Implementation of Mukhabarah in Productive Waqf Management to Improve Social Welfare in Bireuen

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Abstract

This research examines the implementation of mukhabarah in the management of productive waqf to improve social welfare in Bireuen. Mukhabarah, as a profit-sharing system in agriculture, allows cooperation between nadzir (waqf managers) and cultivators to manage waqf land productively. The research results show that mukhabarah can increase land productivity, cultivator income, and the quality of life of the community. The social impacts of this system include reducing unemployment, increasing agricultural skills, and strengthening social ties. However, the implementation of mukhabarah faces challenges such as a lack of understanding and skills of nadzir, unsupportive regulations, and limited access to capital and technology. The role of the government and Islamic financial institutions is very important in supporting and overcoming these challenges. By increasing the capacity of nadzir and cultivators, developing supportive regulations, facilitating access to capital and technology, infrastructure and market support, as well as collaboration between stakeholders, it is hoped that the implementation of mukhabarah can run more effectively and provide optimal benefits for community welfare.

Introduction

Bireuen, a district in Aceh Province, has great potential for developing productive waqf as an instrument for improving community social welfare (Nur et al., 2023). As an area where the majority of the population is Muslim, the practice of waqf has become an inseparable part of the lives of the people of Bireuen. However, the biggest challenge faced is how to optimize the potential of waqf so that it can provide real and sustainable benefits for social welfare. One approach that can be used is through the implementation of a mukhabarah system in the management of productive waqf (Rahman & Widiastuti, 2020).

Mukhabarah is a form of cooperation in agriculture where the land owner gives his land to the cultivator to manage, and the harvest is divided according to the agreement (Kamila et al., 2002). This concept can be applied in the management of productive waqf land, where waqf land can be managed professionally by involving local communities as cultivators. In this way, waqf land that has been less productive or not managed optimally can provide maximum results and contribute to increasing social welfare (Syakur et al., 2018).

The implementation of mukhabarah in productive waqf management in Bireuen requires good cooperation between nadzir (waqf managers), the community and the local government. Nadzir, as the party responsible for waqf management, must have adequate knowledge and skills in managing waqf land productively. Apart from that, the public also needs to be given an understanding of the importance of good and professional waqf management so that they can support this program wholeheartedly.
The use of the mukhabarah system in productive waqf management is expected to provide several benefits at once (Rais, 2023). First, increase the productivity of waqf land so that it provides greater and more sustainable results. Second, providing employment opportunities for local people as cultivators, which in turn can reduce unemployment and increase people's income, Third, the proceeds from productive waqf can be used for various social activities, such as the construction of public facilities, education and health, so that they can improve the quality of life of society as a whole.

Apart from that, the implementation of mukhabarah in productive waqf management can also be an example for other regions in Indonesia in optimizing the potential of waqf for social welfare (Churahman et al., 2024). Bireuen's experience in managing productive waqf using a mukhabarah system can be used as a model that can be replicated in other areas with similar conditions. This, of course, requires support from various parties, including academics, waqf practitioners, and the government, to carry out more in-depth research and development.

The Bireuen regional government has an important role in supporting the implementation of this mukhabarah. Supportive policies, technical assistance and adequate facilities are very necessary for this program to run well. The government also needs to provide incentives for people involved in productive waqf management, such as access to capital and wider markets, as well as training to improve their skills and knowledge in the fields of agriculture and waqf management.

From a regulatory perspective, there is a need for a clear and firm legal umbrella regarding the management of productive waqf using a mukhabarah system (Fitri, 2021). This is to ensure that waqf management is carried out in accordance with sharia principles and applicable law, as well as to protect the rights and obligations of all parties involved. This regulation also needs to regulate monitoring and evaluation mechanisms so that productive waqf management can be transparent and accountable.

To achieve successful implementation of mukhabarah in productive waqf management, there is a need for synergy between various parties, including academics who can provide in-depth studies and research regarding the existing potential and challenges. Collaboration with higher education and research institutions can produce innovation and effective solutions for managing productive waqf. Apart from that, the media also has an important role in disseminating information and education to the public regarding the importance of good and professional waqf management.

