



The Impact of Productive Waqf During the Covid-19 Pandemic (Case Study of *Waqf* Organizer at Wandanpuro Bululawang)

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ABSTRACT

The existence of productive waqf very important in an effort to help the community's economy. However, in the current conditions with the Covid-19 outbreak in Indonesia, the impact is much felt in both cities and villages, the use of productive waqf is also given to residents who are directly affected by the Covid-19 pandemic. The economic sector has also been seriously affected by the coronavirus pandemic. This study aims at investigating how is the management of productive waqf in Wandanpuro Bululawang during the covid-19 pandemic. This study use a qualitative approach with documentation and observation as a method of data collection, and use the content-descriptive analysis. The result found that utilization of productive waqf during the COVID-19 pandemic at Wandanpuro Bululawang Community, it is can help especially for workers who have been laid off or an businessman whose business is affected by Covid-19 pandemic.



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INTRODUCTION

Management and utilization of *waqf* practices in society have not run orderly and efficiently so various cases of *waqf* property is not maintained properly, abandoned even managed by third party through disobeying the law (Sloane-White, 2017; Hamoudi & Cammack, 2018; Robinson 2019; Markiewicz, 2019). The condition is not only caused by *nadzir*'s dereliction and incompetence in managing and development *waqf* property (Abd Mutalib & Maamor, 2018; Hassan, Abdul-Rahman & Yazid, 2018). However, it is also because of society who is irresponsible and has less knowledge of *waqf* property status which should be reserved for commonweal

appropriate for goal, function, and *waqf* allocation. The importance of the law in developing national law is necessary to create law about *waqf* (Mohamed Fisol, et. al., 2021; Maamor, et., al, 2021).

Law no. 41 of 2004 on *waqf* stated that the goal of *waqf* is to take advantage of the *waqf* property to suit its function. *Waqf* has a function to realize the potential and economic benefits of *waqf* treasures for the benefit of worship and to promote commonweal. *Waqf* is valid if it is conducted based on sharia while *waqf* which has been pledged cannot be cancelled. *Waqf* in Law Number 41 of 2004 is a legal act of *wakif* to separate and/or give part of his treasure to use forever or for a certain period in accordance with his interests for the purposes of worship and/or commonweal according to sharia. The party who gives *waqf* of his property is named *wakif*. The recipient of the *Waqf* is called *nazhir*. *Nazhir* is the one who receives the *waqf* property from the *Wakif* to be managed and developed according to its designation. *Waqf* must be pledged or declared.

The *Waqf* pledge in Law no 41 of 2004 concerning *Waqf* is a statement of the *wakif*'s stated in spoken and/or written to *nazhir* for endowing his property. *Waqf* properties are the ones that have long-lasting durability and/or long-term benefits and have economic value according to sharia which are *waqf* ed by the *wakif*. The implementation of *waqf* according to Law Number 41 of 2004 states that *waqf* practices in society have not run orderly and efficiently so various cases of *waqf* property is not maintained properly, abandoned even managed by third party through disobeying the law.

However, it seems that the majority of Indonesian Muslims perceive that *waqf* for religious goals is prioritized than *waqf* for social empowerment ones (Priantina, 2019; Jahar, 2019; Hassan, et. al., 2019; Ahmad & Karim, 2019; Junarti, et. al., 2021). They practice more religious *waqf*, such as *masjid*, *musholla*, tombs etc. Meanwhile, for the purpose of empowerment, such as educational *waqf*, economic empowerment and social welfare have not been significant. The sustainability of the benefits of *waqf* results is made possible by the enactment of productive *waqf* established to support various social and religious practices (Hasanah & Hakim, 2017). Productive *waqf* is commonly in the form of agricultural land or plantations, commercial buildings managed in such a way as to bring profits, some of the proceeds are used to finance these various practices. Even in history, *waqf* has been developed in the form of apartments, shop houses and others. This productive *waqf* is then practiced in many countries up to now. The results of the *waqf* management are used to overcome various socio-economic problems in society.

