

The Relevance and Urgency of Waqf in Realizing the Welfare of the People in Indonesia: Building a Waqf Network to Achieve Falah

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Abstract

Waqf is a means of social finance that has an important role in improving the welfare of the people in Indonesia. Building a strong and sustainable waqf network is an important step in achieving the falah of the people in Indonesia. A waqf network can make positive contributions in religious, social, economic, and health aspects. In the religious context, waqf refers to the transfer of property ownership by an individual or group to a foundation or charity for the purpose of public good. This abstract will review the relevance and urgency of waqf in the welfare of the people in Indonesia, taking into account the social, economic, and educational contexts.

Keywords – *Waqf, People's Welfare, Waqf Network, Management*

INTRODUCTION

One of the efforts to worship using property to get closer to Allah SWT is through waqf. Waqf in the context of Islam refers to the act of setting aside part of one's property or assets for charitable purposes aimed at the good of humanity. Waqf can play an important role in improving the welfare of society in Indonesia, the majority of whose population is Muslim. Based on data from the Ministry of Home Affairs, the population of Indonesia is 277.75 million people by the end of 2022. Of that number, 241.7 million Indonesians are Muslim.

Population of Indonesia According to Religion (2022)

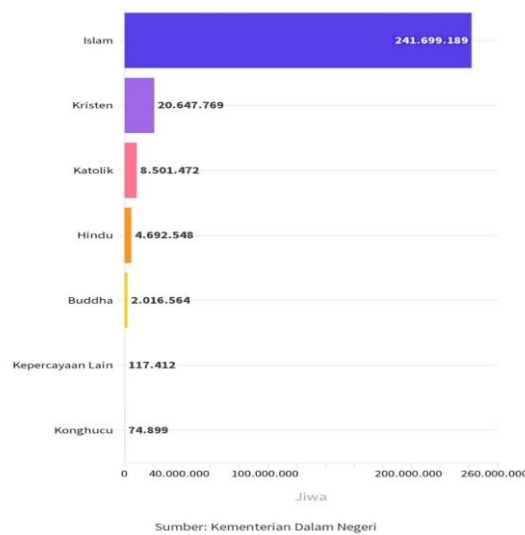


Figure 1. Population of Indonesia by Religion (2022)

Through waqf, Indonesian society has made a significant contribution to improving welfare and sustainable development for the people and the wider community. One form of this transformation is by building a waqf network that aims to achieve *falah*, namely success and happiness in worldly life and the hereafter. In the modern era, waqf still plays a significant role in promoting the welfare of the people in Indonesia. The Indonesian government has taken an important path or step in improving regulations and facilitation related to waqf. In 2006, the Indonesian government issued Law Number 41 concerning waqf which provides a clear legal basis for regulating waqf in its various forms. Efforts to build a waqf network are a response to the increasingly complex needs in managing and utilizing waqf effectively. The waqf network aims to connect wakifs (people who set aside waqf assets) with beneficiaries and institutions that play a role in the management and development of waqf. Through this network, information, resources, and experiences can

be shared efficiently, strengthening collaboration, and increasing the effectiveness of the use of waqf assets (Yusuf, 2022).

One example of successful waqf management in Indonesia is through the Indonesian Waqf Board. BWI is an institution tasked with regulating and optimizing waqf in Indonesia. BWI plays an important role in building the welfare of the people through the management of waqf funds collected from donors and the general public. The waqf funds are then used for various development projects such as the establishment of mosques, the construction of hospitals, the provision of scholarships, and other social programs. (Huda et al., 2023)

With synergy and joint efforts, waqf can continue to be an important pillar in building the welfare of the people in Indonesia. Through waqf, we can strengthen social infrastructure, improve the quality of education and health, and empower the community's economy. Thus, it is very interesting for the author to do this writing to find out that waqf can be one of the strong instruments in fighting for the welfare of the people and achieving sustainable development goals in Indonesia (Sukarni & Mahmud, 2024).

RESEARCH METHODS

This writing was last done on June 13, 2023 with the place studied in Indonesia. The writing data studied by the author uses qualitative descriptive approach data whose writing aims to build networks and insights in studying the relevance and urgency of waqf in realizing the welfare of the people in Indonesia.

The data and data sources taken were obtained from the Indonesian Waqf Agency (BWI), Data from the Ministry of ATR/BPN, and sources from previous journals.

