

Resilience of Sukuk Innovation Through Cash Waqf Linked Sukuk as an Instrument for Indonesia's Economic Recovery

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Abstract: post-pandemic, the impact of the weakening global economy as well as in Indonesia, was felt by the public, plus the threat of an economic recession. The government is required to make a funding adjustment policy. One of the funding adjustment policies is changing the APBN allocation used to deal with post-pandemic socio-economic problems. The government has launched a new creative investment innovation that utilizes movable waqf as its object into state sukuk. Based on these problems, the research aims to offer a solution that is Cash Waqf Linked Sukuk in assisting government funding for Indonesia's economic recovery. The research method used is a qualitative research type of literature study with a descriptive approach as an analytical tool. The research data comes from secondary data in the form of Waqf Law, DSN-MUI Fatwa, government regulations regarding economic improvement plans and productive waqf books as well as previous research from scientific articles/journals. The results show that Cash Waqf Linked Sukuk can contribute to economic recovery through 2 sure channels; 1) Cash Waqf Linked Sukuk can assist government funding in supporting APBN funds through the development of educational facilities, health facilities, and public infrastructure. Second, Cash Waqf Linked Sukuk can at the same time provide support for economic equality in order to overcome socio-economic inequality through community empowerment from yield funds provided by the government.

Kata Kunci: CWLS, Sukuk, Waqf

Introduction

International Monetary Fund (IMF) estimates that the development of the world economy will continue to shrink as a result of the post-pandemic. This has led to a global economic recession. The Global Economic Recession is a reduction in the economic activity of a country which is signaled by reduced real sector income, increased unemployment and the decline of various manufacturing industrial zones. With the current economic downturn, the government has come up with various stimulus and policies to tackle the recession. One of them is that Indonesia issued a policy through PP No. 43 of 2020 concerning the National Economic Recovery Program in the Context of Supporting State Financial

Policies for handling an economic recession due to a pandemic Covid-19.¹ The government regulation is expected to be able to help revive and improve the Indonesian economy.

The entire economic improvement program in Indonesia uses state budget funds. The total expenditure of APBN funds for programs to improve the national economy is quite large, amounting to IDR 677.20 trillion.² In this case, it means that the most primary allocation of the APBN is for handling and overcoming the economic recession, therefore several infrastructure development agendas that have not yet been realized even need to be rescheduled due to the fact that APBN funds are used for this handling. The government certainly needs new financing alternatives so that the implementation of the economy and development continues, one of which is through the waqf program.

Waqf is one of the Islamic financial instruments that is able to provide life for the community and its managers. Judging from its history, actually waqf has taught Muslims the importance of continuous economic resources to ensure ongoing prosperity in society. Waqf is not only a burden on the nadzir and demands a generous helping hand from the community. However, waqf can be used as a source of productive funds that can be used and utilized in improving the quality of the community's economy through good management of waqf funding sources.

Islam knows that waqf institutions are a source of assets that can provide millions of benefits until the end of time. However, in fact, the collection of funds, the management and utilization of waqf funds in Indonesia are still not optimal compared to other countries, especially productive waqf. On the other hand, studies on waqf in Indonesia also focus on the legal side of fiqh, only very little touches on the management of waqf. Whereas it should be, waqf can be used as an economic asset and a productive source of funding that is able to provide maximum results to the community. That way, waqf assets can really be used as a source of funds from the community, for the community which can prosper people's lives in the future.

Throughout history, waqf assets have played an important role in the economic, social and cultural development of society. Currently,

¹ F Kacaribu, 'Live Media Briefing Pemulihan Ekonomi Nasional 13 05–Resep Kuini' Retrieved 27 Maret 2021, from <[https://resepkuini.com/live-media-briefing-pemulihan-ekonomi-nasional-13-05/\(2020\)](https://resepkuini.com/live-media-briefing-pemulihan-ekonomi-nasional-13-05/(2020))>. Diakses tanggal 06 Mei 2021 pukul 09.50.

