

## AN ISLAMIC LEGAL REVIEW OF THE IMPLEMENTATION OF PRODUCTIVE WAQF AT DARUL IZZAH FOUNDATION, SOUTH TANGERANG

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### Abstract

This study explores the implementation of productive waqf at the Darul Izzah Foundation in South Tangerang, Indonesia, focusing on its alignment with Islamic legal principles. Although waqf has traditionally been associated with religious purposes, its transformation into productive waqf presents significant opportunities for sustainable socio-economic development, particularly in education and community welfare. The study adopts a qualitative descriptive method to analyze how productive waqf is managed and interpreted within an Islamic legal framework. Data were collected through in-depth interviews with foundation staff and community leaders, supported by documentary analysis, and validated using triangulation and member checking techniques. The findings reveal that the foundation utilizes waqf assets, such as a transport vehicle, for both institutional operations and community needs, demonstrating the multifunctional role of waqf in promoting welfare. The institution also plans to expand into halal minimarkets and Islamic bookstores as part of its productive waqf initiatives. The governance model employed is participatory and transparent, involving religious and community stakeholders in decision-making, which enhances accountability and compliance with the pillars of waqf as stipulated in Islamic jurisprudence and Indonesian Law No. 41 of 2004. Challenges include limited public awareness and the need for professional waqf management. Nevertheless, the case of Darul Izzah illustrates how productive waqf can function as a lawful and effective tool for financial independence in Islamic educational institutions. This study contributes to the discourse on Shariah-compliant economic empowerment and offers a model for integrating waqf with modern Islamic finance in a socially impactful manner.

**Keywords:** *Islamic Law (Shariah), Productive Waqf, Waqf Governance*

### INTRODUCTION

The concept of *waqf* has been recognized by human civilization since before the advent of Islam, although in different forms and terminologies. As civilizations advanced, Islam refined and institutionalized this practice through the implementation of *waqf* under Islamic law, first applied during the time of the Prophet Muhammad (peace be upon him). In Islamic teachings, *waqf* is regarded not only as a form of worship with profound spiritual value, but also as a strategic socio-economic instrument that plays a vital role in community development and public welfare. It is classified as a form of *ṣadaqah jāriyah* or ongoing charity, which continues to benefit others even after the donor has passed away.

Over time, the utilization of *waqf* has expanded. Initially focused on religious needs such as the construction of mosques and Islamic schools, it has now evolved into more dynamic applications including productive *waqf*. Productive *waqf* refers to the management of endowed assets in a way that generates income, with the proceeds used to support social programs, education, and community welfare in accordance with Shariah principles. In Indonesia, the development of productive *waqf* is supported by a solid legal foundation, namely Law Number 41 of 2004 concerning *waqf* and Government Regulation Number 42 of 2006 on its implementation. These legal instruments provide a broad scope for *waqf* development in various sectors such as investment, commerce, agriculture, and technology, as long as these

activities do not conflict with Islamic legal principles.

In recent years, the discourse surrounding the transformation of conventional *waqf* into productive *waqf* has gained increasing attention among scholars, practitioners of Islamic economics, and Islamic educational institutions. Many studies indicate that *waqf* holds great potential as a sustainable alternative financing source, particularly for the education and social sectors which frequently face financial limitations. Several Islamic educational institutions have attempted to implement productive *waqf* models, but only a few have succeeded in managing them professionally, systematically, and with measurable outcomes.

A notable and worthy example for further study is the case of Yayasan Darul Izzah located in South Tangerang. This foundation has successfully utilized *waqf* assets in the transportation sector to finance the operational costs of its Islamic boarding school. This practice illustrates that with proper management, productive *waqf* can provide a tangible solution for achieving economic independence for *pesantren* and other Islamic educational institutions, thereby reducing their reliance on external assistance.

Nevertheless, existing research still shows gaps. While the field of productive *waqf* has seen considerable development, specific studies examining the implementation of transportation-based productive *waqf* within educational institutions remain very limited. Most previous studies have focused on general theories of *waqf* or its application in sectors such as agriculture and property. There has been limited exploration into managerial processes, development strategies, and practical challenges in the management of *waqf* in nontraditional sectors such as transportation. Furthermore, there is a lack of comprehensive analysis from the perspective of Islamic jurisprudence concerning this practice, especially within unique local contexts such as that of Yayasan Darul Izzah.