Indonesia confirmed the first case of the corona virus that causes Covid-19 in early March 2020. Since then, various countermeasures have been made by the government to decrease the impact of the Covid-19 pandemic in various sectors. Almost all sectors get the impacts, not only health. The economic sector has also been seriously affected by the coronavirus pandemic. Restrictions on community activities affect business activities that then have the impacts on the economy. It only required 38 days for Covid-19 to infect all provinces in Indonesia, i.e. on April 9, 2020. The last province to announce a Covid-19 case was Gorontalo.

Referring to the aforementioned problems, this study aims at investigating how is the management of productive *waqf* in Wandanpuro Bululawang during the covid-19 pandemic to find out the implementation of productive *waqf* management in Wandanpuro Bululawang during this covid-19 pandemic.

RESEARCH METHOD

The method used in this current study is descriptive qualitative. This type of research is field research, namely undertaking research on the management and utilization of productive *waqf* during the COVID-19 pandemic in Wandanpuro Village - Bululawang District. The purpose of this present study is to describe the implementation of productive *waqf* in the management and utilization during the COVID-19 pandemic in the NU Wandanpuro Branch, Bululawang District. The research approach employed is descriptive with a triangulation approach that combines a participatory observation approach, interviews and documentation. The steps carried out are as follows: collecting more information/data by interview and then analyzing the average percentage in a single tab based on only one variable, i.e. the management and utilization of productive *waqf* in the Wandanpuro Branch of NU - Bululawang.

RESULTS AND DISCUSSION

Implementation of Management and Utilization of Productive Waqf of NU branch in Wandanpuro - Bululawang

Indonesia confirmed the first case of the corona virus that causes Covid-19 in early March 2020. Since then, various countermeasures have been made by the government to decrease the impact of the Covid-19

pandemic in various sectors. Almost all sectors get the impacts, not only health. The economic sector has also been seriously affected by the coronavirus pandemic. Restrictions on community activities affect business activities which then have the impacts on the economy. It only required 38 days for Covid-19 to infect all provinces in Indonesia, i.e. on April 9, 2020. The last province to announce a Covid-19 case was Gorontalo. The Governor of Gorontalo announced the first positive case of Covid-19 in his territory. The patient is known to be a *tabligh* congregation who followed the event in Gowa, South Sulawesi. Moreover, it took almost five months or 147 days for Indonesia to record 100,000 Covid-19 cases. It precisely occurred on July 27, 2020. On September 8, 2020, the total positive cases of Covid-19 in Indonesia had reached 200,000 cases. This means that it only required 45 days for Indonesia to record an additional 100,000 cases since July 27. Similarly, on October 4, 2020, Covid-19 cases in Indonesia reached 300,000 cases. This indicates that the addition of cases of Corona virus infection increase rapidly in Indonesia. Hence, it only took 26 days for Indonesia to record an additional 100,000 cases since September 8. Still in the same month, the number of Covid-19 cases in Indonesia has increased again by 100,000 cases, i.e. on October 28, 2020. It is only 24 days away for Indonesia to record 400,000 cases of Covid-19 since October 4, 2020.

On the other hand, according to a report from the Central Bureau of Statistics in August 2020, it was reported that Indonesia's economic growth in the second quarter of 2020 was minus 5.32 percent. Previously, in the first quarter of 2020, Central Bureau of Statistic stated that Indonesia's economic growth only grew by 2.97 percent, down far from growth of 5.02 percent in the same period in 2019. This weakening economic performance also affects the employment situation in Indonesia. The SMERU Research Institute, an independent institution which conducts research and public studies, in August 2020 released their policy record entitled "Anticipating the Potential Impact of Crisis Due to the Covid-19 Pandemic on the Labor Sector". In that note, the SMERU research team emphasized at least two implications of the economic crisis undergone by Indonesia in the employment sector.

