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The Potential of “University Waqf” as an Inclusive Strategy to Develop Entrepreneurship in Islamic College

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Abstract: Cash waqf is a potential instrument both in the social and in financial side whereby it has a positive trend to the development of economic and Islamic financing. Waqf mechanism which holds waqf property, has been success creating the group of funds and properties which is submitted and managed by designated authority (trustee) for alms based on sharia principles. Besides the functions and forms which have been proofed to assist Muslim development, waqf institutions have been developed and contributed to the increasing of the Muslim community in Indonesia. Based on the literature review, several explanations which need further clarification is how waqf can be education fund sources in Islamic colleges in Indonesia. This paper aims to explain the strategic role and the contribution of university cash waqf to generate Muslim entrepreneurs through scholarship, research, community empowerment, social programs around campus, competency development, increasing literacy of waqf and zakat, and productive waqf (business centre, business incubation).

Key Words: Waqf, University Waqf, Management Model of University Waqf

JEL Classification:

Introduction

In the knowledge economy era, college faces more complex challenges, paradigm or new way of thinking is needed by the college to deal with several environmental changes such as public pressure to provide open educational resources, the demand to supply graduates who are ready to work, globalization and competition challenges (Gibb, n.d.) Nowadays, Islamic college is just active on the safe zone (pure public and

budget-driven).

Moreover, it is admitted several entrepreneurship activities has a contribution to the third academic mission, both government and the college realize the college movement to entrepreneurship mission depends on the background and the power of each universities. In implementing the entrepreneurial university, college management must avoid the implementation of the approach "one measurement for all" (Clark, 2003). Higher education vary, the

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difference is on higher education system in several countries and even among institutions in a similar education system. Higher education ability to involve in entrepreneurship activities is restricted by the capability and human resources capacity (Williams & Kitaev, 2005). The development of stronger entrepreneurship culture is easier in small college than big university, in special college than comprehensive ones, and college with centralized structure than autonomy on faculty (Clark, 2003).

University actively attempts to reach its third mission to coordinate it with the economic development. The main problem faced by the college to maximize the contribution of economic development is to maximize the financial sources for the college. In this condition, maximizing all potential of human resources elements in Islamic college through sustainable financing system. This transition is an evolutionary process which requires cultural changes in institutions. If the ideals of entrepreneurial universities want to be achieved, the institution must convince academic communities about the validity and financial sources compliance through cash waqf for institutions sustainability.

Cash waqf is one of potential instrument in the social and financial side whereby it has a positive trend to the economic and Islamic financing development (Rusydziana & Rahayu, 2019). Besides zakat infant and shadaqah, cash waqf is a new innovation in the Islamic finance system in the voluntary sector. Waqf will break the meaning of waqf institutions in Muslim countries, and big opportunities in developing people economies. According to (Devi, A., & Rusydziana, 2016), cash waqf can provide opportunities for all of the parties to participate in cash waqf and with no mandatory to pay in bulk.

Literature Review

The Definition of Waqf

The word Wakaf is derived from Arabic (waqafa- yaqifu- waqfa), which means stop or hold (Binabdilah, 1996). The meaning of waqf

means stop moving (Shabri, 2008). In Muhammad and his friends era, it was recognized as *habs*, *tasbil*, *tahrim*, *Baru*. After that, it is known as *waqf* (Fathurrohman, 2006). Several countries use a different term, but it has similar meaning. The using of different waqf word is also occurred on Fiqh expert.

- a. According to Imam Syafi'i, wakaf is to hold *mutaqawwin* property which provides benefit while 'ainnya keeps on *mauquf alaih* which is permissible and tangible. *Mutaqawwin* property is the property which can be utilized in any conditions and obtained through permissible way. Meanwhile, *ghair mutaqawwin* property is the forbidden property to be used except in *madharat* condition (Syarbini, 2006).
- b. Abu Hanifah mentioned waqf is to hold the substance on waqif ownership, so waqf property is still owned waqif. Agreement used is *ghair lazim* (not attached), so the item is allowed to be sold, inherited and awarded.
- c. Imam Malik defined waqf as giving benefits. The agreement is included into conventional (cannot be canceled by one party), perpetual or timed.
- d. Mazhab Hanabilah explained waqf is to hold the origin and give the result.
- e. Cash waqf has been recognized since Ottoman empire rule. In Indonesia, it is admitted through fatwa of the Indonesian Ulema Council on May 11th 2002, which decided several things related to cash waqf: a) cash waqf is waqf done by someone, group, institution or legal entity in the form of cash; b) securities is included into money;
- f. cash waqf is *jawaz* (allowed); d) cash waqf is only distributed for things which is allowed by Islam; e) the principal value of cash waqf must be guaranteed the sustainability, banned to be sold, pawned, or inherited (Jaharuddin, 2018).