Based on this background, the present study offers novelty in two main aspects. The first concerns the research object, which is the transportation-based productive *waqf* model implemented by Yayasan Darul Izzah. This specific model has rarely been the focus of academic inquiry. The second concerns the analytical approach, which involves assessing the implementation of this model through the lens of Islamic legal principles to evaluate its compliance with Shariah and its effectiveness in achieving the intended objectives of *waqf*. This study is expected to provide both theoretical and practical contributions to the development of more innovative and applicable models of productive *waqf*. It may also serve as a valuable reference for other Islamic educational institutions aiming to achieve sustainable financial autonomy.

## RESEARCH METHODOLOGY

This study adopted a qualitative descriptive approach to explore and analyze the implementation of productive *waqf* at the Darul Izzah Foundation from the perspective of Islamic law. The qualitative method was chosen because it enables a comprehensive understanding of social and legal realities through direct interaction with individuals involved in *waqf* management. Such an approach allows the researcher to capture the meanings, experiences, and contextual interpretations of the participants rather than focusing on numerical data (Creswell and Poth, 2018). The study aims to interpret how Islamic legal principles are reflected in the actual practices of *waqf* management and how these practices contribute to

social welfare.

The research was conducted at the Darul Izzah Foundation in South Tangerang, Indonesia, which was selected purposively because it is among the local Islamic institutions that actively manage productive waqf programs. The research subjects consisted of the foundation owner, foundation staff, and community leaders living around the institution. They were selected using purposive sampling, a non-probability technique that allows the selection of participants based on their knowledge, experience, and involvement in the phenomenon under study (Sugiyono, 2019). This strategy ensured that the data gathered were rich, relevant, and aligned with the research objectives.

Data were collected primarily through in-depth interviews supported by documentary analysis. Semi-structured interviews were conducted to provide both flexibility and focus, enabling participants to share their insights while keeping the discussion within the scope of Islamic legal evaluation of waqf practices (Moleong, 2021). The documentary analysis involved reviewing internal reports, waqf certificates, financial statements, and related Islamic legal sources such as *fiqh al-waqf* and government regulations concerning productive waqf in Indonesia. Combining both techniques allowed the triangulation of information and strengthened the credibility of findings.

The validity and reliability of data were maintained through data triangulation and member checking. Source triangulation was performed by comparing information obtained from different informants, while methodological triangulation was carried out by cross-verifying data from interviews and documents (Miles, Huberman, and Saldaña, 2014). Member checking was conducted by presenting the preliminary interpretations to the key informants to confirm their accuracy and ensure that the researcher's understanding aligned with the participants' intended meanings (Lincoln and Guba, 2018).

Data analysis followed the interactive model of Miles, Huberman, and Saldaña (2014), which consists of three concurrent steps: data reduction, data display, and conclusion drawing. In the data reduction phase, the researcher organized and categorized the interview transcripts and documents relevant to the legal and managerial aspects of waqf. The data display phase involved arranging the findings thematically to identify the relationship between waqf practices and Islamic legal principles. Finally, in the conclusion phase, patterns and meanings were interpreted to evaluate whether the implementation of productive waqf at Darul Izzah Foundation aligns with Islamic law and supports the principle of social justice.

Ethical considerations were carefully observed throughout the research process. The researcher obtained informed consent from all participants before conducting interviews, assured them of confidentiality, and emphasized that their participation was voluntary. The data collected were used solely for academic purposes, and all interpretations were presented with respect, transparency, and integrity. These measures ensured that the research adhered to the ethical standards commonly applied in qualitative Islamic studies (Lincoln and Guba, 2018).

## RESULTS AND DISCUSSION

The implementation of productive waqf at the Darul Izzah Foundation in South Tangerang reflects a proactive effort to optimize waqf assets as sustainable socio-economic instruments. One example is the use of a pickup vehicle that serves not only the operational

needs of the pesantren but also supports community activities such as collective work and goods transportation. This shows that waqf functions not only as a religious act but also as a tool for social welfare.

This finding aligns with the study of Munawar and Mufraini (2021) who emphasized that productive waqf can produce significant social returns and contribute to community empowerment. Their research demonstrated that locally integrated waqf programs are effective in addressing welfare needs.

