

Effectiveness of Waqf Asset Management by the Ministry of Religious Affairs Office in Efforts to Improve the Economic Welfare of the Community in Langkat Regency

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This study aims to determine the effectiveness of waqf asset management by the Langkat Regency Ministry of Religious Affairs Office in improving the economic welfare of the community. This study uses a qualitative approach with field research. Data collection techniques were carried out through observation, interviews, and documentation with informants consisting of the Langkat Regency Ministry of Religious Affairs Office, waqf administrators, and community members related to waqf asset management. The results show that waqf asset management by the Langkat Regency Ministry of Religious Affairs Office has been carried out through data collection activities, nazir guidance, supervision, and assistance with waqf land certification. However, the effectiveness of waqf asset management is still not optimal due to various obstacles such as the low quality of human resources managing waqf, lack of order in waqf administration, and minimal development of productive waqf. Most waqf assets are still used for traditional religious and social purposes so that their contribution to improving the economic welfare of the community is still relatively limited. In addition, the low public understanding of the importance of productive waqf management is also an obstacle to the development of waqf assets in Langkat Regency. To address these issues, the Langkat Regency Ministry of Religious Affairs Office has undertaken various efforts, including providing guidance to the nazir (Islamic trustee), promoting productive waqf, improving waqf administration, and collaborating with various relevant parties to optimize waqf asset management. Therefore, synergy between the government, the nazir (Islamic trustee), and the community is necessary to ensure that waqf asset management is more professional, productive, and oriented toward sustainably improving the economic well-being of the community.

Keywords: Waqf Management, Waqf Assets, Economic Welfare of the Community, Ministry of Religion

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1. Introduction

Waqf is an Islamic economic instrument with significant potential for improving the welfare of the community through productive and sustainable asset management. From an Islamic perspective, waqf is viewed not only as a form of worship with spiritual value but also as a socio-economic instrument capable of supporting community development. Proper utilization of waqf assets can provide benefits in various fields such as education, health, economics, and social welfare. Therefore, waqf management must be carried out professionally so that its benefits can be felt widely by the community. Productive waqf has significant potential for creating economic equality and supporting the sustainable development of community welfare (Rahman, 2021). Therefore, the existence of waqf is crucial in supporting Sharia-based economic growth in society.

Indonesia, as the country with the largest Muslim population in the world, has enormous potential for waqf assets. This potential is spread across various regions in the form of waqf land, buildings, educational institutions, and other social facilities. The government, through the Ministry of Religious Affairs, is

responsible for fostering, supervising, and administering waqf assets to ensure their utilization complies with sharia provisions and laws and regulations. Waqf management in Indonesia is regulated by Law Number 41 of 2004 concerning Waqf, which serves as the legal basis for the management and development of waqf assets. The existence of waqf regulations aims to create orderly, professional waqf management that is capable of providing economic benefits to the community (Fauzi, 2022). However, the implementation of waqf management in the field still faces various obstacles, preventing the waqf potential from being fully utilized.

Langkat Regency is one of the regions in North Sumatra Province with significant waqf potential due to its predominantly Muslim population. Waqf assets in Langkat Regency are spread across various sub-districts and are generally used for the construction of mosques, prayer rooms (mushalla), madrasahs (Islamic schools), Islamic boarding schools (pesantren), and other social facilities. This potential could potentially be developed into productive assets that could provide economic benefits to the surrounding community. However, many waqf assets remain under-managed, thus under-recognizing their economic benefits. Waqf management in the region tends to be consumptive rather than productive, thus preventing waqf assets from maximizing their contribution to the welfare of the community (Hidayat, 2023). This situation demonstrates the need for more effective and professional waqf management.

Effective waqf asset management requires the active participation of various parties, particularly the Ministry of Religious Affairs, as the institution authorized to guide and supervise waqf. The Ministry of Religious Affairs is tasked with data collection and certification of waqf land, guidance for nazirs (Islamic administrators), and supervision of waqf asset utilization. The effectiveness of waqf management is greatly influenced by the institution's ability to carry out its administrative and development functions professionally. Good waqf management must be supported by an orderly administration system, optimal supervision, and competent human resources (Siregar, 2020). With proper management, waqf assets can develop into productive economic resources that can improve community welfare.

In reality, waqf asset management in various regions still faces numerous obstacles. One frequently encountered issue is the large amount of waqf land that lacks official certificates, making it vulnerable to future legal conflicts. Furthermore, some nazirs (Islamic administrators) lack the managerial skills to manage waqf assets productively. The low quality of human resources in waqf management is a major factor in the suboptimal development of productive waqf in Indonesia (Nasution, 2024). This situation results in waqf assets being used only in traditional ways and failing to generate significant economic impact for the community.

