

Strategy for Improving the Quality of Waqf Institutions Through Good Waqf Governance

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Abstract

The sustainability of the benefits of waqf is possible because of the implementation of productive waqf can support various social and religious activities. Even so, good and innovative management is still needed in order to achieve professional waqf management, namely good waqf governance. This paper aims to examine the concept of good governance, the potential of waqf in Indonesia, and the institutional problems and solutions of waqf in Indonesia. This is a library research using a qualitative method and descriptive analytic study. Data were collected using the documentary method, which comes from books, journals, internet, and papers. The results of this study indicate that the donated land assets in Indonesia are 52.245,41 hectares spread over 385.898 locations. Most of the use of the waqf land is still in the form of direct waqf (consumptive), dominated by the construction of mosques by 44,26% and musholla (a prayer room) by 28,43%. Meanwhile, the potential for cash waqf in Indonesia reaches 3 trillion per year with an estimated number of generous

Muslims of 10 million and an average monthly income of IDR 500.000 to IDR 10.000.000. Regarding problems in the development of waqf related to waqf management, including the management that is not optimal, even many are mismanaged which results in many waqf assets being neglected, some even missing. The solution lies in the existence of nadzir and a solid team work to maximize the expected results of waqf where waqf management requires good governance which can be used as a benchmark for whether performance in the organization is based on five principles, namely transparency, accountability, responsibility, independence and fairness or not.

Keywords: GCG, Waqf, Waqf Institution, Productive Waqf

Introduction

Currently, *waqf* has developed in the form of its management. Previously, *waqf* was limited to providing immovable physical objects, in the form of land for places of worship such as mosques, *mushalla*, and educational facilities,¹ the most recent is the provision of *waqf* for movable objects in the form of cash, shares and securities.² The sustainability of the benefits of *waqf* is possible due to the implementation of productive *waqf* to support various social and religious activities.³ Even so, good and innovative management is still needed in order to achieve professional management of *waqf*. In addition, *waqf* institutions as social institutions also need to maintain *waqf* trust and also the general public which will later affect the source of *waqf* funds received by the *waqf* institutions.⁴ In the end, good management of *waqf* will contribute maximally to the achievement of the objectives of *waqf*.⁵

Waqf in Indonesia is actually regulated in laws and regulations that specifically regulate *waqf*, namely Government Regulation No. 28 of 1977 concerning the Land Ownership Representation and Government Regulation No. 1 of 1978 concerning the Regulation on the Implementation of *Waqf* and the Compilation of Islamic Law

¹Bashlul Hazami, "Peran dan Aplikasi Wakaf dalam Mewujudkan Kesejahteraan Umat di Indonesia", *Analisis*, Vol. 16 No. 1, 2016, 173.

²Achmad Arief Budiman, "Akuntabilitas Lembaga Pengelolaan Wakaf", *Walisongo*, Vol. 19 No. 1, 2011, 76.

³Suhrawadi K. Lubis, *Wakaf dan Pemberdayaan Umat* (Jakarta: Sinar Grafika, 2010), 21.

⁴Ananto Triwibowo dan Rahmani Timorita Yulianti, "Penerapan Prinsip-Prinsip Good Corporate Governance dalam Pengelolaan Wakaf Tunai pada Badan Wakaf Tunai MUI Yogyakarta", *Tapis*, Vol. 4 No. 1, 2020, 2.

⁵Syamsuri, et. al., "Critic Analysis of Responsibility Practices of Waqf Institution: Reason Condition from Pondok Modern Darussalam Gontor", *Tsaqafah*, Vol. 16 No. 1, 2020, 2.

