

CHAPTER I INTRODUCTION

A. Research Background

Waqf is one of the financial instruments that exist in Islam. Waqf can be done by people who are able and desire to do it, it is different from zakah which is an obligation to Muslims. The role of waqf is not only as *hablum minallah* but also as *hablum minannas* whose benefits can be used for a long period. Then waqf can be classified as *Sadaqah Jariyah* whose rewards will continue to flow even though the *wakif* (the person who does waqf) has died. Rasulullah SAW said:

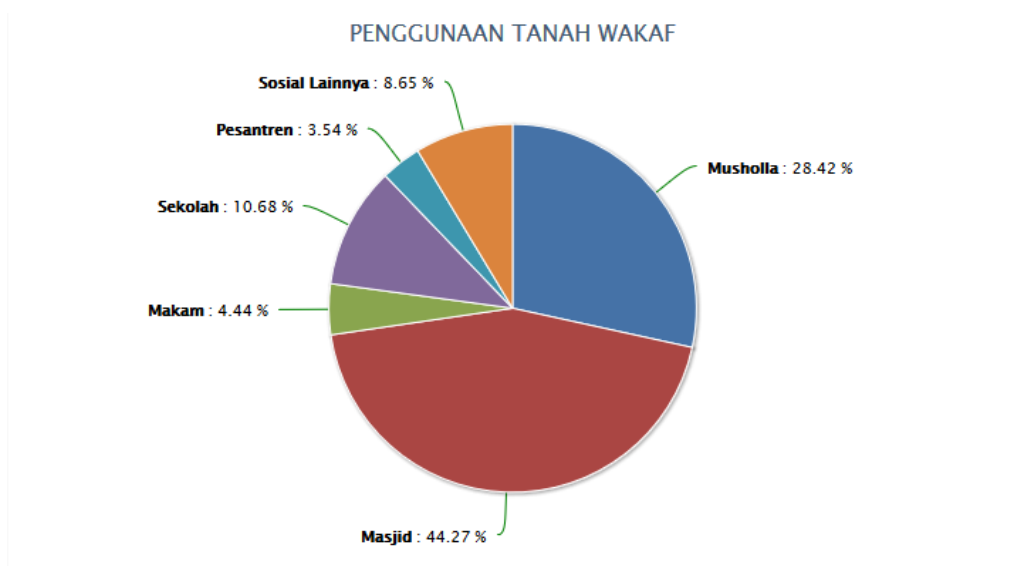
إِذَا مَاتَ الْإِنْسَانُ انْقَطَعَ عَمَلُهُ إِلَّا مِنْ ثَلَاثٍ : صَدَقَةٌ جَارِيَةٍ ، أَوْ عِلْمٌ يُنْتَفَعُ بِهِ ، أَوْ وَلَدٍ صَالِحٍ
يَدْعُو لَهُ

“All human deeds will be cut off except for three things, namely: *Sadaqah Jariyah*, useful knowledge and righteous children who always pray for their parents” (HR. Muslim no. 1631).

According to the scholars, the essence of *Sadaqah Jariyah* is waqf because it can be empowered and its benefits last a long time. Waqf has been around since the time before Prophet Muhammad PBUH was appointed as a prophet, for example, library waqf was carried out by Roman and Greek communities and agricultural land waqf was carried out by some rulers and rich people in the time of Pharaoh. They donated this agricultural land to become land for cultivation and the proceeds will be given to spiritual figures to fund places of worship under their control and given to the poor.

From an economic point of view, waqf can be used as an economic tool in developing social welfare and development. Several studies have stated that waqf can be a tool in alleviating poverty. As mentioned by Sadeq (2002) as quoted by Amirul and Mohammad (2012: 23) states that waqf is also a tool to reduce poverty in society; the same thing was also expressed by Bremer (2004). Besides, waqf can also be a tool to reduce unemployment, as stated by Cizakca (1998).