The effectiveness of waqf management is also closely related to efforts to improve the economic welfare of the community. From an Islamic economic perspective, waqf serves as an instrument for wealth distribution aimed at creating social justice and reducing economic disparities in society. Productive waqf development can be carried out through various business activities such as agriculture, trade, sharia-compliant cooperatives, and sharia-based micro-enterprises. Productive waqf can be a solution for improving community welfare because the proceeds can be used for community economic empowerment programs (Aziz, 2021). Therefore, waqf asset management must be directed towards productive activities that provide sustainable economic benefits.

The Langkat Regency Ministry of Religious Affairs Office plays a strategic role in supporting the optimization of waqf asset management in the region. Through its guidance and oversight functions, this institution is expected to create more orderly, transparent, and professional waqf governance. These efforts include waqf asset data collection, guidance for nazirs (managers), facilitating waqf land certification, and educating the community about the importance of productive waqf. Successful waqf management is greatly

influenced by collaboration between the government, nazirs, and the community in maintaining and sustainably developing waqf assets (Lubis, 2022). With effective synergy, waqf assets can be developed into a beneficial economic resource for the community.

However, the reality on the ground shows that waqf management in Langkat Regency still faces various obstacles. Some waqf assets have not been properly recorded administratively, and others have not been utilized productively. Furthermore, public understanding of productive waqf remains relatively low, resulting in many waqf assets being used solely for religious purposes. Low public literacy regarding productive waqf management is a major obstacle to the development of a waqf-based economy (Pratama, 2023). This situation highlights the need for increased public education and guidance regarding the importance of productive and sustainable waqf management.

To improve the effectiveness of waqf asset management, a professional management system based on the principles of transparency and accountability is required. Good waqf management encompasses the planning, implementation, monitoring, and evaluation processes for waqf asset utilization. Transparency in waqf management is a crucial factor in increasing public trust in waqf management institutions. The application of good governance principles in waqf management can increase the effectiveness of productive waqf asset development (Hakim, 2020). Therefore, the Ministry of Religious Affairs needs to strengthen its oversight and guidance system for nazirs (managers) to ensure optimal waqf management.

The development of productive waqf in Langkat Regency offers significant potential for supporting local economic growth. Waqf assets can be developed into productive agricultural land, trade centers, educational institutions, and Sharia-compliant businesses that generate sustainable economic benefits. Productive utilization of waqf assets not only provides financial benefits but also strengthens social solidarity. Productive waqf is an effective Islamic economic instrument for creating equitable prosperity and reducing poverty (Arifin, 2024). With proper management, waqf assets can become a source of income that provides long-term benefits for the community.

Research on the effectiveness of waqf asset management by the Ministry of Religious Affairs is crucial due to the persistent gap between the potential of waqf and the reality of its management in the community. This research is expected to provide an overview of the effectiveness of waqf asset management in Langkat Regency, the factors influencing its management, and its impact on improving the economic welfare of the community. Evaluation of waqf management is essential to determine the success rate of productive waqf development that has been implemented (Syahputra, 2021). This research is expected to identify appropriate solutions to improve the effectiveness of waqf management in the region.

Based on the above description, it can be understood that waqf has great potential as an instrument for empowering the community's economy if managed effectively and professionally. The Ministry of Religious Affairs Office, as an institution authorized to foster and supervise waqf, plays a crucial role in ensuring that waqf assets are optimally utilized for the welfare of the community. However, various problems such as the low professionalism of the nazir (manager), weak waqf administration, and minimal development of productive waqf remain challenges that need to be addressed. Therefore, the study entitled "The Effectiveness of Waqf Asset Management by the Ministry of Religious Affairs Office in Efforts to Improve the Economic Welfare of the Community in Langkat Regency" is important to contribute ideas in developing waqf governance that is more effective, productive, and oriented towards the welfare of the community.

2. Methods

This study uses a qualitative approach with field research, aiming to deeply understand the effectiveness of waqf asset management by the Ministry of Religious Affairs Office in improving the economic welfare of

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the community in Langkat Regency. A qualitative approach was chosen because this study focuses on understanding social phenomena, the waqf management process, and various factors influencing the effectiveness of waqf asset management within the community. Qualitative research allows researchers to obtain in-depth data through direct interaction with informants in the field, thus providing more objective data and reflecting actual conditions. Field research was conducted by directly observing waqf management activities carried out by the Ministry of Religious Affairs Office in Langkat Regency and other parties involved in waqf management. A qualitative approach is used to systematically and in-depthly describe the actual conditions regarding waqf asset management (Moleong, 2021). By using this approach, researchers are expected to obtain a clear picture of the effectiveness of waqf asset management in improving the economic welfare of the community.

