

Critic Analysis of Responsibility Practices of Waqf Institution: Reason Condition from Pondok Modern Darussalam Gontor

Syamsuri*

University of Darussalam Gontor
Email: syamsuri@unida.gontor.ac.id

Syamsuddin Arif*

University of Darussalam Gontor
Email: tagesauge@gmail.com

Alfarid Fedro*

University of Darussalam Gontor
Email: alfaridfedro90@gmail.com

Vina Fithriana Wibisono*

University of Darussalam Gontor
Email: vina.fithriana.wibisono@gmail.com

Abstract

Good waqf corporate management will contribute to the maximum achievement of waqf goals. Responsibility is one of the achievement of good waqf corporate management, however few waqf institutions cannot produce waqf assets due to lack of responsibility in management. This paper aims to analyze the practice of management responsibility in waqf institutions, evidenced by Pondok Modern Darussalam Gontor (PMDG) waqf management. This research is a field research with a qualitative approach. Data collection techniques using interviews, observation, documentation were analyzed with descriptive and thematic analysis. The result of the responsibility practice at PMDG intended for sustainability of independence education, namely; First, its waqf corporate management stands on official law in accordance with prevailed regulations. Second, the awareness of the responsibility of waqf governance, PMDG has

* Law of Islamic Economics Program, University of Darussalam Gontor, Jl. Raya Siman, Ponorogo, East Java, Indonesia 63471.

implemented the vision, mission and objectives of the Gontor waqf charter as well as the application of Islamic corporate governance. Third, mapping waqf assets by producing various business units, expanding and utilizing land assets annually, and implementing the waqf motto that waqf must always move.

Keywords: Waqf, Responsibility, Waqf Institution, Pondok Pesantren, Waqf Corporate Management.

Abstrak

Manajemen pengelolaan wakaf yang baik akan berkontribusi maksimal tercapainya tujuan wakaf. Tanggungjawab merupakan salah satu tercapainya pengelolaan korporasi wakaf yang baik, namun tidak sedikit institusi wakaf yang tidak bisa memproduktifkan aset wakaf dikarenakan kurang terciptanya tanggungjawab dalam manajemennya. Tulisan ini bertujuan menganalisis praktek responsibilitas manajemen dalam institusi wakaf, dibuktikan dengan fakta yang terjadi di Pondok Modern Darussalam Gontor (PMDG). Penelitian ini merupakan penelitian lapangan dengan pendekatan kualitatif. Teknik pengumpulan data menggunakan wawancara, observasi, dokumentasi yang dianalisis dengan deskriptif dan tematik analisis. Hasilnya adalah praktek prinsip tanggungjawab di PMDG bertujuan untuk mendorong keberlangsungan kemandirian pendidikan melalui yaitu; pertama, pengelolaan wakaf berdiri di atas legal resmi sesuai dengan peraturan perundang-undangan yang berlaku. Kedua, dilihat dari kesadaran pertanggungjawaban tata kelola wakaf, PMDG telah menerapkan visi, misi dan tujuan piagam wakaf Gontor serta menerapkan manajemen korporasi Islam. Ketiga, pemetaan aset wakaf yaitu dengan memproduktifkan berbagai unit-unit usaha, perluasan dan pemanfaatan aset tanah pertahunnya, serta menerapkan motto wakaf yaitu wakaf harus selalu bergerak.

Kata Kunci: Wakaf, Responsibilitas, Institusi Wakaf, Pondok Pesantren, Manajemen Korporasi Wakaf.

Introduction

Waqf is known as Islamic trust or Islamic endowments that is one of the most important institutions contributed immensely to the socio-economic and social developments since the early

day of Islam.¹ The purpose of waqf is to provide continuous charity and generate perpetual income flow for the needy.² In addition, waqf can be an effective system of poverty alleviation by improving non-income from producing the waqf asset which generating such aspects as health, education, increasing physical facilities of commercial, transportation, agricultural, industrial and many other.³

In waqf management, waqf asset must be managed by good management and governance for preserving, maintaining, and developing waqf and distributed its benefit for those who need it.⁴ Good corporate governance⁵ ensures that the business environment is fair and transparent and that companies can be accountable for their actions.⁶ Conversely, weak of corporate governance (CG) leads to fraud, mismanagement, and corruption.⁷ In addition, this is identified by Islamic corporate governance (IsCG) theory with sharia compliance which contributes to the adequacy and management of waqf and

¹ Nasrul Fahmi Zaki Fuadi, "Wakaf Sebagai Instrumen Ekonomi Pembangunan Islam", *Economica: Journal of Islamic Economic*, Vol. 9, Iss. 1, (2018), 152., Umar Ahmed, Mustafa, Omar. M and Ahamad Faosiy Ogunbado, "Examining the Traditional Waqf-Based Financing Methods and Their Implications on Socio-Economic Development", *IOSR Journal of Business and Management (IOSR-JBM)*, Vol. 17, Iss. 2, (2015), 119-125., Mochammad Arif Budiman, "The Significance of Waqf for Economic Development", *Munich Personal RePEc Archive Paper No. 81144*, (6 September 2017)., AbulHasan M. Sadeq, "Waqf, perpetual charity and poverty alleviation", *International Journal of Social Economics*, Vol. 29, Iss. 1-2, (2002), 135-151.

² Muhammad Afdi Nizar, *Pengembangan Wakaf Produktif di Indonesia: Potensi dan Permasalahan dalam Penguatan Fundamental Sektor Keuangan Dalam Mendukung Stabilitas Perekonomian*, ed. by: Abimanyu. Yoopi; Nizar. Muhammad Afdi; and Nasution. Lokot Zein. BKP - Pusat Kebijakan Sektor Keuangan; Badan Kebijakan Fiskal; Kementerian Keuangan Republik Indonesia. 1st Edition, Juni, (Jakarta: PT. Nagakusuma Media Kreatif, 2017), 202.

³ Nathasa Mazna Ramli and Nurul Aini Muhamed, Good Governance Framework for Corporate Waqf: Toward Accountability Enhancement. Proceedings of World Universities', *Islamic Philanthropy Conference*, 2013.

