Waqf Integrated Farm: A Contemporary Innovation Model for Waqf Land Development

Alvi Amalia Lutfi¹, Miftahul Nur Khasanah², Erlinda Dhika Agustin³, Denok Setiowati⁴, Nasywa Ayu Yulita⁵, Fahmi Medias⁶*

¹,²,³,⁴,⁵,⁶Universitas Muhammadiyah Magelang, Jl. Tidar Kec. Magelang, Kota Magelang, Indonesia
*(Corresponding author) e-mail: fahmimedias@unimma.ac.id

Abstract
The important role of waqf is felt to have been greatly reduced recently, due to various problems faced in developing waqf land. The lack of nazhir competence, limited development capital, and management that is not yet professional are some of the many problems in waqf. Various approaches are needed to close this problem, such as changing the form of waqf, cooperation between lines, and other alternative innovations. This research aims to reveal contemporary innovation models in integrated agricultural waqf land development and analyze the benefits, opportunities, costs and risks using the analytic network process approach-Benefit, Opportunity, Cost and Risk (BOCR). This research design uses an interpretative paradigm with a qualitative approach in the form of a case study. Through content analysis, data obtained from interviews is then interpreted according to the research objectives. This research reveals that there are two types of innovation developed through the integration of agriculture in waqf development. “Bersamamu Sadar Ternak” is a livestock-based innovation located in Semarang, Central Java, Indonesia, this innovation is the result of collaboration with farmers to produce sheep without costs being charged to partners. To strengthen the existence of tourism on this waqf land, “Kopi Bersamamu” is the next café-based innovation.

Through BOCR analysis among waqf experts, “lahan wakaf menjadi produktif” is the benefit element that is considered the most important with an average of 0.34. “Business development opportunities” is the most important element in the opportunity elements with a mean of 0.38. Meanwhile, “high costs for technology, management and maintenance” is considered the highest element in the cost aspect. Finally, “Shariah compliance risk” is the greatest risk in developing agricultural-based waqf land with an average of 0.45.

Keywords: Waqf Integrated Farm, Innovation, Model

Asbtrak

Kata Kunci: Wakaf terintegrasi pertanian, inovasi, model

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Introduction

Islamic scholars have demonstrated that there is a significant link between waqf and community welfare in supporting development and supplying infrastructure such as religious buildings, education, health, agriculture, micro-finance, and others from the first few centuries of Islam. However, in order to fulfill this duty, waqf faces a number of challenges, including a lack of resources to develop waqf property, waqf land that is not strategically positioned, waqf land that is limited in size, and a lack of competence and expertise among waqf managers, which results in a low level of creativity in waqf administration.

Various strategies have been devised to leverage waqf lands, such as leasing them for specific periods. However, Asni and Sulong note that approximately 87% of waqf land in Indonesia remains underutilized due to its placement in rural and inland areas. According to data from the Ministry of Religion's Waqf Information System, by 2023, Indonesia will have 440,512 waqf land locations, covering an area of 57,263.69 hectares. This figure does not imply neglect of waqf lands but rather underscores the need for innovative and creative approaches, such as revitalizing waqf lands for integrated agricultural ventures.

Kayadibi advocate for an innovative approach to waqf lands by harnessing their substantial potential for social and economic benefits. Innovation is considered the linchpin for rejuvenating the waqf system and ensuring its significance as a vital third-sector institution. Puspitasari echoes this sentiment, emphasizing the necessity of developing Indonesia’s waqf lands into agribusiness ventures to enhance their economic role. This research aligns with these perspectives.

In recent times, there has been a growing endeavor to modernize waqf land through innovative approaches, opening up numerous economic opportunities. This includes collaborations with institutions and investors, as highlighted by Asni and Sulong. However, these efforts have not extensively explored innovations in the development of agriculture-based waqf lands, such as the concept of Waqf Integrated Farming (WQIF) or integrated agricultural waqf, originally initiated by the Muhammadiyah waqf manager in Semarang.

