

THE ROLE OF OWNERSHIP AND PRODUCTIVE ZAKAT IN INCREASING THE ECONOMIC EMPOWERMENT OF PEOPLE

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Abstract

Indonesia is a developing country where the majority of the population is Muslim. Islam is a religion that teaches all aspects of life needed by humans. This aspect does not only cover worship, but also muamalah which aims for common welfare. In Islam there are several worship activities that have an impact on human welfare, including waqf and zakat. Indonesian people are still very unfamiliar with waqf and productive zakat which are very useful for poverty alleviation in Indonesia. With the diversity of productive waqf and the awareness of the Muslim community in Indonesia, it is hoped that waqf and zakat can develop so that they can empower people in need. This study aims to determine the role of waqf and zakat in improving the economy of the people in Indonesia. The research methodology used is literature review. The reference source for this research is previous research on productive waqf.

Keywords: productive waqf; productive zakat; economy

INTRODUCTION

Indonesia is a developing country where the majority of the population is Muslim. Islam is a religion that teaches all aspects of life needed by humans. This aspect does not only cover worship, but also muamalah which aims for common welfare. In Islam there are several worship activities that have an impact on human welfare, including waqf and zakat.

Waqf is surrendering (returning) the ownership of human assets to belong

to Allah SWT on behalf of the people, so that these assets can generate benefits on a larger scale. And zakat is an asset that must be issued by muzakki in accordance with sharia provisions to be given to those who are entitled to receive it or mustahiq (Anggadini and Komala, 2017)

In Indonesia, the level of waqf and zakat has the potential to empower the people's economy. This is due to the awareness of adherents of Islam about how important waqf and zakat are. With this awareness, the potential of waqf and zakat can be implemented properly. Besides that, good management is also very much needed in waqf and zakat activities.

Publication of *the Global Charities Aid Foundation* in 2021 which states that Indonesia is the most generous country in the world, which is ranked first based on the *World Giving Index 2021*. Based on data from the Ministry of Religion's Waqf Information System (SIWAK) accessed on September 29, 2021, the potential for land waqf in Indonesia reaches a total of 414,829 locations with an area of 55,259.87 hectares. Then, according to the Indonesian Waqf Agency (BWI) the potential for cash waqf in Indonesia reaches IDR 180 trillion per year. However, the large potential of the waqf cannot be optimized properly.

Table 1. Waqf Land Data in Indonesia

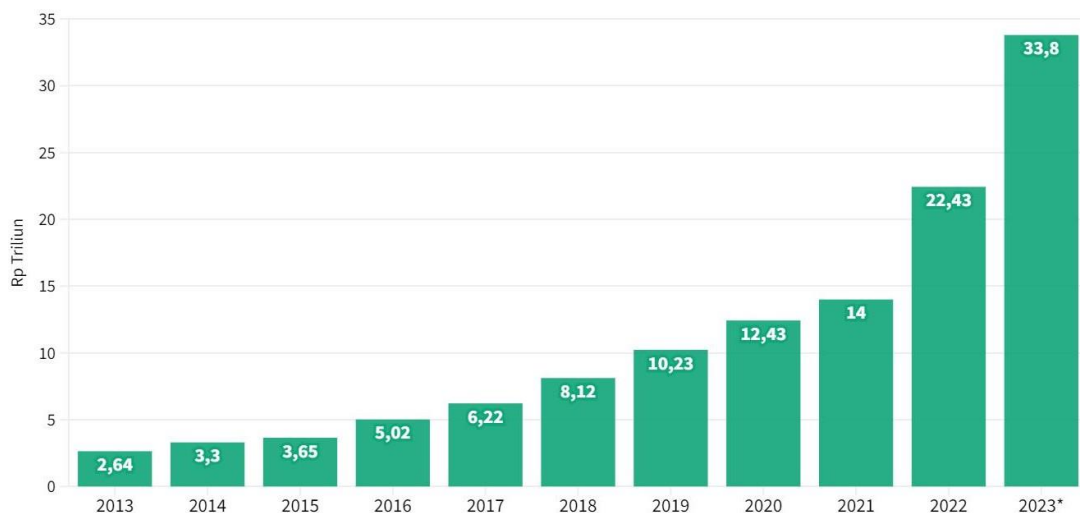
No	Region Name	Amount	Area [Ha]	Certificate already		Not yet certificated	
				Amount	Area [Ha]	Amount	Area [Ha]
1.	aceh	18,520	9508.25	8,833	1175.57	9,687	8332.68
2.	North Sumatra	12031	8063.97	6,869	839.07	5.162	7,224.90
3.	West Sumatra	5,959	675,34	3,885	417.81	2074	257.53
4.	Riau	8,311	2225,49	2,818	469,20	5,493	1756,29
5.	Jambi	6,618	1084.10	3,607	461.74	3011	622.35
6.	South Sumatra	4,190	987.09	2049	150.51	2,141	836.59
7.	Bengkulu	2,395	435.64	1710	245.99	685	189.64
8.	Lampung	14.165	5,877.92	7,761	2,883.91	6,404	2994.01