² Kemenkeu RI, 'COVID-19: Dampak, Penanganan, Pemulihan Ekonomi Nasional (Pen), & Usulan Perubahan Perpres 54 Tahun 2020.' Presented at the Media Briefing Kementerian Keuangan Republik Indonesia'

Islamic religious organizations have developed into a type of Sharia bond known as Cash Waqf Linked Sukuk, which is then used to support economic improvement programs. Cash Waqf Linked Sukuk is the newest alternative to government funding. This can be seen from the government's incessant efforts to promote the National Cash Flow Movement to take advantage of Indonesia's cash flow potential, with a scale of 188 billion rupiah. This is one of the government's efforts to support the national cash flow movement by simplifying Cash Waqf Linked Sukuk and simplifying the management of currency net assets. The Cash Waqf Linked Sukuk produced is expected to be an effective and efficient source of funds to boost the economy. Welfare or income vouchers from Cash Waqf Linked Sukuk can also be used as social funds.³

Research related to sukuk innovation has been carried out by several previous studies, including those carried out by (Rahman et al, 2021); (Rahayu and Agustianto, 2020); (Putri et al, 2020); (Zaid Farhand, 2020); (Anindhita, 2021); (Hendrawan, 2020); (Baiti and Syufaat, 2021); (Fauziah and Tulmafiroh, 2020); (Paul and Faudji, 2020); (Mukhlisin and Multafida, 2019); (Bahmi, 2019); (Nahar et al, 2018). Based on the results of the author's research, it can be seen that previous research that has been carried out is still limited to regional waqf innovations, implementation of Cash Waqf Linked Sukuk in economic development, as well as analysis of Cash Waqf Linked Sukuk in helping post-pandemic economic recovery. The limitations of research on regional waqf innovations are found in land waqf innovations in accelerating infrastructure development and inequality between regions, limitations in the implementation of Cash Waqf Linked Sukuk in economic development lie in general economic conditions without taking into account the post-pandemic period as an innovation step, as well as limitations in the implementation of Cash Waqf Linked Sukuk in assisting post-pandemic recovery which can only be seen from the role of the profit sharing level of the Cash Waqf Linked Sukuk instrument in helping the community's economy.

So based on the limitations of existing research, this research was conducted to answer and update related to cash waqf innovation through sukuk instruments to help post-pandemic economic recovery both from the role of Cash Waqf Linked Sukuk in helping state finances and the

³ E Permatasari, 'Mengenai CASH WAQF LINKED SUKUK (Sukuk Wakaf).' Hukumonline.Com/Klinik. Retrieved 19 April 2021, from <<https://www.hukumonline.com/klinik/detail/ulasan/lt6079a118f3c00/mengenai-i-cash-waqf-linked-sukuk-i-sukuk-wakaf/>>. Retrieved May 6, 2021, 09.40.

yields of Cash Waqf Linked Sukuk in helping the economy public. The existence of Cash Waqf Linked Sukuk is expected to be able to provide a real contribution and role in improving the economy during a recession. Based on the above background, the authors would like to discuss in more detail how the Cash Waqf Linked Sukuk mechanism is a form of resilience in improving economic conditions.

The Explanation of Waqf

Waqf in terms of language has the meaning of holding. According to this term, holding an object that is permanent in nature and its benefits can be taken in terms of goodness and progress in the Islamic religion. Maintaining an object that is essentially immutable means that the object is not sold and is not shared or inherited, but is donated and only benefited.⁴

Meanwhile, according to the definition of waqf according to waqf terminology of the Hanafi school, it defines that waqf is holding an object as waqif property or waqf in accordance with the law and using its benefits as a policy object. According to this definition, ownership remains with the waqf so that the waqf assets can be withdrawn and sold, if the owner is gone, so that the assets turn into inheritance for their heirs. Therefore, the results of waqf are only limited to providing material benefits to a party for social benefits now and in the future.

Malikiyah believe that waqf provides a kind of return due to the benefits of property, so the assets in question are permanent assets with beneficial ownership even if only for a moment. While according Syafi'iyah and Hambali states that waqf is holding the property of the waqf so that it can provide benefits in all fields while perpetuating the property (taqarrub) to get closer to Allah SWT. Thus, the waqf cannot carry out anything related to the waqf property and is not inherited.