⁴ Mohd Mustafa Hajah, Jalil Hanefah, Asharaf Abdullah, Mohd, and Ramli, et al, Waqf Model in Iskandar Malaysia: An Analysis, *4th Islamic Banking, Accounting and Finance Seminar*. (Gombak: International Islamic University Malaysia, 2011), 310.

⁵ Principles of Good Corporate Governance (GCG) namely transparency, accountability, responsibility, independency, and fairness. Addobted by Komite Nasional Kebijakan Governance, Pedoman Umum Good Corporate Governance Indonesia, (Jakarta: KNKG, 2006), 3.

⁶ Private Sector Corporate Governance Trust, *Principles for Corporate Governance in Kenya and A Sample Code of Best Practice for Corporate Governance*, 7, accessed on http://www.ecgi.org/codes/documents/principles_2.pdf, at Tuesday, March 19, 2019, at 04.32 pm.

⁷ Indra Surya and Ivan Yustiavandana, *Penerapan Good Corporate Governance: Mengesampingkan Hak-hak Istimewa Demi Kelangsungan Usaha*, (Jakarta: Kencana, 2006), 27.

leads to good corporate governance.⁸ That is, adopting Islamic or sharia corporate governance can be applied in the management of waqf itself. Compliance of sharia laws and rule will direct the form of responsibility, transparency, and accountability of a company.⁹ In other hand, the solution to the success of the management and development of waqf lies in the existence of nadzir, a solid working team to maximize the expected wealth if the waqf asset are managed professionally, consequently waqf asset will become as potential Islamic philanthropy.¹⁰

In Indonesia, however the potential of waqf asset is still unoptimal managed and utilized. The amount of waqf land is mostly utilized for consuming than productive, like establishing mosque, cemeteries, orphanages, and educational facilities.¹¹ Based on data from the Directorate Waqf Empowerment Ministry of Religious Affairs (DEPAG) RI dated March 2016 that waqf of land throughout Indonesia as much as 435,768 location, with total area reaching 4,359,443,170.00 m² which have been certified as many as 287,160 (65.9%) and have not certified of waqf as many as 148,447 (34.1%). This waqf asset, if it is not managed properly, will certainly cause a lot of problems that ultimately the land waqf cannot be utilized accordance with its function and purpose.¹²

In same vein, the unoptimal management of waqf asset also lies in the unresponsibility of Nadzir as a vital holder in managing and

⁸ Dalila Daud, "The Role of Islamic Governance in the Reinforcement Waqf Reporting: SIRC Malaysia Case", *Journal of Islamic Accounting and Business Research*, Vol. 10, Iss. 3, (2019), 392-406.

⁹ Aishath Muneeza and Rusni Hassan, Shari'ah Corporate Governance: the Need for a Special Governance Code, *Corporate Governance*, Vol. 14, Iss. 1, (2014), 120-129, and also see Abdussalam Mahmoud Abu-Tapanjeh, Corporate governance from the Islamic perspective: A comparative analysis with OECD principles, *Critical Perspectives on Accounting*, (20, 2009), 556-567.

¹⁰ Kementerian Agama Republik Indonesia. Direktorat Jenderal Bimbingan Masyarakat Islam, and Direktorat Pemberdayaan Wakaf Tahun, *Pedoman Pengelolaan dan Pengembangan Wakaf*, 2013, 45., Hasyeilla Abd Mutalib and Selamah Maamor, "Utilization of Waqf Property: Analyzing an Institutional Mutawalli Challenges in Management Practices", *Journal of Economics and Financial Issues*, (2016, 6(S7)), 36-41., also see Magda Ismail Abdel Mohsin, Hisham Dafterdar, Murat Cizakca, et. al, *Financing The Development Of Old Waqf Properties, Classical Principles and Innovative Practices around the World*, (New York: Palgrave Macmillan, Springer Science Bussiness Media, 2016), 24-25.

¹¹ <http://www.bwi.or.id/index.php/en/tentang-wakaf/data-wakaf/data-wakaf-tanah.html> accessed on Monday, February 5, 2018, at 10.00 am.

¹² Data of DEPAG RI on March (2016), on <http://www.bwi.or.id/index.php/en/tentang-wakaf/data-wakaf/data-wakaf-tanah.html>, accessed on March 5, 2018, at. 04.35 pm.

developing of waqf asset. Undeniable, if the utilizing and management of waqf asset are not fully good managed which not accordance based on prevailed laws will cause Nadzir did unoptimal management with unprofessionally and unproductively.¹³ Nazhir's moral responsibility brought a new paradigm of waqf in Indonesia based on prevailed legal waqf on Leg No. 41 of 2004 on waqf, No. 42 and 43 of Leg No. 41 of 2004 requires the nadzir had to manage and develop of property waqf in accordance with its objectives, functions and must be done productively without violating the principles of sharia.¹⁴

Regarding efforts to create stability in waqf management, increasing responsibility through good governance in waqf institutions (Nazhir) is a major factor. For this reason, the application between the principles of good CG and IsCG is important, according to responsibility, it builds hight correlation in building public trust between Nazhir (waqf corporate) itself to the community and stakehoders.¹⁵ Responsibility contains elements of compliance with laws, regulations and internal provisions of the institution to the community and the environment.¹⁶ Considering this case, usually Pondok Pesantren as Nazhir is more public trusted among community which it's financed by the developing waqf asset for Islamic Education institution.¹⁷

One of the pesantren that developed waqf assets for the independence of Islamic education and gained broad public trusted in the performance of waqf development is the Pondok Modern Darussalam Gontor (PMDG).¹⁸ PMDG's waqf management develops

¹³ *Ibid.*

¹⁴ Helza Nova Lita, Implementation of Corporate Social Responsibility (CSR) Through Waqf Related to Law Number 41 Year 2004 on waqf, *Tazkia Islamic Finance and Business Review*, Vol. 9, Iss. 1, 41-59.

¹⁵ Hans Lenk, Ethics of responsibilities distributions in a technological culture, *Springer-Verlag London 2016*, or see Hans Lenk and Matthias Maring, Responsibility and Technology, *Argumentos de Razon Tecnica*, Iss. 5, (2002), 257-277.

¹⁶ Frederick R. Post, "A Response to The Social Responsibility of Corporate Management: A Classical Critique", *Mid-American Journal of Business*, Vol. 18, Iss. 1, 25-35.

