

EFFICIENCY OF *WAQF*-BASED SOCIAL ENTREPRENEUR MODEL BY BAITUL WAKAF INDONESIA: SOCIAL RETURN ON INVESTMENT (SROI) APPROACH

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ABSTRACT

This paper aims to demonstrate the efficiency of *waqf*-based social entrepreneurship as a model that has the potential to significantly increase the usefulness and productivity of *waqf*. The novelty of this study lies in its approach towards integrating social entrepreneurship principles with the traditional Islamic *waqf* system, which has rarely been explored in existing literature. This research addresses the urgent need for a sustainable and productive *waqf* development model by focusing on the implementation and social impact efficiency of Baitul Wakaf's *waqf*-based social entrepreneurship initiative. Primary data were collected through interviews and field studies, and analysed using the Social Return on Investment (SROI) method to determine the ratio of investment to social impact. The resulting SROI ratio of 1:2.01369848 indicates a high level of efficiency, suggesting that for every unit of investment, more than two units of social value are created. Compared with other similar SROI-based studies, this result highlights the relative effectiveness of the Baitul Wakaf model in delivering measurable social impact, thus offering a replicable framework for future *waqf*-based development initiatives.

KEYWORDS: *SOCIAL ENTERPRISE, WAQF, RETURN ON INVESTMENT, BAITUL WAKAF, INDONESIA*

ABSTRAK

Kajian ini bertujuan untuk membuktikan tahap kecekapan keusahawanan sosial berasaskan wakaf sebagai satu model yang berpotensi tinggi dalam meningkatkan keberkesanan dan produktiviti instrumen wakaf. Keaslian kajian ini terletak pada pendekatannya yang mengintegrasikan prinsip keusahawanan sosial dengan sistem wakaf Islam tradisional, satu bidang yang masih kurang dirungkai teroka dalam karya-karya sedia ada. Penyelidikan ini menangani keperluan mendesak terhadap model pembangunan wakaf yang mampan dan produktif dengan memberi tumpuan kepada pelaksanaan serta keberkesanan impak sosial inisiatif keusahawanan sosial berasaskan wakaf oleh Baitul Wakaf. Data primer dikumpulkan melalui temu bual dan kajian lapangan, dan dianalisis menggunakan kaedah Social Return on Investment (SROI) bagi menentukan nisbah pelaburan kepada impak sosial yang terhasil. Hasil kajian menunjukkan nilai SROI sebanyak 1:2.01369848, yang menggambarkan tahap kecekapan yang tinggi, yakni setiap satu unit pelaburan menghasilkan lebih dua unit nilai sosial.

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Berbanding dengan kajian-kajian SROI lain yang sejenis, keputusan ini menyerlahkan keberkesanan relatif model Baitul Wakaf dalam menghasilkan impak sosial yang boleh diukur, sekali gus menawarkan satu kerangka pelaksanaan yang boleh dicontohi untuk inisiatif pembangunan wakaf berdasarkan keusahawanan pada masa hadapan

KATA KUNCI: PERUSAHAAN SOSIAL, WAKAF, PULANGAN KE ATAS PELABURAN, BAITUL WAKAF, INDONESIA

1. INTRODUCTION

Waqf, as a *malliyah* or wealth worship, has an important role in improving the welfare of society. *Waqf* plays a role in overcoming social problems, especially poverty, by improving the economy through the construction of public facilities such as schools, hospitals, and mosques (Munawar & Mufraini, 2021). In addition, *waqf* emphasises the aspect of sustainability and encourages the distribution of wealth widely so as to improve the welfare of society in the long run (Fauziah & El Ayyubi, 2019). To further enhance the role of *waqf*, a productive *waqf* scheme was created. This scheme emphasises the transformation of the function of consumptive assets into something more productive or productive (Fauziah & El Ayyubi, 2019). This scheme is carried out by investing *waqf* assets in productive businesses to generate profits, which are then redistributed to the community in accordance with the intention of the person who endowed (Abiba & Suprayitno, 2023). The implementation of productive *waqf* itself in Indonesia has been supported by the government by issuing Law Number 41 of 2004 to provide clear legal certainty for productive *waqf* management (Ascarya *et al.*, 2022).