Indonesian Law No 41 2004 stated waqf property is consisted of movable and

immovable. Movable things are assets which can not be used up because they are consumed, such as money, precious metal, securities, vehicles, intellectual property rights, and lease rights, and other movable things according to shariah and Law ([Muayyad & Jatmiko, 2021](#)).

The principles and waqf requirement ([Shabri, 2008](#))

- a) Wakif or people who do waqf must be baligh, intelligent, healthy
- b) Mauquf 'alaih or the objective of wakaf, is to get closer to Allah continuously.
- c) August or assets, is the property which must be known during agreement and owned by waqif.
- d) Sighah or ijab (proposal) –qabul (acceptance)

The type of waqf ([Qahf, 2000](#))

- a) Based on the goal, a) khairi waqf is waqf for public interest. It is commonly used ; b) ahli or dzurri is waqf to get closer to Allah; c) al musytarak is waqf for the public interest, then for waqif family or vice versa.
- b) Waqf based on time, a) Muabbad means the waqf assets is eternal; b) muaqqat is temporary or timed waqf
- c) Waqf based on usage a) mubasyir is waqf which directly uses for the goal and isttsmar waqf is waqf with indirect purposes of waqf

In non-Muslim countries, the term used for waqf vary such as foundation (assets which is allocated for organization interest), endowment (property given to someone or organization donation, or the regular income of someone or organization), corporation (legal entity established by Law) who is profit-oriented such as cooperative or business foundation, or trust someone to regulate the property which is intentionally hold up for people interest. Besides, there are other terms like philanthropy and charity. However, all of them has a similar meaning, do the kindness for others and giving the benefit ([Qahf, 2000](#)). Waqf is an Islamic institution which

relinquishes his rights to belong to Allah so that, the property is eternally utilized for kindness and family needs ([Fathurrohman, 2006](#)).

Development of Waqf in Indonesia

The development of waqf In Indonesia has very good potential, although it has not been managed optimally. Until 2020, the land waqf is located in 421.858 place with the area 55.684.10 Ha and 58,37% of them has already had certificate (KNKI 2021)

Meanwhile, the amount of cash waqf is 831.34 billion rupiah which consists of 586,4 billion rupiah cash waqf using cash (giving money to buy movable or immovable things) and 244.94 billion rupiah cash waqf (cash to be managed productively). This cash waqf is managed by Nazhir in 303 institutions and 27 Shariah banks ([Hidayat, 2022](#)).

Waqf has positive impact during covid 19 pandemic whereby cash waqf is utilized for fixed asset waqf such as : 1) equipment and machine for medical treatment; 2) building and facilities to treat COVID-19 patients; 3) land for food security programs for affected community; 4) equipment, machine, and facilities to develop a micro and small business. Meanwhile, the cash waqf is distributed for : 1) affordable financing sources for micro and small business; 2) fund source to fund productive economy activities; 3) the utilizing of cash waqf investment results to assist the people who perceive the impact of COVID-19.

Muslim understanding about waqf is still inadequate because cash waqf has not been socialized well ([Hasanah, 2017](#)). Nazir limited ability is an obstacle because socialization and waqf development are less creative (Fanani, 2011). Waqf Management Council mentioned the development of waqf fund management in Indonesia has not been maximal, and there are several obstacles in developing waqf fund:

1. Awareness: the limitation of public knowledge and awareness about waqf, especially cash waqf.
2. R&D and technology: the utilization of

technology has not been optimal in waqf business.

3. Regulation and Institutions: it needs improvement on waqf law no.41 2004 and the limitation of roles and support for waqf council in Indonesia.
4. Human resources: low quality (competency and professionalism) and quantity of Nazhir human resources.

Cash waqf has the potential to be college power because the money collected is functioned as eternal fund which maintains the basic needs and continuously accumulated along with the collection activity done by Nazir. According to waqf principles, cash waqf must be maintained its integrity, and the placement result of cash waqf fund in the form of profit-sharing can be invested for productive business, which has a multiplier effect. Besides invested, the waqf result can be social insurance for Muslim (Ismail Abdel Mohsin, 2013).

