

Optimizing the Role of Productive Waqf in Realizing the Welfare of the People of Palu City

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ABSTRACT

This article discusses optimizing the role of productive waqf in Palu City and the factors inhibiting maximizing the role of productive waqf in the welfare of the people of Palu City. This research uses empirical legal research with a qualitative approach. The data collection technique is by direct observation at the Indonesian Waqf Board in Palu City, then by conducting interviews and documentation to complete the research information. The data analysis techniques used are data reduction, data presentation, and conclusion from general to specific. The results of this research explain that the optimization of productive waqf operations in Kolta Palu is carried out in various ways to promote community welfare, namely continuous socialization. Activities are also deliberately carried out to ensure the existence of new *wakifs* (waqf). Asset mobilization means looking for ways to consolidate public assets into waqf assets. The Indonesian Waqf Board has increased the capacity of recipients of waqf assets (Nazir). They will be trained and developed by the Indonesian Waqf Board to manage the waqf assets that have been allocated. Second, productive waqf in Palu has so far not been running optimally, and this collaboration is due to several contributing factors, namely the problem of the community's understanding of waqf procedures, waqf administration and management, waqf property, waqf nazir and budget funds for registration of land certificates.

ARTICLE INFORMATION

Keywords:

Optimizing zakat,
productive waqf,
waqf management,
community
welfare.

1. Introduction

Indonesia is the country with the largest Muslim population. The population census conducted by BPS shows that 237,641,326 people in Indonesia and 207,176,180 people are Muslim, or 87.17% of the population. Currently, Indonesia has 280,205,548 residents, according to Worldometers data. Apart from having a majority Muslim population, Indonesia also has the largest area of waqf land in the world. There are 57,263.69 ha of waqf land in Indonesia with 440,512 locations, 187,575 locations do not yet

have a waqf certificate, and 252,937 already have one. Due to the significant Muslim population in Indonesia and the large amount of land donated, waqf has enormous potential as a tool for development and poverty alleviation.

Waqf is Islamic philanthropy that must be carried out for the good of the people. Throughout Islamic history, waqf was essential in forming mosques, schools, taklim assemblies, hospitals, orphanages, boarding schools, and other Islamic social institutions. There are two aspects of waqf: mahdhah worship, which is a relationship with Allah, and muamalah, which is

a second relationship. Waqf has a social function because it can have a significant impact on society as a whole, both Muslims and non-Muslims if managed well. Waqf has existed in Islamic history since the time of the Prophet Muhammad. However, this practice only emerged when the Prophet Muhammad emigrated to Medina, where he built the first waqf, the Quba Mosque.

Then, Rasulullah built the Nabawi Mosque on land he bought from Qabilah Bani Najjar, an orphan, for 800 dirhams. However, the waqf was managed well after Rasulullah SAW died, as happened with the waqf land donated by Umar bin Khattab ra. This continued during Umayyad, Abbasid, and Ottoman rule. According to Boundjellal in Afdi Nizar, historical evidence shows that waqf administration management and improvement were carried out at that time. Hence, waqf institutions became an important part of government economic activities. However, waqf developed very slowly in many Muslim countries because of colonial occupation and the collapse of the caliphate. This is even worse because much of the waqf land is unused and stagnant due to mismanagement and poor administration from waqf management institutions.

In addition, many people do waqf but do not do things such as building supervisory and controlling institutions or transparent financial reporting systems. This is an additional reason why waqf management remains very poor. These facts then encouraged several Muslim countries to consider and revive the role of waqf. In 1987, Turkish waqf institutions were allowed to set up businesses and develop their waqfs. As a result, they become more productive and earn more money. They have built various properties, including business houses, apartments, hotels, factories, commercial and cultural facilities, and other properties.

The governments of Saudi Arabia and Jordan also apply the same methods and approaches. The Saudi Arabian government carries out management and development through the Supreme Council of Waqf, which includes hotels, land, houses, shops, gardens, and places of worship. In Jordan, waqf is also put to good use, and the proceeds are used to produce new housing, build farmers' houses, and develop agricultural land.