¹⁷ Reza Arjmand, Waqf and Financing Islamic Education, *Handbook of Islamic Education Springer International Publishing*, 2017, 1-13., Alfarid Fedro, Syamsuri, Syamsuddin Arif and Vina Fithriana Wibisono, Waqf-Based Pesantren's Strategy In Developing of Human Capital and Entrepreneurship Education, *Edukasia Islamika*, Vol. 4, Iss. 2, (2019), 123-142.

¹⁸ Indonesia Waqf Board, *Pengelolaan Wakaf Pondok Pesantren Gontor Bisa Jadi Acuan*, berita wakaf , 28 Desember 2012. Accessed by <https://bwi.or.id/index.php/en/publikasi/news/1071-pengelolaan-wakaf-pondok-gontor-bisa-jadi-acuan.html>, on Thrusday, July 25, 2019, 00.39 am. Also interview to The Chair of the Pondok Modern Waqf Development

land assets covering an area of 15,640,612 m² spread across 25 regions in Indonesia, has 20 branches of Islamic boarding schools in Indonesia, each of which has more than 10-30 productive business units.¹⁹ YPPWPM²⁰ is PMDG's holder in its waqf management that contributed to the independence of education and sustainability of education both materially and non-materially. Considering the high public trusted to the development of PMDG waqf assets, a research related to the distribution of PMDG waqf institutional responsibility becomes important. It is to examine and analyze the extent to which the principles of PMDG waqf responsibility that applied one of the principles of good CG which aimed as a pilot in the development of the waqf assets responsible for each waqf institution.

The Corporate Governance (CG) and Islamic Corporate Governance (IsCG) to Waqf Corporate Governance

The term of CG is an interdisciplinary notion that is debated by international circles.²¹ But there is no definitive definition of CG.²² According to the Organization of Economic Co-operation and Development (OECD) defined CG as a set of relationships between company management, its management board, its stakeholders and other stakeholders to support sustainable economic growth and stability.²³ Whereas the KNKG defined it as a result of raising awareness about the importance of the need to protect the rights of all stakeholders, including minority shareholders.²⁴ Therefore,

and Maintenance Foundation is K.H. Imam Shobari, S.Ag. On March 19, 2019 at Gontor Ponorogo at 09.48 pm.

¹⁹ WARDUN (Warta Dunia Darussalam Gontor Modern Islamic Institution), An Annual Journal Issued by Darussalam Gontor Modern Islamic Institution since 1939, Presenting the whole news coverage of the institutional activities, Vol. 72, (2019), 42.

²⁰ YPPWPM (Yayasan Pemeliharaan dan Perluasan Wakaf Pondok Modern/The Waqf Maintenance and Development Foundation of Pondok Modern) is an institution that is engaged in fundraising, maintenance, expansion and development of waqf Pondok. At present Pondok Modern has owned a waqf land of 1025 ha, and various kinds of productive economic ventures to sustain the independence of the Pondok. The Chair of the Pondok Modern Waqf Development and Maintenance Foundation is K.H. Imam Shobari, S.Ag. Accessed on <https://www.gontor.ac.id/lembaga/yppwpm>, at Tuesday, March 19, 2019, at 08.51 pm.

²¹ Nobel cited in Loganathan Krishnan, The role of auditors in the context of corporate governance, *Current Law Journal*, Vol. 3, (2010), i-vi.

²² *Ibid*, Aishath Muneeza and Rusni Hassan, Shari'ah Corporate Governance,,

²³ OECD, *OECD Principles of Corporate Governance*, (OECD: 2004), 11.

²⁴ *Ibid*, KNKG

CG is designed to direct and control company management based on the principles of transparency, responsibility, accountability, independence, justice and equality.²⁵

Whereas CG contrasted with IscG. IsCG also the same Islamic theoretical and philosophical background of CG is examined from the dual (mixed) Islamic economic and institutional perspective.²⁶ That is, the dimensions of Islamic perspectives of CG have broader horizons and cannot compartmentalize the roles and responsibilities in which all actions and obligations fall under the jurisdiction of the divine law of Islam than OECD principles (conventional CG) that implements an affirmation with six different issues and obligations.²⁷ In other hand, conventional and the IsCG is different as conventional CG structure is more focused on the protection of the rights of the stakeholders; while IsCG focuses on retaining the Islamicity of whole corporation.²⁸ Therefore, CG becomes a value system in Islamic financial institutions that provides equal legal protection to all stakeholders, because it will have an impact on the effectiveness and even becomes vital to make sure the sustainability²⁹ of the institution and foster trust and security for the community, financial efficiency, fiscal and monetary policies so that financial equilibrium occurs, such as in Islamic banking.³⁰

In the waqf corporate management studies, the application of CG principles provides a picture of whether good or bad the performance of waqf institutions in managing the mandated assets. Tribowo and Yulianti's research found that the lack of performance of waqf management in BWU Yogyakarta that still has not fully carried out the CG principles, namely lack of application of transparency, accountability, and responsibility related on applicable laws.³¹ Yuliatr

²⁵ *Ibid*, KNKG

²⁶ Masudul Alam Choudhury and Mohammad Ziaul Hoque, Corporate governance in Islamic perspective, *Corporate Governance*, Vol. 6, No. 2, (2006), pp. 116-128.

²⁷ *Ibid*, Abdussalam Mahmoud Abu-Tapanjeh, Corporate governance.

²⁸ *Ibid*, Aishath Muneeza and Rusni Hassan, Shari'ah Corporate Governance.

²⁹ Rose Abdullah and Abdul Ghafar Ismail, "Taking stock on the waqf-based Islamic microfinance model", *International Journal of Social Economics*, Vol. 44, Iss. 8, (2017), 1018-1031.

³⁰ Budi Sukardi, "Corporate Governance Engineering of Islamic Banking and Finance: Tantangan Globalisasi Sistem Ekonomi dan Pasar Bebas", *Jurnal Tsaqafah*, Vol. 9, Iss. 1, (2013), 149-170.