Book III on the Law of *Waqf*.⁶ In this Government Regulation only *waqf* of owned land is regulated. However, currently these laws and regulations can no longer accommodate the developments of society, especially those concerning *waqf*. Banks also do not want to accept land or other assets that are *waqf* assets to be used as collateral. Because *waqf* property is not a property right, but rather a right to use the benefits of the *waqf* property.⁷ The Indonesian *Waqf* Board (BWI) as an independent institution in charge of developing *waqf* in Indonesia, BWI is free, which means that it is not influenced by any power in carrying out its duties. In addition to managing and developing *waqf* assets on a national and international scale, BWI also plays a role in guiding *nazhir* so that the management of *waqf* potential is carried out professionally and productively. BWI is an embodiment of the mandate in Law Number 41 of 2004 concerning *waqf*.⁸

In order to show the position of this research, the researcher examined several previous studies, including research by Tantri Satriyaningtyas regarding “*The Implementation of Good Waqf Governance in the Management of Waqf Assets at Pondok Modern Darussalam Gontor Putri Mantingan*”. The difference between this research and Tantri Satriyaningtyas’ research is that this research is a library research on the concept of good *waqf* governance, while the research conducted by Tantri Satriyaningtyas is a field research on the implementation of good *waqf* governance conducted at Pondok Modern Darussalam Gontor Putri Mantingan.⁹ In addition, Indri Yuliafitri and Arie Indra Rivaldi’s research on the effect of applying the principles of good governance and promotion on cash *waqf* acceptance (in *waqf* management institutions in Indonesia). Compared with the research of Indri Yuliafitri and Arie Indra Rivaldi which links the principles of good governance with cash *waqf* acceptance, this study seeks to examine the relationship between good governance and the

⁶Ahmad Mu’is dan Binti Nur Hamidah, “*Penerapan Wakaf Uang Secara Profesional Menurut Hukum Islam (Application of Cash Waqf in Good Governance)*”, *Qawanin*, Vol. 4 No. 1, 2020, 124.

⁷Muhammad Alfin Syauqi, “*Optimalisasi Wakaf Uang untuk Kesejahteraan Umum*”, *Kanun*, Vol. 16 No. 3, 2014, 369.

⁸Indri Yuliafitri dan Arie Indra Rivaldi, “*Pengaruh Penerapan Prinsip-Prinsip Good Governance dan Promosi Terhadap Penerimaan Wakaf Tunai (Pada Lembaga Pengelola Wakaf di Indonesia)*”, *InFestasi*, Vol. 13 No. 1, 2017, 218.

⁹Tantri Satriyaningtyas, “*Implementasi Good Waqf Governance dalam Pengelolaan Aset Wakaf di Pondok Modern Darussalam Gontor Putri Mantingan*”, *JIMFEB*, Vol. 8 No. 2, 2016.

institutional problems and solutions of *waqf* in Indonesia.¹⁰ Finally, from some of the previous studies mentioned above, the researcher found that there were not many studies linking good governance with *waqf* institutions. Hence this research was conducted.

Furthermore, seeing the importance of good *waqf* management and in order to improve *waqf* institutions, good governance is absolutely necessary. Therefore, the authors are interested in examining more deeply about good *waqf* governance and its role in increasing the institutional *waqf*. The discussion includes the concept of good governance, the potential of *waqf* in Indonesia, as well as *waqf* institutional problems and solutions in Indonesia.

Methodology

This research is a library research that used a qualitative method then analyze it by a descriptive analysis,¹¹ this is to describe and analyze good *waqf* governance and its role in improving *waqf* institutions. This paper will discuss about the concept of good governance, the potential of *waqf* in Indonesia, as well as *waqf* institutional problems and solutions in Indonesia. Data were collected using the documentary method, which comes from books, journals, internet, and papers.

Result and Discussion

A. Potential of Waqf in Indonesia

Waqf institutions are one of the dominant economic factors outside the government in the Islamic state system,¹² where their role is included as a driver of socio-economic development.¹³ *Waqf* with such great potential can play a role in providing and improving the welfare of the people such as improving facilities for places of worship, educational institutions, as well as adequate health and social facilities such as what happened during the Ottoman

¹⁰Yuliafitri, "Pengaruh Penerapan Prinsip-Prinsip Good Governance dan Promosi Terhadap Penerimaan Wakaf Tunai" ..., 218.

¹¹Sugiono, *Metode Penelitian Kuantitatif, Kualitatif dan R & D* (Bandung: Alfabeta, 2014), 240.