The first one is, the increase in the number of unemployment, and second one is the changes in the post-crisis labor market. The inhibition of economic activity automatically makes business actors do efficiency to reduce losses. As a result, many workers are homed or even laid off (work termination). Based on data from the Ministry of Manpower (*Kemnaker*) as of April 7, 2020, due to the Covid-19 pandemic, there were 39,977 companies in the formal sector that chose to home and lay off their workers. 1.010.579 workers get the impact from this. In detail, 873,090 workers from 17,224 companies were homed while 137,489 workers were laid off from 22,753 companies. Meanwhile, the number of companies and labors affected in the informal sector were 34,453 companies and 189,452 workers. However, in its policy records, the SMERU research team stated that this figure does not describe the overall unemployment rate since it does not involve unemployment from the informal sector and the new workforce who are still unemployed. The SMERU research team then simulated the calculation of the increase in total unemployment and calculated the amount of reduction in labor absorption from each business sector due to the economic contraction until the end of March 2020. Citing SMERU's policy records, the simulation results demonstrate that the *TPT* (Open Unemployment Rate) increased from 4.99% in February 2020 (*BPS* data) to about 6.17%6.65% in March 2020. This percentage was equivalent to an increase in the number of reductions in labor absorption which reached about 1.6 million to 2.3 million people. Judging from the distribution of sectors, trade was the sector which undergone the most reduction in employment. The estimation results indicated that around 677,100953,200 people decreased the absorption of labor in this sector. However, if viewed from the proportion, construction is the sector that mostly reduces the absorption of labor with a proportion of 3.2% - 4.5% of the number of workers in the sector in February 2020. However, there are sectors expected to absorb workforce, such as education services, information and communications, health services and social activities, as well as financial and insurance services. This is likely to occur due to the quarter of 2020, the gross domestic product (GDP) of this sector increased when compared to the same period in 2019.

The SMERU research team conveyed that there were at least four main points that will drive encourage in the labor market landscape after the economic crisis and the Covid-19 pandemic. First, the absorption rate of workers would not be as large as the number of workers affected by layoffs. The difference in labor that was not absorbed would then be classified into the unemployment group. What is the effect on the post-crisis economic recovery? Muhammad Adi Rahman, SMERU researcher and head of the research team that compiled this policy note, said that it is very likely that the unemployed, both new workers and those who were laid off due to the crisis, will work in the informal sector. What is the effect in terms of the post-crisis economic recovery? Muhammad Adi Rahman, SMERU researcher and head of the research team who compiled this policy note, revealed that it is very likely that the unemployed, both new workers and those who were laid off due to the crisis, will work in the informal sectors. He stated this was necessary because if the workers' productivity could be improved, it was expected that their wage levels would also be better. "Even if this

business can develop, it is expected that it will also open up job opportunities so that it can absorb labors," he said.

Second, the company will only recruit workers who have high productivity and are able to do some tasks at once (multitasking). For example, a hotel business will only recruit employers who have managerial skills and can serve guests in the restaurant section. This is quite common, even before the pandemic hit. However, this prerequisite will be increasingly required by companies in the post-crisis worker recruitment process. Adi stated the current pandemic has become an opportunity for some entrepreneurs to move from being previously labor-intensive to capital-intensive. Moreover, it is also to anticipate the risk if one day a situation similar to this pandemic occurs again. Third, the business fields that will develop after the Covid-19 pandemic are the ones related to technology. The required workforce is also the one who has the ability in the field of technology. This is evidenced by the shift in work patterns during the pandemics. If previously workers were expected to work at their workplace, then during this pandemic companies and workers must adapt to reduce their activities, especially those that involve meeting many people. One of the ways is by implementing the work from home (WFH) pattern. Fourth, the outsourcing system and contract workers will be more demanded by business actors because both provide high flexibility to companies in terms of their workforce. Adi explained that the flexibility meant here is a non-standard employment relationship such as part-time workers or workers with daily contracts. This flexibility is considered to be interesting for business actors to keep pace with the dynamic business world situation in the future. However, he reminded that the welfare of these labors must be maintained by providing employment protection to them.