³¹ Ananto Triwibowo and Yulianti Rahmani Trimotira, *Penerapan Prinsip-Prinsip Good Corporate Governance Dalam Pengelolaan Wakaf Tunai Pada Badan Wakaf Uang Tunai MUI Yogyakarta*, Article of joint research between postgraduate students in Islamic studies at the Indonesian Islamic University of Yogyakarta and postgraduate lecturers in Islamic studies at the Indonesian Islamic University of Yogyakarta, 2017.

and Rivaldi's research that the application of CG principles in waqf institutions has a positive effect, namely increasing the raising of cash waqf through public trust with waqf promotion and education related to literacy around waqf.³² The same thing is done by Ahmad and Rasyid and Latif, that the application of CG will provide better performance in order to actualize the goals of the institution if the level of CG is embedded in these institutions³³ even Din, and Mustapha³⁴ and Syamsuri et.all³⁵ that the waqf management in an effort of the application of CG in the era of globalization is an effort to achieve the country's sustainable development, especially in countries with a majority Muslim population.

Though the application of IsCG had new framework in waqf management. Ramli, Salleh, and Muhamed focuses on the structure and management of waqf institutions, however ignoring good governance process towards enhancing the accountability in the institution. The findings show that there are some degree of differences in the selected governance aspects of the existing structure and practices, such as related to the appointment process of the CEO and higher management and their background of education. In addition, there is no sufficient monitoring mechanism exists in term of Shariah audit in both of institutions worldwide. As such, there are lots of initiatives should be taken especially by the government for this purpose.³⁶

Moreover Ihsan and Ayedh attempts to review some Islamic concepts and values which underpin the governance framework for awqaf institutions and thus demonstrate the Islamic accountability of *mutawalli* or Nazhir (awqaf manager). The result that there is consensus among scholars that good governance should be adopted in waqf management as it is one of the critical success factors for revitalizing

³² Indri Yuliafitri and Arie Indra Rivaldi, "Pengaruh Penerapan Prinsip-prinsip Good Governance dan Promosi Terhadap Penerimaan Wakaf Tunai (Pada Lembaga Pengelola Wakaf di Indonesia)". *Infestasi Journal*, Vol. 13, Iss.1, (2017), 218.

³³ Ahmad, Mahadi and Syed Khalid Rashid, "The Need For High Corporate Governance in Nigerian Zakah and Waqf Institution", *Shariah Journal*, Vol. 24, Iss. 3, (2016).

³⁴ Saripah Abdul Laif, Nik Muniyati Nik Din, Zaiton Mustapha, The Role of Good Waqf Governance in Acheiving Sustainable Development, *AicQoL2018PerhentianIsland, e-International Publishin House Ltd.*, (United Kingdom, 2018).

³⁵ Syamsuri, Syamsuddin Arif, Alfarid Fedro Vina Fithriana Wibisono, et.al, "Existence of Waqf in Enhancing of Indonesia Financial Stability in Era Industrial Revolution 4.0: A Conceptual Design", *East African Scholars Journal of Economics*, Vol. 2, Iss. 12, (2019).

³⁶ Nathasa Mazna Ramli, and Nurul Aini Muhamed, Good Governance Framework for Corporate Waqf: Toward Accountability Enhancement, *Proceedings of World Universities' Islamic Philanthropy Conference*, (2013).

awqaf institutions. Actually, the cornerstone of good governance in Islam had been laid down by the Prophet and his companion in the earlier Islamic state. Basic principles of good governance derived from Qur'an are *amanah*, *'adala* and *shura*. Based on these principles, the framework of Islamic good governance can be built as institution of *shura*, monitoring can discharge dual accountability of *mutawalli* that is accountability to Allah and the society.³⁷ In the same result with Dalila Daud that the role of IsCG in the reinforcement waqf reporting which provide a significant contribution to any organisation that act as a trustee for waqf.³⁸ In addition, Abdullah examined about a new framework of CG for waqf that proposed in his paper the concepts of virtual shareholder (for the *waqif*), virtual share (for the waqf) and virtual dividend (return on waqf) should be recognised. This, in turn, would help to create a competitive environment amongst the institutional *mutawallis* and promote greater transparency in waqf management practices.³⁹

Zeni and Sapuan study aimed to shed light on the issues of waqf governance in selected Muslim countries, with some discussion on CG from the perspective of Western and Islamic context. Furthermore, this study also reveals the relation of agency theory in waqf institution, and the need for IsCG in implementing a waqf governance framework in the Muslim world. The result that for the waqf institutions to be successfully developed, a good waqf governance is necessary, and it must be in accordance with Shariah law principles and the true spirit of Islam. By implementing an IsCG in the governance of waqf, the conflict of interest or "self-interest" of the agents can be slowly controlled and eliminated. Theoretically, the concept of IsCG is in line with the true spirit of Islam that emphasizes Islamic values and principles in order to build a sound waqf governance in the management of waqf. Therefore, it is necessary to have a good CG in order to bring back the glory of waqf institutions as enjoyed in the past.⁴⁰

³⁷ Hidayatul Ihsan and, Abdullah Ayedh, "A Proposed Framework of Islamic Governance for Awqaf", *Journal of Islamic Economics, Banking and Finance*, Vol. 11, Iss. 2, (2015).

³⁸ *Ibid*, Dalila Daud, The Role of Islamic Governance.

³⁹ Mohammad Abdullah, A New Framework of Corporate Governance for Waqf: A Preliminary Proposal, Islam and Civilisational Renewal, *Contemporary Issues And Policy research*, Vol. 6, Iss. 3, (2015).

⁴⁰ Nur Azni Mohd Zeni, and Noraini Mazuin Sapuan, "Revitalizing Waqf Governance: A Theoretical Perspective", *International Journal of Advanced Biotechnology and Research (IJBR)*, Vol. 8, Special Issue. 3, (2017).

Oladapo, Hakeem, Omar, Saad and Oziev, examined the relationship between ethics, investment and efficiency as embedded in ethical theory with the CG of waqf institution towards poverty alleviation in Zamfara State, Nigeria. They found investment and efficiency have remarkable statistical significance level with efficiency having higher beta value than the other variables in the context of this research. It is therefore, suggested that ethics especially, should be practically taken with intense interest in order to forestall the potential long run effect on the governance of the institutions. Also, it is hoped that the finding would help the policy markers in waqf institutions and the Nigerian government to reformulate as well as rejuvenate CG in their policies and strategies towards poverty alleviation programs for effective handling.⁴¹

From the above discussions, it seems that there are long lists of literature on the waqf management focused used principles of good CG and IsCG for making good waqf governance in waqf institution. Therefore, we proposed in this paper the responsibility model in waqf management that will be examined with CG and IsCG in the further.