So based on several definitions of waqf according to Islamic law, when viewed from the actions of the person who donates it, it can be interpreted that waqf is a legal act of someone who deliberately separates or removes his property to then take advantage of it for purposes in the path of goodness or a path that pleases Allah SWT. Waqf has great benefits in helping to shape the national economic order in an effort to

⁴ Eka Nur Baiti and Syafaat Syafaat, 'Cash Waqf Linked Sukuk Sebagai Instrumen Pemulihan Ekonomi Nasional Akibat Covid-19', *Jurnal Hukum Ekonomi Syariah*, 4.1 (2021), 37.

create an advanced, just prosperous and prosperous society through its several functions.⁵

The functions of waqf include: (1) Economy. An effective wealth transfer system is one of the most important aspects of the waqf function; (2) Social. The existence of waqf if it is managed and managed properly and maximally all deficiencies in service facilities will be resolved; (3) Worship. Waqf is a part of worship in carrying out the commands of Allah SWT and strengthening our relationship with the Creator; (4) Morals. Where waqf can foster good morals or morals for everyone who is willing to sacrifice their wealth for the benefit of others rather than their personal interests.⁶

The Concept of Sukuk

Sukuk in Arabic "*sakk*", the term is used for sharia bonds or can be interpreted as "documents or certificates". According to Irwan Abdallah, in the fatwa Dewan Syariah Nasional Majelis Ulama Indonesia No. 32/DSN_MUI/IX/2002, explained that: "Sukuk are long-term securities issued by issuers based on sharia principles, used as evidence of assets SBSN."⁷

Sukuk is one of the mechanisms to increase the accountability of international capital markets through a structure that is recognized by sharia. Some of the characteristics of Islamic bonds are: proof of ownership or enforcement rights of tangible assets. According to the type of contract used, the income generated is in the form of compensation, savings and profit sharing. Not affected by moneylenders, gharar and maysir. Emissions from special vehicles. Need basic assets. The use of the proceeds must comply with the principles of Sharia law.

Islamic bond products are divided into two parts, namely tradable Islamic bonds and non-tradable Islamic bonds. Types of sharia bonds that can be traded: Mudharabah Sharia Bonds are sharia bonds based on a contract between two parties, where the first party *shohibul mal* to other parties *mudharib*. Sukuk musyaraka are sharia bonds based on an agreement between two or more parties to carry out certain commercial activities. These parties include capital, profits and losses generated in accordance with the percentage of capital determined at the beginning of

⁵ Sri Nurhayati and Wasilah, *Akuntansi Syariah Di Indonesia* (Jakarta: Salemba Empat, 2013). hlm, 326-327.

⁶ Qodariah Berkah, *Fikh Zakat, Sedekah, Dan Wakaf* (Jakarta: Kencana, 2020). hlm, 206.

⁷ Irwan Abdullah, *Pasar Modal Syariah* (Jakarta: PT Alex Media Komputindo, 2018). hlm, 80.

the agreement. The Sukuk Ijarah is the Ijarah property to be leased-it is the Ijarah contract that defines the Ijarah property, and some of the Ijarah property is already in existence at the time the contract is signed, but the surrender of all Ijarah assets will be subject to a future agreement. Istishna Sukuk, an Islamic bond. It is a fixed income mutual fund and will continue to grow. The postmark was given in the form of a certificate, down payment was paid, and raw materials became debt. Foundations can also be in the form of bonds. These certificates are also not interchangeable.⁸

Methods

This study uses a qualitative approach to the type of library research. Library research is a type of research that is used to collect in-depth information and data through various literature, books, notes, magazines, other references, as well as relevant previous research results to serve as a reference in determining answers and theoretical foundations regarding problems. to be researched. This research method must pay attention to the literature as the object of research. Library research referred to in this study is to examine library sources which discuss waqf, sukuk, and Cash Waqf Linked Sukuk.

The data analysis technique used in this research is descriptive analysis. Descriptive analysis is carried out by interpreting and presenting data in a systematic manner related to cash waqf innovation in sukuk instruments to help post-Covid-19 economic recovery to make it easier to understand and draw conclusions. Conclusions are obtained with a clear factual basis and return directly to the data obtained.⁹ The research data was obtained by means of secondary data documentation data collection techniques. Secondary data sources were obtained from the UU Waqf, Fatwa DSN-MUI, government regulations regarding economic improvement plans, and productive waqf books as well as previous research from scientific articles/journals discussing Cash Waqf Linked Sukuk.

Research Results

Overview of Cash Waqf Linked Sukuk

Cash Waqf Linked Sukuk hereinafter abbreviated as CWLS, is one of the financial instruments developed by the Indonesian Waqf Agency in

⁸ M Anwar Rifa'i and Rois Ibnu Sina, 'Analisis Perkembangan Dan Resistansi Sukuk Korporasi Dalam Produk Pasar Modal', *Jurnal Ekonomi Dan Perbankan Syari'ah*, 11.1 (2019), 33–46.