To gain insights into previous research trends related to waqf innovation, scholars have conducted a bibliometric analysis based on 22 articles published between 2008 and 2022. Data for this preliminary research were sourced from the Scopus database, focusing on scientific articles related to waqf innovation, identified using the keywords “innovation AND waqf.” The initial findings reveal that the term “waqf” (23%) was the most frequently used keyword, followed by “innovation” (10%), with “information technology” (3%) being the least used

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3 Asni and Sulong (2019)
5 Kayadibi et al. (2017)
6 Puspitasari (2017)
7 Asni and Sulong (2019)
Other studies have delved into various topics, including sustainable development, digital platforms, fintech, among others. This indicates that a significant portion of global scholars has concentrated on waqf innovation, particularly in the realm of technological advancements. This research aims to bridge gaps left by prior studies by analyzing the innovation model for agriculture-based waqf land.

The primary objective of this study is to scrutinize the integrated waqf innovation model within the agricultural domain. Through this exploration, the research also intends to evaluate the advantages, prospects, expenses, and associated risks linked to agricultural integrated waqf land innovation. This research stands out for its contribution to existing literature and knowledge, particularly in the realm of sustainable economics within Indonesia. Furthermore, it is poised to assist waqf institutions in Indonesia in formulating innovative waqf models that harness the potential of agricultural land.

**Method**

Following the research framework proposed by Saunders et al.\(^9\), the type of this study aligns with the interpretive social science paradigm and falls under the category of a field study with a qualitative orientation. The research adopts an inductive approach aimed at uncovering novel insights and observations within the social context, particularly in the domain of waqf. Employing a qualitative research design, this study delves into the phenomenon of waqf innovation. A case study strategy is employed to facilitate the research process. The data collection in this study is cross-sectional, signifying that data is gathered from the sample only once at a specific point in time. Given its qualitative and inductive nature, this research employs various techniques, including interviews, observations, and the examination of secondary documents such as journals and financial reports.

The research pertaining to contemporary waqf innovation encompasses several stages, commencing with a comprehensive literature review and progressing through the preparation of research instruments, data collection via interviews and observations, data analysis, promotion through social media channels, and ultimately, the formulation of final reports and scholarly articles. The primary focus of this study is the model of integrated agricultural waqf development and innovation within Semarang. This research relies on two primary sources of data: primary and secondary. To fulfill the research objective of analyzing innovation models, along with their impacts, opportunities, costs, and risks, primary data is gathered directly from the research subject through interviews with integrated agricultural waqf land managers in Semarang. Additionally, observations are conducted to gain direct insights into the waqf management model. Secondary data for this study encompasses financial reports, research journals, and relevant documentation related to farm-based waqf.

The qualitative data analysis process in this research adheres to a systematic methodology for addressing the research inquiries. In response to the first research question, content analysis techniques are employed to scrutinize the data acquired through interviews, unveiling an innovation model for integrated agricultural waqf land. Content analysis, a well-established method, has been frequently utilized by prior researchers\(^10\). For addressing the

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second research question, the study leverages Saaty\textsuperscript{11} approach, involving the Analytic Network Process (ANP) and Benefits, Opportunities, Costs, and Risks (BOCR) analysis to discern priorities. This entails the evaluation of desired criteria as benefits and undesirable criteria as costs. Moreover, criteria encompass potential positive outcomes as opportunities and potential negative outcomes as risks. The BOCR analysis, detailed by Saaty\textsuperscript{12}, involves the collaboration of researchers and experts in the field of waqf, encompassing model construction, model quantification, and the synthesis of research data.

During the data synthesis phase, the initial step involves an analysis of rater agreement to demonstrate the level of consensus among respondents (R1-Rn) concerning an issue within a given cluster. Kendall’s coefficient of concordance (W; 0 < W < 1) is utilized as the tool to gauge rater agreement. The questions within the ANP questionnaire take the form of pairwise comparisons between elements/variables within a cluster. This aids in determining which of the two elements holds greater influence (is more dominant) and the extent of the disparity, rated on a scale of 1-9.