No	Region Name	Amount	Area [Ha]	Certificate already		Not yet certificated	
				Amount	Area [Ha]	Amount	Area [Ha]
9.	Kep. Bangka Belitung	1,377	408.55	876	220.04	501	188.51
10.	Riau islands	1621	334.45	587	81.39	1,034	253.06
11.	DKI Jakarta	6,785	273.93	4,128	161.65	2,657	112,28
12.	West Java	87,795	6513.15	42,716	2,527.48	45,079	3,985.67
13.	Central Java	112,834	5,825.77	78,492	3,978.54	34,342	1847,23
15.	East Java	78,825	5006.23	37,940	2270.25	40,885	2,735.98
16.	Banten	17,139	1161,11	9,247	587,27	7,892	573,84
17.	Bali	1,498	214,42	1,367	190.85	131	23.57
18.	West Nusa Tenggara	10035	1571.36	6,133	989.72	3,902	581.63
19.	East Nusa Tenggara	1,307	335,26	985	209.90	322	125,36
20.	West Kalimantan	3,468	721.53	1,734	274.63	1,734	446.90
21.	Central Kalimantan	3,378	663.45	1969	368,60	1,409	294.85
22.	South Kalimantan	8,521	1031.73	7,385	842.60	1,136	189,14
23.	East Kalimantan	3,755	944.59	1,708	230.55	2047	714.04
24.	North Kalimantan	535	144,32	166	94.72	369	49,61
25.	North Sulawesi	775	102.78	344	34,40	431	68,37
26.	Central Sulawesi	2,519	397,40	1,527	161.56	992	235.84
27.	South Sulawesi	7,593	981.99	4,565	384,14	3028	597.85
28.	Southeast Sulawesi	1110	110.64	827	71,37	283	39,27
29.	Gorontalo	1964	394.00	1,001	278.75	963	115.25
30.	West Sulawesi	3,068	518.07	1,034	135,17	2034	382.90
31.	Maluku	469	121.36	213	38.96	256	82.39
32.	North Maluku	323	47,21	234	25.85	89	21.36
33.	Papuan	287	59.97	141	19,28	146	40,69
34.	West Papua	77	105,27	41	7,33	36	97.94

No	Region Name	Amount	Area [Ha]	Certificate already		Not yet certificated	
				Amount	Area [Ha]	Amount	Area [Ha]
Amount	440,512	57,263.69	252,937	21197.09	187,575	36066.60	

Source: Directorate of Waqf Empowerment, Ministry of Religion, 2022

Based on the Ministry of Religion's Waqf Information System (2022), waqf land in Indonesia is spread over 440.5 thousand points with a total area of 57.2 hectares. In addition, the potential of the waqf sector in Indonesia, especially cash waqf, is estimated to reach 180 trillion rupiahs per year. The Indonesian Waqf Board recorded cash waqf acquisitions reaching 1.4 trillion rupiah as of March 2022. This figure has increased compared to the acquisition of cash waqf collected during 2018-2021 worth 855 billion rupiah.