The Concept of Responsibility Practice

In CG or IsCG, to take responsibility or be held accountable for the performance of an institution is very important. The responsibility mechanism between the two aims at corporate sustainability and clarifies the extent to which the institution develops its mandate. Responsibility in CG aims for institutional accountability to companies and stakeholders by carrying out management monitoring and strategic guidance, while responsibilities in IsCG aim for institutional accountability which is not only to the company or stakeholders but also to Allah *ta'ala* as the ultimate authority who leads to welfare and success, with a holistic approach, integrative guidance, negotiation and co-operation as well as consultation and consensus seeking for decisions with related stakeholders.⁴²

⁴¹ Oladapo, Hakeem B, M. Mustafa Omar, Norma Saad, and Gapur Oziev, The Role of Ethical Theory in Corporate Governance of Waqf Institutions Towards Poverty Alleviation: A Case Study of Zamfara State, Nigeria, *Proceeding of the International Conference on Masjid, Zakat and Waqf (IMAF)*, 2014).

⁴² See Masudul Alam Choudhury and Mohammad Ziaul Hoque, Abdussalam Mahmoud Abu-Tapanjeh, and Aishath Muneeza and Rusni Hassan.

Basically responsibility is a concept expressed by a relational system of attribution in terms of an expectation of an action or its result.⁴³ Further in the scope of individuals in waqf corporate management, overseeing the model of responsibility in a corporation that is based on the core responsibility at the level of personal corporations that is the relationship between something or someone responsible (subject of responsibility) and something or someone who is the subject of responsibility (object responsibility).⁴⁴ In this case the object can include actions, results of actions, tasks and circumstances, but also subordinates or parts of the organization. The link between subject and object is supported by what we call authority, which oversees responsibility and sanctions the subject.⁴⁵ The following figure shows this basic responsibility model.

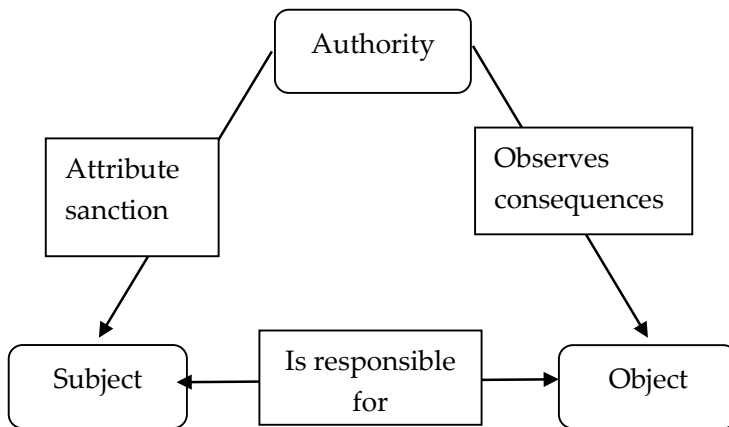


Fig.1. Basic model of responsibility (based on Lenk & Maring, 2002)

Result and Discussion

The result will be described concerning the indicators related to the responsibility model applied by PMDG waqf management:

⁴³ Hans Lenk, What is Responsibility?, *Philosophy Now*, Vol. 56, (2006) https://www.pdcnet.org/philnow/content/philnow_2006_0056_0000_0029_0032 on Friday, July 26, 2019, 06.35 am

⁴⁴ *Ibid*, Hans Lenk and Matthias Maring, Responsibility.

⁴⁵ *Ibid*, Hans Lenk, Ethics of responsibilities.

Legality of the PMDG Waqf Corporate

The legality of endowment in PMDG begun with the submission of waqf in the form of “waqf charter”. Waqf charter is the charter when waqf assets (in the form of 1,740 ha of dry land, 16,851 ha of wetlands and 12 buildings and equipment) was endowed by *waqif* on behalf of the founder of PMDG (called *Trimurti*; KRH Ahmad Sahal; KRH Imam Zarkasyi; and RH. Zainuddin Fananie) to 15 people who were trusted as *Nazdir* in October 12, 1958. The purpose of endowing this waqf was efforts and steps to maintain and expand PMDG as an Islamic endowment such as al-Azhar University with its eternity and breadth of waqf. The endowing of Islamic endowments meant that the *waqif* of the founder of the PMDG relinquished their personal property rights in hereditary for the benefit of Islam, *ummah* and its education. To elevate the religion of Allah, *li'lâi Kalimatillâh*, as stated in the waqf charter of PMDG.

The follow-up of PMDG endowment is under the PMDG Waqf Board as the assistant and executor of the waqf mandate. The PMDG Waqf Board does not directly manage, maintain and expand the waqf asset, but delegates the authority to the leadership (headmaster) of PMDG as its mandate. In the organizational structure of the Gontor Education Center, the Waqf Board occupies the highest position as a legislative body that has broad duties and authority. This institution functions to decide and determine policies related to all educational processes in the Pesantren, determiner the vision and mission, the rules and statutes of the institutions under it, as well as elect and determine the leadership of the board and the leaders of the institutions. To fulfill formal legality, the PMDG waqf board was rejuvenated by Notary Act No. 24 dated 16 July 1978 in Madiun. The legality of developing waqf assets is based on the Decree of the Minister of Agriculture and Agriculture No. SK. XV / 1 / Ka / 1964, which was established on January 8, 1964 as a Legal Entity entitled to own land used for religious and social purposes in accordance with Government Regulation No. 38/1964.