Several countries, such as Malaysia, Singapore, and Bangladesh, have adopted more sophisticated waqfs, namely cash and property waqfs. For example, Social Investment Bank Ltd. (SIBL) has managed waqf in Bangladesh. The bank has developed in the social capital market and other Islamic financial instruments. In Malaysia, the Johor State Government manages the waqf institution Johor Corporation Berhad (JCorp), which focuses on investments in hospitals, shares, and various economic sectors. On the other hand, as stated by Abdul Karim in his thesis at Durham University, managing all waqf assets in Singapore focuses on community empowerment through the waqf institution WAREES (Waqf Real Estate Singapore).

Indonesia's Islamic economy has entered a new phase of progress. The cause is the development of Islamic institutions in the financial and economic fields, such as Sharia Banks, Sharia Insurance, Baitul Maal wa Tamwil (BMT), Sharia Capital Markets, Amil Zakat Agency, and Waqf Funds.

What is new in waqf governance in Indonesia is the empowerment and optimization of productive waqf. For this productive waqf to run well, additional organizations are needed that can collaborate with institutions related to the world of waqf. So far, it has been seen that empowering and optimizing waqf has faced many problems, especially in terms of productive management. As a result, people who need it experience less benefit. Therefore, the optimization and empowerment of waqf must be transferred to productive waqf through governance that aligns with Islamic law by utilizing all existing potential.

Empowerment and optimization of waqf assets can be done in various ways, such as supermarkets, educational facilities, shops, apartments, flats, building construction, investment, technology, capital protection, production, partnerships, trade, agribusiness, mining, industry, and other businesses. which does not conflict with sharia. In terms of managing waqf assets to achieve waqf objectives, Article 42 of Law Number 42 of 2004 stipulates that nazir must manage and develop waqf assets following their objectives, functions, and designation. Furthermore, Article 43 specifies that nazir waqf assets, as mentioned in Article 42,

are managed and developed following sharia principles.

It cannot be denied that the majority of Indonesian nazirs lack the necessary expertise to manage the waqf assets given to them. CSRC survey results show that only 16% of Nazirs are fully employed. Most of them work part-time (84). They have permanent jobs, such as civil servants, private sector workers, traders, farmers, and so on, which must be prioritized along with their work as nazirs.

There are 2,519 waqf lands in Palu, an area of 397.40 ha. With 373,218 residents, many of these waqfs have not significantly contributed to Palu. Urban waqf institutions can utilize existing assets to create profitable waqf. One thousand five hundred twenty-seven waqf assets have been certified with an area of 161.56 ha, and 992 waqf assets that have not been certified have an area of 235.84 ha. For example, waqf land managed by nazir is used to build mosques or prayer rooms, and other land is used for public cemeteries or educational facilities such as schools and prayer halls. The benefits are usually used directly and socially. Social benefits from a management perspective are typically given to waqf.

Waqf is very profitable because waqf land in Palu City is precious. Undoubtedly, the benefits obtained will be social and open up new workspaces for the growth of home industries. Therefore, apart from assessing the economic potential that can be generated from certain waqf land in Palu City, it is also essential to identify the main problems that cause the lack of effective waqf management.

Knowledge and understanding of waqf are critical issues that are easy to find. Until now, "waqf" meant items the wakif gave for a specific purpose with a reward that would last forever. Nazir, or waqf management, also means managing waqf in a sharia manner like alms. It is suspected that there is a relationship between waqf management by nazir and people's understanding of waqf, which results in an ineffective waqf management model. Therefore, knowledge and management of productive waqf in society and nazir must be used in how it develops.

Apart from that, there is the problem of making people believe that these productive waqfs do not violate Islamic law. The community

does not think that the function of the waqf can be expanded because there are reasons tied to the wakif's intended use of the waqf. To foster public confidence that waqf can generate financial profits, there needs to be socialization and knowledge about how to make waqf assets productive and valuable.

The government formed the Indonesian Waqf Board as an independent institution through Law No. 41 of 2004 to help improve and optimize national waqf. Indonesian Waqf Board aims to improve the Indonesian economy by developing the benefits of waqf assets. This includes changing unproductive waqf assets into productive ones, which will generate many profits.