The involvement of sharia financial institutions is also very necessary in supporting the financing of productive waqf management (Kasdi, 2016). Sharia financial institutions can provide financing facilities that comply with sharia principles, as well as assist in waqf financial and investment management (Soemitra, 2017). With support from sharia financial institutions, productive waqf management can be carried out more professionally and sustainably.

Education and training for nadzir and cultivators are also important factors in the successful implementation of mukhabarah. Training on modern agricultural techniques, business management, and sharia-compliant waqf management needs to be provided on an ongoing basis. In this way, the capacity of nadzir and cultivators can be increased so that they are able to manage productive waqf better and more efficiently (Ahmad et al., 2021).

Active participation from the community is needed in the implementation of mukhabarah. The community must feel ownership and responsibility for the success of this program (Fauziah, 2022). Therefore, it is necessary to carry out intensive socialization and education regarding the benefits and importance of productive waqf management for shared prosperity. The
community also needs to be invited to participate in program monitoring and evaluation so that it can run transparently and accountably.

Apart from that, managing productive waqf using a mukhabarah system can also support environmental conservation efforts (Yusra, 2021). Good and sustainable land management can prevent environmental damage and support natural resource conservation efforts. Thus, this program not only provides economic and social benefits but also environmental benefits.

In the long term, the implementation of mukhabarah in the management of productive waqf is expected to have a significant impact on social welfare in Bireuen. By increasing people's income and welfare, it is hoped that poverty rates can be reduced, education and public health can improve, and the overall quality of life can be better. This, of course, requires commitment and hard work from all parties involved.

Overall, the implementation of mukhabarah in the management of productive waqf is a strategic step that can be taken to improve social welfare in Bireuen. With the large potential of waqf and support from various parties, this program is expected to run well and provide optimal benefits for the community. Hopefully this step can be an inspiration and an example for other regions in managing waqf productively for shared prosperity.

Methods

This research aims to analyze the implementation of mukhabarah in the management of productive waqf in order to improve social welfare in Bireuen. The approach used in this research is a qualitative approach with a case study method. A qualitative approach was chosen because this research aims to understand social phenomena in depth (Rukin, 2019), especially those related to the implementation of mukhabarah in the management of productive waqf in Bireuen.

The location of this research was Bireuen Regency, Aceh Province, which was chosen because it has large potential for waqf and there is implementation of mukhabarah in productive waqf management. Research informants were selected using purposive sampling, namely based on certain criteria that were relevant to the research objectives. Informants consisted of nadzir (waqf managers) in Bireuen, people working on waqf land, relevant local government officials, academics and waqf practitioners, as well as representatives of sharia financial institutions.

Data collection techniques used in this research include in-depth interviews, observation and documentation (Wijaya, 2018). Interviews were conducted with selected informants to explore in-depth information regarding the implementation of mukhabarah, the challenges faced, and the benefits obtained from productive waqf management. Interviews were conducted in a semi-structured manner to allow for further exploration (Miles & Huberman, 1992). Observations were carried out to directly observe productive waqf management practices in the field. This observation aims to understand the real conditions and process of implementing mukhabarah, as well as the interaction between nadzir and cultivators. Documentary data collection was carried out by collecting related documents, such as waqf management reports, regional regulations regarding waqf, and statistical data related to social welfare in Bireuen.

The data that has been collected is analyzed using thematic analysis techniques. Data analysis stages include organizing data, coding data, identifying themes, and interpreting data (Moleong, 2001). Data obtained from interviews, observations and documentation were organized by transcribing interviews and categorizing the data according to relevant themes. The coding process is carried out by labeling parts of the data that contain important information according to the research theme, such as the implementation of mukhabarah and the challenges and benefits of productive waqf management. Themes that emerged from the
coding process were identified and analyzed to understand patterns and relationships between themes. The results of the theme analysis were interpreted to answer research questions and understand the implications of the implementation of mukhabarah in the management of productive waqf on social welfare in Bireuen.

