

DEVELOPMENT OF WAQF MANAGEMENT IN SAUDI ARABIA

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Abstract

Waqf management in Muslim countries in the modern era is very diverse, both in terms of history, regulations, implementation and development. In this article, the author will explain how waqf is managed in Saudi Arabia, which will then be compared with Indonesia which is managed by the Indonesian Waqf Board. In practice, Indonesia is far behind several Muslim countries in managing waqf. This is due to the lack of political will from the government in managing waqf. In terms of regulations, waqf management only had its legal umbrella in 2004, even though the practice of waqf management has been going on for quite a long time.

Keywords: *Waqf, Saudi Arabia and Indonesia*

INTRODUCTION

Waqf is an important economic tool and receives serious attention in Islamic fiqh discourse, as an effort to bridge and restore relations/interactions in society. There is no doubt that waqf management is directly related to the behavior or economic trends of a Muslim in the general stream of collective humanitarian activities and contains clear technical references to how a servant interacts with his creator within the framework of faith and ethics. Thus, it appears that Islamic values are able to move the wheels of economic activity towards the general benefit. The procedures for managing waqf in Islam have been regulated based on the Koran and Sunnah of the Prophet Muhammad. According to Islamic teachings, waqf assets can only be used for their benefits, while the original goods must remain. In Islamic history this institution has played an important economic and social role. Traditionally this institution functions as a source of financing for mosques, schools, studies and research, hospitals, social services and defense. The practice of waqf worship has been carried out since the time of the Prophet Muhammad. Meanwhile, during the Khulafa ar Rasyidin period, the waqf worship was continuously practiced, and then it has also been continuously practiced by Muslims in various countries until now. 187 In its development, the practice of waqf became more widespread during Islamic rule after the time of Khulafaur Rasyidin. Sri Nurhayati in her writing entitled Sharia Accounting in Indonesia explained that during the reign of the Umayyad and Abbasid dynasties, everyone flocked to implement waqf. At that time, waqf was not only for the needy and poor, but waqf became capital to build educational institutions, build libraries and pay the salaries of staff, teachers' salaries and scholarships for pupils and students.

In the history of Muslims, evidence is found that waqf assets have had a large socio-economic role in Islamic society. Even Monzer Kahf stated that he had received information that waqf in Istanbul, Jerusalem, Cairo and other cities covered a large part of the total area used by the community. In various regions of the Islamic world there are waqfs in one form or another and modern Muslim countries have departments that deal with waqfs or at least Islamic/religious affairs departments under which waqf affairs are placed. This shows how the role of waqf as an Islamic social institution has received quite serious attention from policy holders in the Islamic world. This indicates that waqf is closely related to the social economy of society. Even though waqf is an Islamic institution whose laws are sunnah, this institution can develop well in several countries, for example Jordan, Bangladesh, Malaysia, Saudi Arabia and Egypt.

RESULTS AND DISCUSSION

A. Development of Waqf Management in Saudi Arabia

Saudi Arabia is a historical place for Muslims because the cities of Mecca and Medina are the places where Islam was born and developed. Geographically, Saudi Arabia is located between 15°N - 32°N and between 34°E - 57°E. The area is 2,240,000 km². Saudi Arabia summarizes four of the five regions on the Arabian Peninsula, Saudi Arabia is also the largest country in Middle East Asia. The lowest surface is located in the Persian Gulf at 0 m and Jabal Sauda' at 3,133 m. Saudi Arabia is known as a flat country and has many desert areas. The famous desert is in

the south of Saudi Arabia, nicknamed the "Empty Area" (in Arabic, Rub al Khali), which is the largest desert area in the world. Saudi Arabia as a constitutional Islamic country is an Islamic country that is very concerned with structuring the world of waqf. In 1966 AD Saudi Arabia established a waqf department in its government. In essence, the waqf department has the main task of handling various matters related to waqf, such as planning and developing waqf assets, socializing approved waqf programs, distributing waqf proceeds to the entitled community and maintaining the sustainability of waqf assets in addition to compiling a complete and detailed report to the Saudi kingdom.

