

PRODUCTIVE WAQF MANAGEMENT BY WAQF NAZHIR IBADURRAHMAN INSTITUTION IN DURI, RIAU PROVINCE

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ABSTRACT - Productive waqf management by the Nazhir Waqf Ibadurrahman Duri Institution has not shown maximum results, as the beneficiaries and the surrounding community have not felt its impact. This research aims to identify productive waqf management strategies and the challenges and obstacles faced by the Nazhir Waqf Ibadurrahman Duri Institution. The method focuses on an in-depth exploration by detailing the phenomena in the field regarding the institution's productive waqf management. Data were obtained through in-depth interviews with institutional administrators and from documents related to waqf management. The research results showed that strategies in productive waqf management by the Nazhir Waqf Ibadurrahman Duri Institution (LNW) include making a comprehensive business plan, managing Human Resources (HR) by increasing the capacity and competence of administrators through waqf nazir certification, utilizing waqf assets for productive activities such as plantations, trade, and services, making transparent financial reports, and creating cash waqf or productive waqf programs to attract public participation. Challenges in productive waqf management include the lack of knowledge and skills of the nazir, limited funds for the development and maintenance of waqf assets, lack of access to technology and information to improve waqf management efficiency, lack of public awareness and participation in productive waqf, and business risks such as crop failure or natural disasters affecting waqf assets.

Keywords: Management, Productive Waqf, Institution

ABSTRACT - Productive Waqf Management by Ibadurrahman Waqf Nazir Institution Duri, Riau Province. Productive waqf management that has been carried out by the Ibadurrahman Duri Waqf Nazir Institution has not shown maximum results, because the beneficiaries and the surrounding community have not felt the equitable results of the management. The purpose of this research is to identify productive waqf management strategies and identify the challenges and obstacles faced by the Ibadurrahman Duri Waqf Nazir Institution in managing productive waqf. This research method focuses on in-depth exploration by describing the phenomena that occur in the field in detail on productive waqf management carried out by the Ibadurrahman Duri Waqf Nazir Institution. Data were obtained through in-depth interviews with the institution's management. Data were also obtained by collecting and analysing documents related to waqf management. The data is analysed and then drawn conclusions. The results of the research obtained that the strategy in productive waqf management by the Ibadurrahman Duri Waqf Nazir Institution (LNW) is to make a clear and comprehensive business plan, management of Human Resources (HR) by increasing the capacity and competence of waqf nazir institution administrators through waqf nazir certification. Utilising waqf assets for productive activities such as plantations, trade, and services. Making transparent financial reports, creating cash waqf or productive waqf programmes that can attract people to participate. Challenges and obstacles in productive waqf management are the lack of knowledge and skills of the nazir, limited funds in the development and maintenance of waqf assets, lack of access to technology and information that can



improve the efficiency of waqf management, and the lack of public awareness and participation in productive waqf, as well as business risks such as crop failure, or natural disasters that can affect waqf assets.

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INTRODUCTION

Waqf is one of the Islamic financial instruments that has great potential in supporting the social and economic welfare of the community. (Raimi, Patel, and Adelo, 2014).. Waqf is often utilised to establish public facilities such as mosques, tombs and schools. In addition, waqf is also used to fund healthcare services, libraries, and community centres, all of which contribute to improving people's quality of life.

However, waqf management, which aims to utilise waqf assets productively and sustainably, still faces various challenges. One of the main challenges is the lack of understanding and awareness of the concept of productive waqf among waqf managers. Many waqf assets are not optimally utilised because the managers do not have sufficient expertise or knowledge of effective asset management. Productive waqf management, therefore, still faces various challenges, especially in terms of its human resources as managers. (Lubis et al., 2023).