2. Literature Review

A. General Overview of Waqf

1. Understanding Waqf

a. According to Law Number 41 of 2004

The definition of waqf is contained in Article 1 Paragraph 1 of Law No. 41 of 2004 concerning waqf. This law states that waqf is the legal act of a wakif to separate and/or distribute part of his property to be used indefinitely or for a certain period of time in accordance with its needs for worship and/or public welfare in accordance with Sharia.

b. According to Islamic Law Studies

The word waqf comes from the Arabic word "*waqafa*". The origin of the word "*waqafa*" means "to hold back" or "stop" or stay in place or stand. The words "*Waqafa-Yaqifu-Waqfan*" have the same meaning as "*Habasa-Tajbisu-Tahbisan*."

According to etymology, waqf can mean wealth and utilizing the proceeds in the way of Allah or, as previously mentioned, giving. The latter means stopping all actions previously permitted concerning property, including selling, bequeathing, donating, and making transactions for religious reasons, following the objectives of the waqf, not for the needs of the wakif.

Fiqh experts have different opinions about the definition of waqf, which has resulted in other opinions about what waqf is. The following are several definitions of waqf:

1) Imam Abu Hanifah

Waqf is the disposal of goods which, according to the law, remain the property of the wakif for the benefit of the public good. Based on this definition, the wakif still owns the waqf assets. Melrelka even has the right to take it back and sell it. Once the wakif dies, the assets will be passed on to his heirs so that the wakif is only a benefit. Therefore, the Hanafi school of thought defines waqf as not having anything but sharing its usefulness with a good party, both now and in the future.

2) Imam Maliki

According to the Maliki School of thought, waqf cannot release the donated assets from the wakif's ownership. However, Waqf prevents Waqif from doing anything that could release his ownership of the assets to other people. As a result, the waqif is obliged to distribute the benefits and cannot withdraw his waqf. The benefits of assets owned by the wakif can be used by the recipient of the waqf, both in the form of wages and as proceeds from the waqf.

Waqf is carried out by thinking about the waqf wording at the right time according to the property owner's wishes. In other words, the property owner keeps the property from being used personally but allows the wakif to use the proceeds for good purposes. The waqf is valid for a certain period and, therefore, cannot be considered permanent.

3) Imam Syafi'i and Imam Ahmad bin Hambal

According to Imam Syafi'i and Ahmad Hambal, waqf is the release of donated assets from the ownership of the wakif. The Wakif is not permitted to dispose of the donated property in the same way as the owner, whether it is exchanged or not. His heirs cannot inherit things donated by the wakif until they die. The Wakif transfers the benefits of the assets he has donated to the Mauquf Alaih (who received the waqf) as binding alms, and nothing prevents the Wakif from doing so.

The judge has the right to force him to hand it over to the *mauquf alaih* if the wakif forbids it because the Shafi'i school of thought defines waqf as not doing anything with the status of belonging to Allah SWT by combining the benefits into a virtue.

4) Imamiyah School

The Imamiyah school defines waqf similarly to the Syafi'i and Imam Hambal schools. Still, it differs in ownership, namely the

property of the waqf (the one who received the waqf), although the *mauquf alaih* has no right to do anything with the waqf, either sell it or waste it.

In addition to its definition according to classical jurisprudence, waqf is also defined in Government Regulation No. 28 of 1977. According to this regulation, waqf is a legal act of a person or legal entity that separates part of its assets in the form of owned land and disposes of it perpetually for religious purposes or public needs.

2. Legal Basis of Waqf

a. Al-Quran

The Qur'an does not mention waqf explicitly. On the contrary, it conveys it in general terms. Verses from the Koran regarding the goodness of alms, infaq, and charity are used by fiqh scholars as the legal basis for Islamic waqf. According to scholars, waqf is included in the scope of the following verses of the Qur'an:

Q.S Al-Imran (3):92, Allah swt. said:
 لَنْ تَتَّالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ

Translate:

You will often fall short of (perfect) virtue until you spend some of the wealth you love. Whatever you earn, surely Allah knows it.

