

Muhammadiyah Waqf Land Empowerment Model in Magelang

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ABSTRACT

Waqf has played an essential role in solving the social problems of the Ummah as a potential financial instrument. However, its management has long been applied in Indonesia without any impact on empowerment. This study, therefore, aims to identify and explore the land empowerment model in Magelang and its role in the development of Muhammadiyah Charitable Enterprises. The research uses a descriptive qualitative method, and data is obtained through observation and interviews with the Waqf Board and Minister of Muhammadiyah Regional Leadership (MWK PDM) Magelang Regency. The regency managed about 415 waqf land until the end of 2019, where 95% have been used while 5% are vacant land. The institution uses the Islamic investment model to empower empty Waqf land by leasing as rice fields and building business units with collaboration from Islamic financial institutions. The results show the success of the Regency in ensuring land productivity and the development of Muhammadiyah Charitable Enterprises. This is in line with the main objectives regulated by PP Muhammadiyah through the development and management of Waqf.

Keywords: Muhammadiyah, Waqf, land empowerment model

1. INTRODUCTION

In Indonesia, waqf comes as a solution to most economic problems due to its teachings on spiritual dimensions [1]. However, the term waqf is not popular to the Indonesian society, since it is limited to consumptive objects such as mosques, prayer rooms, or cemeteries [2].

Productive management of waqf for the welfare of the community is an inevitable demand. Especially now that Indonesia is experiencing an economic crisis that requires the participation of many parties. The management of waqf is attributed to various elements of the society, such as community organizations, government agencies, and private institutions. In 1972, the Endowments and Endorsement Council (MWK) appointed Muhammadiyah to manage and regulate Waqf [3]. Its waqf in Central Java developed to a total of 2,834 parcels of land. The most significant being 415 parcels that spread in 21 districts in Magelang, providing extraordinary potential.

The vast amount of waqf assets above has the potential to develop the welfare of the community, including efforts to improve the quality of the economy, education, health and social affairs. However, most have not been developed, such as schools, mosques, homes, health, dakwah, and rice fields [4].

Various studies have been done to analyze the role of waqf, which revealed the use of the association concept in religious facilities, education, and the economy [5], [6]. Most problems arise from a lack of financial resources, land location, and improper management, which can be resolved through the formation of cooperative partnerships and the use of leases.

Previous studies reveal that the role of the Waqf Council and the Regional Leadership of Muhammadiyah Magelang have not been explored. This research furthermore analyzes the development of the model used by the Waqf and Martyrdom Council to empower land owned to be considered as a reference in other areas in Central Java.

2. LITERATURE REVIEW

Research on waqf has been widely carried out by researchers, and most researchers focus on the productivity of waqf management, waqf administration, utilization models, and fundraising for waqf. Based on the results of the 45th Muhammadiyah Congress in Malang City, Muhammadiyah has formed a special assembly that handles the functions of representation and assets, namely Majelis Wakaf dan Kehartabendanaan that manages zakat, infaq and shadaqah which are integrated into the management of waqf according to the rules of sharia in accordance with the rules set by Muhammadiyah [7].

Furthermore, waqf is also one alternative that can overcome the problems currently affecting the Indonesian people, especially poverty. Based on previous waqf research, the major focus is on analysis, management, administration, and fundraising. Currently, it stands as an alternative to overcome poverty and enhance the welfare of the its community [8]. However, it was unsuccessful since its management is traditional consumptive, lack of nazhir understanding in their roles. On the other hand, the management of Muhammadiyah waqf is still not optimal in empowering waqf, because the work is not used as the primary profession. As a result, there is waqf land that is not

included in the administration of waqf assets due to negligence of nazhir [9].

This classical and consumptive understanding has caused waqf to be limited in eternal sourcing of funds to solve community problems. Waqf investment models are supposed to make them more productive through direct investment in the real sector or the use of feasible monetary instruments [10]. On the other hand, a combination of the two financial instruments (zakat and waqf) presents an endowment for welfare through a profit and loss sharing based model [11].

Dependence on the acceptance of assets from waqf creates a problem of resilience [12]. Therefore, these institutions need to initiate profitable projects to finance the basic needs such as education and health [13]. A variety of investment projects are needed to avoid public burden due to high maintenance costs [14]. Therefore, the model needs to be carried out on an ongoing basis to determine its roles in community development.

3. METHOD

This study uses a research and development approach where data is obtained through observation and interviews to waqf nazhir. The data is narrowed down by its relevance to the research. The data obtained, both from primary and secondary data, are then processed and analyzed qualitatively. Before the analysis is carried out, the researcher focuses on the collected field data. The field data are then selected, in the sense of determining the degree of relevance with the research purpose.

Furthermore, the selected data is simplified, in the spirit of clarifying data based on themes, combining scattered data, exploring themes to recommend additional data. For this reason, the data obtained from the MWK was then reduced by selecting the data relevant to this study. Then it would be simplified to clarify it to fit the theme of this study. Another data collection is conducted after a reduction for counter-check. On completion of these steps, it concludes based on analysis and understanding.