Apart from the incompetence of waqf managers, other things also stem from the lack of funds used for the management of waqf assets including funds for the development and maintenance of waqf assets. (Abd. Jalil, 2020). In addition, the lack of access to technology and information (Elgazzar, S. H., & Rahman, 2020) and the lack of public awareness and participation in productive waqf (Elgazzar, S. H., & Rahman, 2020). (Elgazzar, S. H., & Rahman, 2020). Barriers to the optimisation of productive waqf management can also stem from factors beyond human control, such as crop failure and natural disasters being significant obstacles affecting the sustainability of waqf assets.

Lembaga Nazhir Wakaf Ibadurrahman Duri, operating in Riau Province, Indonesia, is one of the nazir institutions that has a great responsibility in managing waqf assets productively. The waqifs entrust this institution to manage their land into oil palm and rubber plantations. The waqifs donate their land, and hope that it will be managed well to become a producing oil palm or rubber plantation, and the benefits will be distributed to



the community. (Ratmi, 2024). The management of waqf assets in the form of oil palm and rubber plantations has started since 2009 until now. Some have produced, but some have not yet produced. In addition to managing the plantation, it is also in the field of trade and services.

Although the Ibadurrahman Duri Waqf Nazir Institution has made various efforts in productive waqf management, the results obtained have not been optimal as expected. Besides the competence of the nazir which is an obstacle, there are other things that concern the nazir, namely the ability to garden, as well as natural factors that are beyond human reach. Based on the problems that have been described, this research aims to identify strategies to encourage community productivity through waqf and identify the challenges and obstacles faced by the Ibadurrahman Duri Waqf Nazir Institution in managing productive waqf.

LITERATURE REVIEW

Productive Waqf

Waqf means holding an item with the transfer of ownership from the waqif and distributing its benefits to other parties. Although there are different views among scholars, the majority are of the opinion that waqf is property that comes from the wakif and is handed over to the nazhir to be managed. Thus, the waqif no longer has legal rights over the object that has been waqf, but the proceeds are used for the benefit of the people to get closer to Allah and fulfil their needs. Waqf is one of the potential instruments in economic activities to fulfil needs and improve welfare, and reduce poverty.

Waqf has two separate but interrelated dimensions. The first dimension relates to belief in Allah (*hablumminallah*), which is the relationship between believers and their Creator. The second dimension relates to the relationship between creatures in fulfilling the needs of life (*bermuamalah*), which has a major social role in realising benefits for society if managed productively and optimally.

Productive waqf is another form of waqf empowerment through integrated management, nazir welfare, transformation, and accountability. According to Jaih in Qolbi, Ayuniyyah, and Beik (2022) According to Jaih in Qolbi, Ayuniyyah, and Beik (2022), productive waqf is a transformation from traditional waqf management to professional management in order to increase



and expand the benefits of waqf. Meanwhile, Qahaf argues that productive waqf is the use of waqf assets for the production of goods and services that are traded for the benefit of the waqf itself. (Lubis et al. 2023).

Productive Waqf Management

Management comes from the Latin words *manus* and *agere*, which mean to do. These words are combined into *managere* which means to handle. In English, *managere* translates into to manage (verb), management (noun), and manager (for people who perform management activities). In Indonesian, management is defined as management. Etymologically, management is a process or effort made to achieve a goal. (Mayasari and Qulub 2020)

Waqf management occupies a very important position in the world of waqf. Whether or not a waqf object is useful depends largely on its management pattern. If so far waqf objects have only been managed casually using trust management and leadership centralism that ignores the aspect of supervision, then modern waqf management must feature a more professional management system. (Mayasari and Qulub 2020)

Waqf management is divided into two general clusters, namely: Internal Aspect Cluster and External Aspect Cluster. The Internal Aspects Cluster consists of Human Resources (HR), Accountability, and Products, while the External Aspects Cluster consists of Regulations, Demographics, and the General Public.

HR factors include managerial skills, visionary leadership, measurable mission, certified competence as a nazir, and member participation. Waqf management institutions need people who have the right educational background, professional training, and certification programmes. (Qurrata et al. 2021). Accountability factors include the amount of assets, financial performance, administrative completeness, length of operation, and supporting IT facilities. Product factors include contract structure, socialisation media, time period, productivity of waqf management, and community education.

