare field from 19 donators. Since 1965, every year the field rented to fielders through rental auction system.

The rental auction held every October. That month is usually month after third planting season that is final planting season within one year of rental field. Technic of rental auction waqf field held openly, committee of foundation gives rice field auction rental price offer to auction participants who attend the auction. The participants are tenant and farmers. Each participant allowed bargaining the price of auction field. The winner is participant who pays the highest price.

Payment system of waqf field is done twice. First payment done at the end of auction and the repayment is after the first harvest. But in reality, not all of the tenants pay on time as scheduled. One of the reasons is because pests which cause crop failure, even the tenant suffer a loss. Because of the reason, foundation committee gives toleration to pay later, sometimes until the end of year auction. The toleration given by committee aimed to build a good relation with community.

Besides developing field, foundation committee also tries to develop waqf property which is land. Fortunately, location of Walisongo Pecangaan Jepara Foundation is on Kudus-Jepara Street, this location in so strategic place for developing economical business. On the land about 200 m<sup>2</sup> located on Bugel-Pecangaan Street in 2003 built shopping complex as many as 11 blocks.

Each store in shopping complex is rented to community to open business such as shoes store, phone store, perfume shop, computer service center, and other economy business which is not break Syariah. Foundation committee policy in giving permission to prospective tenant is the shop should be used for business that doesn't violate Syariah rules. This policy is consistent with the purpose of establishing this foundation that is to develop and apply Islamic teaching based on Ahlussunnah Wal Jama'ah. Besides the policy is followed the rule stated in law Number 14 2004 Article 22 Paragraph (e) that stated that waqf property is only used for progress of general welfare which not violate Syariah and constitution.

Based on the result of this research it can be concluded that rental field and store above means that Walisongo Pecangaan Jepara Foundation has been able to develop waqf property both field and land productively. So, the use of property as its function which is to realize economical potential and benefit of waqf property for religious needs and for improving public welfare, as stated in law Number 12 Year of 2004.

### 3. The Role of Productive Waqf in Education Institution and the Development of Public Economy

Waqf property such as field and land has been developed, so waqf property owned by Walisongo Pecangaan Jepara Foundation become productive, that finally can be used in developing education institution and can be used as facilities

to develop community. In other word, productive waqf in Walisongo Pecangaan Jepara Foundation has role in education institution development and also as community's economy empowerment. The two roles can be explained as follows;

a. The Role of Productive Waqf in Education Institution

Productive waqf is a management scheme for waqf donation from community by producing the donation so it will be able to make a sustainable profit. Donation of waqf can be movable things as money and precious metal or immovable things such as land and building. This profit of productive waqf which become long lasting financial sources for community needs, as like education financing and good quality health service (Depag RI: 2008).

Waqf property owned by foundation has been managed well so it is able to make sustainable profit. The profit is used for education financing, such as; Frist, as scholarship. Through productive waqf, the financial sources are used to give scholarship for students who poor financially, especially orphan. Orphan students in this institution get scholarship so that they don't need to pay school tuition. Beside scholarship to orphan students, scholarship is also given to poor students in the form dispensation. Allocating of scholarship and dispensation almost hit 10% of the total of routine income or tuition.

Second is giving welfare toward educators and educational staff. The output of productive waqf aside for giving scholarship to students, it is also used to give welfare to educators and educational staff under Walisongo Pecangaan Jepara Foundation. All this time, salary for educator and educational staff is given in the end of month. Foundation committee realizes that most of educators and educational staff outpour all of their energy, ideas, and time in education institution of Walisongo Pecangaan Jepara Foundation. So, most of the income for funding all of family's needs are from salary that gotten from Walisongo Pecangaan Jepara Foundation. So, the committees always try hard to give the salary on time.

Third is as establishment funding and maintenance of facilities and infrastructure. Output of productive waqf is also used for prop up establishment and maintenance of education facilities and infrastructure in this foundation. Estimation of foundation's income and expense is classified in two, routine and non-routine. Routine estimation obtained from school tuition which used for educators and educational staff salary and education operational funding. Meanwhile the non-routine estimation is donation of institution development, productive waqf, donation from government and community which used for establishment funding and maintenance of facilities and infrastructure. Money management is classified, centralization and decentralization. Centralization system is tuition and donation of

institution development full managed by foundation. Meanwhile, decentralization means managed by the education unit. Decentralization is managing non-routine incomes which are registration fee, mid-term test fee, final test fee, graduation, and other financial income. This decentralization income is free and controlled financial management. Free means education unit is given full right to manage financial and controlled means in the end of semester financial management from all units audited by financial department of foundation.

Fourth is as learning equipment funding. Productive waqf of foundation is also used to prop up learning equipment multiple and maintenance, so that learning process can run well so it will be able achieve the expected purposes. Completing learning equipment also influences students' achievement, besides the other factors. Totally, learning equipment at education unit in Walisongo Pecangaan Jepara Foundation can be completed as standard of education facilities and infrastructures. By completing the learning equipment, learning process can run well and it can increase the students' achievement.

b. The Role of Productive Waqf as Economy Community Development

The emerge of law No. 41 Year of 2004 about Waqf, guidance of Indonesian mufti committee and its derivative rules is waqf development momentum productively because there is comprehend understanding and management pattern for empowering waqf potential in modern way, including immovable property and movable property. Potential waqf development productively and professionally that echoed the waqf law is for the interest of well-being mankind in economic, education, health, and other social religious field.

Walisongo Pecangaan Jepara Foundation is one of foundations who already managed waqf productively. It is already explained above that waqf property managed by Walisongo Pecangaan Jepara Foundation has been empowered or developed for managing education institution. Besides, waqf property of this foundation also managed as community's economic empowerment. At least there are two indication roles of productive waqf as community's economic empowerment. First, farmers and field tenants feel helped economically in fulfilling their needs by working in field they rented. Tenant farmers said that working in field is their profession for fulfilling their needs. Besides, reviewed by the rental price and the payment system of rice field rental is relative approachable according to standard rice field rental price in common or it is even lower. Term of payment is also more flexible, it means that it can be paid twice, first in the end of auction and second is



after the first harvesting, but the repayment is often until the end of planting season. This payment method of rice field rental is understandable by foundation committee, means to help tenant farmers. The most of tenant farmers is customer from generation to generation.

Second, through shop rental is also as one indication that productive waqf have important role as community's economic empowerment. This is felt by shop tenant in Walisongo Pecangaan Jepara Foundation. Shop tenants feel that by opening business in the shopping complex can be used to fulfill their family needs. The most of shop tenant can afford to rent the shops from 2010 since the shopping complex was built until now.

So, the two indications above show that waqf property of Walisongo Pecangaan Jepara Foundation has role as community's economic empowerment.

## E. CONCLUSION

Based on the explanation above can be concluded that waqf property in Walisongo Pecangaan Jepara Foundation has role in developing education institution, such as providing scholarship, providing welfare to educators and education staff, as establishment funding and maintenance of education facilities and infrastructure, as well as learning equipment funding. Beside, productive waqf of this foundation has role in community's economic development, especially for rice field tenants and shop tenants in managing their business that can be used to fulfill their family needs.

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