Despite having a legal basis, the reality is that *waqf* is still not very productive in Indonesia. The lack of productivity of *waqf* is inseparable from the general public's understanding that *waqf* is only used to build mosques or religious schools (Ardiyansyah & Kasdi, 2021). The lack of optimisation of *waqf* is unfortunate considering its enormous potential. Based on the *Waqf* Information System (SIWAK), the potential of land *waqf* in Indonesia reaches 55,259 hectares while cash *waqf* reaches 180 trillion but only 1.4 trillion has been realised. Meanwhile, according to Indeks Wakaf Nasional (IWN), the value of the ratio of productive *waqf* and the reach of *waqf* recipients is around 0.130, which indicates less success (Indeks Wakaf Nasional, 2023).

Therefore, it is very important to develop a *waqf* empowerment model so that it can continue to be productive, meaning that the *waqf* assets are actively managed to generate sustainable economic and social returns, rather than remaining idle or limited to traditional charitable uses (Ascarya *et al.*, 2022). One of the models that can increase the productivity of *waqf* is the social entrepreneur model. Through investment, social entrepreneurs can solve problems in society through innovative entrepreneurship. With this model, *waqf* can have a wider social impact because it is supported by an entrepreneurial foundation that increases the value of *waqf* sustainably (Fauziah & Kassim, 2022). One institution that has implemented a *waqf*-based social entrepreneur model is Baitul Wakaf. Baitul Wakaf is a *waqf nazir* institution owned by Hidayatullah Foundation located across the Indonesian Region. Although still relatively new, Baitul Wakaf has succeeded in realising productive *waqf* development in various fields such as agriculture, animal husbandry, and retail. In addition, Baitul Wakaf shows better performance efficiency than the average of other *nazir* institutions in Indonesia, where with only half the operational costs, Baitul Wakaf is able to collect and distribute *waqf* as much as 3-5 times compared to the national average (Table 1). This advantage is inseparable from the network of Hidayatullah *Pesantren* or dormitory school branches spread throughout Indonesia, which is able to gather many donors and facilitate the distribution of *waqf* benefits (Qolbi *et al.*, 2022).

TABLE 1: COMPARATIVE FINANCIAL PERFORMANCE OF BAITUL WAKAF AND OTHER NAZIRS IN INDONESIA (IN RUPIAH)

	Baitul Wakaf	Other <i>Nazirs</i> ¹
Operational	8.219.688	15.741.345.077
Assets	4.061.971.964	25.577.107.301
Reception	12.789.196.139	4.479.932.459
Distribution	11.524.302.922	2.255.376.809

Source: Baitul Wakaf financial report, Herindar and Rusydiana (2022)

Unfortunately, it is still difficult to measure the success of the model run by *waqf* board due to the absence of a standardised technique to assess *waqf* impact. This measurement is essential as a form of transparency and accountability in *waqf* management. To address this gap, this study aims to evaluate the success of the *waqf*-based social entrepreneurship model implemented by Baitul Wakaf using the Social Return on Investment (SROI) method. This research differs from previous studies in three significant ways. First, unlike most *waqf*-related studies that present impact abstractly, this research quantifies social impact in monetary terms, allowing for clearer assessment of efficiency. Second, while previous SROI studies have primarily focused on ZISWAF institutions (especially *zakat*) and single-type businesses, this study applies the SROI method to a *waqf* institution with diverse business sectors (agriculture, retail, and animal husbandry) like in Table 2. Third, this study provides a replicable framework for applying SROI in *waqf*-based projects, which has not been widely adopted in prior research. These contributions offer practical implications for *waqf* managers and policymakers seeking to enhance the impact and transparency of *waqf* programs.

TABLE 2: SELECTED SROI RESEARCH

Model	Funding type	Ratio	Source
Agriculture	CSR	1:1.37	Matoati <i>et al.</i> (2023)
Retail, sport centre, infrastructure	CSR	1:2.98	Lombardo <i>et al.</i> (2019)
Education	Zakat	1:32	Nusapati <i>et al.</i> (2020)
Agriculture	CSR	1:2.34	Suryani <i>et al.</i> (2022)
SMES	Waqf	1:1.95	Abdusalam and Aditya (2024)