⁹ Bachtiar, *Metode Penelitian Hukum* (Tangerang: Unpam Press, 2018). hlm, 39.

collaboration with Bank Indonesia, the Ministry of Finance and the Ministry of Religion in dealing with waqf investment issues.¹⁰ The existence of CWLS is the answer to problems in the management of waqf which was originally unproductive to become productive waqf. Productivity from waqf is obtained from the issuance of sukuk which is an alternative funding through the financial market. Placement in sukuk instruments from cash waqf was chosen because sukuk is one of the safest instruments as an investment instrument. So that the productivity goals of the sukuk can be achieved because the yields given will be more certain.¹¹

The choice of sukuk as an instrument for placement of cash waqf is also due to the fact that the sukuk has received legality and permission from DSN-MUI as well as UU related to publishing SBSN. Fatwa DSN-MUI issues No. 32/DSNMUI/IX/2002 it was explained that the issuance of securities such as sukuk is permitted conditionally, that is, it must still be based on sharia principles both in terms of the distribution mechanism and in determining the level of profit sharing. Yield-sharing returns on the placement of waqf funds are given on cash waqf investments made by the government at maturity.¹²

Investment collaboration between waqf and sukuk can provide sustainable benefits and potential in social activities and sustainable economic development. Sukuk instruments that have been integrated with cash waqf will provide benefits to the productivity of waqf assets that were previously unproductive. The role of waqf in CWLS is as the owner of the funds which will then invest the waqf funds through state sukuk, so that the waqf will have the right as a beneficiary in the form of income for the results provided by the government as the fund manager. Meanwhile, investment managers benefit from the distribution of investment funds from waqf which can then be used for the development of productive projects in enhancing economic development.¹³

Sukuk was chosen as an instrument for placing waqf by the government in order to provide safe investment facilities for waqf. The results of the placement of waqf funds from waqif through designated

¹⁰ Kemenkeu, *Cash Waqf Linked Sukuk Wakafku Investasiku*, 2021. From <https://www.bi.go.id/id/edukasi/Documents/Laporan-Tahunan-Cash-Waqf-Linked-Sukuk-2021.pdf> Diakses pada 13 September 2021 Pukul 11.56

¹¹ Eka Nur Baiti and Syufaat Syufaat, 'Cash Waqf Linked Sukuk Sebagai Instrumen Pemulihan Ekonomi Nasional Akibat Covid-19', *Jurnal Hukum Ekonomi Syariah*, 4.1 (2021), hlm, 55.

¹² Aulia Eka Anindhita, 'Cash Waqf Linked Sukuk Sebagai Solusi Pemulihan Ekonomi Pasca Covid-19', *IHTIFAZ: Islamic Economic, Finance and Banking*, June, 2021, hlm, 122.

¹³ Baiti and Syufaat. *Cash Waqf Linked...*, hlm,55.

collecting institutions will then be channeled by the government through the Ministry of Finance in SBSN instruments. The returns from the distribution of SBSN will later be used as a source of funds for the development of productive social projects as well as utilization of social programs aimed at the welfare of the people.¹⁴ This objective has been met UU No. 4/2004 regarding waqf article 45 paragraph 3 which has explained as well as regulated that in the management and development of waqf assets one must pay attention to the main objectives and basic functions of the waqf itself.¹⁵

Placement of cash waqf in state sukuk instruments has several characteristics that can be beneficial to various parties. These characteristics form the basis for the placement of cash waqf in sukuk instruments. The first characteristic is the existence of a safe nature of the CWLS itself.¹⁶ The security referred to in CWLS is caused by the placement of cash waqf in state sukuk that has all guarantees that have been carried out by the state. So that income from the placement of cash waqf has a definite return and does not have a risk of default. This is also a requirement that has been stipulated in the laws and regulations regarding the use of waqf. In the management and development of waqf assets based on UU No. 4/2004 article 43 which explains that in the use of waqf funds there must be a guarantor institution to guarantee the security of waqf assets.