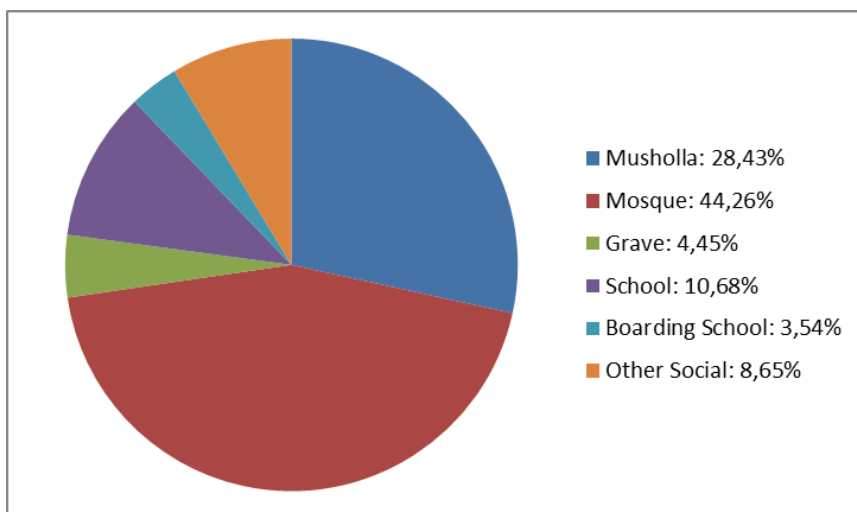
¹²Mehmet Babacan, "Economics of Philanthropic Institutions, Regulation, and Governance in Turkey", *Journal of Economic and Social Research*, Vol. 13 No. 2, 2011, 61.

¹³Farhah Saifuddin, et. al., "The Role of Cash Waqf in Poverty Alleviation: Case of Malaysia", *Proceeding KLIBEL*, Vol. 4 No. 1, 2014, 171.

Caliphate.¹⁴ However, the reality is that in Indonesia, *waqf* is not able to play its role and on the contrary, many problems arise, such as many of the *waqf* lands are abandoned, disputes over *waqf* land by heirs and many other problems. One of the disadvantages of *waqf* management in this country is the management of *waqf* which tends to be consumptive, traditional, and with an “old” understanding.¹⁵

Based on data obtained from the Ministry of Religion of the Republic of Indonesia in 2020, the assets of donated land in Indonesia are 52.245,41 hectares spread across 385.898 locations with a total of 60,82% certified *waqf*. Most of the use of *waqf* land is still in the form of direct (consumptive) *waqf*, as can be seen in Figure 1, which shows that the use of *waqf* land is dominated for the construction of mosques by 44,26% and *musholla* (a prayer room) by 28,43%.¹⁶

Figure 1: Percentage of Waqf Land Use in Indonesia



Source: SIWAK (2020).

This is supported by research conducted by the Center for Language and Culture of UIN Jakarta in 2006 on 500 *nazhir*

¹⁴Babacan, “Economics of Philanthropic Institutions, Regulation, and Governance in Turkey”, ..., 68.

¹⁵Nurul Huda, et. al., “Manajemen Pengelolaan Wakaf di Indonesia Timur”, EKUITAS (Jurnal Ekonomi dan Keuangan), Vol. 20 No. 1, 2016, 2.

¹⁶Sistem Informasi Wakaf (SIWAK), *Data Penggunaan Tanah Wakaf Indonesia, 2020*, Retrieved from <http://siwak.kemenag.go.id>, Accessed on September 2, 2020.

respondents (*waqf* managers) in Indonesia. The research shows that the *waqf* assets that are stationary are 77%, and those that are managed productively are only 33%.¹⁷

The potential described above does not include the potential for *waqf* of movable objects such as cash *waqf*. The potential for cash *waqf* in Indonesia reaches 3 trillion per year with an estimated number of generous Muslims of 10 million and an average monthly income of IDR 500.000 to IDR 10.000.000 as shown in Table 1. These funds will continue to increase if submitted to a professional manager and invested in a productive sector, it will be a huge source of funds for Muslims.¹⁸

Table 1: The Potential of Cash Waqf

Income Level / Month (IDR)	Number of Muslims (People)	Waqf Rates / Month (IDR)	Potential Cash Waqf / Month (IDR)	Potential Cash Waqf / Year (IDR)
500 000	4 millions	5 000	20 billion	240 billion
1 – 2 millions	3 millions	10 000	30 billion	360 billion
2 – 5 millions	2 millions	50 000	100 billion	1.2 trillion
5 – 10 millions	1 million	100 000	100 billion	1.2 trillion
Total				3 trillion

Source: Nasution and Hasanah (2005).