Source : Table by Author

2. LITERATURE REVIEW

Waqf Productive

In language, *waqf* comes from the Arabic *waqafa*, which means to hold, stop, or be silent. In terms, there are several differences of opinion among the scholars. The Shafi'iyyah scholars consider *waqf* as utilising the property given while maintaining its integrity, without the intervention of the *waqif* and the results are given for the good so that the *waqif* can get closer to Allah. Meanwhile, according to the opinion of contemporary scholars such as Mundzir Qahaf, *waqf* is giving productive property without personal intervention and utilised in accordance with the purpose of *waqf* either for individuals, groups, or religion. Based on several definitions from scholars, it can be concluded that the definition of *waqf* is the giving of property by someone to be utilised for purposes in the way of Allah (Latifah and Jamal, 2019). *Waqf* itself can be divided into several types. Based on its use, *waqf* is divided into two types, namely direct *waqf* where the principal is used to achieve the purpose of the *waqif* which tends to be social and directly given (Latifah & Jamal, 2019). The second is productive *waqf*, which is the development of fixed or movable assets with agriculture, production, trade, or other investment models where the profits will be distributed in accordance with the designation of the *waqif* (Halomoan *et al.*, 2022). According to Muhamimin (2022), the implementation of productive

¹ Other *nazir* data were obtained from the average values of several large *nazir* institutions in Indonesia including Yayasan Dompet Dhuafa, Inisiatif Zakat Indonesia, Griya Yatim and Dhuafa, LAZ Muhamadiyah, Yayasan Lembaga Manajemen Infaq (Infaq Management Institute), and Yayasan Lembaga Manajemen Infaq.

waqf is an implementation of the *waqf* mandate itself which requires that *waqf* assets should not be left without results so as to reduce the benefits felt by *mauquf alaihi*. Productive *waqf* management can have a great impact on society because with optimal management, *waqf* can be a solution to problems in society such as poverty, unemployment, and inequality (Abiba & Suprayitno, 2023).

Waqf-Based Social Entrepreneur

Social entrepreneurship is a form of entrepreneurship. According to the definition of the Decree of the Minister of Cooperatives and Small Business Development, entrepreneurship is the spirit, attitude, behaviour, and ability of a person in handling a business or activity that leads to efforts to find, create, and apply new ways of working, technology, and products by increasing efficiency in order to provide better services and or obtain greater profits. Meanwhile, social entrepreneurship itself has actually developed in many forms such as foundations or other philanthropic institutions without a standardised reference on the definition of social entrepreneurship. However, there is a common understanding in which *social entrepreneurship* is a model of entrepreneurship to address social problems in society (Nieuwenhuizen & Tselepis, 2022). At least, there are 9 models of social entrepreneurship as shown in Table 3.

Table 3: Types of social entrepreneurs

Business model	Explanation
Entrepreneur support model	Support for community businesses either as consultants, funding, or other forms of support
Marketing intermediary model	Selling products made by the community
Employment model	Employing people where the profits from the work are given to the needy
Fee-for-service model	Charging for social services provided such as schools or hospitals
Low-income service	Social services for people with low income
Cooperative model	The business is run like a cooperative where the <i>social entrepreneur</i> will offer membership benefits.
Market linkage model	Connecting sellers and buyers, especially for bulk purchases.
Service subsidisation model	Funding of social programmes from profits earned through business operations
Organisational model	This model allows <i>social entrepreneurs</i> to secure external funding

Source: Fauziah and Kassim (2022)

Based on the model of *social entrepreneurs*, it can be understood if there is an alignment of values that allows the two can work together. *Waqf* offers social capital which is an enduring value of the trust relationship between *wakif*, *nazir*, and *mauquf alaihi*. The utilisation of this social capital is very important to develop social entrepreneurship in order to provide sustainable benefits. This alignment makes social entrepreneur an alternative to productive *waqf* development (Ridwan, 2021). To implement this, underprivileged people can apply for their business to be financed by the *nazir*. The *nazir* can also create a company that uses the social entrepreneur model. Then the profits are channelled out as operational capital for businesses and social welfare projects such as education, health, and other facilities (Fauziah & Kassim, 2022).