Interpretation:

Waki's book of commentary narrates from Sharik, Abu Ishaq, and Amr Ibn Maimun in connection with His word: You will never reach (perfect) virtue. (Ali-Imran: 92) What is meant by al-birr is heaven.

Imam Ahmad told us about Rauh and Malik, from Ishaq and Abdullah Ibn Talha. He had learned from Anas Ibnu Malik that Abu Talhah was one of the Ansar who had the most wealth in Medina, and Bairuha, a date palm plantation located in front of the Prophet's Mosque, was his most beloved treasure. The Prophet Muhammad often visited gardens and drank the fresh and fresh water. Anas r.a's friend continued his story that Allah sent down His word: *You will never reach (perfect) virtue until you spend some of the wealth you love.* (Ali-Imran: 92)

Then Abu Talha said, "O Messenger of Allah, truly Allah swt I have said: 'You will never reach (perfect) virtue until you spend the wealth you love,' and this Bairuha garden is the treasure I love most, and now I dedicate it to be a means of doing good deeds and as my savings with Allah. So, O Messenger of Allah, please use it according to Allah's command. So the Prophet saw answered through his words: "Wow, wow, that's a profitable treasure, that's a profitable treasure, and I have heard about it, but I have not yet found out that you should give it to your relatives.

Abu Talha replied, "I will do it now, O Messenger of Allah." Abu Talhah then distributed it to his brothers and his uncle's children. Imam Bukhari and Imam Muslim put forward this hadith.

Q.S Al-Baqarah (2):261

مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أَنْبَتَتْ
 سَبْعَ سَنَابِلٍ فِي كُلِّ سَنَابِلَةٍ مِائَةٌ حَبَّةٌ وَاللَّهُ يُضَعِفُ لِمَنْ يَشَاءُ وَاللَّهُ وَسِعُ
 عَلِيمٌ

Translate:

The example of those who spend their wealth in the way of Allah[166] is like a grain of corn, which grows seven grains, each of which has a hundred grains. Allah multiplies (rewards) for whom He favors. And Allah is all-encompassing (His bounty) and all-knowing.

Interpretation:

اللَّهُ سَبِيلِ فِي (in the way of Allah), namely in jihad to elevate the word of Allah.

حَبَّةٍ كَمَثَلِ (similar to a grain crop), that is, like a grain farmer. What is meant by seven stalks is a stalk that comes out of one stem and then branches into seven branches; in each branch, there are seven stalks.

يَضْعُفُ وَاللَّهُ (Allah multiplies (rewards) for whom He favors), namely multiplying the seven hundred by many multiples for those who maintain the adab of what is indicated right by the verses after this and those who donate wealth to exalt the word of Allah.

The Qur'an states that goodness is multiplied tenfold. This verse shows that donating for the benefit of jihad is seven hundred times the goodness, so it is ten times more than the others.

Imam Ahmad narrated from Iyadh bin Ghatif that he said we went to Abu Ubaidah to visit him, who was complaining of a backache that was attacking him; his wife's cellophane was on the side of his head. We asked how Abu Ubaidah got through the night. His wife answered: By Allah, he had passed the night with a reward. Then Abu Ubaidah answered, I did not go through the night with a reward, and at that time, he faced the wall, and then he turned to the people and said, didn't you ask what I said earlier? I have heard the Messenger of Allah say: "Whoever gives in the way of Allah, it will be multiplied seven hundred times, and whoever gives for himself, or visits the sick, or moves away something that gets in the way, his goodness will be multiplied ten times and fasting is a shield." as long as he does not make a hole in it, and whoever Allah tests with a test of his body, his sins will be forgiven."

b. Hadith

No verse in the Qur'an speaks about waqf. On the other hand, the hadiths of the Prophet Muhammad provide a clear explanation of the legal basis of waqf and its status as alms. Among the hadiths is from Abu Hurairah r.a. said that the Messenger of Allah said:

إِذَا مَاتَ الْإِنْسَانُ انْقَطَعَ عَمَلُهُ إِلَّا مِنْ ثَلَاثَةٍ أَسْبَابٍ
 صَدَقَةٍ جَارِيَةٍ أَوْ عِلْمٍ يُنْتَفَعُ بِهِ أَوْ وَلَدٍ صَالِحٍ
 يَدْعُوهُ (رواه مسلم)

Meaning :

If a person dies, then his deeds will cease except for three things, namely good deeds, helpful knowledge, and pious children who love their parents. (H.R. Muslim)

Several verses of the Qur'an and the Hadith of the Prophet do not clearly explain waqf, so few waqf laws can be derived from these two sources. Therefore, the teachings of waqf should be considered ijthad rather than ta'abbudi. This especially applies to aspects of management, types of waqf, conditions, designation, and other things.