From these data it can be seen that 46.37% of the land does not yet have a certificate, which can cause problems or conflicts in the future. For example, when the land has been built by a mosque or other public facilities, when land prices increase, the land owner asks for the waqf land and sells it. This can happen when the certificate is not owned by the manager.

Source: Amil Zakat Agency 2013-2023 (figures in 2023 a projection)

Figure 1. National ZIS and DSKL Fund Collection (2013-2023)

The National Amil Zakat Agency (Baznas) noted that the collection of zakat, infaq, alms (ZIS) and other social religious funds (DSKL) reached IDR 22.43 trillion in 2022. This value increased by 58.90% compared to the previous year. The increase mainly came from the payment of zakat on malls of 22.11% and zakat on sacrificial animals of up to 400.95%. However, this realization has only reached 86.29% of the target set for 2022 of IDR 26 trillion.

The large potential of waqf and zakat must be balanced with good management so that there is no imbalance between the potential and realization of waqf and zakat in Indonesia. Support from the government and the professionalism of nazhir and amil are one of the efforts to improve the management of waqf and zakat. Waqf and productive zakat will be very beneficial for economic progress in Indonesia. The management and development of waqf and zakat assets is carried out productively, including by means of collection, investment, investment, production, partnerships, trade, agribusiness, mining, industry, technology development, construction of buildings, apartments, flats, supermarkets, shops, offices, educational facilities or health facilities, and businesses that do not conflict with sharia.

RESEARCH METHODS

The research methodology used by the authors in this article is a literature review regarding the role of productive waqf for improving the people's economy. The reference source for this research is previous research on productive waqf. Literature review is a research method that examines critically knowledge, ideas or findings contained in the body of literature and provides suggestions and solutions to existing problems.

DISCUSSION

Definition of Waqf

The word "waqf" or "waqf" comes from the Arabic word "waqafa" which means "to hold" or "to stop". Al Waqf in Arabic contains several meanings, namely holding property for endowment. In sharia, waqf means holding assets and providing benefits in the way of Allah SWT (Sabiq, 2008).

According to Nurhayati (2015) waqf has differences among fiqh experts,

so there are also different ways of looking at the nature of waqf. The different views regarding the terminology of waqf according to the Hanafi School are holding an object which, according to law, still belongs to the waqif/waqaf and uses its benefits for good. Ownership rights remain with the waqf, so the waqf property can be withdrawn, sold and if the waqf dies, the property becomes an inheritance for his heirs. Thus what arises from waqf is only to contribute benefits while ownership remains the property of the waqif. Waqf according to the Maliki school of thought is holding objects belonging to the waqf (from using ownership including wages) but allowing the use of the proceeds for good purposes, namely giving the benefits of objects naturally for a certain period in accordance with the waqf contract and is not permissible as waqf lafa (forever).

Waqf Purpose

The purpose of waqf is not just to collect donations, but contains many positive aspects for humanity, including:

1. Demonstrate concern for community needs.
2. Fostering a loving relationship between the Wakif and community members.
3. The moral advantage for the wakif is the disbursement of rewards continuously as long as the waqf is used by the beneficiary. Reward, which in the terms of the Qur'an "tsawab" is eternal pleasure in the hereafter.
4. The source of procuring worship facilities, education, health, housing, and so on for a long time. Because:
 - a) Waqf assets may not be sold, inherited or donated. The purpose of this prohibition is to prevent the change in status of waqf assets from public property to private property. So that waqf will remain a source of funds for society in general.
 - b) Distributed to parties who will be able to enjoy the waqf assets as long as possible.
 - c) Productive source of funds (a lot of results) for a long time.

Productive Waqf

The legal basis for waqf is different from zakat, in that it is not explicitly explained in the Al-Qur'an but still refers to the Al-Qur'an.