In Saudi Arabia, waqf has various forms such as hotels, land, buildings (houses) for residents, shops, gardens and places of worship. Among them are those donated to the two holy cities, namely the cities of Mecca and Medina. In other words, all the benefits obtained from the waqf are intended for the development of the two holy cities, such as building residential housing, building a number of hotels around the Grand Mosque, the Nabawi Mosque and other facilities intended to serve the needs of Hajj and Umrah pilgrims. The government of the kingdom of Saudi Arabia made regulations for the upper waqf council with decree no. 574 dated 16 Rajab 1386 in accordance with royal decree no. M/35, 18 Rajab 1386. The waqf high council was known by the Minister of Hajj and waqf (Wizaratu al-Auqaf Wa al-Hajji), namely the minister who controlled waqf and mastered waqf issues before the waqf high council was formed. The waqf high council has the authority to spend the results of waqf development and determine steps in developing waqf based on the conditions determined by the waqif and waqf management. Apart from that, the waqf high council also has several authorities, including:

- a. Collect data on waqf and determine how to manage it
- b. Determine general steps for investing, developing and increasing waqf assets
- c. Know the existing conditions of waqf.
- d. Spending waqf assets for policies according to the conditions set by the wakif and in accordance with Islamic law
- e. Determine the annual budget for the continuity of the waqf and distribute the results of the development of the waqf assets according to certain considerations.
- f. Describe the waqf productively and announce the results of the waqf that have been released by the government.

Saudi Arabia is a country that is very serious about handling waqf, including by establishing the Ministry of Hajj and Waqf. This ministry is obliged to develop and deploy waqf in accordance with the conditions set by the waqif. Meanwhile, to oversee waqf policy, the government formed the Waqf High Council chaired by the Minister of Hajj and Waqf with members consisting of Islamic law experts from the Ministry of Justice, representatives from the Ministry of Economy and Finance, the Director of Antiquities and three members from intellectuals and journalists. This council has the authority to spend the results of waqf development and determine steps in developing waqf based on the conditions set by the waqif and waqf management.

B. Development of Waqf Management in Indonesia

The development of the waqf sector in Indonesia experienced extraordinary growth this year. It is estimated that the trend in national waqf management performance in 2023 will increase again compared to performance in 2022. There are seven indicators that strengthen the projected increase in waqf performance:

1. The performance of national waqf management in 2022 has experienced a significant increase compared to 2021. This can be seen from the increase in the 2022 National Waqf Index (IWN) value which is almost twice as large as the 2021 IWN value. Although the official release of the 2022 National Waqf Index Report will only be released soon, launched at the end of January or February 2023, but interim calculations show that there are very extraordinary changes. The IWN score category increased from the "poor" category in 2021 to the "sufficient" category in 2022.
2. Regulatory support in a number of regions for waqf also shows increasingly encouraging indications. This support starts from the existence of gubernatorial regulations related to strengthening the sharia economy, including waqf, the establishment of regional sharia economic and financial committees (KDEKS), nazhir coaching by the authorities, to APBD support which supports regional BWI operations. Among the provinces with the most significant support for regional regulations is Riau. It is natural that the Governor of Riau, Syamsuar, received the 2022 BWI Awards in the National Waqf Figure category for the Regional

Head element. The author hopes that the contribution and achievements of the Governor of Riau can also inspire other regional heads to do the same, namely supporting waqf in order to improve community welfare.