Furthermore, the foundation which in charge and responsible for financing and maintaining PMDG with all its assets is the Pondok Modern Endowment Maintenance and Expansion Foundation (YPPWPM). This foundation was established on March 18, 1959, a year after the implementation of the endowment pledge, in accordance with article 7 of the Waqf Board's AD/ART (statutes/bylaws). In managing

and maintaining waqf land, the foundation is assisted by supervisors and executor who are also called *Nadzir*. The *nadzir* are from the area around the rice fields. They are responsible to the foundation then both of them can carry out a joint evaluation. Another task is to work for legal certainty of waqf land owned by pesantren by certifying it according to prevailed rules. The following figure shows the PMDG organizational structure in carrying out the responsibilities of waqf development:

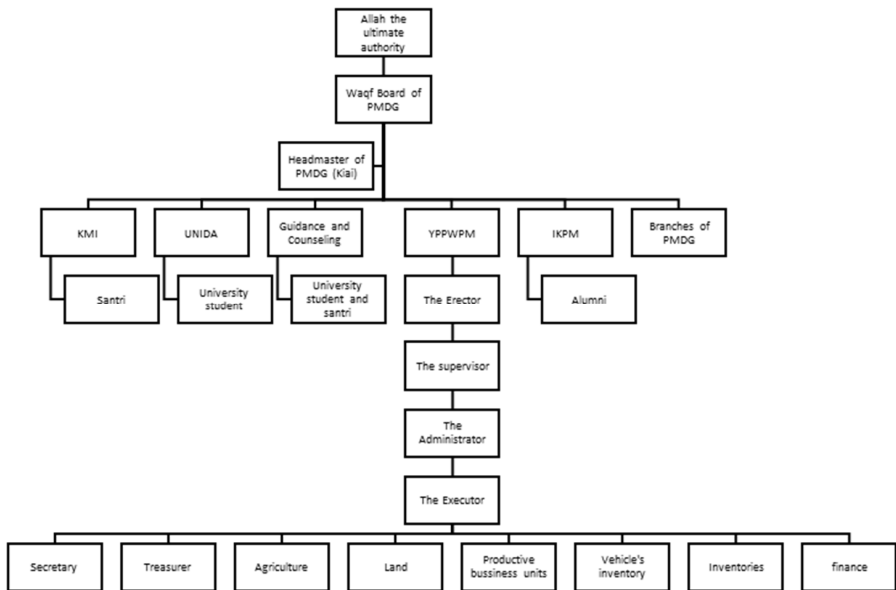


Fig.2. the PMDG organizational structure in responsibility practice of waqf management.

Responsibility Awareness in PMDG Waqf Corporate Governance

The PMDG waqf corporate responsibility model performed developing waqf asset that occurred among the waqf-based pesantren model which developing of waqf as the instrument for Islamic education sustainability.⁴⁶ The following figure shows this PMDG responsibility model:

⁴⁶ For more see Alfarid Fedro, Syamsuri, Syamsuddin Arif and Vina Fithriana Wibisono, *Waqf-Based Pesantren's,*

Table 1. PMDG's responsibility model

The Pesantren community level as Subject	Attribute Sanction	Object	Consequences	Authority
Waqf board	Islamic rule and values, philosophical life, leadership, modern management systems (included their vision, mission, and waqf charter)	Developing of waqf asset (value, system, & property) for teaching and education development, regeneration, infrastructure and financing, and family welfare	Generating Islamic teachers and graduate who have 3 intelligence in faith (<i>iman</i>), deed (<i>amal</i>), and scientific (<i>ilmu</i>)	PMDG institutio, stakeholders (Muslim society and pesantren community level) and Allah ta'ala the ultimate authority
Kiai				
Teacher				
Santri				
The waqf corporate responsibility board is under Waqf board, Kiai, and YPPWPM of PMDG.				

Source: researcher elaboration

PMDG waqf corporate management carries responsibility in managing its waqf assets (include value, system, & property) based on the purpose of *'ibadah*, worshipping Allah SWT, as mandated by Trimurti who voluntarily endowed their property even their soul. This is a credible value that motivated the Pesantren community to do their best responsibility according to the Qur'an and al-Hadith because they have to admit that everything will be accountable to Allah SWT. Then the awareness of responsibility in managing waqf is based on waqf charter, vision and mission of Gontor waqf institutions, namely; First, PMDG must remain a religious social activity (*'amal Jâriyah*), which is obeyed to Islamic rules. Second, PMDG have to be a resource of religious knowledge, general science, Arabic, but accordance with pesantren-mind. Third, PMDG is a community service institution in the sense of forming the character of the ummah for inner and outer welfare. Fourth, PMDG must be maintained and developed so that later it becomes quality and meaningful Islamic university. Fifth, to ensure that the waqf mandate has formal legal force, the waqf body must immediately have a notarial deed.

In general, an understanding of the responsibility practice is based on ethical, moral knowledge and information disclosure in accordance with IsCG regulations. In this case, PMDG creates sustainability in work by balancing Islamic principles in every activity undertaken, including distribution of waqf outcomes aimed for realizing “Five Term of PMDG” in order to generate Islamic teachers and graduate who have 3 intelligence in faith (*imân*), deed (*amal*), and scientific (*ilm*), namely: developing of waqf assets for teaching and education development, regeneration building to continue PMDG ideals as stated in the waqf charter, providing education and teaching infrastructure and facilities, financing from the independence of own funding sources, empowering the sustainability of family welfare who help and responsible for the life and death of PMDG directly.

Mapping of PMDG Waqf Assets

PMDG has developed waqf assets rapidly by: Investing waqf assets managed in the form of modern management-based productive business units in every campus. Specifically for productive business units at campus Gontor 1 there are 30 units is a variety of businesses that have been established since 1970 to 2009, such as rice excavation, Darussalam printing, KUK grocery store, building material shop, bookstore, meatball stall, KUK I photocopy, UKK, La-Tansa pharmacy, Gambia Permai wartel, ice block factory, grocery, Sudanese wartel, Al-Azhar canteen, computer services, guesthouse Darussalam, Asian photocopy II, wholesale market, Darussalam Distributor Center, chicken slaughter, cake factory, cattle fattening, bottled water, sports equipment shop, convection business, LM3 chicken noodle factory, and La-Tansa tea. It described the responsibility practice of PMDG waqf corporate management in collaboration with all external members and partners.

Following is the recapitulation of PM Gontor waqf land expansion conducted by YPPWPM, for the last three years from 2016-2019.