The second trait is productive, productivity from CWLS is realized through income earned on yields from sukuk instruments.¹⁷ The return earned by the waqif is productive through various social activities, both from the development of social projects and social humanitarian programs. So that with the existence of CWLS waqf money will be more productive in realizing programs to accelerate the development of social investments through the supervision of the Indonesian waqf agency. Optimal is the third characteristic of CWLS, the optimal nature of CWLS is realized through income from yields on placement of sukuk that do not have tax deductions from the government so that the results obtained are more competitive when compared to other forms of instrumentation.¹⁸

¹⁴ *Ibid.*, hlm, 55.

¹⁵ Presiden Republik Indonesia, 'UU No. 4 Tahun 2004 tentang Wakaf', *Bwi.Go.Id*, 2004,1-40 <<https://www.bwi.go.id/wp-content/uploads/2019/09/Undang-undang-No.-41-2004-Tentang-Wakaf.pdf>>. hlm, 16.

¹⁶ Baiti and Syufaat. *Cash Waqf Linked Sukuk...*, hlm, 57.

¹⁷ *Ibid.*, hlm, 57.

¹⁸ *Ibid.*,

This competitive result will also be more optimal when it has been utilized in the goals of developing social activities in a sustainable manner.

Blessing is the fourth characteristic in the placement of cash waqf in state sukuk. The nature of the blessing referred to in CWLS consists of two purposes, the first meaning is that the blessing is obtained because the returns given can be beneficial to the beneficiary or what is referred to as *mauquf alaih* while the second blessing is the blessing obtained for the *wakih* who will continue to get rewards for the benefits of waqf money invested. For the *waqihs*, this reward will be a charity for the rest of their lives because the proceeds from CWLS income can be used for the development and development of social activities that are useful for the common good. While the fifth trait is welfare. Welfare referred to in the fifth characteristic is economic welfare from the benefits of CWLS for people's lives. As previously explained that CWLS will provide benefits in various social activities so that it will help significantly in the development of community welfare through economic development.

Mechanism Cash Waqf Linked Sukuk

Cash Waqf Linked Sukuk in Indonesia is a cash waqf program in Indonesia that has become an innovation between Bank Indonesia, Kementerian Agama, BNI Syariah, Bank Muamalat Indonesia and the Productive Waqf Forum in dealing with high levels of unproductive waqf funds. In Indonesia, CWLS was first launched on 14 October 2018 during the Annual Meeting of the IMF and World Bank in Bali. The birth of CWLS is used as a means to optimize the potential of cash waqf in Indonesia, especially in sustainable community economic development.¹⁹ Based on the Annual Meeting that was held in Bali, CWLS in Indonesia has 2 types of waqf, the first is permanent waqf while the second is temporary cash waqf which is hereinafter referred to as 5-year cash waqf.

Permanent cash waqf is a waqf mechanism in which the waqif cannot take back what has been donated. Assets that have been permanently donated are no longer the rights of the *wakif*, but the rights of these assets have been transferred to become common property in providing facilities or social needs in society. In contrast to temporary waqf or term waqf, the rights to the waqf property can return to the waqif after a predetermined period of time. In this case the temporary waqf that has been issued by BWI has a period of 5 years post. Submission of waqf

¹⁹ Badan Wakaf Indonesia TV, *Cash Waqf Linked Sukuk*, 2019 From <<https://youtu.be/ZYhyzQ76dZQ>>. Diakses pada 9 September 2022 Pukul 00.43

assets by a wakif is carried out by purchasing CWLS through a partner who has been appointed by the government as a distribution party, namely an Islamic bank.²⁰

Purchasing CWLS by a waqif is done by placing an order for CWLS through an Islamic bank that has been appointed as a partner for depositing money from the waqif as well as signing or waqf pledges. Islamic banks that have been appointed as CWLS distribution partners are tasked with receiving and accommodating waqf assets that have been submitted by the waqif, which are then made into account books, both savings and securities accounts. Waqf funds that have been deposited by wakifs are further invested in state sukuk whose instruments are directly established to facilitate the issuance of sukuk from cash waqf.²¹

This state sukuk generated from cash waqf will be used by the ministry of finance in state spending devoted to economic development through social programs and the development of public facilities based on sharia principles. Investment income results from waqf participation in state sukuk instruments will then be channeled directly to productive social programs. So that in this case the wakif will not get benefits or profit-sharing income because the income obtained from the issuance of the sukuk will be directly channeled to the community from the target beneficiaries both in terms of projects and social programs.