The following is an explanation from the table above:

1. If Muslims who earn IDR 500.000 a total of 4 million and spend IDR 5.000 per month for *waqf*, they will collect IDR 240 billion annually.
2. If Muslims who earn IDR 1.000.000 to IDR 2.000.000 a total of 3 million and spend IDR 10.000 per month in *waqf*, then each year they will collect IDR 360 billion.
3. If Muslims who earn IDR 2.000.000 to IDR 5.000.000 amount to 2 million and spend a month's *waqf* of IDR 50.000, each year it will collect IDR 1,2 trillion.
4. If a Muslim who earns IDR 5.000.000 to IDR 10.000.000 is 1 million and spends IDR 100.000 per month in *waqf* funds, each

¹⁷Tuti Alawiyah Najib dan Ridwan al-Makassary, *Wakaf, Tuhan, dan Agenda Kemanusiaan* (Jakarta: Center for the Study of Religion and Culture (CSRC), 2006), 84.

¹⁸Mustafa Edwin Nasution dan Uswatun Hasanah, *Wakaf Tunai Inovasi Finansial Islam: Peluang dalam Mewujudkan Kesejahteraan Umat* (Jakarta: PKTTI-UI, 2005), 37.

year he will collect IDR 1,2 trillion.

From the above calculations, the total potential *waqf* funds held is IDR 3 trillion.¹⁹

When compared with other countries, the development of *waqf* funds in Indonesia is still lagging behind as shown in Table 2. The use of *waqf* funds in Indonesia has only reached 2%, the difference is very significant with the use of *waqf* funds in Singapore which reaches 92%, even though the total population is Muslim and its area not comparable to Indonesia. As a country with the largest Muslim population, the *waqf* funds that have been collected should also be large, but the reality is still very small.²⁰

Table 2: Use of Waqf Funds in Several Countries

Country	Percentage (%)
Singapura (Lokal)	92
Saudi Arabia	4
India	2
Indonesia	2
Total	100

Source: Abdullah, Ali, and Yuliani (2018).

Waqf in Indonesia is managed by *nazhir* which are divided into three categories, namely individual *nazir*, organizational *nazir*, and legal entity *nazhir*. Among the individual *nazhir*'s are the donated land of al-Huda mosque in Tawang sub-district, Tasikmalaya city. *Waqf* is located in Tasikmalaya City, Lengkong Sari Village, Tawang District, there is land that has been donated by a *wakif* named Mr. H. Amas covering an area of 235 m² in 1987 with Mr. Mukhtar's *nazhir*. As a *nazhir*, Mr. Mukthar has held the mandate of 27 years since the year 1992 *waqf* pledge deed was made.²¹ Among the *nazhir*'s of the organization are the Pekalongan City Muslimin Foundation (YMKP)²²

¹⁹Syamsuri, et. al., "Potensi Wakaf di Indonesia (Kontribusi Wakaf dalam Mengurangi Kemiskinan)", *Malia*, Vol. 12 No. 1, 2020, 86.

²⁰Zaki Abdullah, et. al., "Aspek-Aspek Prioritas Manajemen Wakaf di Indonesia", *Al-Falah: Journal of Islamic Economics*, Vol. 3 No. 1, 2018, 4.

²¹Nuri Nurhidayah Mubarak, *Analisis Pergantian Nazhir Perseorangan ke Nazhir Organisasi pada Tanah Wakaf Masjid al-Huda di Kecamatan Tawang Kota Tasikmalaya* (Bandung: Universitas Islam Negeri Sunan Gunung Djati, 2019), 7.

