

# Implementation of Waqf for Cooperative Economic Development: Case Study of Primkop Kartika Ardagusema Cooperative

Arif Salafuddin<sup>1\*</sup>, Cecep Wahyu Hoerudin<sup>2</sup>, Yusuf Ramdhan Wahyudinata<sup>3</sup>

<sup>1,2,3</sup> STEBI Bina Es Bandung, Indonesia.

\*Corresponding Author:

E-mail: [arifsenapati96@gmail.com](mailto:arifsenapati96@gmail.com)

---

## Abstract.

*This study aims to analyze the implementation of waqf as an instrument to improve the economic development of cooperatives, focusing on the Primkop Kartika Ardagusema Cooperative. This cooperative implements waqf to fund various economic empowerment programs that support the welfare of its members. This study uses a qualitative approach with a case study method, involving interviews with cooperative administrators and secondary data analysis. The results of the study indicate that waqf can be an effective tool to support the development of cooperative businesses and provide sustainable economic benefits for members. However, there are challenges in the management of productive waqf that need to be overcome to maximize the potential of waqf in cooperatives. This study provides recommendations for more transparent and efficient waqf management.*

**Keywords:** Endowments, Cooperative Economy, Economic Empowerment, Primkop Kartika Ardagusema Cooperative, Productive Endowments.

---

## 1. INTRODUCTION

Community economic empowerment is one of the main goals in national development, especially in developing countries like Indonesia. One sector that has great potential to support this empowerment is cooperatives. Cooperatives, as a form of economic organization based on the principle of mutual cooperation, have proven to be one of the instruments to improve the welfare of their members and the surrounding community (Wahyudi, 2019). In this context, cooperatives play an important role in creating jobs, increasing access to financing, and providing facilities that support the sustainability of their members' businesses.

However, although cooperatives have great potential, their management is often hampered by limited capital and resources. These limitations hinder cooperatives from developing their businesses and expanding their reach of services to their members. One solution that can be optimized to overcome these obstacles is to utilize philanthropic instruments, namely waqf. Waqf, which in the perspective of Islamic economics is a donation of property for social and economic interests without expecting worldly

rewards, can be a productive resource in improving the economic welfare of society (Aziz, 2015).

According to Kurniawan (2013), waqf has great potential not only as a means of worship, but also as an economic instrument that can be utilized for social and economic development. The implementation of productive waqf, namely the management of waqf funds that generate economic benefits that can be used to fund productive programs such as financing business capital or skills training, has proven successful in several countries as an effective economic empowerment strategy. In Indonesia, although waqf has been widely accepted as a social instrument, its application in the economic sector, especially in cooperatives, is still limited.

The Primkop Kartika Ardagusema Cooperative is an example of a cooperative that has begun to implement the concept of productive waqf to support the economic development of its members. This cooperative, which consists of members with military backgrounds and the general public, utilizes waqf funds to fund various economic empowerment programs such as working capital, skills training, and business financing. The use of waqf in this cooperative is expected to be a sustainable solution to overcome capital constraints and increase the competitiveness of cooperatives. However, despite its great potential, the management of productive waqf in this cooperative faces various challenges that need to be identified and solutions sought so that its benefits can be optimally felt by members.

Given the importance of the role of waqf in the development of cooperative economy, this study aims to examine the implementation of waqf in the Primkop Kartika Ardagusema Cooperative. This study will focus on how this cooperative manages and utilizes waqf for the economic development of its members, as well as the challenges faced in the implementation. Thus, it is hoped that this study can contribute to the development of waqf management theory and practice in the context of cooperatives, as well as provide useful recommendations for other cooperatives that want to utilize waqf as a resource for economic empowerment.

## **II. METHODS**

This study uses a qualitative approach with a case study method to analyze the implementation of waqf in the economic development of the Primkop Kartika Ardagusema Cooperative. The qualitative approach was chosen because this study aims to explore an in-depth understanding of the role and management of waqf in cooperatives, as well as the challenges faced by cooperatives in implementing productive waqf. According to Creswell (2014), qualitative research allows researchers to understand social and economic phenomena holistically, and provides a deeper picture of the context and dynamics in the field.

The case study method was chosen because it allows the research to focus on one unit of analysis, namely the Primkop Kartika Ardagusema Cooperative, which represents the phenomenon of implementing productive waqf in cooperatives. This study aims to explore the experiences, strategies, and challenges faced by cooperatives in

implementing waqf, as well as how waqf can support the economic empowerment of its members. By using case studies, this study seeks to describe in detail how waqf is implemented and evaluated in the context of cooperatives in Indonesia.