**Innovation model for integrated agricultural waqf development**

Wonolopo Waqf Integrated Farm (WQIF), covering an expanse of 3.5 hectares, stands as an innovative agricultural-based waqf land development initiative. This project was launched through collaboration between the Central Java Regional Leadership of Muhammadiyah (PWM) and investors, with a collective investment of approximately 1.2 billion Rupiah. Remarkably, this innovation transcends mere agriculture, encompassing animal husbandry, educational endeavors, culinary ventures, and tourism. The WQIF represents a contemporary waqf development concept, effectively blending agricultural pursuits with livestock management. According to Jodie, the manager of WQIF, as revealed in the interviews, "WQIF was established on the foundation of management innovation through a Cooperation Agreement (PKS) between PWM and investors, with projected returns of 10% for years 1-3, 30% for years 4-6, and eventually 50%. "Owing to its substantial development and insights garnered from interviews with managers, the innovation model for WQIF is elucidated in Figure 2 below.

![Innovative model of agricultural-based waqf land](source)

Figure 1. Innovative model of agricultural-based waqf land

Source: processed by researchers

\textsuperscript{11} Saaty (2008)

\textsuperscript{12} Saaty (2008)
Explanation:
(1) Investors engage in the development of waqf land.
(2) Utilizing the invested funds, the manager initiates two products, namely livestock awareness and coffee with you (2a and 2b).
(3) The outcomes of Sadar Ternak, in the form of livestock, are employed for sacrificial and aqiqah purposes (3a), while livestock meat contributes to the menu at the Bersamamu Coffee Cafe (3b).
(4) The livestock manure is subsequently transformed into fertilizer for the grasslands (3c, 3d). Additionally, feed for the livestock is sourced from the grasslands (4).
(5) The yields from the agricultural land, in the form of rice, are allocated to the Bersamamu Coffee Cafe (5).
(6) (6a, 6b, 6c) In this manner, investors accrue profits from the conscientious utilization of livestock, coffee ventures, and agricultural land.

According to Figure 1, two innovative products for the development of integrated agricultural waqf at WQIF are as follows:

**Bersamamu Sadar Ternak**

"Bersamamu Sadar Ternak" is an innovative livestock program with the slogan "raising without capital and without the hassle of care" that offers sacrificial and aqiqah livestock programs. This initiative was established on a waqf land owned by Muhammadiyah, which had been underutilized for 11 years. Consequently, the management collaborated with PWM Muhammadiyah to transform this waqf land into an agricultural asset. The core idea behind "With You Livestock Awareness" is to present livestock as an investment requiring "raising without capital" and without the complexities of livestock care, which can yield significant profits. For example, investors receive a sacrificial ram every year.

"Bersamamu sadar ternak" primarily focuses on raising sheep due to their ease of care, particularly in terms of feeding, as sheep primarily graze on grass. Jodie explains that up to 90% of the costs are related to feeding. To address this, the innovation introduces the practice of producing their own feed, thereby eliminating the need to purchase it. The initiative involves cultivating odot grass on a 1-hectare waqf land, which can be harvested every two months and yields one ton of grass per day with the labor of just two individuals. This approach enhances efficiency, minimizes labor requirements, eliminates concerns related to pests and pesticides, and ensures the production of clean and halal feed. Consequently, the mortality rate at WQIF farms is nearly negligible.

A distinguishing feature of the “Bersamamu sadar ternak” innovation is the incorporation of grassland feed banks within Breeding or Cultivation farms, serving as a natural source of sheep feed. This aligns with the synergy between livestock and culinary businesses, offering cost-saving benefits. This product innovation has been successful, as it integrates agricultural products into animal feed, utilizes livestock waste to produce fertilizer for agriculture, and ultimately supplies the needs of “Kopi Bersamamu”.