Implementation of Management and Utilization of Productive *Waqf* of NU branch in Wandanpuro - Bululawang

The management of *waqf* in Wandanpuro - Bululawang is currently managed by the Wandanpuro Bululawang NU Branch Management, where currently there are two productive lands in the form of rice fields planted of sugar cane. The location is one land in Wandanpuro and the other in Tambakasri, where the existence and management of productive *waqf* in general has actually been conducted properly in accordance with the rules in force by the NU Management for Wandanpuro Bululawang Branch based on their needs and designations. The productive *waqf* lands managed by the Wandanpuro NU Branch are all paddy fields or productive land currently planted of sugar cane. The management of productive *waqf* in the Wandanpuro Branch of NU has been conducted in accordance with the determined *waqf* regulations. This is because the human resources (HR) of the NU Wandanpuro Branch are already qualified where one of the NU Management of the Wandanpuro Branch is an employee of religious Affairs office (*KUA*). The management of *waqf* by the NU Management has been done almost 11 years ago, since the *waqf* land was given by the *Wakif* to *Nadzir*. In this regard, the who acted as *Nadzir* was Wandanpuro-Bululawang Branch of NU Management.

As for the *wakif*, the person who donates his wealth to the NU Branch Management comes from the Wandanpuro. He donates land to be used for development and Islamic *syiar* in the Wandanpuro area, in which the results then can be given for the prosperity of Muslims in Wandanpuro including helping the construction of *masjid*, *musholla*, master of the Qur'an, *marbot* of the *masjid*, *musholla*, as well as helping the education costs of poor and orphaned children in the Wandanpuro area

Meanwhile the distribution is carried out once a year because the *waqf* land is planted with sugar cane, where the yields of which are every year. The distribution is conducted proportionally such as for master of the Koran, *masjid* marbots, *musholla*, helping the education costs of poor and orphaned children, as well as for orphans in the Wandanpuro area. Similarly, the distribution of the results of the management of productive *waqf* land managed by the Wandanpuro NU Branch annually is carried out at the time of *Eid al-Fitr* and distributed to master of the Koran, *masjid* and *musholla*, as well as to orphans in the Wandanpuro area.

Waqf managers, namely the Wandanpuro NU Branch Management, never take part of the results of their management. Some boards provide interest-free loans for cultivation/management costs where the loan will be returned when it has been harvested instead. This is to maximize harvest and reduce the burden of cultivation/management costs.

Since the government announced the COVID-19 pandemic around March 2020, since then Wandanpuro has also been impacted mainly on the economic sector, where many people have returned home due to layoffs from factories or workplaces. NU Wandanpuro Branch Management especially the Economic and Social Sector views symptoms that are not good for the economic life of the community, where the impact of the COVID-19 pandemic is very much felt. The NU management together with Wandanpuro Government immediately carried out data collection to find out how many people were directly impacted, especially those who were laid off or dismissed from their workplaces so that they became jobless. From the results of the data collection, data were

obtained that nearly 56 people or about 17 heads of families were laid off from their factories or workplaces and returned home, spread from various cities in Indonesia with various professions.

Seeing such conditions, the NU Branch Management together with the Wandanpuro Government agreed that some of the managed waqf management results would be given to the layoff victims from their factories or workplaces and returned to their villages who were domiciled in Wandanpuro, with the aim of easing the economic burden as well as helping their economic recovery. The assistance provided was in the form of food and financial assistance obtained from the management of productive waqf managed by the Wandanpuro NU Branch. Although the assistance provided was not much the people who received the assistance really needed it because after all they were no longer earning since they were laid off and or their business was no longer running due to the impact of the Covid-19 pandemic.

CONCLUSION

This study aims at investigating how is the management of productive waqf in Wandanpuro Bululawang during the covid-19 pandemic. The results found that productive waqf is very important in an effort to help the economy of society both to help relieve the main burden of the poor and orphans, either in the form of assistance in the form of basic necessities or in the form of money. The management and utilization of productive waqf during the COVID-19 pandemic can help people who are directly impacted, especially for workers who have been laid off or residents whose businesses can no longer be expected due to the effect of the COVID-19 pandemic. With the help of the productive waqf, they can open new businesses.

Despite of the compelling results, this study acknowledges a research limitation, this study is only to describe how is the management of productive waqf in Wandanpuro Bululawang during the covid-19 pandemic. Due to the limitation, the authors suggest future research to extent the wider reserch object. In addition, future research can also add the length of observation period so the research will result in more comprehensive determination of how is the management of productive waqf can affect the economic of the community in Indonesia.

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