However, some people and Islamic colleges still understand waqf is limited to land for the mosque, burial land, school building/education institutions (Huda, Anggraini, Rini & Mardoni, 2018). It needs intensive socialization and promotion in the form of a program or interesting and modern activities.

The use of cash waqf fund supervised by Islamic college can be managed as capital to develop entrepreneurship activities in generating Muslim start-up, which is contributed to sustainable economic development.

The Development of Cash Waqf in Several Countries

In Islamic countries such as Türkiye, Saudi Arabia, Kuwait, Qatar, United Arab Emirate, the utilizing of waqf fund is progressively developed. Even since 1981, six countries;

Kuwait, Qatar, Saudi Arabia, United Arab Emirate, Oman and Bahrain have established a cooperation council among Arabic countries with the name Gulf Cooperation Council (GCC). Most of the concept used by GCC is derived from the concept of religious thought that is, Islam. Whereby zakat is a mandatory donation but shadaqah and waqf are voluntary donation ([Jumali, 2020](#))

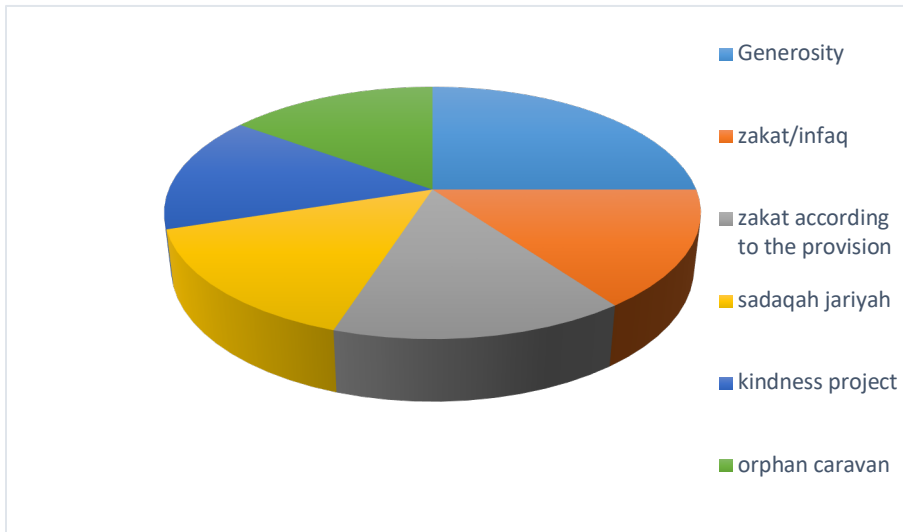
In Saudi Arabia, the regulation related to waqf management is regulated by royal council No. M/11/on 26/2/1437H. Whereby waqf fund is utilized to increase small and medium cooperative activities, development of professional training in non-formal education, muhsinin assistance in criminal law/qisas field. The innovation done in developing cash waqf is in the form of commercial property development of new construction projects.

In Bahrain, waqf has been implemented by Syeikh Hamd bin Isa bin Ali Al Khalifah founder through circular letter No 69/17/ in 1346 on Muharram 27th 1346. The form of the development program is al-Qur'an learning, students assistance program, assistance for the people who have debt, assistance for Ramadhan month program. Besides, cash waqf is conducted through innovative activities such as students coverage projects, residential projects for poor family, residential needs projects ([Jumali, 2020](#))

In Qatar, the regulation of cash waqf and zakat is regulated by The Ministry of Waqf and Islamic Affairs with one door management. The form of the program carried out using cash waqf fund is suitable with the vision, benefit for all people. It is included the al-Qur'an memorization program with 1 trillion riyal budget and a hospital development program.