3. METHODOLOGY

Research Type and Data Source

The type of research used is quasi-qualitative or pseudo-qualitative research. It is said to be pseudo because it is considered similar to quantitative research, especially in placing theory on the data obtained. This research also uses data triangulation to qualitatively analyse the effect of the data. This approach will help in explaining the results of the SROI calculation which has its own framework (Gunawan *et al.*, 2021). This research also uses a field study approach in business entities owned by

the *waqf* board. The selection of business entities to be studied pays attention to information from the *waqf* board, including programme sustainability, social impact clarity, benefits obtained, and the ease of contacting related informants. These factors were the main considerations in determining the research subjects. The data sources for this research are divided into two, namely primary and secondary data. Primary data are a source of data obtained directly from sources without intermediaries. Primary data in this study were obtained through interviews and observations. An interview is a data collection technique that is carried out with questions and answers with sources (Trivaika *et al.*, 2022). Meanwhile, observation is a direct observation in the field with all five senses (Abiba & Suprayitno, 2023). Interviews were conducted in three stages. First, an interview was held with the Director of Baitul Wakaf as the person in charge of the programmes and funding. This aimed to gain a general overview and to help identify further informants. Second, interviews were conducted with the Head of Hidayatullah Bekasi Islamic Boarding School and the Operational Manager of Sakinahmart Surabaya as programme implementers to explain how the programmes operate and what benefits are achieved. Third, interviews were conducted with programme beneficiaries (e.g., *santri* and local workers) to confirm whether the intended benefits were received effectively. In addition to interviews, field observations were carried out to directly observe the operational activities of the businesses and verify whether the programmes were running effectively.

Meanwhile, secondary data is a source of data obtained indirectly or by intermediaries. Secondary data sources in this study were obtained through documentation studies or document reviews by collecting information from existing sources such as institutional profiles and financial reports (Abiba & Suprayitno, 2023). Secondary data in this study also included reference journals related to *waqf*, data from the Badan Wakaf Indonesia (BWI), and internal reports from Baitul Wakaf. These were used to gain a broader understanding of the *waqf* landscape in Indonesia and to support the identification and initial assessment of the programmes being studied.

Data Analysis

This research used the SROI approach in analysing the social impact of the *waqf*-based social entrepreneur model run by Baitul Wakaf. SROI or social return on investment works by measuring the efficiency of an investment given to a programme to deliver social impact (Kim & Ji, 2020). The magnitude of the impact is then defined in economic and financial terms with a *cost-benefit* analysis based on the changes that occur (Basset, 2023). The SROI method is widely used by companies and charities to measure the success of their social programmes. SROI was chosen because of its ability to measure the long-term effects of the programme, provide evidence of the impact produced, and become material in determining financial decisions (Lombardo *et al.*, 2019). This is what makes SROI very suitable for use by social institutions, especially in conducting evaluations and also as a consideration in determining the next programme (Rahman Allawi *et al.*, 2021).

To conduct an SROI analysis, several steps must be taken. According to Nicholls *et al.* (2015) in the SROI Guidebook, SROI analysis is carried out in the following stages:

1. Identify the programmes and parties involved in the model under study. In this case, the research will begin by identifying what *social entrepreneurial* programmes Baitul Wakaf has and how the business is managed;
2. Furthermore, mapping the impact so that the relationship between input, output, and outcome is obtained. The research will begin to identify what benefits are felt by *mauquf alaihi* as the target of the Baitul Wakaf programme both directly and indirectly;
3. Monetising all impacts. In this study, all impacts or benefits felt by the community will be converted into monetary values with a benchmark as in Table 5. For economic impacts that do have a monetary value, the value will be used directly, while for social impacts, another approach will be used, namely the value that would have been spent in the absence of the programme;
4. To further validate the calculations, several estimates will be used, including *deadweight* (benefits not affected), *displacement* (impacts that reduce benefits), *attribution*

(contribution value), and *drop off* (reduction in benefit value over time). Among these estimates, only attribution was used because all programmes were fully contributing benefits, so there was no deadweight value. All programmes also do not provide losses so there is no displacement. Also, all programmes showed no reduction in value so there was no drop off;

5. Next, calculate the SROI value with the SROI ratio formula, namely:

$$\frac{\text{Net present value of outcome}}{\text{Net present value of investment}}$$

A programme can be considered successful if the ratio obtained is more than 1:1. In this research, the programme run by Baitul Wakaf can be said to be successful if the total impact value is greater than the value of the *waqf* given;

6. After obtaining the SROI value, the next step is to compare the value with the SROI value of other institutions to find out how successful the programme is. This research will use studies that have similar business types or financing models as a comparison; and
7. Provide evaluation and suggestions to related parties. In this study, the evaluation and suggestions are aimed primarily at Baitul Wakaf as the institution that funds the programme by considering the various advantages and benefits of the programme as well as some weaknesses that can be improved.