Nevertheless, at least verses from the Qur'an and the Prophet's Hadith regarding waqf have been able to guide Islamic jurisprudence experts in developing waqf laws since the time of Khulafaur Rasyidin until today. This is done by using a legal excavation method (ijthad). Most waqf laws in Islam are determined through the

results of *ijtihad*, such as *qiyas*, *Maslahah murlah*, etc. Scholars often interpret *waqf* as a form of almsgiving, namely acts of worship that provide continuous rewards as long as they can be used by human life.

So, when an Islamic law or teaching falls into the category of *ijtihad*, it becomes very flexible and open to new interpretations and future developments. Therefore, *waqf*, as one of the Islamic teachings in the area of *ijtihad*, has excellent potential to be developed following the needs of the times. Moreover, the teachings of *waqf* are included in *muamalah*, which has an extensive reach, especially in developing a weak economy.

In the legal power community, even though the teachings of *waqf* are considered recommendations (*sunnah*), they have great power in controlling the welfare of society at large. Therefore, as part of the area of *ijtihad*, the teachings of *waqf* can be a lack of managerial support and can be developed optimally in its management.

c. Waqf Law in Indonesia

The legal basis for *waqf* in Indonesia is regulated in the legislative regulations as follows:

- 1) Law Number 5 of 1960, dated 24 September 1960, concerning the Basics of Agrarian Principles. Article 49 paragraph (1) signals that government regulations protect and regulate the *waqf* of owned land.
- 2) Government Regulation No. 10 of 1961, dated 23 March 1961, concerning land registration. Because this regulation is general, it also includes the registration of *waqf* land.
- 3) Government Regulation No. 30 of 1963 concerning the appointment of legal entities that can have property rights and the conditions associated with them.
- 4) Government Regulation Number 28 of 1977, dated 17 May 1977, concerning the endowment of owned land.
- 5) Regulation of the Minister of Home Affairs Number 6 of 1977, dated 26 November 1977, concerning land registration and the endowment of owned land.
- 6) Regulation of the Minister of Religious Affairs Number 1 of 1978 concerning the Implementing Regulation of Government Regulation Number 28 of 1977, dated 10 January 1978, concerning the endowment of owned land.¹
- 7) Ministry of Religious Affairs Regulation No. 12 of 1978, dated 3 August 1978, added provisions regarding land registration fees for certain legal entities to Ministry of Religious Affairs Regulation No. 2 of 1978.
- 8) Joint Instruction of Ministry of Religious Affairs and Ministry of Religious Affairs in No. 1 of 1978, dated 23 January 1978, regarding the Implementation of Government Regulation No. 28 of 1977 regarding the endowment of land ownership.
- 9) Decree of the Ministry of Religious Affairs Number 73 of 1978, dated 9 August 1978, regarding the authorization of the head of the regional office of the State of Indonesia to appoint or dismiss each head of the sub-district office of religious affairs as the Official of Making the Deed of *Waqf* Pledge.
- 10) Instruction of the Ministry of Religious Affairs Number 3 of 1979, dated 19 June 1979, regarding implementing the Decree of the Ministry of Religious Affairs Number 73 of 1978.
- 11) Letter from the Directorate General of Islamic Guidance and Hajj Affairs No. D11/5/EID/4/980 dated 25 June 1980 regarding stamp duty with the attachment of the Directorate General of Tax No. 5-624/Pj.331/1980, dated 29 May 1980, which determines the types of name *waqf* forms that are free of stamp duty, the kinds of name forms that are subject to stamp duty, and some of the types of stamp duty.
- 12) Letter from the Directorate General of Islamic Guidance and Hajj Affairs No. D11/1981, dated 16 April 1961, regarding the designation of stamp duty on land *waqf* forms.
- 13) Letter of the Directorate General of Guidance of the Islamic Community and Hajj Affairs No. D11/Eld/07/1981 Head of Governor, Head of Level 1 Region throughout Indonesia, regarding the registration of land endowments and implementing activities exempting from all cost burdens.