Based on the CWLS mechanism that has been determined by the government as shown in Figure 4.1, the following explanation can be given:

- 1) Waqifs who have waqf their money through partner Nazhir institutions at least with temporary waqf within a period of 5 years or perpetual waqf, namely post or permanent;
- 2) Waqf money made by waqif is collected through the waqif account that has been made at the Nashir partner at LKS-PWU;
- 3) The waqf money that has been deposited to the nazhir partner is made a statement of the waqf pledge by the wakif to the nazhir partner as the recipient of the funds who is also the issuer Akta Ikrar Wakaf (PPAIW);
- 4) Waqf funds that have been deposited by the wakif at the nazhir partner institution prior to depositing it to the BWI nazhir account

²⁰ Rizal Hendrawan, 'Cash Waqf Link Sukuk Untuk Pembangunan Berkelanjutan', *Misykat Al-Anwar Jurnal Kajian Islam Dan Masyarakat*, 3.2 (2020), hlm, 304.

²¹ Riska Delta Rahayu and Moh. Andre Agustianto, 'Analisis Implementasi Cash Waqf Linked Sukuk (CWLS) Perspektif Prinsip Ekonomi Syariah', *Management of Zakat and Waqf Journal (MAZAWA)*, 1.2 (2020), 145-61, hlm, 156.

- must first be placed in an account in the name of the wadiah itself in the wadiah account;
- 5) Cumulative waqf funds that have reached the minimum requirement of 50 billion in the nazhir partner account will then be transferred to the BWI nazhir account at LKS-PWU;
 - 6) Cash waqf that has been successfully transferred to the Nazhir account at the LKS-PWU will be used to purchase SBSN to be used as a source of funding for government projects in developing public facilities needed by the community within a certain period of time;
 - 7) rofit-sharing income from the utilization of waqf funds in state sukuk will be directly channeled to Nazhir BWI in accordance with a contract or agreement that has been mutually agreed upon;
 - 8) The yield that will be distributed by Nazhir BWI is deducted first by 10% to pay for the fund management fee. The remaining yield that has been deducted by 10% can be managed as a source of funding for social programs or projects for the common good;
 - 9) After the maturity of the state sukuk that has been used as a source of capital for the ministry of finance in government project development, it will be returned to the BWI account at LKS-PWU;
 - 10) The waqf money that has been returned to BWI's account will then be returned by the Nashir partner as the institution that has been appointed to return the term money waqf to the waqif;
 - 11) Mitra Nazhir as a waqf fund channeling institution is a sharia bank that has been appointed by BWI to help run Cash Waqf Linked Sukuk operations ;
 - 12) Kemenag and BWI is an institution that acts as a supervisor in the success and development of the program CWSL.²²

Resilience Cash Waqf Linked Sukuk in Economic Recovery

Improving the country's economy is one of the efforts made by the government in realizing a country's economic recovery in realizing better economic growth. This economic improvement is a step that continues to be pursued by the government of a country in facing economic competition between countries, especially in the recovery of economic resilience. It is known that the pandemic that is happening in the world

²² Wina Paul and Rachmad Faudji, 'Cash Waqf Linked Sukuk Dalam Optimalkan Pengelolaan Wakaf Benda Bergerak (Uang)', *JIMEA Jurnal Ilmiah MEA (Manajemen, Ekonomi, Dan Akuntansi)*, 4.2 (2020), 1–18. Hlm, 15.

has an unfavorable impact on the economic growth of a country, especially in Indonesia.

The existence of social restrictions imposed by the Indonesian government has caused various economic problems, especially in domestic trade mobility, delays in the delivery of goods related to exports and imports, as well as disruption to the level of public consumption due to the closure of access in various regions. As a result, under these conditions, the only source of funds that can be used by the government in dealing with the impact of the pandemic is borne by the state budget funds. The burden of countermeasures against APBN funds creates problems during the pandemic related to obtaining sources of funds used in realizing sustainable development. The impact of these problems has caused many national developments to experience delays, because existing APBN funds have been used to tackle the economic crisis during the pandemic. Therefore, the government through the Ministry of Finance provides financial innovation through CWLS which is realized as a form of productive investment in realizing post-pandemic economic recovery.