RESULTS

A. The Concept of Waqf

Waqf in Islam is an act of transferring ownership of property to Allah SWT with the aim of charity (charity that continues to provide benefits) for the public interest or good of humanity. The concept of Waqf has existed since the time of the Prophet Muhammad SAW and continues to be practiced until now. The assets of waqf may not be sold, inherited, or removed from ownership, and their benefits must be allocated for the public interest or the good of humanity. (Yusuf et al., 2023)

The main objective of waqf is to improve the welfare of society, help those in need, and support activities that are socially, educationally, healthily, or religiously beneficial. These objectives can be achieved through the establishment of mosques, hospitals, schools, orphanages, water wells, or other public facilities (Hidayatullah et al., 2024).

Waqf can be in the form of cash waqf or productive waqf. Cash waqf is a waqf that is done by setting aside a certain amount of money or other assets for the public interest. While productive waqf is a waqf that uses assets or property to generate benefits or income that can be used for ongoing charity. Waqf must be managed professionally and transparently. This can be done by appointing a nazir (manager) who is responsible for managing waqf assets in accordance with the provisions stipulated by the waqf law (Huda et al., 2023).

1. Conditions for Waqf:

There are several conditions that must be met in conducting waqf, including:

- a. **Ownership:** The property that is donated must be legally owned by the wakif (donor of the donated property).
- b. **Sincere Intention:** Waqf must be done with sincere intentions because it is solely to achieve the pleasure of Allah SWT and the good of humanity.
- c. **Object of Waqf:** The assets donated must have value and benefits that can be obtained by humanity.
- d. **Legal Rules:** Waqf must be carried out with legal procedures in accordance with Islamic law and state regulations.

2. Types of Waqf

Waqf can be classified based on several different criteria or aspects. The following are some common classifications of waqf:

- 1) **Waqf Based on Purpose of Use:**
 - a. **Health Endowment:** Endowment assets are used to establish or support hospitals, health centers, or other medical facilities.
 - b. **Educational Waqf:** Waqf assets are used to establish or support educational institutions such as schools, colleges, or universities.
 - c. **Social Waqf:** Waqf assets are used to help communities in various aspects such as economic empowerment, housing, or other social assistance.

- d. Religious Waqf: Waqf assets are used to build or maintain places of worship such as mosques, prayer rooms, etc.
- 2) Waqf Based on Asset Nature:
 - a. Cash Waqf: Waqf in the form of cash or other financial assets.
 - b. Productive Waqf: Waqf assets in the form of land, buildings, or other properties that generate income such as renting or selling goods.
 - c. Consumptive Waqf: Waqf assets in the form of goods or objects that can be consumed such as food, drinks, or clothing.
 - d. Mixed Waqf: A combination of various types of waqf assets.
 - 3) Waqf Based on Validity Time:
 - a. Forever Waqf: Waqf assets and their benefits are intended to last forever, and their use cannot be changed or withdrawn.
 - b. Temporary Waqf: Waqf assets and their benefits are given for a certain period of time, after which they can be reused or converted.
 - 4) Waqf Based on the Organizer:
 - a. Individual Waqf: Waqf made by individuals for charitable purposes.
 - b. Organizational Waqf: Waqf made by organizations, institutions, or foundations for charitable activities.

Waqf is a form of strong generosity between fellow human beings which is an effort to realize *hablumminallah* and *habluminannas*.

According to Monzer Khaf, waqf can be divided into three, namely religious waqf, charitable waqf and family waqf. Religious waqf is usually used for worship purposes. One example of a religious waqf is the Demak mosque which is one of the oldest waqf mosques in Indonesia. Then charitable waqf includes education, health services, and other public services that are used to channel resources for the common good in the long term and sustainably. While family waqf is a waqf given to a small scope within the family itself. (Lawang et al., 2023)

Religious-based waqf is a waqf that is widely developed in Indonesia. In accordance with the development of the waqf industry in Indonesia, waqf began to grow rapidly in 2022. Based on the Waqf Information System of the Ministry of Religion (2022), waqf land in Indonesia is spread across 440.5 thousand points and a total area of 57.2 hectares. (Hidayat et al., 2023)