Regulatory factors include sharia principle guidelines, waqf PSAK standards, nazir coaching and mentoring, management guarantees, and sanctions for violations. Demographic Factors include religion, local culture, population, profession, and competing institutions. General Community Factors include the initiative of the asset owner, the level of public education, the level of public understanding of waqf, the level of public trust in waqf



managers, and the level of confidence in the success of waqf management. (Lubis et al. 2023).

Productive Waqf Management Strategy

In Indonesia, it is still rare for people to endow their land in the form of productive waqf, and the management of such land requires considerable costs. This is important as many waqf lands in our country have declined in value due to lack of proper maintenance and asset development.

Many waqf assets are managed by unprofessional nazirs, so that many waqf assets do not function optimally and do not provide the expected benefits. In fact, many waqf assets are converted or sold to irresponsible parties because the nazir is unable to manage the waqf assets professionally. Therefore, a real strategy is needed so that the existing waqf can be immediately empowered for the welfare of the community. (Usman, 2009).

One of the obvious strategies in productive waqf development is partnership. Nazir institutions must establish business partnerships with other parties who have capital and business interests in accordance with the strategic position of waqf which has high commercial value. This partnership aims to mobilise the full economic potential of the waqf. The system of cooperation with third parties must still follow sharia principles, either through musyarakah or mudharabah. These third parties include (Department of Religious Affairs of the Republic of Indonesia, 2007):

- Business Investment Institution is a non-financial services business entity that can come from outside the waqf or other institutions interested in the strategic development of waqf land.
- Individual Investment is an individual who has sufficient capital, with the capital invested in the form of ownership shares in accordance with the existing value. This individual investment can be made by more than one party with the composition of shares in accordance with the capital invested.

In addition to working with parties who have capital and business relationships, the waqf nazir must also synergise the programme with supporting institutions, such as MUI, universities, financial consulting institutions, and others.



METHODOLOGY

This research is descriptive qualitative, which describes events or phenomena related to productive waqf management to find contextual understanding. This research focuses on in-depth exploration by describing the phenomena that occur in the field in detail on productive waqf management carried out by the Ibadurrahman Duri Waqf Nazir Institution.

To avoid subjectivity, information was obtained from experts relevant to the data. Information was collected using purposive sampling. Data were obtained through in-depth interviews with institutional administrators. Data were also obtained by collecting and analysing documents related to waqf management. After all the data has been collected, the next step is to analyse the data, both empirical and documentation, by classifying and describing the findings in the form of a research report.

RESULT AND DISCUSSION

Some of the waqf assets that have been collected by the Ibadurrahman Duri Waqf Nazir Institution and managed productively are palm oil plantations in Jambi, rubber plantations in Tenggana, ticketing and travel services, sharia cooperatives, Ibadurrahman Laundry House, Ami Drinking Water Depot, Ibadurrahman Duri Waqf Nazir Institution Catering, and Ibadurrahman Duri Waqf Nazir Institution Canteen (LNW). (Iwan, 2024).

Productive Waqf Management Strategy by the Ibadurrahman Waqf Nazir Institution Duri

The following is a productive waqf management strategy by the Ibadurrahman Duri Waqf Nazir Institution in managing various waqf assets:

Oil Palm Plantations in Jambi

The yield of oil palm plantations in Jambi from 2021 to 2023 was obtained: in 2021, the yield reached 18,191 kg with a net income of IDR 24,847,000. In 2022, the yield increased to 23,992 kg with a net income of IDR 16,513,000. In 2023, the yield decreased to 11,118 kg with a net income of IDR 8,525,000. Beneficiaries of palm oil yields in Jambi use the income for social and economic activities in communities around the plantation. (Lili, 2024) .