4. FINDINGS

Baitul Wakaf Profile

Baitul Wakaf is one of Hidayatullah's *nazir* institutions. *Nazir* itself can be defined as a person or group trusted by the *waqf* or the person who endowed the *waqf* to manage the *waqf* property so that it can be given to the community. Although scholars do not include *nazir* as a pillar that must be fulfilled, in this day and age, the role of *nazir* is needed to maximise the benefits of *waqf* assets (Halomoan *et al.*, 2022). Baitul Wakaf was formerly part of Baitul Mal Hidayatullah (BMH) which is owned by Hidayatullah, one of big muslim organisation in Indonesia. BMH focuses on collecting, managing, and distributing Ziswaf funds. However, it was felt that there was a great need to have an institution that focuses on managing *waqf*, considering that there are quite a lot of *waqf* assets owned by Hidayatullah. Hence, starting in 2018, a special division was formed to take care of *waqf* in BMH. This division later developed into Baitul Wakaf.

One of the main focuses of the *waqf* board is to develop the *waqf* assets owned by Hidayatullah. This development is very important because most of the *pesantren* assets are not very productive even though there are many demands for *pesantren* financing. With the productivity of these *waqf* assets, it is hoped that the proceeds will be able to support the operations of Hidayatullah *Pesantren*. The empowerment of *waqf* assets is done by financing businesses owned by Hidayatullah's *pesantren* or other business entities where the profits will be channeled back to the community through Baitul Wakaf's social programmes or directly enjoyed by the *pesantren* residents.

Program Overview

This research focuses on the *waqf*-based *social entrepreneurship* programme developed by Baitul Wakaf. However, from Baitul Wakaf's programmes of agriculture, livestock, fisheries, and retail, this research will only focus on agriculture and retail. This determination was made based on recommendations from Baitul Wakaf and corroborated by information from other business entities that stated that the programmes with consistent impacts were productive rice field *waqf* and retail *waqf* while several other programmes had less consistent results, making it difficult to conduct research on the impact of these programmes. There are also obstacles in contacting sources that make this research only focused on productive rice field *waqf* and retail *waqf*.

The social entrepreneur model studied is the entrepreneur support model, where Baitul Wakaf funds Hidayatullah-owned businesses. In addition, Baitul Wakaf also uses the *employment model* and *subsidisation service model* where the businesses funded employ the surrounding community and the profits from the businesses are used for social purposes. The two businesses funded by Baitul Wakaf are:

Productive rice field *waqf*

In this programme, Baitul Wakaf distributed *waqf* assets in the form of a 1-hectare plot of land and seeds worth 1.1 billion to Hidayatullah Bekasi Foundation located in Karangpatri Village, Pabuyaran District, Bekasi Regency, Indonesia to be cultivated as rice fields to meet the consumption needs of *santri* and *ustadz*'s families. The seeds used are *Cihereung* seeds which are widely used in Karawang, one of the main rice production region in Indonesia. For the fertiliser itself, using homemade liquid fertiliser from natural ingredients such as fruit peels and given 3 times a week. Likewise, pesticides are made from tobacco and other plants. The use of natural ingredients in addition to preserving the ecosystem also significantly reduces production costs. This means that in managing the rice fields, almost no costs are incurred other than the initial capital in the form of seeds and land. Therefore, this programme does not require additional funding from the *waqf* board. In fact, the *pesantren* can then improve its management by purchasing water pumps and ploughing machines.

The management of this rice field is carried out independently by Hidayatullah Bekasi by involving *santri*. The involvement of these *santri* also increases knowledge and skills, especially in agriculture. In addition, the *pesantren* also involves families around the *pesantren*, totalling 20 families, to participate in managing the rice fields, especially in the harvest season. In return, families who help will get profit sharing in the form of grain. From this rice field, a net harvest of 4 tonnes is obtained. One tonne is then sold while the rest is stored for consumption by *santri* and *pesantren* residents. In addition to large yields, the *pesantren* also gets husks as a by-product of rice milling. This husk is then processed again into vegetable fertiliser and also chicken feed.

The existence of this rice field has had a significant impact on the *pesantren* and the surrounding community. Previously, the biggest expense of the *pesantren* was rice. The majority of donor money was channelled to meet the needs of rice. When this programme has been running well, the *pesantren* can allocate the budget previously earmarked for rice to other financing posts such as financing the college of some *santri* who serve after graduation. In addition, the *pesantren* can allocate the budget to start new businesses such as chicken and goat farming so that it can be used as another source of food for *santri*.