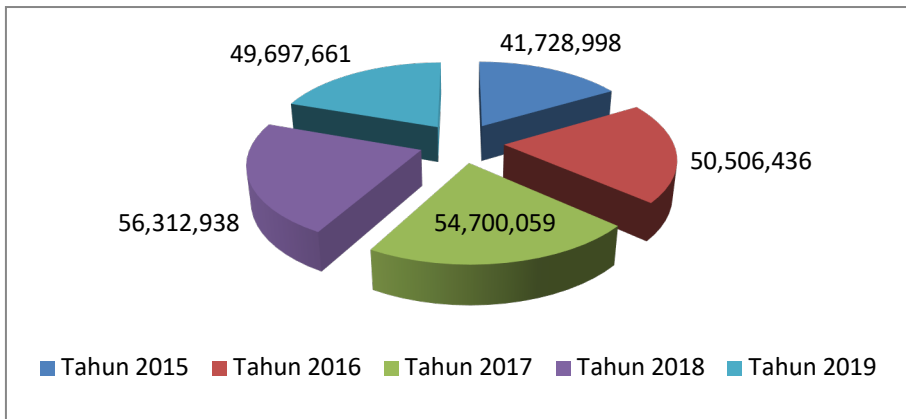
In Kuwait, waqf is included into the sources of the country income. The following data are the sources of Kuwait financial income.

The Sources of Kuwait Financial Income



Graph 1

The Amount of Kuwait Financial Income



Graph 2

In Egypt, the waqf used to develop education is al-Azhar University. Moreover, this university is an example of an Islamic college which has the biggest waqf assets and developing other businesses. The existence of waqf fund makes this university independent, even the budget exceeds Egypt budget ([Najib,](#)

[Tuti A. Al-Makasary, 2006](#)).

Meanwhile, Türkiye government established waqf management councils named Wakiflar Gener Mudurlugu or directorate general of waqf which performs the duty of Waqf Ministry with total 37.914 waqf.

to the topic. Research data was collected through interviews with the department of an organization, staffing, and drafting regulation, Academic and students affairs. Then, secondary data was obtained through libraries research and documentation through websites and supported profile book. Primary and secondary data which had been collected were selected, systematically clarified, explained the cash waqf potential in IAIN Bukittinggi using assumptions.

Finding

Short History of IAIN Bukittinggi

State Islamic Institute of Bukittinggi (IAIN Bukittinggi) is derived from State Islamic College Sjech M. Djamil Djambek Bukittinggi. It was a transformation from Shariah Faculty of IAIN Imam Bonjol Padang based on Presidential decree No. 11, 1997 about the establishment of State Islamic college, The letter of Religious Ministry No. 196, 1997 on June 30th 1997 about the organization and management of State Islamic College Bukittinggi. The Decision of the Director-General of Islamic Institutional Development No. E/136/1997 on June 30th 1997 about a change of status from Region faculty to State Islamic College.

Based on Presidential decree No. 181, 2014 about the change of State Islamic college to State Islamic Institute of Bukittinggi on December 18th 2014 or Shafar 25th 1436H.

The Potential of Cash Waqf in Islamic College

Why the university waqf became an interesting topic in this research, several advantages of University waqf are:

- a) The number of students who enroll and graduate is sustainable
- b) Islamic college as donor ecosystem (Muzakki) and benefit recipients (Mustahik)
- c) Islamic college as a waqf empowerment model based on research
- d) Islamic college as the professional amil provider

- e) Students as volunteer

In the college, all of the academic civitas is the activator of cash waqf with their respective roles:

- a. Students : are the main activator, financial and non financial sources, volunteer and benefit recipients
- b. Lecturer is the owner of cash waqf movement, designer of cash waqf management model, the resources manager in system, human resources, facilities and infrastructure.
- c. Educational Staff is the activator and benefit recipients of cash waqf.
- d. Campus bureaucrat is the activator and cash waqf supporters in form of campus policy and the access provider on-campus internal resources
- e. Alumni is the main resource of cash waqf for campus, financial, communication network and movement development policy.

After the change of status in 2014, IAIN Bukittinggi is eight years old now. Although IAIN Bukittinggi is relatively young but it is able to be one of my favorite Islamic college. It can be identified through the increasing number of students every year. In 2014/2015, the number of students is 5268 people, in the following year it is increased into 6552 people. It is added into 7622 in 2016. In 2018, it is enhanced into 8495 people and the number of IAIN Bukittinggi students in 2021 was 11.465 people.

High public interest to IAIN Bukittinggi is the main potential for state Islamic Institute to be able to manage cash waqf fund as potential financing sources in increasing education quality. Meanwhile, the number of lecturer and educational staff is quite potential. In 2021 the number of lecturers is 255 people and there are 55 permanent education staff and 75 is temporary staff.