The data in this study were collected through three main techniques, namely in-depth interviews, observation, and documentation. Interviews were conducted with cooperative administrators, cooperative members, and other related parties involved in waqf management at the Primkop Kartika Ardagusema Cooperative. This interview aims to obtain information about the waqf management process, the use of waqf funds for economic empowerment programs, and the challenges faced in implementing productive waqf. Observations were conducted at the cooperative location to directly understand the implementation of programs funded by waqf, as well as the interaction between cooperative members and administrators. In addition, documentation in the form of cooperative financial reports, activity reports, and other relevant documents were also analyzed to provide a more complete picture of the use and management of waqf funds.

To analyze the data, this study used thematic analysis techniques, which involve identifying key themes that emerge from interviews and observations. This analysis was carried out by grouping data into categories that are relevant to the research objectives, such as waqf management models, waqf benefits for cooperatives, and challenges in waqf implementation. According to Braun and Clarke (2006), thematic analysis allows researchers to organize and understand extensive and complex data in a structured and systematic way.

The validity of the data in this study was obtained through triangulation techniques, which involve examining data from various sources, namely interviews, observations, and documentation. This triangulation aims to ensure the accuracy and consistency of the information obtained and reduce bias in data interpretation. In addition, this study also uses the member check technique, namely by asking for confirmation from informants about the temporary findings obtained, to ensure that the data collected accurately reflects their views and experiences.

### **III. RESULT AND DISCUSSION**

#### **Research result**

This study aims to analyze the implementation of waqf in the economic development of the Primkop Kartika Ardagusema Cooperative. Based on the analysis of data obtained from in-depth interviews, field observations, and documentation studies, several main findings were found related to the management of waqf and its impact on the economic empowerment of cooperatives.

#### **A. Implementation of Waqf in the Primkop Kartika Ardagusema Cooperative**

The Primkop Kartika Ardagusema Cooperative has implemented productive waqf as one of its strategies to improve its competitiveness and economic sustainability. The waqf funds received by the cooperative are used to fund various economic empowerment programs, such as financing business capital for members, skills training, and

establishing new businesses. According to the chairman of the cooperative, the waqf funds enable the cooperative to provide interest-free working capital to members in need, as well as provide new business opportunities that can improve their economic welfare.

Empowerment programs funded by waqf include skills training in agriculture, handicraft making, and entrepreneurship. Waqf funds are also used to purchase tools and machinery needed for cooperative members' businesses, which aim to increase their productivity and income. For example, the cooperative provided funds to establish an agricultural processing business unit managed by members, which has now made a positive contribution to their income.

#### B. Implemented Waqf Management Model

The management of waqf in the Primkop Kartika Ardagusema Cooperative is based on the principles of transparency and accountability. All waqf funds collected are managed carefully, and reports on the use of waqf funds are submitted periodically to the wakif (waqf provider) and cooperative members. The cooperative also has a reporting system that allows members to see the development of the use of waqf funds, both in terms of the profits obtained and the benefits felt by cooperative members.

The waqf management model in this cooperative involves several stages, starting with collecting waqf funds from members and the community, then the funds are invested in productive projects that can generate sustainable profits. The profits obtained from the project are used to support cooperative activities and are given back to members in the form of capital loans, training, or financing for new businesses. Profit sharing is carried out fairly and in accordance with sharia principles.

#### C. Challenges in Managing Productive Waqf

Although the implementation of productive waqf has a positive impact on cooperative members, there are several challenges faced in managing waqf at the Primkop Kartika Ardagusema Cooperative. One of the main challenges is the lack of understanding of cooperative members regarding the concept of productive waqf. Some members still do not fully understand how waqf can be used for productive activities that provide long-term economic benefits.

In addition, the limited human resources in managing waqf funds are also an obstacle. Cooperatives face challenges in finding managers who have competence in financial management and productive waqf investment. Some cooperative administrators admit that they need further training on productive waqf management and sharia-based financial management.

#### D. Solutions to Overcome Challenges

To overcome these challenges, this study recommends several solutions. First, cooperatives need to conduct socialization and training to members regarding the benefits and management of productive waqf. By increasing members' understanding of the concept of waqf, it is hoped that they can participate more actively in programs funded by waqf. Second, cooperatives can collaborate with waqf nazhir institutions that are more experienced in managing productive waqf to increase their management capacity. Finally, cooperatives are also advised to build a more transparent and accountable financial management system, as well as ensure more routine and open reporting to members and waqif.

### Research Discussion

This study aims to analyze how the Primkop Kartika Ardagusema Cooperative implements waqf as a tool for the economic development of its members. Based on the results of the study that have been explained previously, the findings obtained indicate that the implementation of productive waqf has a significant impact on the economic empowerment of cooperative members, although it still faces several challenges.

#### A. Implementation of Waqf in Empowering Cooperative Economy

The results of this study indicate that productive waqf can be used effectively to finance various economic empowerment programs in cooperatives. As stated by Kurniawan (2013), productive waqf is a concept that changes waqf from mere donations for social activities into an economic instrument that generates sustainable income. The Primkop Kartika Ardagusema Cooperative uses waqf funds to establish and develop productive businesses such as financing member business capital, skills training, and procurement of business tools that can increase member productivity.