The strategy that can be carried out by the Ibadurrahman Duri Waqf Nazir Institution in optimising the results of rubber plantation management is to use modern agricultural technology and best practices to increase production yields. Placing experts and experienced personnel in plantation management, expanding the variants of products produced, such as crude palm oil and its derivative products, utilising palm oil waste for things that have value, for example the use of fronds, sticks into woven plates.

Rubber Plantation in Tengganau

Rubber plantation in Tengganau with an area of 19 hectares, Here is the endowment data of rubber plantation yields in Tengganau from 2018 to 2023. In 2018, the yield reached 572 kg with a net income of IDR 10,218,600. In 2019, the yield increased to 3,339 kg with a net income of IDR 20,813,150. In 2020, the yield decreased to 1,567 kg with a net income of IDR 9,051,300. In 2021, the yield increased again to 1,887 kg with a net income of IDR 11,471,250. In 2022, the yield increased to 3,147 kg with a net income of IDR 12,165,700. In 2023, the yield decreased to 2,007 kg with a net income of IDR 7,140,100. (Kiki, 2024). The results of the management of this rubber plantation have been channelled for the benefit and welfare of the people. (Kiki 2024).

The management of this rubber plantation will be more optimal if LNW Ibadurrahman Duri implements a strategy through: quality improvement by using superior seeds and good maintenance techniques to produce high quality rubber, then effective marketing strategies by establishing partnerships with the rubber processing industry and expanding marketing networks. (Kiki, 2024).

Ticketing and Travel Services

The Ibadurrahman Waqf Nazir Institution (LNW) ticket and travel service is one of the programmes managed by the Ibadurrahman Waqf Nazir Institution (LNW) in the business sector. These waqf assets come from waqifs whose management is handed over directly to the Ibadurrahman Waqf Nazir Institution (LNW). (Lili, 2024).

In the management of productive waqf by the Ibadurrahman Duri Waqf Institution, the ticketing and travel sectors are optimised to provide maximum benefits for the people. The following management strategies are applied, namely by providing excellent service, namely providing fast and friendly customer service to increase customer satisfaction; digital marketing



activities by using digital platforms to promote services and reach more customers. By implementing these strategies, the Ibadurrahman Duri Waqf Institution can effectively manage the ticketing and travel sector, so that it can make a significant contribution to the welfare of the community through productive waqf.

Shari'ah Cooperative

The sharia cooperative is one of the business activities of LNW Ibadurrahman which functions as a financing solution for Ibadurrahman Foundation employees, especially through the Murabahah financing system (sale and purchase of goods). The cooperative has 133 members with a total disbursed financing of IDR 915,750,000. (Lili, 2024).

The strategy that can be applied to improve the business of LNW Ibadurrahman Duri Sharia Cooperative is through member empowerment by providing training and mentoring to cooperative members to improve their abilities, and also improving sharia financial management by applying sharia financial principles in every transaction to maintain business blessings.

Ibadurrahman Laundry House

Ibadurrahman Laundry House provides facilities for students at SMP IT Ibadurrahman Duri Boarding School, PPTQ Ibadurrahman, and SMA Internat Ibadurrahman. In addition, Ibadurrahman Laundry House also serves the general public at affordable prices (Iwan 2024). The management strategy that can be carried out by LNW Ibadurrahman Duri is to provide quality services by prioritising cleanliness and timeliness in laundry services, as well as promotion and discount strategies by offering promos and discounts to attract more customers.

Ibadurrahman Drinking Water Depot (AMI)

AMI Drinking Water Depot is one of the productive businesses of the Ibadurrahman Waqf Nazir Institution (LNW). This depot produces healthy, fresh and hygienic mineral water. Every purchase of mineral water at this depot also includes giving (Iwan 2024). The management strategy that can be carried out by LNW Ibadurrahman Duri is to pay attention to ensuring water quality, namely ensuring the quality of drinking water through routine laboratory tests and the use of sophisticated filtering technology, and creating a wide distribution network to reach more customers.