**Kopi Bersamamu**

“Kopi Bersamamu” is an innovative product represented by a café managed by WQIF. Inspired by Kopi Klothok Yogyakarta, which features a small pavilion for relaxation and conversation, "Kopi Bersamamu" adopts a tourist concept. The spacious yard is designed as a traditional Javanese playground, a unique feature that distinguishes it from most cafes. "Kopi Bersamamu" boasts effective process innovation, including the utilization of products from “Kandang Bersamamu Farm” as the primary ingredients for the café’s menu, encompassing dishes such as curry, tengkleng, and krengsengan prepared from processed lamb, as well as
drinks crafted from sheep's milk. The rice served is sourced from Bersamamu’s organic rice fields. The management of "Kopi Bersamamu" also establishes partnerships with local communities to oversee food and beverage management, as well as front-end service.

To enhance public recognition of the innovative products, WQIF employs the marketing slogan "Bersamamu" which signifies "With You" or "Together with Muhammadiyah." This branding strategy is instrumental in marketing their business. While the products are not exclusively intended for Muhammadiyah, an effective approach to raise awareness, attract customers, and broaden the market reach of waqf-based agricultural products is executed through social media channels, including Instagram (https://www.instagram.com/kopibersamamu/).

Additionally, the success of this innovation is evidenced by the presence of farmer groups as part of their marketing strategy, embodied in "Bersamamu Sadar Ternak" with the tagline “farming without capital.” This innovation significantly bolsters the market appeal and profitability of waqf-based agricultural products, primarily through the introduction of their products on social media platforms, where public recognition and interest began to grow.

The term “innovation” is often associated with entities in the private and philanthropic sectors, which are commonly perceived as more adaptable in responding to societal demands, altering their practices, and embracing change compared to governmental and nonprofit organizations. As Al Hasan contends, waqf institutions are part of the Islamic philanthropic landscape and evolve in accordance with the human values that shape interpersonal relationships. Within the philanthropic sector, numerous scholars have highlighted the role of innovation in philanthropic organizations. There are compelling social and economic justifications for philanthropic institutions to consider embracing innovation.

Evaluation of Benefit, Opportunities, Costs, and Risks of Waqf Innovation

This research sourced data and insights from five waqf experts and practitioners. These participants were structured into a criteria framework model, which was derived from existing literature on the advantages, opportunities, costs, and risks associated with waqf innovation through agriculture. The filled-out questionnaires were processed utilizing SuperDecision software. The questionnaire responses underwent pairwise comparisons to ascertain the relative influence of one group over another.


Al Hasan (2017)

Nazhir, and Integration, Synergy, and Collaboration with Investors. The synthesis of the model’s findings and overall priorities relies on four factors influencing strategy selection criteria, which are benefits, opportunities, costs, and risks. Normalized BOCR aspects are employed to determine priority. In this context, the BOCR facet with the highest normalized value receives the top rating, while the opposite holds true.

The synthesis findings reveal that the element "transformation of waqf land into a productive asset" ranks highest in the benefits category, with a higher normalization value compared to other elements. This is depicted in Table 1. Notably, this element, with an average value of 0.34, assumes the utmost significance. It signifies that agricultural integrated waqf innovation predominantly aims to enhance the productivity of waqf land, aligning with the observations made by Asni and Sulong\(^ {16} \). Following closely, the second most critical element within the benefits category, with an average value of 0.29, is "enhancement of waqf land benefits." Subsequently, "job creation" secures the third position in the benefits category, with an average value of 0.27.

<p>| Table 1. Results of pairwise comparison of the benefits of waqf innovation |</p>
<table>
<thead>
<tr>
<th>Element</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waqf land becomes productive</td>
<td>0.34</td>
<td>1</td>
</tr>
<tr>
<td>Increasing the benefits of waqf land</td>
<td>0.29</td>
<td>2</td>
</tr>
<tr>
<td>Job creation</td>
<td>0.27</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: data processed by researchers

On the opportunity side, the results can be seen in Table 2, where the main priority is the element "business development opportunities (investment)" with an average value of 0.38. The second priority is "open relationships and networks" with an average value of 0.34. The final priority is "increasing wakif trust" with a value of 0.30. These results are in line with what was stated by Olaniyi et al.\(^ {17} \) who revealed that agricultural integration is an opportunity for developing waqf-based businesses.