3. The bases of wakif (endowment givers) are also expanding. Apart from individual waqifs whose number continues to increase, currently the number of institutional waqifs is also showing an increasing trend with an increasingly diverse institutional base. Among them is the waqif base of higher education institutions. The initiation carried out by ITS with a cash waqf of IDR 50 billion and IPB with a cash waqf of IDR 200 billion is expected to encourage other campuses to place their endowment funds in the CWLS (Cash Waqf Linked Sukuk) instrument. Campuses, both those under the Ministry of Education and Culture, Research and Technology and the Ministry of Religion, are expected to be directly involved as institutional waqifs and optimize the endowment funds they manage through waqf-linked sukuk instruments.
4. The digitization of waqf continues and is increasingly effective in facilitating improvements in the quality of national waqf services. After being successful in developing the digital channel berkahwakaf.id and e-services for Nazirs, BWI will continue to develop this digitalization in 2023. Among the things that will be developed include encouraging the development of applications that will integrate waqf data owned by BPN (National Land Agency) with waqf information system data owned by the Ministry of Religion. A digital Waqf Pledge Deed (AIW) application and a blended commercial finance application will also be developed, which combine sharia social finance, especially cash waqf, with sharia commercial finance.
5. Waqf products are increasingly diverse with funding patterns that are also increasingly innovative. Starting from traditional waqf products that utilize mobile banking or internet banking technology, to more complex products that combine cash waqf with sharia Sharia Crowdfunding (SCF) instruments. The complexity of this product shows that public interest is increasing and nazhir's need for waqf investment products is also increasing, both to invest the waqf money they manage and to develop the waqf assets they manage to make them more productive.
6. In terms of waqf knowledge products, there are also indications of the growing dynamics of waqf science. Starting from knowledge innovation through the development of the National Waqf Index, the WCP Implementation Index (Waqf Core Principles), to the Good Nazir Governance Index (GNG Index) which was just launched in Leeds, England in September 2022. Apart from that, the growing variety of waqf research developed by universities has also strengthened Indonesia's role as a leading producer of Islamic economics and social finance in the world. This is in line with this nation's aspirations to become the center of the world's sharia economy by 2024.
7. The quality of human resources managing waqf assets, slowly but surely, shows an improvement in quality over time. Since the establishment of LSP BWI with a BNSP license at the end of 2021, the number of certified Nazirs has increased, exceeding 1500 people. This certainly correlates with the improvement in national waqf performance in 2022. Therefore, with the trend of certification continuing to increase, it is hoped that in 2023, the quality of waqf management will be even better. The productivity of waqf assets is also expected to increase, so that the role and contribution of waqf in national development becomes increasingly significant. Hopefully. Wallaahu a'lam.

C. Differences in Waqf Management in Saudi Arabia and Indonesia

The following are the differences in waqf management in Saudi Arabia and Indonesia:

Table 1: Differences between Saudi Arabian and Indonesian Waqf

Country	Indonesia	Saudi Arabia
Institution	Indonesian Waqf Board (BWI)	Ministry of Hajj and Waqf, and the High Council for Waqf

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Country	Indonesia	Saudi Arabia
Government Functions	There are more land endowments, but there are also investments and buildings, madrasas, mosques, hospitals	The central government established the Ministry of Hajj and Waqf and a high waqf council which is responsible for the management and utilization of waqf assets based on waqf requirements and Sharia management
Form of Waqf	There are more land endowments, but there are also investments and buildings, madrasas, mosques, hospitals and schools	Hotels, shops, apartments and others are more focused on developing the two holy cities, namely Mecca and Medina, to make it easier for pilgrims to meet their needs.
Benefits of waqf for society	The community can feel the benefits of waqf, increasing national development, improving the quality of worship facilities, and improving the welfare of the people	The community can directly experience the benefits of the waqf assets managed by the government, even pilgrims from abroad can experience the ease of meeting their needs and the ongoing development in the cities of Mecca and Medina. to be developed
Total accumulation of waqf assets	The government has accumulated waqf assets reaching IDR 1.77 trillion in waqf money by 2022	In 2020, waqf assets That managed by the GAA amounts to \$63 billion.

CLOSING
Conclusion

The management of waqf in each country is certainly different, but the aim is still to implement Islamic policies and laws which have been integrated into state regulations. In managing waqf, Saudi Arabia has a body that focuses on waqf, namely the Ministry of Hajj and waqf which was formed by the government so that it can regulate and manage waqf assets and control their use. The Ministry of Hajj and Waqf also has a body that makes policies and regulations in managing waqf, namely the High Waqf Council which is chaired by the Minister of Hajj and Waqf. and also waqf management. Some of the waqf assets are focused on development in two cities, namely Mecca and Medina, such as the construction of the Grand Mosque, the Nabawi Mosque, as well as the construction of housing for people living in the Grand Mosque and surrounding buildings so that it can make it easier for the congregation to meet their needs. By utilizing and developing waqf assets in 2020, Saudi Arabia can accumulate waqf assets of \$63 billion.

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