Catering for the Ibadurrahman Waqf Nazir Institution (LNW) Duri

The Ibadurrahman Waqf Nazir Institution Catering Program is here to provide halal, good, tasty, and clean food in the Ibadurrahman Duri Balai Raja-Pinggir complex. Ibadurrahman Duri Catering also accepts orders from the general public, such as for aqiqah and other thanksgiving events (Lili 2024). The management strategy that can be carried out by LNW Ibadurrahman Duri is to provide a varied and healthy menu by providing a wide selection of healthy and delicious menus according to customer needs, and providing professional services by maintaining high service standards in every event handled.

Canteen of Lembaga Nazhir Wakaf (LNW) Ibadurrahman Duri

The LNW Ibadurrahman canteen currently operates within the IDBS Junior High School premises, providing halal, healthy, good, clean and fresh food. The canteen is committed to maintaining food quality by serving food free of preservatives, colourings, flavourings and artificial sweeteners. Currently, the cosy canteen is only available for female students. LNW Ibadurrahman Duri is currently raising waqf funds to build a canteen within the boys' dormitory that will also be used as a student dining hall (Kiki 2024). The waqf management strategy by LNW Ibadurrahman Duri is to maintain cleanliness and hygienic standards in serving food, as well as providing quality food at affordable prices for all groups.

The strategies that can be carried out by LNW Ibadurrahman Duri are expected to increase the effectiveness and efficiency in managing productive waqf assets, so that the benefits can be felt by all the wider community.

Challenges and Obstacles Faced by the Ibadurrahman Duri Waqf Nazir Institution in Managing Productive Waqf.

Some of the challenges and obstacles faced by the Ibadurrahman Duri Waqf Nazir Institution in managing productive waqf (Lili 2024): *First:* Limited Human Resources, both in terms of quality and quantity, and lack of skills related to the management of waqf assets. *Second:* Capital and Financing, where there is limited capital to start or develop a productive waqf business. *Third:* Existing regulations and policies related to productive waqf management lack support from the government that facilitates productive waqf management. *Fourth:* Public Awareness and Understanding, namely the low level of public awareness about the importance of productive waqf. Lack of public understanding of the benefits of waqf and how to manage it.



Fifth: Infrastructure and Technology, namely the limited adequate infrastructure to support waqf management, and the lack of use of technology in the management of waqf assets to improve efficiency and effectiveness. *Sixth:* Market Competition, i.e. intense competition with other businesses in the same sector, and challenges in maintaining the quality and price of products or services to remain competitive. *Seventh:* Management and Transparency, i.e. the lack of an effective monitoring and evaluation system to ensure that waqf management goes according to plan. *Eighth:* Social and Cultural Constraints, i.e. differences in people's views and attitudes towards productive waqf management.

Addressing these challenges and barriers requires a comprehensive approach, including human resource capacity building, access to appropriate financing, regulatory reform, increased public awareness, and the application of technology and good management.

CONCLUSIONS

The Ibadurrahman Duri Waqf Nazir Agency manages a variety of productive waqf assets, including palm oil plantations, rubber plantations, ticketing and travel services, sharia cooperatives, laundry houses, drinking water depots, catering, and canteens. Each of these assets has a management strategy that aims to increase yields and provide maximum benefits to the community. These strategies include the use of modern technology, product diversification, excellent service, digital marketing, member empowerment, and product and service quality assurance. The proceeds from the management of these assets are used for various social and economic activities that benefit the community.

However, the Ibadurrahman Duri Waqf Nazir Institution faces various challenges in managing productive waqf, such as limited human resources, capital, unsupportive regulations, and low public awareness and understanding of productive waqf. In addition, limited infrastructure and technology, competition in the market, lack of management and transparency, and social and cultural constraints are also obstacles. Overcoming these challenges requires a comprehensive approach, including human resource capacity building, access to appropriate financing, regulatory reform, increased public awareness, and the application of technology and good management.



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