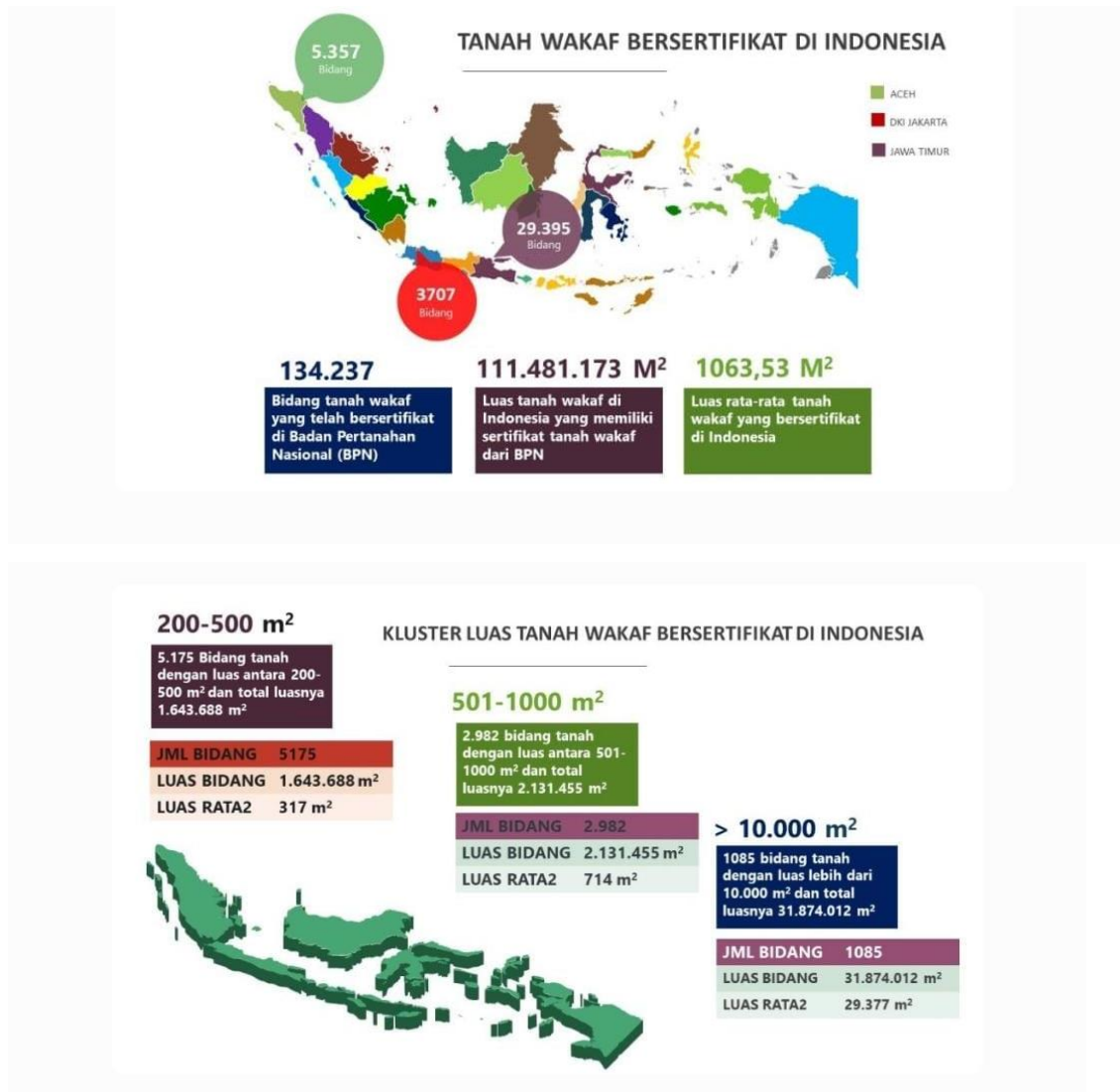


Figure 2. Waqf Land in Indonesia

Meanwhile, the implementation of the use of waqf land for the construction of Islamic boarding schools reached 4.10% in 18,018 locations in Indonesia, school buildings reached 10.77% in 47,336 locations in Indonesia, the construction of graves reached 4.35% in 19,135 locations in Indonesia, mosque buildings reached 43.51% in 191,270 locations in Indonesia, then the construction of prayer rooms reached 27.90% in Indonesia, and other social development reached 9.37% in 41,183 locations in Indonesia.