Since the beginning of its development, waqf has been widely used in non-productive things such as mosques, prayer rooms, and burial grounds. It is not non-existent, but waqf is rarely still used for productive things. According to data from the Ministry of Religion, it is stated that mosques still dominate waqf in Indonesia, namely around 44.27%, prayer rooms 28.42%, schools 10.68%, tombs 4.44%, Islamic boarding schools 3.54%, and other social 8.65% as seen in the following diagram:



Source: Official Website Waqf System Indonesia Ministry of Religion
Figure 1.1 Waqf Land Use in Indonesia

Along with the development of the era, the orientation of waqf also changed from religious purposes only, now it is starting to the interests of a wider community, from non-productive developed to being productive and more varied. For example, a mosque that has been built can be developed even more by adding productive things to the program for its mosque. Then the mosque is not only used for basic worship activities.

Waqf in Indonesia is also very potential, data from the Ministry of Religion stated that Indonesia has waqf land covering 51,842.43 hectares in 386,660 locations. This area is equivalent to five times the size of Singapore. However, with a state that is only one-fifth area of waqf land owned by Indonesia, Singapore can become the most successful country in Southeast Asia in the field of productive waqf (Said, 2013). From this, we can see that the perception of Indonesian society regarding waqf still thinks that waqf is only used as a tool for worship without any added value. This is evident from the data that has been described above. Therefore, waqf land in Indonesia still quite far from productive waqf.

Productive waqf of various types such as cash waqf, stock waqf, property waqf, agricultural waqf, securities waqf, health sector waqf, educational waqf, and others. Indonesia, which has a lot of resources, can certainly implement these various types of productive waqf. One of the waqfs that have potential to be superior is agricultural waqf. Apart from being an agricultural country, Indonesia which has many islands certainly has abundant natural resources.

Agricultural waqf also cannot be separated from food sovereignty. The issue of food sovereignty is still a hot topic of discussion in Indonesia. More and more land has been converted into buildings, making worries about weakening food sovereignty even greater. Muhammadiyah as a big organization in Indonesia is also fighting in the field of food sovereignty. Central committee Muhammadiyah has pioneered productive and intercropping agriculture as a form of sovereignty defense. Besides, Muhammadiyah also has its council in the field of empowerment, namely *Majelis Pemberdayaan Masyarakat* and *Majelis Wakaf dan Kehartabendaan* for waqf.

Waqf for Muhammadiyah is something that plays a very important role in the welfare of society. Because waqf is not only oriented for worship activities, but also social facilities in society. Muhammadiyah waqf assemblies have existed since the colonial period, and also this assembly already has a legal entity, namely the Domestic Decree No. SK. 14 / DDA / 1972 concerning the Appointment of Muhammadiyah Organization as a Legal Entity That Can Own Land with Ownership Rights then this is under law no.41 of 2004. Besides, waqf managed by Muhammadiyah all become on behalf of the Muhammadiyah association, therefore the potential for problems with ownership disputes is very small and may not even exist.

Being the place where Muhammadiyah was founded, it made Special Region of Yogyakarta become an important region for Muhammadiyah. Special Region of Yogyakarta with five regencies/cities namely Kulon Progo, Sleman, Yogyakarta City, Bantul, and Gunung Kidul certainly has their

respective advantages. The area which is one of agricultural bases in Yogyakarta is Bantul district. Located in Southern and Central areas of Yogyakarta, Bantul regency is a strategic area. Besides, agricultural land in Bantul Regency has a varied topography, starting from flat areas dominated by rice fields, hilly areas, and areas around the coast (PEMDA Bantul, 2018). With this potential, agricultural waqf can become one of the priorities for *Nadzir* (waqf managers) in Bantul district.