This productive rice field *waqf*, although quite a large expenditure at the beginning, is very beneficial both socially and economically in the long run. The *pesantren* can become independent, especially in terms of food and even be able to establish various businesses as well as finance the education of its *santri*. It is planned that in the future the *pesantren* will finance a business that will be run independently by some of its *santri*. This model can also be said to be very risk-resistant where so far, the rice fields have been able to survive various pests with the use of natural pesticides and continue to produce rice consistently even in the dry season through good irrigation management. If there is any threat, it is the 7-year flood cycle of the Citarum River.

Waqf retail

In this programme, Baitul Wakaf collaborates with Sakinahmart which is a network of cooperatives spread mainly in Surabaya. Sakinahmart itself is a retail business previously owned by *Pesantren* Hidayatullah Surabaya and established in the late 90s. However, but then Sakinahmart began to stand on its own as an independent business entity that has more than 20 branches and spread in various regions such as Surabaya, Kediri, and also Depok. Sakinahmart is one of the fastest-growing retail chains. Within a year, Sakinahmart can establish 3-4 branches. The profit of each branch is also large,

reaching up to 100 million per month and visiting up to 1000 people. This growth is inseparable from the consumer base that Sakinahmart has, especially in Surabaya where many *santri* have been shopping at Sakinahmart for a long time. Not to mention the network of suppliers owned by Sakinahmart allows it to supply a complete range of products at low prices.

The cooperation carried out by Baitul Wakaf by purchasing land and buildings on Jl. Tambak Deres and Jl. Gunung Anyar, Surabaya worth 1 billion. The scheme is a profit-sharing system plus principal repayment where the principal will be paid off in 5 years. Meanwhile, profit sharing is done with a portion of 50% of the monthly profit. The income from the *waqf* board's investment is then used by the *waqf* board to fund various other social programmes. In addition, Sakinahmart also has its social programme by providing basic food assistance to the community around the branch.

Monetisation value calculation

Based on the impact felt after the two programmes, the value of the impact was converted into monetary units. Impacts that have a financial measure such as asset value and income, the value will be directly included. Whereas non-financial impacts, such as training, are monetised using a price approach that would be paid if implemented by other organisations. The monetisation results are in Tables 4 and 5.

TABLE 4: CALCULATION OF MONETISATION OF PRODUCTIVE RICE FIELD WAQF PROGRAMME

Impact	Monetisation Formula	Calculation	Attribution	Total
Fulfilment of food needs of 70 <i>santri</i> and families of ustadz in <i>pesantren</i>	Average rice price x amount of rice consumed (3 tonnes) x number of harvests (11)	$11,144 \times 3000 \times 11$	100%	377.520.000
There are 4 <i>santri</i> who can continue their studies for free	Tuition fee + Semester fee (for 4 <i>santri</i>)	$25.500.500 + 20.000.000$	100%	45.500.000
People who participate in managing rice fields get profit sharing in the form of grain	Average price of dry grain at farm level x Ration given (900 kg) x number of harvests (11)	$5,732 \times 900 \times 11$	100%	56.746.800
<i>Santri</i> gain increased skills because they are involved in the management of rice fields	Price of training at an outside institution (<i>sentratani</i>) x number of <i>santri</i> attending training (50)	$1.600.000 \times 50$	100%	80.000.000
<i>Pesantren</i> get capital for livestock business	Goat seed capital + Chicken seed capital	$18.000.000 + 2.000.000$	100%	20.000.000
<i>Pesantren</i> gains additional assets and profit from rice sales	Total sales per harvest x number of harvests (11) + Increase in boarding school land assets	$15.000.000 \times 11 + 1.000.000.000$	100%	1.180.000.000
<i>Pesantren</i> gets chicken feed and vegetable fertiliser	Chaff price per kg at X amount of chaff produced (1000kg) x number of	$5000 \times 1000 \times 11$	100%	55.000.000

from the husks from harvests (11)
the rice mill

Total	1.814.766.800
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Source: Table by Author