The research location was conducted at the Ministry of Religious Affairs Office of Langkat Regency because this institution has a crucial role in the development, supervision, and management of waqf administration in the region. The research subjects consisted of the Head of the Islamic Community Guidance Section, waqf managers, waqf nazirs, and members of the public involved in the utilization of waqf assets in Langkat Regency. Informants were selected using a purposive sampling technique, which involves selecting informants based on specific considerations who are considered knowledgeable and knowledgeable about the issues being studied. This technique ensures that the data obtained is truly relevant to the research focus. According to Sugiyono (2022), purposive sampling is a data source sampling technique with specific considerations so that the selected informants are able to provide in-depth information related to the research object. Thus, the data obtained in this study is expected to be able to describe the condition of waqf asset management more accurately and comprehensively.

Data collection techniques in this study were conducted through observation, interviews, and documentation. Observations were conducted to directly observe the process of waqf asset management and the conditions of waqf asset utilization in Langkat Regency. In-depth interviews were conducted with informants related to waqf management to obtain information regarding the effectiveness of waqf asset management, obstacles encountered, and efforts made to improve the economic welfare of the community. In addition, documentation was used to obtain supporting data in the form of archives, reports, photographs, and documents related to waqf management. These data collection techniques were used so that researchers obtained complete and valid data according to research needs. According to Yusuf (2020), the use of observation, interviews, and documentation in qualitative research aims to strengthen data validity through various different information sources. Thus, research results are expected to have a high level of accuracy and credibility.

The data analysis technique in this study was carried out through the stages of data reduction, data presentation, and drawing conclusions. Data reduction was carried out by selecting and simplifying data obtained from the field to align with the research focus. Next, the data was presented in descriptive form to facilitate researchers in understanding the research results. The final stage was drawing conclusions based on the analyzed data to determine the effectiveness of waqf asset management by the Langkat Regency Ministry of Religious Affairs Office in improving the economic welfare of the community. To test the validity of the data, this study used source triangulation and method triangulation techniques to ensure the data obtained was truly valid and reliable. According to Miles (2021), data analysis in qualitative research is carried out continuously from data collection until the research is completed, resulting in more in-depth and systematic research results. With these analytical techniques, this research is expected to produce objective findings that are in accordance with actual conditions in the field.

3. Results and Discussion

Management of Waqf Assets by the Ministry of Religion Office of Langkat Regency

Based on the research results, the management of waqf assets by the Langkat Regency Ministry of Religious Affairs Office has been carried out through various administrative stages and guidance for waqf nazir. This management includes data collection on waqf land, waqf administration processes, guidance for waqf managers, and supervision of the use of waqf assets within the Langkat Regency area. In its implementation, the Langkat Regency Ministry of Religious Affairs Office collaborates with sub-districts, the Office of Religious Affairs (KUA), and the community in conducting data collection and supervision of waqf assets to ensure their existence has clear legal force. Based on the results of interviews with the Ministry of Religious Affairs, it was discovered that the majority of waqf assets in Langkat Regency were used for the construction of mosques, prayer rooms, madrasas, and other social activities. However, there are still several waqf assets that have not been administratively recorded and do not have official certificates, thus requiring further attention from the relevant parties.

Based on research results, waqf asset management in Langkat Regency still faces various obstacles in its implementation. One of the main obstacles is the still low level of understanding among some communities regarding the importance of waqf administration and waqf land certification. This condition results in waqf land still lacking clear legal status, potentially leading to future conflicts. Furthermore, limited human resources in waqf management also hinder the productive development of waqf assets. Many nazirs still manage waqf assets traditionally and lack adequate managerial skills to develop waqf assets to be more productive. This condition indicates that waqf asset management is not yet fully optimal because it still focuses on consumptive management rather than productive.

Based on research findings, the Langkat Regency Ministry of Religious Affairs Office continues to strive to improve the quality of waqf asset management through coaching and outreach activities for the community and nazirs. This coaching is carried out to increase understanding of the importance of professional waqf management in accordance with sharia provisions and applicable laws and regulations. Furthermore, the Ministry of Religious Affairs also provides assistance in the waqf land certification process so that waqf assets have clear legal protection. These efforts are carried out as a form of government responsibility in maintaining the sustainability of waqf assets so that they can be optimally utilized for the benefit of the community. With ongoing coaching and supervision, it is hoped that waqf asset management in Langkat Regency can develop into a more orderly, professional, and productive one.