The financial innovation between waqf and sukuk that has been carried out by the government is based on four issuance urgency which include: first, strengthening the resilience of the Islamic economy. Through CWLS, the position of the Islamic economy in Indonesia is growing and has great potential. Because with sharia economic innovation through CWLS it can directly assist the government in helping overcome national development as a support for APBN funds and in realizing social programs for the welfare of society.

Second, strengthening waqf institutions in managing national waqf. The existence of innovation from the collaboration of waqf funds with sukuk makes the latest innovations in utilizing waqf funds to be more productive. In addition, with the existence of CWLS, it is hoped that it can stimulate the interest of waqifs to endow their assets in the term waqf program so that waqf institutions in Indonesia will be able to develop more in realizing social programs.

Third, provide support in overcoming poverty alleviation. Through the instrument of sukuk, waqf funds can be used to support the accelerated national development program in overcoming poverty and social inequality. This can be done through CWLS profit-sharing income which is used to build productive social assets. Fourth, efforts to develop productive investment innovations during the pandemic. This form of CWLS innovation is an investment innovation that was originally only a

waqf oriented towards the afterlife investment goals, but has become a form of CWSL innovation that provides social investment benefits to the community. This is realized through various social programs that are used to support the alleviation of economic problems during the pandemic.²³

During the pandemic, in realizing economic recovery, the CWSL innovation could be an instrument to support the government in the success of national developments which were hampered due to the lack of state budget funds. The overall benefits of this CWSL innovation will return to the community both from the use of CWSL as a support for the State Budget and in terms of returns in realizing social programs and in realizing social facilities.²⁴ The existence of CWS in assisting the realization of the government's national development is manifested in several developments, namely:

First, the development of health facilities. The existence of CWSL which is embodied in the SBSN instrument in realizing economic development starts with the development of supporting health facilities. The development of health facilities has a relationship with the country's economic growth efforts, which is caused by individuals who have a good level of health, they will be more productive and have a good level of resources in realizing economic growth. Likewise during a pandemic, the development of adequate health facilities will have a good impact on public health so that they can quickly recover from health problems due to the recession.

Second, the construction of educational facilities. The problem of recession also had an impact on the education sector. The impact of the pandemic has caused the quality of education levels in Indonesia to decline due to rapid changes in learning models. During the pandemic, CWSL could be used as a developer of educational facilities in Indonesia in an effort to deal with limited infrastructure and learning facilities. With the existence of CWSL, it can provide good opportunities, especially in the development of education in areas that do have limited educational facilities. So that CWSL through the SBSN instrument can provide good potential in forming human resources through proper education programs. So that economic growth can be better when people have better resources.

²³ Baiti and Syufaat. *Cash Waqf Linked Sukuk...*, Hlm, 55.

²⁴ Agus Danugroho and Aqidah Halimatus sa'adah, 'Cash Waqf Linked Sukuk (CWLS) Di Tengah Pandemi Covid-19 Dan Implementasinya Terhadap Ketahanan Ekonomi', *Proceeding ROFONIC*, 1.1 (2021), 21–36. Hlm, 32.

Third, infrastructure development. The main key in alleviating economic problems lies in the availability of adequate infrastructure or not. Infrastructure plays the most important role in overcoming poverty and economic development of a country. The existence of cash waqf which is realized through the SBSN instrument can be used as a supporting tool for the government in realizing basic community infrastructure. What is meant by basic community infrastructure is like transportation connecting facilities such as bridges and highways as well as other economic support facilities in the form of dikes to deal with floods or irrigation facilities to strengthen the country's food production. The function of CWSL in infrastructure development is intended to accelerate economic equality to overcome problems of social and economic inequality that exist in regions.²⁵

Meanwhile, the return on income obtained from the government for the distribution of SBSN in realizing the acceleration of economic development will be directly channeled by distribution partners to Nazhir. The distribution of returns is realized for the purposes of developing social programs that can benefit the social and economic needs of the community, which include: 1) assisting in realizing the provision of free health facilities for the poor who cannot afford to reach health facilities. This was manifested in one of the first CWSL beneficiaries, namely in the free cataract treatment program at the Ahmad Wardi Eye Hospital. 2) social infrastructure financing program. 3) as a development fund for the embodiment of the company's CSR program in social activities. 4) supporting funds in providing efforts to realize unproductive waqf assets through livestock and plantation businesses. With the success of the yield income from state sukuk in realizing productive assets, it will help the community to take advantage of the results of non-productive land to enjoy the results. So that the results obtained can help the community's economy and realize the common good. 5) Procurement of Umrah worship programs for teachers accompanying the Koran in the regions free of charge. 6) assisting the funding of waqf houses in realizing the empowerment of small businesses through productive endowments.²⁶

Cash Waqf Linked Sukuk Judging from the referral programs that have been carried out, they will provide benefits for the recovery program or sustainable economic improvement. Economic recovery and improvement can be realized more quickly with cash waqf through state

²⁵ Anindhita. *Cash Waqf Linked...*, hlm, 125.