²²Ahmad Furqon, *Kompetensi Nazhir Wakaf Berbasis Social Entrepreneur (Studi Kasus Nazhir Wakaf Bisnis Center Pekalongan)* (Semarang: LP2M IAIN Walisongo, 2014), 67.

and the Pondok Modern Gontor Waqf Maintenance and Expansion Foundation (YPPWPM).²³ Among the *nazhir*'s of legal entities is the Semarang City Mosque Welfare Agency (BKM).²⁴ The role of *nazhir* in managing *waqf* is a very important factor for the development or failure of a *waqf*. *Nazhir* is the person most responsible for the *waqf* property he holds, both for the *waqf* property itself and for the results and efforts of its development. Every *nazhir* activity towards *waqf* assets must be considered in the sustainability of the *waqf* assets to channel the benefits for the benefit of *mauquf 'alaih* or *waqf* recipients.²⁵

From this, the researchers found that the potential for *waqf* in Indonesia is arguably large. The potential for *waqf* land alone is 52.245,41 hectares spread across 385.898 locations with a total of 60,82% certified *waqf*. However, most of the use of the *waqf* land is still in the form of direct (consumptive) *waqf*, as can be seen in Figure 1 which shows that the use of *waqf* land is dominated for the construction of mosques by 44,26% and *musholla* (a prayer room) by 28,43%. In addition, the potential for cash *waqf* in Indonesia reaches 3 trillion per year with an estimated number of generous Muslims of 10 million and an average monthly income of IDR 500.000 to IDR 10.000.000.

B. Waqf Institutional Problems and Solutions

The problem in the development of *waqf* is related to *waqf* management, namely management that is not optimal and even mismanaged, which results in many *waqf* assets being abandoned, and some are even missing. This happens because the community donates land or buildings for schools, without thinking about the operational costs of *waqf*. In fact, *waqf* management requires professional management so that *waqf* management can develop and be productive. As stated by Ali Hashmi, the ideal *waqf* management is a management that resembles a company which can be applied to *waqf* management. In this case the key role lies in the existence of *nazhir*

²³Masruchin, *Wakaf Produktif dan Kemandirian Pesantren: Studi Tentang Pengelolaan Wakaf Produktif di Pondok Modern Darussalam Gontor Ponorogo* (Surabaya: Universitas Islam Negeri Sunan Ampel, 2014), 16.

²⁴Ahmad Furqon, "Pengelolaan Wakaf Tanah Produktif: Studi Kasus Nazhir Badan Kesejahteraan Masjid (BKM) Kota Semarang dan Yayasan Muslimin Kota Pekalongan", *Al-Ahkam*, Vol. 26 No. 1, 2016, 93.

²⁵Muhammad Aziz, "Kompetensi Nazhir dalam Mengelola Wakaf Produktif", *Jurnal al-Awqaf*, Vol. 7 No. 1, 2014, 60.

and a solid work team to maximize the expected results of *waqf*.²⁶

The priority problem from the community aspect is the low level of public awareness and understanding of *waqf*. As for the priority problems from the management aspect are the low operational costs and the weak *nazhir* resources. Furthermore, the government's priority problems are the lack of socialization of the *waqf* law and the low cost of the state budget for the certification of *waqf* land. Meanwhile, the priority of solutions to problems from the community aspect is socialization and education to the community as well as approaches from the religious side. And, the priority solutions to problems from the management aspect are increasing operational and training costs as well as improving *nazhir*'s recruitment system. Last but not least is the priority solutions to the problem of *waqf* from the government aspect that are increasing the socialization of the *waqf* law and increasing the cost of the APBN for the certification of *waqf* land.²⁷

In West Sumatra, the most problematic aspect of managing *waqf* is *nazhir*, while in Riau the most problematic aspect is *wakif*. *Nazhir*'s most important problem in West Sumatra is that *nazhir* is not the main profession, while in Riau it is the low competence of *nazhir* in managing *waqf*. The priority of *wakif* problems in Riau is in term of giving *waqf* directly to individuals, while in West Sumatra, *wakif* that does not coordinate with the heirs. The priority problem in West Sumatra and Riau from the regulatory aspect is the lack of socialization of the law. The priority solution to the problem of law socialization that is still lacking in West Sumatra is optimization through online media, while in Riau it is the making of a *waqf* bulletin. The priority for solutions to *nazhir* aspects in West Sumatra is to increase *nazhir* incentives, while in Riau is intensive training for *nazhir*'s. The priority of *wakif* solutions as a priority aspect of the problem in Riau is the ease of obtaining information about *wakif*, while in West Sumatra there is coordination between *nazhir* and heirs in providing *waqf*.²⁸

Waqf management pattern with several indicators including: *First*, managing finances transparently; *Second*, decision making

²⁶Sherafat Ali Hashmi, *Management and Development of Awqaf Properties*, ed. Hasmar Basar (Jeddah: IRTI/IDB, 1987), 21.