Transparency in waqf management at Darul Izzah is evident through the involvement of community members and religious leaders throughout the planning and implementation phases. This participatory approach builds social legitimacy and enhances collective ownership. This practice is consistent with the findings of Fachrurrazy and Siliwadi (2022) who stressed the importance of digital-based, collaborative waqf management models within Islamic boarding school contexts.

In terms of development potential, the Darul Izzah Foundation has plans to expand its waqf enterprises by opening halal minimarkets and Islamic bookstores. This initiative indicates that waqf can serve as a sustainable funding alternative that reduces reliance on external donations. Nawawi (2021) refers to this concept as productive waqf or *waqf istithmari*, where waqf assets are utilized for investment activities and their returns are allocated for public benefit without altering the religious essence of waqf.

From the perspective of Islamic legal principles and national regulations, the practice of productive waqf at Darul Izzah adheres to the core pillars of waqf. These include the donor, the endowed asset, the intended beneficiary, the contractual declaration, and the waqf administrator. This compliance corresponds to the regulatory standards stipulated in Indonesian Law Number 41 of 2004 and the Fatwa of the Indonesian Council of Ulama on cash waqf issued in 2002. Iskandar and Sungit (2023) confirmed that when waqf returns are used to support education, health, and the welfare of students, it fulfills the objectives of Islamic law by promoting benefits and preventing harm.

Despite these achievements, certain challenges remain. The main obstacles include limited public awareness and the lack of qualified human resources who fully understand the legal and operational aspects of productive waqf. Jalili, Firdaus, and Fahm (2024) noted that one of the persistent problems in waqf development in Indonesia is the low level of understanding among waqf administrators regarding legal governance and financial management from a Shariah perspective.

To address these issues, the Darul Izzah Foundation has adopted a community-based governance model that emphasizes participation and accountability. This management strategy reflects the Islamic principle of trust where administrators must preserve the waqf assets and provide transparent reporting to stakeholders.

Furthermore, the Foundation is exploring the potential of cash waqf as an innovative approach that can be integrated with modern Islamic finance systems. According to El Ashfahany and Lestari (2023), cash waqf can be connected with sukuk instruments to produce long-term benefits while maintaining the value of the principal and ensuring Shariah compliance.

In conclusion, the productive waqf program at the Darul Izzah Foundation serves as a best practice model for waqf-based economic empowerment within pesantren institutions. Its

participatory governance, legal integrity, and emphasis on community welfare demonstrate the relevance of productive waqf as a dynamic and transformative mechanism in contemporary Islamic socio-economic development.

## CONCLUSION

This study concludes that the implementation of productive waqf at the Darul Izzah Foundation in South Tangerang represents a concrete application of Islamic legal principles governing waqf. The foundation's initiatives, such as using a pickup vehicle to serve both institutional and community needs, illustrate that waqf can function as a lawful and Shariah-compliant instrument for sustainable socio-economic development. Its management upholds the essential pillars of waqf as stated in Islamic jurisprudence, namely the donor, endowed asset, beneficiary, declaration, and administrator, and it complies with Indonesian Law Number 41 of 2004 and the 2002 MUI Fatwa on cash waqf.

From an Islamic legal perspective, the transparent and participatory governance model adopted by the foundation fulfills the principle of trust in waqf administration. The involvement of community members and religious leaders throughout the planning and implementation processes promotes public benefit and prevents misuse, thereby achieving the objectives of Islamic law to realize welfare and prevent harm. This practice strengthens the view that productive waqf is not only permissible but also recommended when managed to support education, welfare, and community empowerment.

In practical terms, the findings suggest that Islamic institutions should integrate waqf literacy, legal compliance, and financial management into curriculum development and training for waqf administrators. These efforts would enhance understanding of waqf jurisprudence and encourage the emergence of professional managers capable of maintaining both legal and ethical integrity in managing waqf assets.

This study is limited by its focus on a single institution and the use of qualitative data derived mainly from interviews, which may lead to subjective interpretation. Future research should involve multiple institutions and use mixed or quantitative methods to provide a more comprehensive understanding of how Islamic legal compliance influences the sustainability and effectiveness of productive waqf programs in Indonesia.

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