According to Aziz (2015), productive waqf has great potential in improving community welfare, especially if managed in the right and strategic way. In the context of cooperatives, waqf funds that are managed productively can be used to support the development of small businesses owned by cooperative members that have the potential to grow. This is also in line with the results of the study which found that the Primkop Kartika Ardagusema Cooperative has succeeded in providing interest-free working capital and skills training facilities, which in turn can improve the quality of life of cooperative members.

#### B. Waqf Management Model Applied in Cooperatives

The management of waqf carried out by the Primkop Kartika Ardagusema Cooperative reflects the principles of transparency and accountability, which are very

important in the management of waqf funds. As explained by Ibrahimy (2023), effective waqf management must ensure that the funds collected are used in accordance with the predetermined objectives and provide long-term benefits. The waqf management model applied in this cooperative involves several stages, starting from collecting waqf funds, investing in the productive sector, to distributing the profits obtained to cooperative members. Each stage is carefully managed to ensure optimal benefits for members.

In this case, sharia principles become the foundation underlying the management of waqf in cooperatives. This is in line with sharia economic theory which emphasizes justice and equitable distribution of welfare (Wahab, 2014). Management based on these principles ensures that the profits from waqf funds can be distributed fairly to cooperative members without any elements of usury or injustice.

### C. Challenges in Managing Productive Waqf

Although the implementation of waqf in the Primkop Kartika Ardagusema Cooperative has a positive impact, this study also found several challenges in its management. One of the main challenges is the lack of understanding of cooperative members regarding the concept of productive waqf and how its benefits can be felt. This reflects one of the problems also identified by Kurniawan (2013), namely the lack of waqf literacy that hinders the optimization of its use.

In addition, the limited managerial capacity in managing waqf funds is also a significant challenge. According to Ibrahimy (2023), one of the obstacles in managing productive waqf in Indonesia is the lack of skills and experience of managers in managing waqf investments in an efficient and productive manner. At the Primkop Kartika Ardagusema Cooperative, although there is an intention and effort to manage waqf well, limitations in terms of human resources and managerial skills of cooperative administrators slow down the development of existing waqf programs.

### D. Solutions to Overcome Challenges

To overcome these challenges, this study recommends several solutions that can be implemented by cooperatives. One of them is increasing training and socialization regarding the concept of productive waqf to cooperative members. This is in line with the recommendation of Kurniawan (2013) who suggested that waqf management institutions conduct education to increase public understanding of the benefits of productive waqf. With a better understanding, cooperative members can participate more actively in programs funded by waqf, so that the positive impact can be felt by more members.

In addition, cooperatives also need to collaborate with waqf nazhir institutions that have more experience and capacity in managing productive waqf funds. By

involving experienced nazhir institutions, cooperatives can get assistance in designing and managing larger and more sustainable waqf projects. This is also in line with the advice given by Ibrahimy (2023), who emphasized the importance of collaboration between cooperatives and nazhir institutions to increase the effectiveness of waqf management.

## CONCLUSION

Based on the results of the research that has been conducted, it can be concluded that the implementation of productive waqf in the Primkop Kartika Ardagusema Cooperative has had a positive impact on the development of the cooperative economy, especially in improving the welfare of members through empowerment programs such as financing for business capital, skills training, and establishing new businesses. However, there are challenges in managing waqf, such as the lack of understanding of members regarding the concept of productive waqf and the limited managerial capacity of the cooperative. Therefore, it is necessary to increase socialization, training, and cooperation with experienced nazhir institutions to optimize the management of waqf funds and ensure long-term benefits for the cooperative and its members.

## REFERENCES

- Aziz, M. (2015). *Wakaf Produktif dalam Ekonomi Islam*. Jakarta: Pustaka Ilmu.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101.  
<https://doi.org/10.1191/1478088706qp063oa>
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage Publications.
- Ibrahimy, M. (2023). *Wakaf dalam Pengembangan Ekonomi Produktif*. Jakarta: Pustaka Syariah.
- Kurniawan, A. (2013). *Pengelolaan Wakaf Produktif di Indonesia*. Yogyakarta: UGM Press.
- Suardi, A. (2021). *Pembangunan Ekonomi Berbasis Zakat, Infaq, Wakaf dan Sedekah: Tinjauan Teoritis dan Praktis*. Jakarta: Rajawali Press.
- Wahyudi, D. (2019). *Pemberdayaan Ekonomi Masyarakat melalui Koperasi*. Bandung: Alfabeta.
- Wahab, A. (2014). *Ekonomi Syariah: Prinsip dan Praktik dalam Pembangunan Ekonomi*. Yogyakarta: Pustaka Pelajar.