²⁷Abdullah, et. al., "*Aspek-Aspek Prioritas Manajemen Wakaf di Indonesia*", ..., 5.

²⁸Nurul Huda, et. al., "*Akuntabilitas Sebagai Sebuah Solusi Pengelolaan Wakaf*", *Jurnal Akuntansi Multiparadigma*, Vol. 5 No. 3, 2014, 490.

based on organizational rules; *Third*, record the administration of *waqf*; *Fourth*, activities based on a planned work plan; *Fifth*, periodic management changes; *Sixth*, developing *waqf* assets; *Seventh*, developing human resources. While *nazhir* human resource development is through increasing knowledge, abilities, attitudes, and personality traits. So, in other words, development is more emphasized on increasing the ability to do work in the present and especially in the future.²⁹

In a survey related to *waqf* management, it turned out that the development of *nazhir* resources (HR) had the lowest value, namely 56%. This picture certainly holds the problem of the low quality of *nazhir*. It can be said that the problem faced in management is the quality of *waqf nazhir*. As the current portrait of *waqf* can be seen from the research results show that around 16% actually manage *waqf* in full (full time). On the other hand, the majority of 84% admit that they are only part time *nazhir*'s. In other words, the *nazhir* will prioritize their main job either as civil servants, farmers, fishermen, teachers or lecturers or other professions.³⁰

C. Good Governance Concept

Waqf management requires a good governance. Good Governance is a term that is popularly known as Good Corporate Governance. According to corporate language, it means united in a single group, and governance is the activity or manner of governing.³¹ According to IICG, Good Governance is a series of mechanisms that direct and control a company so that the company's operations run in accordance with the expectations of stakeholders. It is believed that good governance can be used as a measure of whether or not performance is good in the organization. The five principles of good governance are transparency, accountability, responsibility, independence and fairness.³² Based on the principle of transparency, stakeholders will be able to see information that is important for decision making. The principle of accountability requires companies to

²⁹Burhanuddin Yusuf, *Manajemen Sumber Daya Manusia di Lembaga Keuangan Syariah* (Jakarta: Raja Grafindo, 2016), 134.

³⁰Muhammad Aswad, *Manajemen Sumber Daya Manusia Nazhir Wakaf di Kabupaten Tulungagung dan Kota Blitar* (Yogyakarta: Universitas Islam Negeri Sunan Kalijaga, 2019), 7.

³¹Jonathan Crowther, *Oxford Advance Learnes Dictionary of Current English*, Vol. 5 (Inggris: Oxford University Press, 1995).

³²Fahma As'har dan Nur Diana, "Pengaruh Penerapan Prinsip Good Governance Terhadap Penerimaan Wakaf Tunai", *E-Jra*, Vol. 8 No. 2, 2019, 44.

be accountable for their performance in a transparent and fair manner. Based on the principle of responsibility, companies must comply with laws and regulations and carry out responsibility towards society and the environment. The principle of independence will show the *waqf* that every decision making in the *waqf* institution is carried out objectively. Based on the principle of fairness, in the process of implementing its activities, the company must always pay attention to the interests of other stakeholders based on the principles of fairness and equality.³³

In the implementation of Good Governance, human resources occupy an important position in a company or organization, because each organization is formed from people who use their services, develop their skills, encourage them to reach the higher levels, and ensure that they continue to maintain commitment to the organization are the basic factors in achieving organization goals.³⁴ Therefore, humans as users of natural resources are obliged to maintain, develop and utilize them properly. Thus, when a country has excessive natural resources, it is not certain that the people will be prosperous, especially if the state does not have the ability to utilize these human resources. Conversely, a country that lacks natural resources but can utilize its human resources, they can become prosperous people.³⁵ For example, the management of *waqf* at Pondok Modern Darussalam Gontor is a management that is based on the spirit of implementing the five-soul, five-term, philosophy, *sunnah*, and the discipline values. With the high commitment of the YPPWPM management and Gontor family, Gontor was able to maintain, develop *waqf* and prosper the people.³⁶