TABLE 5: RETAIL WAQF PROGRAM MONETISATION CALCULATION

Programme	Monetisation formula	Calculation	Attribution	Total
Profit sharing	Profit per month x number of months running (48) + principal repayment	25.000.000 x 48+1.000.000.000	100%	2.200.000.000
Basic food assistance	Budget value per year for groceries x number of years in progress	100.000.000 x 4	5.5%	22.000.000
Consumer savings	Total value of discounts given per month x number of months running (48)	8.000.000 x 48	50%	192.000.000
Total				2.414.000.000

Source: Table by Author

Based on Table 4, the output value of the productive rice field *waqf* programme is Rp.1,814,766,800. When compared to the input value of Rp.1,100,000, an SROI value of 1: 1.6149788 will be obtained. Then from Table 5, the output value of the retail *waqf* programme is Rp.2,414,000,000 when compared to the input value of the programme of Rp.1,000,000,000, an SROI value of 1: 2.414 is obtained. Then by adding up the two input and output values and comparing them, the SROI value of Baitul Wakaf's *waqf*-based *social entrepreneur* programme will be obtained as follows:

$$Rasio SROI = \frac{1.814.766.800 + 2.414.000.000}{1.100.000.000 + 1.000.000.000}$$

Based on this formula, the SROI value of Baitul Wakaf's *waqf*-based *social entrepreneur* programme is 1: 2.01369848 or in other words, every investment of Rp.1 made by Baitul Wakaf on its programme will provide an impact value of Rp.2,01369848.

5. DISCUSSION

Comparison of SROI Outcomes for the Waqf Board

Based on the SROI calculation, the social value generated from the *waqf*-based *social entrepreneur* programme run by Baitul Wakaf is 1:2.01369848. This value is above the established threshold of 1:1 (Nicholls *et al*, 2015), so it can be said that this programme is running efficiently. This result also means that the *waqf* run by Baitul Wakaf has succeeded in providing benefits both from a social and economic perspective. When compared with the results of SROI research from *zakat* institutions such as research by Nusapati *et al* (2020) on the SMART Ekselensia programme of 1:32, the SROI value of Baitul Wakaf is much smaller. These results can occur because the subject of the research is education so the funds invested are entirely focused on having an impact on society. While the investment made by Baitul Wakaf also considers business sustainability. However, but when compared with the SROI value in *waqf* institutions such as Abdusalamand Aditya's research (2024), which examines MSMEs fostered by Rumah Wakaf, the SROI value of Baitul Wakaf is higher. This is inseparable from the nature of the capital owned by Baitul Wakaf is immovable assets whose value tends to be more stable. Moreover, in business terms, businesses funded by the *waqf* board tend to generate stable profits.

Meanwhile, when compared with the results of SROI research on agricultural programmes such as research by Suryani *et al* (2022) on PLN's CSR programme of 1:2.34 and Matoati *et al.* (2023) on CSR Pertamina worth 1.37 as much as the SROI value of Baitul Wakaf is almost the same and even more. This can happen because the Baitul Wakaf programme uses organic methods that do not require much expenditure on fertilisers or pesticides and produce more than ordinary rice fields. So that even though compared with processed products, the profit value of productive rice fields is greater. Meanwhile, when compared to research Suryani *et al.* (2022) the SROI value of productive *waqf* owned by Baitul Wakaf is smaller because most of the crops are used for self-consumption not for sale.

The SROI value of Baitul Wakaf's retail *waqf* programme is also smaller than the SROI value in research by Lombardo *et al* (2019) on Virtus Entella's store of 1:2.98. The difference may occur due to the research setting Lombardo *et al.* (2019) uses a Football club in Europe that has a wider capital and market reach than Sakinahmart. Moreover, the study also calculated the value of the impact of the community programme that was run.

Programme Evaluation

Based on several comparisons, Baitul Wakaf has shown its success in productive *waqf*-based social entrepreneurship programmes. This success can be achieved within 4 years with an increase in the value of *waqf* benefits by more than two times. Moreover, the investment made by Baitul Wakaf is only once, showing that social entrepreneurs can develop *waqf* sustainably. The success of Baitul Wakaf is inseparable from its risk management. Instead of financing businesses directly, Baitul Wakaf chooses to invest in immovable assets such as land and buildings that are then utilised as business capital. This is much safer because the value of the assets tends to remain and even increase so that even if there is a loss, the value of the *waqf* assets will still remain.