Effectiveness of Waqf Asset Management in Improving the Economic Welfare of the Community

Based on research results, the effectiveness of waqf asset management by the Langkat Regency Ministry of Religious Affairs Office has not been fully implemented to improve the economic welfare of the community. This is evident in the continued dominance of waqf asset utilization for traditional religious and social purposes, rather than the development of productive waqf, which can have a direct economic impact on the community. The majority of waqf assets are still used for the construction of places of worship, while the development of waqf assets in productive business sectors such as agriculture, trade, and sharia cooperatives remains very limited. This condition indicates that the economic potential of waqf assets has not been optimally utilized to support the welfare of the community in Langkat Regency.

Research shows that well-managed waqf assets can provide social and economic benefits to the surrounding community. Some waqf assets used for educational institutions and social activities have had a positive impact on the community, particularly in supporting religious activities and Islamic education. However, the contribution of waqf assets to improving the community's economy remains relatively small

because not many waqf assets have been developed into productive businesses. The community hopes that existing waqf assets can be utilized not only for religious purposes but also for economic activities that can create jobs and increase community income. Therefore, the development of productive waqf is a crucial need in efforts to improve the economic welfare of the people in Langkat Regency.

Research shows that the effectiveness of waqf asset management is significantly influenced by the quality of human resources, administrative systems, and community support. Nazir with strong managerial skills and economic understanding tend to be more capable of developing waqf assets productively than those who focus solely on traditional management. Furthermore, community support is also a crucial factor in the success of waqf management, as the community plays a role in safeguarding, supporting, and overseeing the use of waqf assets. Therefore, it is necessary to increase the capacity of nazir through training and coaching so that waqf asset management can be more effective and provide broader economic benefits to the community.

Efforts of the Ministry of Religion Office in Optimizing the Management of Waqf Assets

Based on research results, the Langkat Regency Ministry of Religious Affairs Office has undertaken various efforts to optimize the management of waqf assets. One such effort is through data collection and streamlining of waqf land administration to ensure all waqf assets have clear and well-documented data. Furthermore, the Ministry of Religious Affairs is also encouraging the acceleration of waqf land certification in collaboration with the National Land Agency (BPN) to provide legal certainty for existing waqf assets. This step is taken to prevent disputes or the transfer of waqf land functions that are inconsistent with the original purpose of the waqf. With orderly administration, waqf asset management is expected to be more secure and structured.

Based on research findings, the Langkat Regency Ministry of Religious Affairs Office also provides guidance to nazirs (Islamic trustees) on the importance of professional and productive waqf management. This guidance is provided through outreach activities, training, and mentoring related to waqf management in accordance with sharia principles and modern management. The Ministry of Religious Affairs emphasizes that waqf assets are not only used for religious purposes but can also be developed into productive assets that provide economic benefits to the community. Through this guidance, nazirs are expected to develop the ability to manage waqf assets more effectively so that the proceeds can be used to support the sustainable welfare of the community.

Based on research findings, efforts to optimize waqf asset management still require support from various parties, including the government, the community, and other relevant institutions. Productive waqf development cannot be optimally achieved if it relies solely on the role of the nazir (Islamic administrator) and the Ministry of Religious Affairs. Therefore, strong cooperation is required between local governments, Islamic financial institutions, community leaders, and the general public to support the development of productive waqf assets. Furthermore, increasing public awareness of the importance of productive waqf is crucial for waqf assets to provide greater economic benefits. With effective synergy between various parties, waqf asset management in Langkat Regency is expected to develop optimally and contribute to improving the economic welfare of the community.

4. Conclusion

Based on the research results, it can be concluded that the management of waqf assets by the Langkat Regency Ministry of Religious Affairs Office has been carried out through various administrative activities, guidance, data collection, and supervision of waqf assets in the Langkat Regency area. This management is carried out by involving the Office of Religious Affairs (KUA), waqf nazir, and the community in

maintaining the sustainability of waqf assets so that they continue to be used in accordance with the objectives of the waqf. However, the effectiveness of waqf asset management is still not optimal due to various obstacles such as the low quality of human resources for waqf managers, lack of orderly waqf administration, and the fact that many waqf assets still do not have official certificates. In addition, waqf asset management in Langkat Regency still tends to be consumptive and has not been developed into productive waqf that can provide a direct economic impact to the community.

Based on the research results, it can also be concluded that the Ministry of Religious Affairs Office of Langkat Regency continues to make various efforts to improve the effectiveness of waqf asset management through guidance for nazirs, socialization of productive waqf, assistance with waqf land certification, and strengthening the waqf administration system. These efforts are carried out so that waqf assets can be managed more professionally, transparently, and productively, thereby providing greater benefits for the economic welfare of the community. The development of productive waqf is considered to have great potential in supporting community economic improvement through the utilization of waqf assets in business, education, and other socio-economic activities. Therefore, good cooperation is needed between the government, nazirs, and the community to support the optimization of waqf asset management so that the potential of waqf in Langkat Regency can develop optimally and provide sustainable benefits to the wider community.

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