To ensure the validity and reliability of the data, data triangulation was carried out by comparing information from various sources (interviews, observations and documentation). Apart from that, member checking is carried out by asking for confirmation from informants regarding the correctness of the data that has been collected and analyzed. This research was conducted by paying attention to research ethics, namely by obtaining permission from related parties, maintaining the confidentiality of informants’ personal information, and conducting research honestly and transparently. With this research method, it is hoped that an in-depth understanding can be obtained regarding the implementation of mukhabarah in the management of productive waqf and its impact on social welfare in Bireuen. It is hoped that the results of this research can contribute to the development of better waqf management policies and practices in Indonesia.

Results and Discussion

Potential of Mukhabarah in Productive Waqf Management and Excellence in Increasing Productivity

Mukhabarah is a form of cooperation in agricultural land management where the land owner (nadzir) and cultivator share the harvest according to agreement (Johari, 2022). In Bireuen, the implementation of mukhabarah in productive waqf management shows great potential for improving social welfare. This system enables mutually beneficial collaboration between nadzir and farming communities, which in turn contributes positively to the local economy.

Interviews with nadzir and cultivators revealed that the mukhabarah system provides an opportunity for local communities to be directly involved in waqf land management. People who were previously unemployed or had precarious jobs now have access to stable and sustainable employment opportunities. Apart from that, involvement in waqf land management also increases their skills and knowledge in the agricultural sector. Communities gain new knowledge about modern agricultural techniques, land management, and sustainable farming practices, all of which contribute to increased individual and collective capacity.

Furthermore, the implementation of mukhabarah in Bireuen also creates a sense of ownership among the community over the waqf land they manage. This sense of ownership is important to ensure that land is managed well and responsibly, considering that the communities involved directly experience the benefits of good management. Apart from that, this profit-sharing system also strengthens social and community ties because people work together to achieve common goals.

One of the main advantages of implementing mukhabarah is its ability to increase the productivity of waqf land. Field observations show that waqf land managed using the mukhabarah system is more productive and produces better harvests compared to land that is not managed professionally. The profit-sharing system provides incentives for cultivators to work harder and be more careful in managing the land because they get a share of the harvest. This financial incentive creates additional motivation for cultivators to optimize production results. Cultivators are becoming more enthusiastic about implementing better agricultural techniques, carrying out optimal plant care, and utilizing resources more efficiently. In this context, mukhabarah functions as a mechanism that encourages efficiency and productivity through clear economic incentives.
Apart from that, nadzir who are involved in the mukhabarah system also tend to be more active in supervising and supporting cultivators. They provide guidance and technical assistance to cultivators to ensure that the agricultural practices implemented are the best. This includes the use of appropriate fertilizers, efficient irrigation management, and effective pest prevention and control. With this support, cultivators can achieve better and higher-quality harvests. Another advantage of mukhabarah is its flexibility in adapting profit-sharing agreements according to local conditions and needs. This flexibility allows better adjustment to variability in crop yields and market conditions, thereby ensuring that both parties nadzir and cultivators receive fair and proportional benefits.

In the overall context, mukhabarah not only increases the productivity of waqf land but also contributes to improving the economic and social welfare of the people in Bireuen. By increasing productivity and income from waqf land, this system helps reduce poverty, improve living standards, and encourage sustainable local economic development.

Social and Economic Impact of Productive Waqf and Challenges in Implementing Mukhabarah

The implementation of mukhabarah in the management of productive waqf in Bireuen not only brings direct economic benefits to cultivators and nadzir but also has wider social and economic impacts for the community. One significant impact is an increase in people's income. With a profit-sharing system, cultivators get a larger share of the harvest, which directly increases their household income. This additional income can be used to meet basic needs, such as food, education and health, so that their quality of life improves. From a social perspective, managing productive waqf through mukhabarah also helps reduce the unemployment rate in Bireuen. Many people who previously did not have jobs can now work as cultivators of waqf land. This not only provides a source of income but also creates a sense of responsibility and involvement in the community. Communities involved in waqf land management feel they have a stake in the success of that management, which in turn strengthens social ties and solidarity between them (Daly, 2012).