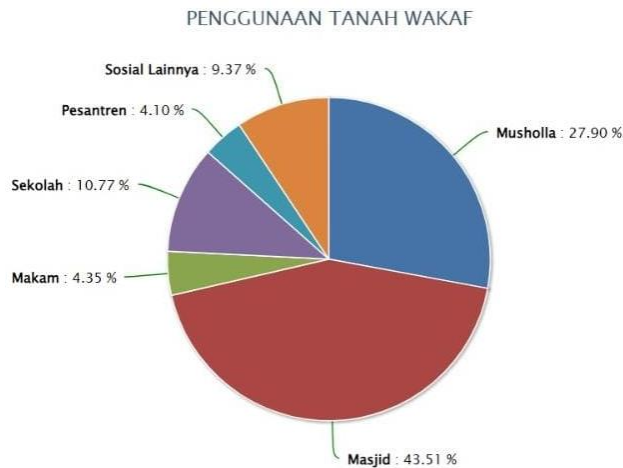


Figure 3. Waqf Land Use Diagram

The waqf money collected in the Indonesian Waqf Board (BWI) account in 2020 amounted to IDR 391 billion. As of January 2021, cash waqf accounting was IDR 819.36 billion. Consisting of waqf through money of IDR 580.53 billion and cash waqf of IDR 238.83 billion. Then the nadzir with his cash waqf has 264 institutions and the number of LKS-PWU has 23 Islamic banks. (Abidin et al., 2023)

In the records of the Indonesian Waqf Board (BWI) in March 2022, it recorded the acquisition of cash waqf of IDR 1.4 trillion. Then the figure increased from the acquisition of cash waqf generated in 2018 - 2021 with a figure of IDR 855 billion. (Hidayati et al., 2022)



Figure 4. Amount of Cash Waqf in Indonesia

B. Relevance and Urgency of Waqf in Realizing the Welfare of the People in Indonesia

Poverty in Indonesia is still a complex challenge and needs to be addressed immediately. There are still many Indonesian people who live below the poverty line with limited access to education, health, and decent employment. Factors such as economic inequality, regional disparities, and lack of access to adequate resources are the main causes of poverty that need to be taken seriously. (Anshary et al., 2023)

Waqf is a form of benevolent charity which has an important role in improving the welfare of the people. There are verses in the Qur'an that recommend waqf, including in QS. Al-Baqarah verse 261, it means:

"The parable of those who spend their wealth in the way of Allah is like a seed that grows seven grains, with each grain a hundred seeds. Allah increases (rewards) to whom He wills."

With waqf, we can create a more equitable and sustainable environment for society. Every waqf given, whether in the form of land, buildings, or assets, provides long-term benefits to meet basic needs and support the socio-economic development of the community.

Through waqf, education can be improved by providing adequate means and facilities to expand access to education for all levels of society. In addition, waqf can also be used to establish health centers that provide affordable and quality medical services, thereby improving the health and welfare of the community as a whole. All profits and results from the waqf can be used to strengthen the community's economy by helping to create and develop various business fields. Thus, waqf as a community welfare has a strategic role in building a just, prosperous, and competitive society (Purnomo & Zahra Maulida, 2023).

Waqf has great potential in overcoming poverty in Indonesia by providing significant positive impacts. Through waqf, productive land can be empowered to develop agriculture and livestock to increase income for people living in limited economic conditions. In addition, waqf can also be used to establish training centers and workshops for the less fortunate, providing the skills and knowledge needed to become independent and contribute to the local economy. All of these waqf initiatives

provide a strong impetus in eradicating poverty in Indonesia and helping to create a more prosperous and sustainable society. (Hidayatullah et al., 2024)

C. Building a Waqf Network to Achieve Falah

The Waqf Network is a concept that combines the collective strength of various parties to form and manage waqf funds with the aim of achieving falah or public welfare. This network involves the participation of the community, financial institutions, social organizations, and individuals in managing and optimizing the benefits of waqf more effectively and efficiently.

Implementation of Waqf in Indonesia

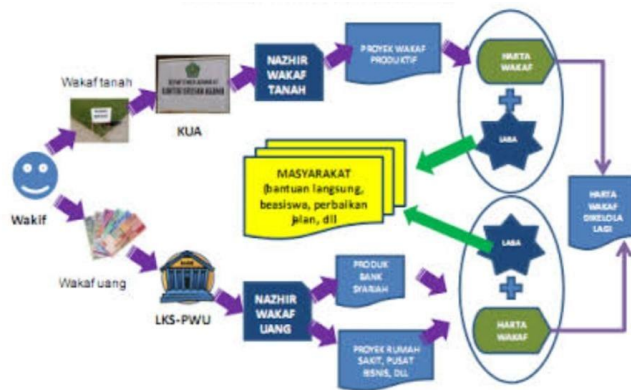


Figure 5. Scheme of Waqf Implementation in Indonesia

Falah's Achievements through the Waqf Network:

1. Economic Empowerment: The Waqf Network can be used to fund productive economic programs such as developing businesses in middle-class communities, providing business capital, or establishing social enterprises. By utilizing waqf funds, this network can help create jobs, increase community income, and reduce poverty.
2. Education and Research: The Waqf Network can be used to support the education and research sectors. Waqf funds can be allocated for school construction, educational scholarships, improving the quality of education, or scientific research. By increasing access to and quality of education, communities will be able to develop their potential to the fullest, which in turn will increase progress and innovation in various fields.

3. **Health and Social Welfare:** The Waqf Network can be used to finance the construction of health facilities, provide access to affordable health services, and improve the quality of health services. In addition, waqf funds can also be allocated to expand social welfare programs, such as social assistance for poor families, provision of food and clothing for those in need, and development of social infrastructure.
4. **Infrastructure and Environmental Development:** The Waqf Network can play a role in supporting sustainable and environmentally friendly infrastructure development. Waqf funds can be allocated for the construction of roads, bridges, irrigation, clean water supply, or renewable energy. This will help improve accessibility, improve the quality of life of the community, and protect and preserve the environment.
5. **Community Empowerment:** The Waqf Network can be used to increase the capacity of communities to address various social and economic challenges. Waqf funds can be allocated to programs such as skills training, entrepreneurship development, women empowerment, or community strengthening. In this way, communities will become more independent, have the skills needed in the world of work, and have the ability to address the social problems they face. (Rasyid et al., 2023)

D. Management and Accountability of Waqf Management in Indonesia

Waqf Governance Institutions in Indonesia

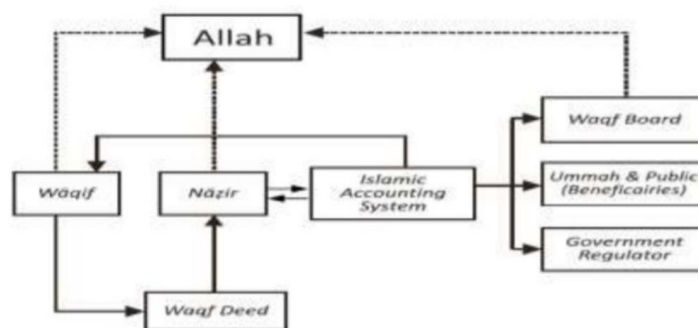


Figure 6. Waqf Management Institution

Waqif provides waqf registration through KUA and appoints nadzir through a waqf oath to then send a waqf certificate. The land agency then manages the waqf assets according to the waqf deposit, then the nadzir manages the waqf assets so that they are commercial and beneficial for the welfare of the community, after which he reports the results both financially and regularly. The sharia accounting system is contained in the Sharia Financial Accounting Standards (PSAK) No. 109 concerning Zakat, Infaq and Sadaqah (ZIS) because IAI, DSN, BI and BWI have not specifically completed the Sharia PSAK which regulates waqf as a form of stakeholder responsibility. To maintain stakeholder trust, there are five principles of good governance that must be followed, namely transparency (openness), accountability, independence, responsibility, and justice in waqf management. (Yusuf, 2022)

By utilizing the distribution of waqf funds effectively, it can encourage inclusive economic development. It is important for related parties, including the community, financial institutions, and social organizations, to work together in forming and managing waqf networks so that the objectives of *falah* can be achieved optimally.

CONCLUSION

Overall, waqf has great urgency in realizing the welfare of the people in Indonesia. By utilizing waqf effectively, it is hoped that a more empowered, educated, healthy, and caring society can be created. It is important for the government, religious institutions, and society as a whole to work together in optimizing waqf management.

According to the results of this writing, the relevance and urgency of waqf in realizing the welfare of the people in Indonesia can reach *falah*. Waqf has high relevance and urgency in realizing the welfare of the people in Indonesia. Through waqf, the community can play an active role in building infrastructure, supporting economic empowerment, increasing access to education, and improving the social and health sectors. In the context of sustainable development, waqf can be a strong instrument to achieve inclusive and sustainable development goals, so that it can improve welfare and social justice in Indonesia.

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