Table 1.1
Area and Amount of Waqf Land special regions of Yogyakarta

District / City Name	Waqf Land Area	Waqf Land Amount
Sleman	1,016.371.628 m ²	3,141
Bantul	833,617.9470000002 m ²	2,676
Kulon Progo	763,781.8750000001 m ²	1,814
Gunung Kidul	719,959.5179999999 m ²	1,652
Yogyakarta	233,650.502 m ²	746

Source: Official Website Waqf System Indonesia Ministry of Religion

From data above, it can be seen that in Special Region of Yogyakarta, Sleman has the largest and most donated land, namely 1,016,371.628 m² in 3,141 locations. Then followed by Bantul with 833,617.9470000002 m² in 2,676 locations and Kulon Progo with 763,781.8750000001 m² in 1,814 locations. Furthermore, there is Gunung Kidul with 719,959.5179999999 m² in 1,652 locations and finally in Yogyakarta City with an area of 233,650.502 m² in 746 locations.

Table 1.2
Area and Amount of Waqf Land Bantul Regency

Sub-district Name	Waqf Land Area	Waqf Land Amount
Bantul	40,539.384 m ²	168
Kretek	26,595.295 m ²	89
Sanden	35,948.45 m ²	86
Srandakan	51,246.466 m ²	119
Bambanglipuro	17,128 m ²	71
Pandak	46,243.759 m ²	191
Pundong	27,230 m ²	141
Imogiri	61,528.487 m ²	169
Banguntapan	79,752 m ²	288
Jetis	27,063.956 m ²	118
Dlingo	27,275.632 m ²	85
Panjangan	55,035.687 m ²	128
Sedayu	58,675.2 m ²	167
Kasihani	57,983.941 m ²	209
Sewon	101,566.5 m ²	357
Pleret	50,872.429 m ²	148
Piyungan	68,932.761 m ²	142

Source: Official Website Waqf System Indonesia Ministry of Religion

Specifically for Bantul, out of 17 sub-districts, the largest area of waqf land is in Sewon sub-district with an area of 101,566.5 m² in 357 locations. Meanwhile, the least amount is in Bambanglipuro sub-district with an area of 17,128 m² in 71 locations. Besides, based on the livelihoods of the population in Bantul Regency, most of them work in the agricultural sector. However, every year the agricultural land in Bantul Regency continues to shrink, which causes a decrease in the amount of agricultural production (PEMDA Bantul,

2018). Seeing this phenomenon, it is necessary to make efforts then the fulfillment of agricultural products can still be fulfilled.

Majelis Wakaf dan Kehartabendaan (MWK) of Muhammadiyah exists in almost every regional leader. The purpose program of Muhammadiyah Central Leadership *Majelis Wakaf dan Kehartabendaan (MWK)* is to advance the quality of the societies' socio-economic life as a bulwark from the problems of poverty, underdevelopment, and ignorance that exist in the lower classes with various programs developed by Muhammadiyah through optimizing the development of waqf in the form of waqf cash and productive waqf (Damanuri, 2012: 82). The regional management of Bantul's Muhammadiyah includes those who have *Majelis Wakaf dan Kehartabendaan (MWK)*. So far, *Majelis Wakaf dan Kehartabendaan (MWK)* has been running quite well despite being on hiatus for several years.

One of the obstacles that arise in managing the waqf assets in *Wakaf dan Kehartabendaan (MWK)* such as land waqf is that there is still a lot of vacant lands. This is due to several factors such as weak waqf management and a lack of professional resources, rigid regulations regarding changes in the form of waqf assets, and the lack of the government's role in promoting waqf as a solution to poverty reduction (Utami et al, 2017).

Food sector is one of the sectors that people always need, especially in Indonesia which has a very large number of consumers. Agriculture, especially Indonesian food security, still relies on the middle to a small level. About 37%

or 100 million Indonesians work in the agricultural sector. Various efforts have been made by the Ministry of Agriculture to make a strong foundation of agricultural sector in supporting the Indonesian economy, such as by providing training, extension, assistance, etc. It can be said that the factors of knowledge and understanding of practitioners in the agricultural sector can encourage more and more quality products from the agricultural sector. Research from Hameed and Sawicka (2016) said that farmers' knowledge of economic aspects and organic agricultural production had a positive and significant effect. This means that if the knowledge possessed by farmers is high, the economic aspects and agricultural production will also be high.