Table 2. Gontor waqf land expansion 2016-2019 over 25 regions in Indonesia

No.	Year	Area of m2
1.	2016	11.081.968
2.	2017	12.620.269

No.	Year	Area of m2
3.	2018	12.643.712
4.	2019	15.640.612

Source: YPPWPM data

Over the past four years, the expansion of Gontor waqf land has always been increasing, spread in 24 regions throughout Indonesia. With all the available capabilities, the YPPWPM land expansion program can run well. Expansion and development of waqf land is obtained through the endowed of land and the purchase of new land. As for the waqf property in the form of facilities and other infrastructure such as mosque buildings, dormitories, madrasas, and campuses spread throughout the Gontor branch campus, namely the 14 Gontor campus for boys and the Gontor women's campus reaching 7 branches.

Conclusion

The practice of responsibility at PMDG has been going well. To practice responsibility in the management and development of waqf, PMDG's waqf corporate management forms an organizational structure that includes the pesantren community as a subject for developing waqf assets (ie values, systems and property). The form of organization structure was patterned in the waqf-based pesantren school model that made each pesantren individual aim for the sustainability and independence of Islamic education which is driven by the managing and developing of waqf. Form of sanction attributes in practicing waqf management responsibility based on the legality of waqf institutions (including: Islamic rules and values, philosophical life, leadership, modern management systems [including their vision, mission, and waqf charter]) and IsCG that have been determined based on official law are meaningful in accordance with applicable law.

While awareness of the responsibility of waqf governance, PMDG has implemented a vision, mission, waqf charter and is in line with the principle of responsibility for IsCG which aims to realize the consequences of PMDG Five-Term by mapping waqf assets conducted by PMDG's waqf corporate management, namely by forming productive business units, land expansion annually, and the adoption of the waqf motto that waqf must always move. For this reason, the application of the principles of responsibility develops

and can change according to the times and it becomes an important element in managing waqf by professionalism that remains based on Islamic law.

The suggestions for future research, to further develop this research within the scope of the next CG principle due to the scope of waqf corporate governance is not only seen from the aspect of responsibility in management and CG but also from another angle of study. In the hope, that waqf is more developed and can be a solution to the problems of *ummah*. For this research, we would like to thank financial support for conducting this research from the Ministry of Research, Technology, and Indonesian Higher Education 2019.[]

Bibliography

- Abdullah, Mohammad. A New Framework of Corporate Governance for Waqf: A Preliminary Proposal, *Islam and Civilisational Renewal, Contemporary Issues And Policy research*, Vol. 6, Iss. 3, (2015).
- Abdullah, Rose and Ismail, Abdul Ghafar. "Taking stock on the waqf-based Islamic microfinance model", *International Journal of Social Economics*, Vol. 44, Iss. 8, (2017).
- Abu-Tapanjeh, Abdussalam Mahmoud. Corporate governance from the Islamic perspective: A comparative analysis with OECD principles, *Critical Perspectives on Accounting*, (20, 2009).
- Ahmad., Mahadi., and Rashid, Syed Khalid. "The Need For High Corporate Governance in Nigerian Zakah and Waqf Institution", *Shariah Journal*, Vol. 24, Iss.3, (2016).
- Ahmed, Umar., Mustafa., Omar, M., and Ogunbado, Ahamad Faosiy. "Examining the Traditional Waqf-Based Financing Methods and Their Implications on Socio-Economic Development", *IOSR Journal of Business and Management (IOSR-JBM)*, Vol.17, Iss. 2, (2015).
- Arjmand, Reza. *Waqf and Financing Islamic Education*, Handbook of Islamic Education Springer International Publishing, 2017.
- Budiman, Mochammad Arif. The Significance of Waqf for Economic Development, *Munich Personal RePEc Archive Paper No. 81144*, (6 September 2017).
- Choudhury, Masudul Alam., and Hoque, Mohammad Ziaul. Corporate governance in Islamic perspective, *Corporate Governance*, Vol. 6, Iss. 2, (2006).

- Daud, Dalila. "The Role of Islamic Governance in the Reinforcement Waqf Reporting: SIRC Malaysia Case", *Journal of Islamic Accounting and Business Research*, Vol. 10, Iss. 3, (2019).
- Fedro, Alfarid., Syamsuri., Arif, Syamsuddin., and Wibisono, Vina Fithriana. "Waqf-Based Pesantren's Strategy In Developing of Human Capital and Entrepreneurship Education", *Edukasia Islamika*, Vol. 4, Iss. 2, (2019).
- Fuadi, Nasrul Fahmi Zaki. "Wakaf Sebagai Instrumen Ekonomi Pembangunan Islam", *Economica: Journal of Islamic Economic*, Vol. 9, Iss. 1, (2018).
- Hajah, Mohd Mustafa., Hanefah, Jalil., Abdullah, Asharaf, Mohd., Ramli, et al, *Waqf Model in Iskandar Malaysia: An Analysis, 4th Islamic Banking, Accounting and Finance Seminar*. (Gombak: International Islamic University Malaysia, 2011)
- Ihsan, Hidayatul and Ayedh, Abdullah. "A Proposed Framework of Islamic Governance for Awqaf", *Journal of Islamic Economics, Banking and Finance*, Vol. 11, Iss. 2, (2015).
- Indonesia Waqf Board, *Pengelolaan Wakaf Pondok Pesantren Gontor Bisa Jadi Acuan*, berita wakaf , 28 Desember 2012. Accessed by <https://bwi.or.id/index.php/en/publikasi/news/1071-pengelolaan-wakaf-pondok-gontor-bisa-jadi-acuan.html>, on Thursday, July 25, 2019, 00.39 am.
- Komite Nasional Kebijakan Governance, *Pedoman Umum Good Corporate Governance Indonesia*, (Jakarta: KNKG, 2006).
- Kementerian Agama Republik Indonesia. Direktorat Jenderal Bimbingan Masyarakat Islam, and Direktorat Pemberdayaan Wakaf Tahun, *Pedoman Pengelolaan dan Pengembangan Wakaf*, 2013.
- Krishnan, Loganathan. "The role of auditors in the context of corporate governance", *Current Law Journal*, Vol. 3, (2010).
- Lita, Helza Nova. Implementation of Corporate Social Responsibility (CSR) Through Waqf Related to Law Number 41 Year 2004 on waqf, *Tazkia Islamic Finance and Business Review*, (Vol.9.1).
- Lenk, Hans. *Ethics of responsibilities distributions in a technological culture*, (Springer-Verlag London, 2016).
- Lenk, Hans and Maring, Matthias. Responsibility and Technology, *Argumentos de Razon Tecnica*, Iss. 5, (2002).
- Lenk, Hans. *What is Responsibility?*, *Philosophy Now*, Vol. 56, (2006) https://www.pdcnet.org/philnow/content/philnow_2006_0056_0000_0029_0032 accessed on Friday, July 26, 2019, 06.35 am.