"You never reach (perfect) virtue, before you spend part of what you love and what you spend, then surely Allah knows it." (QS Ali Imran verse 92)

Productive waqf is assets that are used for production purposes both in agriculture, industry, trade and services whose benefits are not directly waqf objects, but from net profits from the results of waqf development given to people who are entitled according to waqf objectives (Naimah, 2018). With this productive endowment able to help or empower the community in terms of the economy. Those who have not been able to start a business because they do not have a place to do business will be greatly helped by the existence of a productive waqf.

Definition of Zakat

Zakat according to language is sacred and fertile. Zakat according to syara' terms is the amount of certain assets that are given to those who are entitled to receive them. With several conditions (Ibrahim Lubis 1995:729 in Anggadani and Komala, 2017). Zakat is assets that must be issued by muzakki in accordance with sharia provisions to be given to those who are entitled to receive it. Zakat provisions regulate the terms of nisab, haul, zakat rates, and their designation.

Productive Zakat

In general, productive zakat is the utilization of zakat productively, the understanding of which is more about how to deliver zakat funds to the target in a broader sense, in accordance with the spirit and goals of syara. Productive zakat is defined as zakat in the form of assets or funds and is given to mustahiq who are not used and spent directly for consumption of certain needs, but are developed or used to help their business, so that with this business they can fulfill their daily needs continuously (Muhammad and Mas'ud, 2005: 39). Productive zakat can help people who have the desire to become entrepreneurs, but they do not have enough capital to start their business. With this productive zakat, it is very helpful for them to start a business and earn enough money to meet their daily needs.

Productive Waqf and Zakat Contribution to the Economy

Indonesia is a country with a majority Muslim population which experiences the phenomenon of poverty which can hardly be resolved with the poverty rate according to the Ministry of Finance of the Republic of Indonesia the poverty rate as of September 2022 has increased slightly both in urban and rural areas. The poverty rate in urban areas rose to 7.53% (March 2022: 7.5%). The percentage of poor people in rural areas also increased to 12.36% (March 2022: 12.29%). The government has tried in various ways, but has not been able to completely overcome this problem of poverty. In this study, researchers argue that waqf and productive zakat can help the government to alleviate poverty in Indonesia. And the community can also feel the good impact of this waqf and productive zakat.

The government and people who are experts in this field have a new task, namely to socialize about waqf and zakat itself, its benefits and objectives. Even though the majority in Indonesia are Muslims, they do not fully understand the understanding of waqf and productive zakat. With the existence of waqf and zakat, people who are truly underprivileged can be helped to start a better life, they not only hope for assistance for mere consumption but with their own business they can free themselves from economic difficulties with the results of their own efforts. When both can be carried out optimally, the economic empowerment of the people will be carried out properly.

The government has also issued a law that discusses waqf in Indonesia, namely Law No. 41 of 2004 concerning waqf which is then complemented by PP No. 42 of 2006 concerning its implementation. The existence of these regulations is expected to maximize the potential of productive waqf in Indonesia. Data for 2022 states that the total amount of waqf land in Indonesia currently reaches 57,263.69 hectares . The extent of waqf land in Indonesia is productive, by looking at the natural resources that exist in Indonesia it is very potential to be reprocessed so as to produce products that are useful for the community and can absorb labor.

Islam teaches its people to always foster a high sense of mutual help. In

order to achieve equitable prosperity, waqf and productive zakat must continue to be pursued, so that there are no gaps in Indonesian society.

CONCLUSION

Waqf and productive Zakat are two good things, where the goal is to help people who need to do business or entrepreneurship in order to make a profit. With this productive endowment able to help or empower the community in terms of the economy. Those who have not been able to start a business because they do not have a place to do business will be greatly helped by the existence of a productive waqf. Productive zakat can help people who have the desire to become entrepreneurs, but they do not have enough capital to start their business. With this productive zakat, it is very helpful for them to start a business and earn enough money to meet their daily needs.

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