Apart from that, the results from waqf land management can be used for various social activities that benefit the wider community. For example, part of the harvest can be allocated for the construction of public facilities, such as schools, clinics and places of worship. Improving education and health services through waqf funds has a direct impact on improving community welfare. Social assistance programs, such as providing scholarships for underprivileged children and food assistance for poor families, can also be funded from the proceeds of productive waqf management. Productive waqf management also has a wider economic impact. With the increasing productivity of waqf land, agricultural production in Bireuen increases, which can contribute to the stability of local food prices. This is beneficial not only for cultivators but also for consumers in the area. In addition, production surpluses can be sold to wider markets, both at regional and national levels, which in turn can increase regional income and encourage local economic growth.

However, the social and economic impact of productive waqf is not limited to the cultivating community and its direct beneficiaries (Mohamad Suahaimi et al., 2014). The success of this program can also inspire other regions to adopt similar systems so that the benefits can be felt more widely. Thus, productive waqf management through mukhabarah has the potential to become a management model that can be implemented in various regions of Indonesia. Even though the potential and benefits of mukhabarah in managing productive waqf are very large, its implementation cannot be separated from various challenges that must be overcome. One of the main challenges is the lack of understanding and skills of the nadzir in managing waqf.
productively. Many nadzir do not have adequate knowledge about modern agricultural techniques and land management, so intensive training and mentoring are needed. Without adequate knowledge and skills, nadzir may find it difficult to optimize waqf land management, which in the end can hinder the achievement of the goals of the productive waqf.

In addition, regulations and policies governing waqf management are often not supportive or specific enough to regulate mukhabarah mechanisms. Existing regulations may not provide clear guidance regarding the rights and obligations of each party in mukhabarah cooperation, thereby potentially giving rise to conflict or ambiguity in its implementation. Therefore, efforts are needed to improve and clarify these regulations so that they can support the implementation of mukhabarah more effectively. Another challenge faced is limited access to capital and technology. Many farmers do not have the initial capital to buy the seeds, fertilizer and agricultural equipment needed. Apart from that, access to modern agricultural technology that can increase land productivity is also often limited. This limitation can be overcome with support from sharia financial institutions, which can provide financing in accordance with sharia principles, as well as technical assistance from the government and related institutions.

Regional governments have an important role in supporting the implementation of mukhabarah. Government support can take the form of supportive policies and facilities, as well as mentoring and training programs for nadzir and cultivators. Apart from that, the government also needs to provide access to markets for productive waqf proceeds so that the products produced can be sold at profitable prices. Without adequate support from the government, the implementation of mukhabarah can face various obstacles that are difficult for nadzir and cultivators to overcome independently. No less important is the role of academics and research institutions in supporting the implementation of mukhabarah. In-depth studies and research regarding the potential and challenges of productive waqf management can provide data-based recommendations for the development of better policies and practices. Collaboration between academics, government and waqf practitioners can produce innovation and effective solutions in productive waqf management. The research conducted can also provide new and in-depth insights into how mukhabarah can be better implemented in various other contexts and regions.

Lastly, active community participation is very necessary in implementing mukhabarah. The community needs to be given sufficient understanding about the importance of productive waqf management and how they can participate. Intensive outreach and education need to be carried out to build public awareness and support for this program. Active community participation is not only important in program implementation but also in monitoring and evaluation so that the program can run transparently and accountably. By overcoming these challenges, the implementation of mukhabarah in the management of productive waqf in Bireuen can run better and provide optimal benefits for the social and economic welfare of the community.