- Lathif, Saripah Abdul., Din, Nik Muniyati Nik., and Mustapha, Zaiton. *The Role of Good Waqf Governance in Achieving Sustainable Development, AicQoL2018PerhentianIsland*, e-International Publishin House Ltd., (United Kingdom, 2018).
- Muneeza, Aishath and Hassan, Rusni. Shari'ah Corporate Governance: the Need for a Special Governance Code, *Corporate Governance*, Vol. 14, Iss.1, (2014).
- Mutalib, Hasyeilla Abd and Maamor, Selamah. "Utilization of Waqf Property: Analyzing an Institutional Mutawalli Challenges in Management Practices", *Journal of Economics and Financial Issues*, (2016, 6(S7)).
- Mohsin, Magda Ismail Abdel., Dafterdar, Hisham., Cizakca, Murat., et. al. *Financing The Development Of Old Waqf Properties, Classical Principles and Innovative Practices around the World*, (New York: Palgrave Macmillan, Springer Science Bussiness Media, 2016)
- Nizar, Muhammad Afdi. *Pengembangan Wakaf Produktif di Indonesia: Potensi dan Permasalahan dalam Penguatan Fundamental Sektor Keuangan Dalam Mendukung Stabilitas Perekonomian*, ed. by: Abimanyu. Yoopi; Nizar. Muhammad Afdi; and Nasution. Lokot Zein. BKP - Pusat Kebijakan Sektor Keuangan; Badan Kebijakan Fiskal; Kementerian Keuangan Republik Indonesia. 1st Edition, Juni, (Jakarta: PT. Nagakusuma Media Kreatif, 2017).
- Oladapo, Hakeem B, M., Omar, Mustafa., Saad, Norma., and Oziev, Gapur. *The Role of Ethical Theory in Corporate Governance of Waqf Institutions Towards Poverty Alleviation: A Case Study of Zamfara State, Nigeria, Proceeding of the International Conference on Masjid, Zakat and Waqf (IMAF)*, 2014).
- Private Sector Corporate Governance Trust, *Principles for Corporate Governance in Kenya and A Sample Code of Best Practice for Corporate Governance*, 7, accessed on http://www.ecgi.org/codes/documents/principles_2.pdf, at Tuesday, March 19, 2019, at 04.32 pm.
- Post, Frederick R. "A Response to The Social Responsibility of Corporate Management: A Classical Critique", *Mid-American Journal of Business*, Vol. 18, No. 1.
- Ramli, Nathasa Mazna and Muhamed, Nurul Aini. *Good Governance Framework for Corporate Waqf: Toward Accountability Enhancement. Proceedings of World Universities', Islamic Philanthropy Conference*, 2013.

- Sadeq, Abul Hasan M. "Waqf perpetual charity and poverty alleviation", *International Journal of Social Economics*, Vol. 29, Iss. 1-2, (2002).
- Sukardi, Budi. "Corporate Governance Engineering of Islamic Banking and Finance: Tantangan Globalisasi Sistem Ekonomi dan Pasar Bebas", *Jurnal Tsaqafah*, Vol. 9, Iss. 1, (2013)
- Surya, Indra and Yustiavandana, Ivan. *Penerapan Good Corporate Governance: Mengesampingkan Hak-hak Istimewa Demi Kelangsungan Usaha*, (Jakarta: Kencana, 2006).
- Syamsuri., Arif Syamsuddin., Fedro, Alfarid., Wibisono, Vina Fithriana., et.al, "Existence of Waqf in Enhancing of Indonesia Financial Stability in Era Industrial Revolution 4.0: A Conceptual Design", *East African Scholars Journal of Economics*, Vol.2, Iss.12, (2019).
- Triwibowo, Ananto and Yulianti, Rahmani Trimotira. *Penerapan Prinsip-Prinsip Good Corporate Governance Dalam Pengelolaan Wakaf Tunai Pada Badan Wakaf Uang Tunai MUI Yogyakarta*, Article of joint research between postgraduate students in Islamic studies at the Indonesian Islamic University of Yogyakarta and postgraduate lecturers in Islamic studies at the Indonesian Islamic University of Yogyakarta, 2017.
- Yuliafitri, Indri and Rivaldi, Arie Indra. "Pengaruh Penerapan Prinsip-prinsip Good Governance dan Promosi Terhadap Penerimaan Wakaf Tunai (Pada Lembaga Pengelola Wakaf di Indonesia)". *Infestasi Journal*, Vol. 13, Iss.1, (2017).
- WARDUN (Warta Dunia Darussalam Gontor Modern Islamic Institution), An Annual Journal Issued by Darussalam Gontor Modern Islamic Institution since 1939, Presenting the whole news coverage of the institutional activities, Vol. 70, (2017).
- Zeni, Nur Azni Mohd and Sapuan, Noraini Mazuin. "Revitalizing Waqf Governance: A Theoretical Perspective". *International Journal of Advanced Biotechnology and Research (IJBR)*, Vol. 8, Special Issue. 3, (2017).
- <http://www.bwi.or.id/index.php/en/tentang-wakaf/data-wakaf/data-wakaf-tanah.html> accessed on Monday, February 5, 2018, at 10.00 am.
- Data of DEPAG RI on March (2016), on <http://www.bwi.or.id/index.php/en/tentang-wakaf/data-wakaf/data-wakaf-tanah.html>, accessed on March 5, 2018, at. 04.35 pm.
- <https://www.gontor.ac.id/lembaga/yppwpm>, accessed on Tuesday, March 19, 2019, at 08.51 pm.