From this explanation, the researchers found that the five principles of good governance are transparency, accountability, responsibility, independence, and fairness. With transparency, stakeholders will be able to see information that is important for decision making. Accountability requires companies to be accountable for their performance in a transparent and fair manner. Responsibility requires companies to comply with laws and regulations and carry out responsibility for

³³Rahmani Timorita Yulianti, *Corporate Governance di Lembaga Zakat* (Yogyakarta: Kaukaba, 2016), 18.

³⁴Sri Nawangwulan, "Analisis Kebutuhan Pelatihan dan Pengembangan Sumber Daya Manusia", *Jurnal Manajemen Kesehatan Yayasan RS. Dr. Soetomo*, Vol. 4 No. 1, 2018, 25.

³⁵Ratonggi Siregar, "Sumber Daya Manusia dalam Pembangunan Nasional", *Prosiding Seminar Nasional Tahunan Fakultas Ilmu Sosial Universitas Negeri Medan*, 2017, 378.

³⁶Jarman Arroisi dan Syamsuri, "Manajemen Wakaf Pondok Modern Darussalam Gontor: Analisis Model Pemeliharaan, Pengembangan Wakaf, dan Kesejahteraan Umat", *Ijtihad*, Vol. 14 No. 2, 2020, 154.

society and the environment. Independence will show *wakif* that every decision making in the *waqf* institution is carried out objectively. Fairness means that the company must always pay attention to the interests of other stakeholders based on the principles of fairness and equality. Furthermore, in implementing Good Governance, an important position in a company or organization is human resources.

Conclusion

Waqf management requires a good governance. It is believed that good governance can be used as a measure of whether or not performance is good in the organization. The five principles of good governance are transparency, accountability, responsibility, independence, and fairness. Based on the principle of transparency, stakeholders will be able to see information that is important for decision making. The principle of accountability requires companies to be accountable for their performance in a transparent and fair manner. Based on the principle of responsibility, companies must comply with laws and regulations and carry out responsibility towards society and the environment. The principle of independence will show the *waqf* that every decision making in the *waqf* institution is carried out objectively. Based on the principle of fairness, in the process of implementing its activities, the company must always pay attention to the interests of other stakeholders based on the principles of fairness and equality.

Based on data obtained from the Ministry of Religion of the Republic of Indonesia in 2020, the assets of donated land in Indonesia are 52.245,41 hectares spread across 385.898 locations with a total of 60,82% certified *waqf*. Most of the use of the *waqf* land is still in the form of direct (consumptive) *waqf*. The use of *waqf* land was dominated for the construction of mosques by 44,26% and prayer rooms for 28,43%. Meanwhile, the potential for cash *waqf* in Indonesia reaches 3 trillion per year with an estimated number of generous Muslims of 10 million and an average monthly income of IDR 500.000 to IDR 10.000.000.

The problem in the development of *waqf* is related to *waqf* management, namely management that is not optimal and even mismanaged, which results in many *waqf* assets being abandoned, some even missing. This happens because the community donates land or buildings for schools, without thinking about the operational costs of *waqf*. In fact, *waqf* management requires professional management so that *waqf* management can develop and be

productive. In this case the key role lies in the existence of *nazhir* and a solid work team to maximize the expected results of *waqf*. In addition, the priority problem from the community aspect is the low awareness of the community for *waqf* and the low understanding of the community about *waqf*. The priority problems from the management aspect are the low operational costs and the weak *nazhir* resources. The government's priority problems are the lack of socialization of the *Waqf* Law and the low cost of the APBN for the certification of *waqf* land. The priority solutions to problems from the community aspect are socialization and education to the community as well as approaches from the religious side. The priority solutions to problems from the management aspect are increasing operational and training costs as well as improving *nazhir*'s recruitment system. The priority solutions to the problem of *waqf* from the government aspect are increasing the socialization of the *Waqf* Law and increasing the cost of the APBN for the certification of *waqf* land.

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