In addition, in its business process, the *waqf* board's business partners have proven successful in increasing the value of *waqf*. Sakinahmart is a retail chain with many branches, especially in Surabaya, with 300-350 visits per branch. Sakinahmart also has many supplier networks so that it can provide competitive retail prices. Meanwhile, Hidayatullah Bekasi applies the concept of organic farming in managing rice fields. This means that from seeding, fertilisation, to pesticides, all use natural ingredients found around the fields. This method has proven to be effective in maintaining the fertility of rice fields and the resistance of rice to disease. In fact, the number of harvests can be many times more than that of ordinary rice fields.

Another factor in the success of the two programmes is the social commitment of both managers. Sakinahmart has always run a free food distribution programme for the poor and made it easier for Hidayatullah *Pesantren* residents to shop, thus forming a good image for the company. Sakinahmart has also developed a network with university *santri* to build customer loyalty over a long period of time.

Further, Hidayatullah Bekasi also has a high commitment to empowering its *santri*. For example, through scholarships and the involvement of *santri* in managing rice fields. This is an added value for donors who then become regular buyers of rice from Hidayatullah Bekasi. In addition, community empowerment by employing local residents also adds to the good image of the *pesantren*.

Unfortunately, the *waqf* board is still lacking in overseeing the performance of its business partners. Based on interviews, it was found that the *waqf* board lacks coordination with its business partners and tends to just wait for the final report. This can have a fatal impact if there are problems with business partners in the future. Baitul Wakaf. In addition, Baitul Wakaf also tends to be slow in developing this programme where within 4 years, there are only a few businesses invested. Baitul Wakaf is also still reluctant to add *waqf* assets to be managed by partners who have proven successful. Even though with the existing potential, Baitul Wakaf can have a higher social impact value.

6. IMPLICATIONS/CONTRIBUTIONS

Based on this research, the scope in SROI needs to consider the value of development assets and depreciation both in the current and future periods as well as measuring the added value and damage to the surrounding environment to get more accurate social impact value results. Researchers also hope that the use of *waqf* terminology is expanded so that the value of the impact of *waqf* can be obtained more broadly. This research is also expected to be a reference for Baitul Wakaf in evaluating the success of its program as well as for other *nazir* institutions as a consideration for creating similar programs. The research is also expected to initiate the assessment of the impact of *waqf* using the SROI method. This research aims to be an evaluation material for Baitul Wakaf in developing *waqf*-based social entrepreneurship programs. Furthermore, this research is expected to serve as a reference for a social impact measurement framework for similar programs run by other institutions so that it can have a greater social impact.

7. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

This research is based on the need for a tool that can prove the efficiency of a *waqf*-based social entrepreneur model that has the potential to increase the benefits of *waqf* and its sustainability. This research uses the SROI (Social return on investment) approach in consideration of its ability to define social impact in financial terms. This research also takes a case study of Baitul Wakaf which has a *waqf*-based social entrepreneur programme in the form of retail *waqf* by Sakinahmart, Surabaya and productive rice field *waqf* by *Pesantren* Hidayatullah Bekasi. Based on this research, it can be concluded that the *waqf*-based social entrepreneur programme run by Baitul Wakaf Hidayatullah runs efficiently in providing a positive impact on both the community, the *pesantren* residents, and the institution itself. The SROI value in the two models run by Baitul Wakaf is 1: 2.01369848. This value is greater than the SROI value in several other studies.

Based on the results of the research conducted, researchers recommend that Baitul Wakaf pay more attention to its productive *waqf*-based social entrepreneur programme by increasing capital and supervision on programmes that have proven successful and creating similar programmes elsewhere. For other *nazir* institutions, researchers recommend similar steps taken by Baitul Wakaf to improve the sustainability of *waqf* assets. As for the government, it is expected to pay attention to the development of *waqf*-based social entrepreneurs through training support and ease of licensing aspects.

Even then, this research is still limited to the work programmes of the *waqf* board that have been running effectively and is limited to two types and does not consider environmental impacts due to difficulties in determining the calculation approach. For future research, it is recommended to examine other forms of social entrepreneurship. Researchers also recommend calculating environmental impacts so that SROI calculations can be more accurate.

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TERMINOLOGIES

- *Malliyah* = *Property*
- *Mauquf alaihi* = *Beneficiary*
- *Pesantren* = *Boarding school*
- *Santri* = *Student*
- *Waqf* = *Endowment*
- *Waqif* = *Donor*

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