<p>| Table 2. Results of pairwise comparison of waqf innovation opportunities |</p>
<table>
<thead>
<tr>
<th>Element</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing wakif trust</td>
<td>0.28</td>
<td>3</td>
</tr>
<tr>
<td>Business development opportunities</td>
<td>0.38</td>
<td>1</td>
</tr>
<tr>
<td>Open relationships and networks</td>
<td>0.34</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Data processed by researchers

The results of the pairwise comparison for the cost cluster shown in table 3 show that the elements that are the main priority in financing agricultural integrated waqf innovation are high-cost elements in technology, management and maintenance with a value of 0.61.

\(^ {16} \) Asni and Sulong (2019)  
\(^ {17} \) Olaniyi et al. (2015)
Bahari\(^{18}\) stated that the high costs required to procure technology are the main obstacle to waqf innovation. Table 3. stated that the high costs required to procure technology are the main obstacle to waqf innovation

<table>
<thead>
<tr>
<th>Element</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low return on investment</td>
<td>0.39</td>
<td>2</td>
</tr>
<tr>
<td>High costs on technology, management and maintenance</td>
<td>0.61</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Data processed by researchers

In the risk cluster, the results of the pairwise comparison of risk clusters in Table 4 reveal that "Sharia compliance risk" is the main priority with an average value of 0.45. This is in the opinion of Najim\(^{19}\) who state that Sharia compliance is the main thing that must be considered in developing waqf.

<table>
<thead>
<tr>
<th>Element</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational risk</td>
<td>0.36</td>
<td>2</td>
</tr>
<tr>
<td>Reputation risk</td>
<td>0.19</td>
<td>3</td>
</tr>
<tr>
<td>Sharia compliance risk</td>
<td>0.45</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Data processed by researchers

In order to maximize agricultural integrated waqf innovation, several alternative strategies are needed as explained in Table 4.5. The element "collaboration with investors and Sharia financial institutions" is the highest (average 0.33) as the main strategy for waqf innovation. This is acknowledged by Ayuniyyah\(^{20}\) those costs are the main problem of waqf for which a solution strategy must be found.

<table>
<thead>
<tr>
<th>Element</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulation of regulations for waqf land development</td>
<td>0.31</td>
<td>2</td>
</tr>
<tr>
<td>Increased communication \textit{nazhir}, waqif, \textit{mauqf `alaih}</td>
<td>0.18</td>
<td>4</td>
</tr>
<tr>
<td>Increasing the competency of waqf \textit{nazhir}</td>
<td>0.28</td>
<td>3</td>
</tr>
<tr>
<td>Integration, synergy, collaboration with investors and sharia financial institutions</td>
<td>0.33</td>
<td>1</td>
</tr>
</tbody>
</table>

Sumber: Data processed by researchers

\(^{18}\) Bahari (2018)
\(^{19}\) Najim Nur Fauziah and Salina Kassim (2022)
\(^{20}\) Ayuniyyah et al. (2019)
Conclusion

The significance of waqf has notably diminished in recent times, primarily due to a plethora of challenges encountered in the development of waqf land. These challenges encompass a deficiency in nazhir competence, constrained capital for development, and a lack of professional management, among other issues plaguing the waqf sector. This research discerns two distinct forms of innovation arising from the integration of agriculture into waqf development. "With You, Livestock Awareness" stands as an innovation anchored in livestock, and it emerges from a collaborative effort with farmers to rear sheep without incurring costs borne by partners. In order to fortify the presence of tourism within this waqf land, the subsequent innovation takes the form of "Kopi Bersamamu," a café-based endeavor. Through the utilization of BOCR analysis, a consensus among waqf experts is reached, highlighting the utmost importance of "waqf land becoming productive" as a benefit element, characterized by an average significance rating of 0.34. In the realm of opportunity elements, "business development opportunities" emerges as the most pivotal component, boasting a mean rating of 0.38. Conversely, within the cost aspect, "high expenses related to technology, management, and maintenance" is identified as the most prominent element. Ultimately, "Sharia compliance risk" is acknowledged as the most substantial risk associated with the cultivation of agricultural-based waqf land, recording an average significance rating of 0.45.

References