4. RESULTS AND DISCUSSION

In 1912, Muhammadiyah was founded by Ahmad Dahlan as a religious and social organization for the management of waqif's assets. The panel was formed to manage representative, assets, and the property sector. It collects waqf through granting rights, buying, and selling. As of 2019, MWK PDM had received and managed assets of 415 fields, translating to 189.35 Ha in 21 Sub-districts (Table 1). It indicates the excellent potential of waqf to develop Muhammadiyah Charitable Enterprises with large land.

Table 1 Muhammadiyah waqf data in Magelang

No	Acquisition of assets	Amount	Percentage
1.	Waqf	308	74%
2.	Grant	26	6%
3.	Buy and Sell	51	12%
4.	Grant of Rights	30	8%
Total		415	100%

Table 1 shows successful endowment based on a large number of assets received through waqf, such as 308 lands, with a percentage of 74% of all land across 21 Districts. Besides, Muhammadiyah Wakaf has been successful in socializing endowments from the processes such as grants, Buying and Selling, and Granting Rights.

Muhammadiyah's waqf area was later utilized for the development of Muhammadiyah's Charitable Business fields. Firstly, education used 160 lands, and 61% (Table 2) were used for the development of TK, SD / MI, SMP / Mts, SMA / SMK / MA, and Muhammadiyah Islamic boarding schools. Secondly, the development of Muhammadiyah Orphanage utilized 8%. Thirdly, the health sector used 4% to establish a Community Health Center such as Hospitals. Fourth, the da'wah field used 5% for the development of Muhammadiyah preaching's, such as the construction of multipurpose buildings and the offices. Fifth, in the area of worship, 17% was used to provide worship facilities such as mosques and prayer rooms, and the 5% remainder is unused land.

Table 2 Utilization of Muhammadiyah waqf land

No	Shape	Amount	Percentage
1.	School	253	61
2.	Orphanage	33	8
3.	Health	16	4
4.	Da'wah	20	5
5.	Mosque	70	17
6.	Empty Land	20	5
	Total	415	100

Muhammadiyah waqf initiated the Islamic investment model to empower vacant land for either agricultural development or commercial business. The land should be categorized based on the purpose before allocating the right investment model (Figure 2).

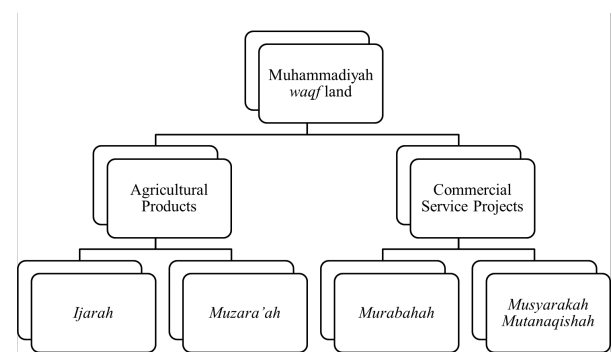


Figure 2 Muhammadiyah waqf land investment model

In the context of developing idle land, MWK PDM Magelang Regency then initiated the Islamic investment model as a model of empowering the unused land, both in the form of agricultural development and in the way of commercial business. This model requires MWK to categorize waqf land first into two types namely agriculture and commercial business and then determine the right investment model in Islam. MWK PDM makes Islamic

investments in the form of (a) ijaarah; (b) muzaara'ah; (c) muraabaha; and (d) musyaarakah. The following data illustrate the success of the model used:

- a. Empty land in the form of rice fields
MWK PDM empowers empty land by investing using the ijarah agreement and muzaraah and the outcome used to finance the development of Muhammadiyah's business charities.
- b. Potential waqf land
The Muhammadiyah waqf cooperated with Islamic financial institutions using a Murabaha contract to erect a building. TokoMu in Mungkid and Muntilan is a form of cooperation that has been realized and can contribute to the development of commercial business.

Following Muhammadiyah's Household Budget on Financial and Wealth Management Article 34 paragraph (1), the management of waqf assets done in an integrated manner and is legally owned by the Central Executive Board (PP). The process is administered by the Waqf and Journalist Council, while Muhammadiyah Charitable Enterprises (AUM) is in charge of management.

According to the presented data and results, the development of investment models has been successful in increasing land productivity. In Abdul Karim's view, waqf must identify potential and suitable assets for development to benefits the Ummah [17]. Furthermore, this may be a solution to the problems occurring at Muhammadiyah Charitable Enterprises that opens more extensive opportunities for development.

5. CONCLUSION

As of 2019, the waqf institution had handled 415 waqf parcels, which were utilized in the following sectors, including education (61%), the social (8%), the health (4%), the da'wah and worship (22%). Empty or unutilized land is empowered through an investment model such as rent and cooperation from rice fields and economic development of TokoMu from waqf land. This investment model is considered auspicious for enhancing land productivity through applicable regulations on the management and development of waqf.

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