**The Role of the Government and Sharia Financial Institutions**

The Bireuen regional government has a very significant role in creating a conducive environment for productive waqf management. One of the main steps that the government can take is to design and implement policies that support the mukhabarah system. This policy can take the form of clear and specific regulations regarding the rights and obligations of nadzir and cultivators, profit-sharing mechanisms, and protecting the rights of all parties involved. Apart from regulations, the government can provide essential supporting facilities for managing waqf land. These facilities include agricultural infrastructure such as irrigation, access roads to land, and harvest storage facilities. Adequate infrastructure will greatly help in increasing the efficiency of land management and reducing operational costs for cultivators.
Mentoring and training programs are also important parts of the government's role. Training on modern agricultural techniques, land management, and sustainable agricultural practices can increase the capacity of nadzir and cultivators. The government can collaborate with educational institutions and agricultural extension workers to provide this training on a regular basis. Apart from that, assistance in terms of administration and financial management is also important to ensure that waqf land management runs transparently and accountably. Regional governments also have a role in facilitating access to markets for productive waqf proceeds. Through various promotional and marketing programs, the government can help products produced on waqf land gain access to local, regional and even national markets. The government can hold agricultural exhibitions, bazaars, or collaborate with shopping centers and markets to market these products. This will help cultivators get better prices for their products, which in turn increases their income.

Government support, in the form of incentives and subsidies, can also be very helpful. For example, the government can provide subsidies for the purchase of seeds, fertilizer and agricultural equipment. Tax incentives for productive waqf managers can also be considered as a way to encourage more parties to be involved in productive waqf management. Sharia financial institutions, such as sharia banks and sharia cooperatives, also play an important role in supporting the financing of productive waqf management. One of the main contributions of this institution is providing access to financing in accordance with sharia principles. This financing can be in the form of profit-sharing financing (mudharabah), investment financing (musharakah), or asset-based financing (ijarah).

Financing from sharia financial institutions can be used for various needs, such as purchasing seeds and fertilizer, agricultural equipment, and developing agricultural infrastructure (Meutia et al., 2017). With adequate financing, cultivators can manage waqf land more optimally and increase its productivity. Apart from that, Islamic financial institutions can also provide other financial facilities, such as savings, agricultural insurance, and financial management services, that help farmers manage their finances better. Apart from financing, sharia financial institutions can also play a role in providing education and assistance to cultivators and nadzir. Education about sharia financial management, investment management and ethical business practices can help them run agricultural businesses more professionally and sustainably. Sharia financial institutions can also collaborate with the government and educational institutions to organize more comprehensive training and counseling programs.

Sharia financial institutions can also play a role in building marketing networks for productive waqf products. They can use their networks to connect cultivators with potential buyers, both domestically and abroad. With this marketing support, products produced from waqf land can have wider access to the market, which will help increase sales and farmer income. Collaboration between the government, sharia financial institutions and various other stakeholders is very important to ensure the successful implementation of mukhabarah in productive waqf management. With the right support from the government and sharia financial institutions, productive waqf management in Bireuen can run more efficiently, productively and sustainably, which will ultimately improve the social and economic welfare of the community as a whole.

**Conclusion**

The implementation of mukhabarah in the management of productive waqf in Bireuen shows great potential for improving the social and economic welfare of the local community. The mukhabarah system allows mutually beneficial cooperation between nadzir (waqf managers) and cultivators, giving them the opportunity to participate directly in the management of waqf.
land. The results of this research show that the profit-sharing system implemented through mukhabarah not only increases the productivity of waqf land but also has a significant positive impact on the income and quality of life of the cultivating community. With increased income from harvests, cultivators can better meet their basic needs, which in turn improves the welfare of their families. Apart from that, the social impact of productive waqf management includes reducing unemployment, increasing agricultural skills, and strengthening social ties between the communities involved. The results from waqf management can also be used for various social activities, such as building public facilities, improving education and health services, and providing assistance to people in need. However, the implementation of mukhabarah also faces several challenges, such as a lack of understanding and skills of nadzir, regulations that do not fully support it, and limited access to capital and technology. These challenges require attention and support from various parties, including the government and sharia financial institutions, to ensure the success and sustainability of productive waqf management.

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