²⁶ Rahayu and Agustianto. *Analisis Implementasi Cash...*, hlm, 158.

sukuk instruments and supported by productive waqf assets formed from investment returns on state sukuk. The returns provided by the government in utilizing cash waqf can be utilized in various social programs such as education, health, da'wah and other programs aimed at social community empowerment activities, especially for people who are experiencing an economic downturn due to the post-pandemic. For 6 months in 2022, the six distribution partners partnered with by the government in channeling productive waqf investment results can produce 10 social programs supervised by 9 nazhirs.²⁷

Table 1.2
CWLS Income Distribution Result Social Program

Distribution Partners	Nazhir	Sosial Program
Bank Syariah Indonesia	Yayasan BSMU	Village economic development program through sheep and goat breeding and MSME product development through the development of Islamic boarding school cluster businesses
	LazizMU	Sanitation program for MSME empowerment community
	Badan Wakaf Indonesia	General Benefit
Bank Muamalat Indonesia	Baitulmaal Muamalat	The superior village development program through the development of a goat livestock business and the zakat hamlet program
	Wakaf Salman	Developing an energy security program through installing solar installations at the Salman Mosque ITB and developing a food security program through urban farming at mosques in urban areas
Bank Mega Syariah	Badan Wakaf Indonesia	Public welfare and food security
Bank Syariah	Yasayan Wakaf	Community empowerment

²⁷ DJPPR Kementerian Keuangan, 'Minat Masyarakat Untuk Berwakaf', from 2022 <djppr.kemenkeu.go.id>. Diakses pada 8 September 2020 Pukul 14.00

Distribution Partners	Nazhir	Sosial Program
Bukopin	Nurani Bangsa	program through the animal husbandry program and the realization of renovating the Koran house
	Yayasan Wakaf	Global Productive livestock waqf and productive economic waqf
Bank CIMB Niaga Syariah	Yayasan Dhuafa Republika	Dompet Program to procure a fleet for da'wah needs and procure medical equipment
Bank Permata Syariah	Yayasan Islam Al-Azhar	Pesantren Cattle empowerment program

Source: DJPPR Ministry of Finance 2022

Conclusion

Based on the results and discussion of research related to the resilience of sukuk innovation through Cash Waqf Linked Sukuk as an instrument for economic recovery in Indonesia, it can be concluded that the Cash Waqf Linked Sukuk instrument is one of the innovative breakthroughs in utilizing non-productive cash waqf to become productive waqf. Cash Waqf Linked Sukuk has great potential in helping to provide sources of funds for the government in supporting the continuation of post-pandemic national development in support of the lack of state budget funds. The resilience of cash waqf innovations in sukuk has the potential to help economic recovery through two channels. First, Cash Waqf Linked Sukuk can assist government funding in supporting APBN funds through the development of educational facilities, health facilities, and public infrastructure. Second, Cash Waqf Linked Sukuk can at the same time provide support for economic equality in order to overcome socio-economic inequality through community empowerment from yield funds provided by the government..

Cash Waqf Linked Sukuk not only has the potential to support post-pandemic economic recovery but also has the potential to help Indonesia's economic development in a sustainable manner. The greater the cash waqf funds that can be channeled to national economic development, the greater the results obtained, because the placement of cash waqf through sukuk instruments has been guaranteed by the government so that the risks posed are small or even no risk. It's just that there is a need to make innovative breakthroughs in expanding the reach and optimizing the

collection of cash waqf to a wider layer of society, considering that the cash waqf innovation in the sukuk instrument is still relatively new. Based on this, in future research an analysis can be carried out regarding steps to optimize the collection of cash waqf, especially cash waqf, so that it can provide support for creative investment innovations. So that Cash Waqf Linked Sukuk will become more developed and can be recognized by the wider community and can make a sustainable contribution to national economic development in Indonesia.

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