¹ Muhammad Sadi Is dan Sofyan Hasan, *Hukum Zakat dan Wakaf di Indonesia*, (Palembang: Kencana, 2021), 117.

- 14) Presidential Instruction No. 1 of 1991 regarding the Compilation of Islamic Law.
- 15) DSN-MUI Fatwa No. 2 of 2002 on Cash Waqf
- 16) Law No. 41 of 2004 on Waqf
- 17) Government Regulation No. 42 of 2006 on implementing Law No. 41 of 2004 on Waqf.²

The abovementioned regulations show that waqf in Indonesia is regulated seriously, and many regulations regulate waqf to protect and regulate property and cash waqf.

3. Terms and Conditions for Waqf

According to the Islamic jurisprudence view, waqf will be considered valid if it meets the four pillars and conditions, namely *wakif* (the person who carries out the waqf), *mauquf bih* (goods or property donated), *mauquf alaih* (the party who benefits from the waqf or the use of the waqf), and *sighat* (declaration or recognition of the wakif as the principal to carry out the waqf).

2 Methodology

This research uses qualitative methods. In qualitative research, the theory is only a guide, so the research focus follows the facts in the field (Nurdin & Pettalongi, 2022; Nurdin, Stockdale, & Scheepers, 2016). Data was collected through direct observation, in-depth interviews, and written document analysis at the research location (Rusli, Hasyim, & Nurdin, 2021; Rusli & Nurdin, 2022). The object of this research is the National Zakat, Infaq, and Sadaqah Agency in the city of Palu. Interviews were conducted with several informants who were relevant to their job responsibilities and knew about the problems of this research. The results of the interviews were recorded and transcribed. The transcript results were consulted with participants to obtain approval (Nurdin, Scheepers, & Stockdale, 2022). The data analysis technique in this research uses deductive thinking techniques, which can be interpreted as research procedures that produce deductive data from interviews and field notes. Data analysis was carried out using thematic analysis from Strauss and Corbin (1998). Analysis begins with open coding, axial coding, and

² Ibid, 118.

selective coding. The final result of data analysis is the themes found in the data.

4. Results and Discussion

4.2 Optimizing the Role of Productive Waqf in Realizing the Welfare of the People of Palu City

Productive waqf has become one of the mainstays of the Indonesian Waqf Board to realize the welfare of the Indonesian people. The Indonesian Waqf Board continues to strengthen waqf management with good governance. The productive waqf referred to by the Indonesian Waqf Board is not just private land assets but cash waqf, share waqf, or other types of waqf.

So far, the campaign to invite waqf people through various channels, including social media and applications, has dramatically increased the institution's reach. The Indonesian Waqf Board is here to accelerate the better implementation of waqf in Indonesia so that efforts to improve community development can be realized.

According to the Chairman of the Indonesian Waqf Board, Palu, Mr. Dr. Molhammad Idhan, M. Ag said his party continues to strengthen three things to maintain social welfare through waqf. Firstly, continuous socialization. This activity is deliberately carried out to ensure the existence of a new wakif (wakaf). During this socialization, the Indonesian Waqf Board also strengthened literacy related to waqf.

From that awareness will emerge the desire to dedicate part of one's assets for the benefit of the public and, at that time, God willing, continue the cultural tradition of lifestyle regarding waqf.³

The second thing that the Indonesian Waqf Board continuously strengthens is asset mobilization. The Indonesian Waqf Board is looking for ways to combine public assets into waqf assets. To support this, the Indonesian Waqf Board collaborates extensively with several parties so that regulations related to public or

³ Mohammad Idhan, Ketua Badan Wakaf Indonesia Kota Palu Provinsi Sulawesi Tengah, *Wawancara* oleh Penulis, 9 Desember 2023.

social facilities can always be present and reinforce productive waqf collaboration.