If it is assumed students provide 10.000 rupiah/month as waqf fund, lecturer donates 30.000/month, and educational staff gives 25.000/month, the amount of one month waqf fund is:

Table 1. Waqf Potential of Students, Lecturer and Educational Staff IAIN Bukittinggi

Element	Amount	Waqf rate /month	Waqf potential /month	Waqf potential/year
Students	11.465	10.000	114.650.000	1.375.800.000
Lecturer	255	30.000	7.650.000	91.800.000
Education Staff	140	25.000	3.500.000	42.000.000
Total				1.509.600.000

Sources: processed data

Based on the processing and waqf assumption, IAIN Bukittinggi has been able to distribute waqf fund for the activities which aims to increase students, lecturer and educational staff competency in forming entrepreneurship culture.

Besides, the fund which is sourced from the academic community, if alumni are added as waqf sources, it will be big waqf potential.

It is known that the number of alumni who have been graduated from Shariah Faculty as the branch of IAIN Imam Bonjol Padang is 1350 people, the alumni of State Islamic college Sjech M. Djamil Djambek Bukittinggi is 3901 people and the number of IAIN Bukittinggi alumni is 7405. If we estimates the amount of waqf from alumni is 25.000, the amount of waqf can be estimated in the following table

Table 2. Waqf Potential of IAIN Bukittinggi Alumni

Alumni	Amount	Waqf rate/month	Waqf potential/Graduate ceremony
Shariah Faculty the branch of IAIN IB Padang	1.350	30.000	40.500.000
Alumni of STAIN Sjech Djambek	3.901	30.000	117.030.000
Alumni of IAIN Bukittinggi	7.405	30.000	222.150.000
Total			379.680.000

Sources: Processed Data

Based on the table above, IAIN Bukittinggi received funding from cash waqf approximately Rp.1.889.280.000,- /year. Therefore, cash waqf can be financing alternative for the management of long term business activities

the amount of money can be collected for business investments. Thus, the campus can manage financing for long-term business activities which give benefit to students, lecturer, and educational staff and the surrounding people without depending on students and government.

Longer waqf is implemented, the bigger

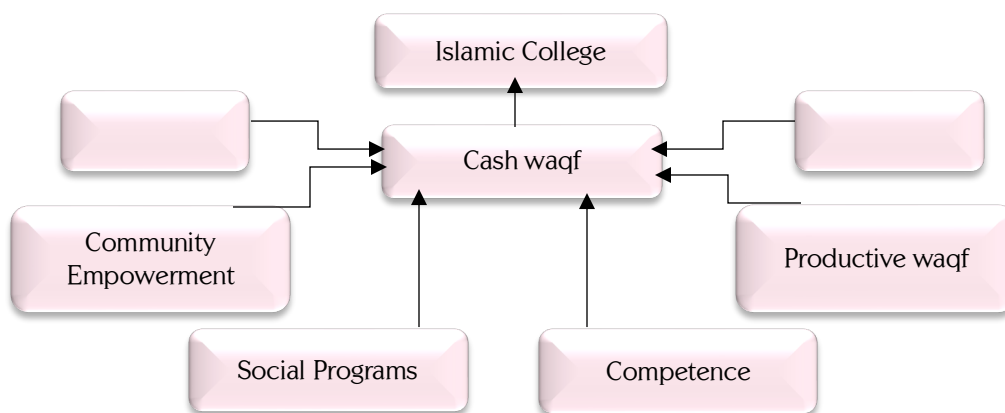


Figure 1: Management Model of Cash Waqf in Islamic College

Figure 1 explains the management of cash waqf in Islamic college through university waqf council. Cash waqf fund can be utilized for scholarship, research, community empowerment, social programs around campus, competency development, productive waqf.

Based on the discussion above, it can be comprehended that cash waqf can be benefited by campus communities and people around campus. Besides, campus is independent in managing the fund without depending on others. It means Islamic college does not make the income from students and government as the main source in running the business without the necessity to raise tuition fee and doing efficiency which is affected on nonoptimal activities.

Conclusion

Cash waqf is believed as effective funding

sources in Islamic College. Maximum opportunity from the campus communities and society assists Islamic college to increase quality and quality of entrepreneurship education and Islamic education business. At least, there are several contributions of cash waqf in Islamic college: scholarships, research, community empowerment, social activities around campus, competency development, through the increasing of zakat, waqf and productive waqf literacy

The issues of 17 SDGs indicators can be donated by Waqf. Waqf can be SDGs main financial instruments. It needs government intervention and seriousness to create regulations which regulates professional management by Nazhir/mutawalli of waqf fund. The roles of Islamic college as Islamic education institutions which possess human resources in waqf management concepts.

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