Muzara'ah contract is a form of contract in Islamic law. This contract is the same as *mudharabah* contract, except that this contract is used in agriculture where there are two or more participants work together and the benefits are also shared based on the agreement that has been made. Ajeng's research (2017) stated that one solution to increasing agricultural output in Indonesia is to apply the *muzara'ah* contract in the use of waqf land. Government can work together with farmers to work on waqf land. Government or local government as participants who manage waqf land and farmers as people who cultivate the land from the beginning until the time of harvest. The same thing was also expressed by Issa, et al (2018) that *muzara'ah* contract can be a solution in managing waqf in Zanzibar in facing the crisis. Then knowledge about the types of contracts in Islam to maximize the use of land waqf is important for society. Besides, Nurlaila, et al (2019) stated that

understanding productive waqf in society has a positive effect on their decisions in choosing the type of waqf to be chosen.

It cannot be denied that poverty continues to increase every year, especially in remote areas. All efforts have been made by government, private sector, and NGOs to address the poverty problem, but the steps taken have not been effective enough. Agricultural sector is one of the main livelihood sectors and provided significant numbers in Nigeria in eradicating poverty in the early 70s. Now it has been replaced with crude oil. There is a lot of corruption, illegal tapping of crude oil, and a decline in agriculture, which is one of the people's sources of income. In a study conducted by Yusuf, et al. (2014) revealed that the role of waqf institutions in managing and providing assistance to society is very important and has a significant effect in dealing with poverty in Nigeria. The impact is not only on land that becomes productive, but young generation and also old generation can participate in the management of waqf land and of course, this reduces the unemployment rate in Nigeria and indirectly has an impact on reducing poverty levels there.

According to Nurlaila, et al (2019), waqf which is managed productively has a significant impact on the development of a country. However, in Indonesia, the accumulated waqf funds still tend to be mostly used for direct (non-productive) waqf according to the mandate of waqf. This means that there are still many waqfs that tend to choose direct (nonproductive) waqf over productive waqf. In her research, she states that access to information related to

waqf does not significantly influence the decision of *wakif* in waqf or choosing the type of waqf.

Based on the description above, the author raises research on matters related to the title " The Level of Understanding of Muhammadiyah Bantul Residents Regarding Agricultural Waqf with Muzara'ah Contract and Its Determining Factors".

B. Research Question

Based on what has been explained above, the problems to be examined in this research are:

1. Does knowledge about agriculture affect the level of understanding of Muhammadiyah Bantul residents in agricultural waqf?
2. Does the knowledge of the Muzara'ah contract affect the level of understanding of Muhammadiyah Bantul residents in agricultural waqf?
3. Does the role of waqf institutions in society affect the level of understanding among Muhammadiyah Bantul residents in agricultural waqf?
4. Does access to information affect the level of understanding of Muhammadiyah Bantul residents in agricultural waqf?

C. Research Objectives

The objectives of this research are as follows:

1. Find out whether knowledge about agriculture affects the level of understanding of Muhammadiyah Bantul residents in agricultural waqf
2. Find out whether knowledge about *Muzara'ah* contract affects the level of understanding of Muhammadiyah Bantul residents in agricultural waqf
3. Find out whether the role of waqf institutions in society affects the level of understanding of Muhammadiyah Bantul residents in agricultural waqf
4. Find out whether access to information affects the level of understanding of Muhammadiyah Bantul residents in agricultural waqf

D. Research Benefit

The benefits of this research are:

1. This research can be useful for the management of Muhammadiyah branches in particular and Muhammadiyah associations in general in developing and increasing their waqf assets for the benefit of ummah.
2. Administrators and *nadzir* who manage waqf assets can take important things that can be used as learning in managing waqf properly.
3. Local government and others as information in making policies for society.
4. Additional information for researchers engaged in waqf, especially agricultural waqf.