Providing the best services through public or social facilities combined with productive waqf has a spiritual aspect. I think this is the essence of principle one in Pancasila: there is the value of religiosity.⁴

Third, the Indonesian Waqf Board focuses on increasing the capacity of recipients of waqf (nazir) property. The board trains and coaches recipients to manage the waqf assets it has provided.

Waqf assets and nazir are two essential things for the Indonesian Waqf Board to pay attention to. Without nazir assets, waqf will not provide extensive benefits to the people. On the other hand, if there are no waqf assets, there are no assets that can be managed. Ultimately, both must be balanced.

Management must be competent, intelligent, and militant in managing Waqf assets; this task will not end here.⁵

For your information, based on data from the Indonesian Waqf Board, there are around 3500 ha of waqf land in Palu. However, the vast telecommunication network has not yet been utilized optimally. Most of the use of waqf land is still for social purposes, including mosques, madrasas, and cemeteries. Productive waqf capable of bringing prosperity to the people has not yet received sufficient attention. Currently, the Indonesian Waqf Board is working on this. So that productive waqf can make a real contribution to facing social inequality.

4.3 Factors Inhibiting Optimizing the Role of Productive Waqf in the Welfare of the People of Palu City

To develop productive waqf in Indonesia, there is no longer a problem because in Law Number 41 of 2004 concerning Waqf and

Government Regulation Number 42 of 2006 concerning the Implementation of Law Number 41 of 2004, various things have been regulated that make waqf possible and managed productively.

So far, productive waqf in Palu has not yet been running optimally. This collaboration is due to several causes, namely the community's lack of understanding of waqf procedures, administration and management, property, waqf nazir, and budget funds for registration of land certificates.

The following research will describe data regarding factors inhibiting productive waqf in Palu until it is optimal for improving society as follows:

1. The problem of public understanding of waqf law. In general, people do not yet understand waqf law properly and correctly, both in terms and conditions of waqf and the purpose of the waqf law.
2. Administration and management of waqf. The administration and management of waqf in Indonesia are still a concern. As a result, quite a lot of waqf assets were neglected in their management, and some were even lost. One cause is unprofessional management.
3. Lands, which was donated. In general, the land donated by Muslims in Indonesia is only enough to build a mosque or prayer room, so it is challenging to develop it. In Indonesia, very few people still donate assets other than land, even though in jurisprudence, the assets that can be donated are diverse, including securities and money.
4. Nazir Waqf. One of the most essential elements of waqf is the nazir. A nazir is a person who is entrusted with the task of managing and looking after the waqf assets. Whether the waqf is functional or not really depends on the nazir's abilities. In various countries where waqf can develop and function to empower people's education, waqf is managed by professional Nazirs. The amount of the waqf land certification assistance budget still needs to be increased, and the costs for the certification implementation process vary.

⁴ Mohammad Idhan, Ketua Badan Wakaf Indonesia Kota Palu Provinsi Sulawesi Tengah, *Wawancara* oleh Penulis, 9 Desember 2023.

⁵ Mohammad Idhan, Ketua Badan Wakaf Indonesia Kota Palu Provinsi Sulawesi Tengah, *Wawancara* oleh Penulis, 9 Desember 2023.

5 Conclusion

Optimizing the role of productive waqf in Palu is carried out in various ways to improve the welfare of society. Firstly, continuous socialization is deliberately carried out to ensure the existence of new wakif. The second is asset mobilization, which seeks ways to combine common assets into waqf assets. To support this, the Indonesian Waqf Board collaborates with several parties so that regulations relating to public or social facilities can always be present and reinforce productive waqf collaboration. Third, the Indonesian Waqf Board has increased the capacity of recipients of waqf assets (Nazir). The Indonesian Waqf Board will train them to manage the waqf assets that have been allocated.

So far, productive waqf in Palu has not yet run optimally. This collaboration is due to several contributing factors, namely the problem of the community's understanding of waqf procedures, waqf administration and management, waqf property, waqf nazir, and the budget for registering land certificates. This is because waqf management is still limited to physical development structures, use of funds for religious activities, maintenance of mosques, etc.

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