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Cash Waqf Linked Sukuk (CWLS) for Food Security in Realizing Social Welfare

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ABSTRACT

The prevalence of food insecurity in a country is closely correlated with the overall well-being of the community. Consequently, addressing these issues is a shared responsibility that requires the engagement of all stakeholders. The Cash Waqf Linked Sukuk (CWLS) has the potential to serve as a social capital, facilitating the resolution of societal issues, including those pertaining to food security. In light of the aforementioned, this research is centered on the Cash Waqf Linked Sukuk (CWLS) with the objective of maintaining food security and realizing welfare. The methodology employed is normative juridical, utilizing secondary and primary data as supporting evidence through interviews with relevant parties and analytical descriptive data analysis. Food security represents a tangible manifestation of social welfare, with CWLS emerging as a potential instrument for achieving this objective. In Islam, CWLS can serve as a social capital instrument for economic empowerment, benefiting individuals and communities. It can be utilized to maintain food security in agriculture and livestock programs, ensuring the availability of sufficient food for the community.

Keywords: food security, welfare, sukuk, waqf.

I. INTRODUCTION

Some Indonesians experience food insecurity as a result of inadequate access to nutritionally adequate food, high rates of stunting and malnutrition due to an imbalance in nutritional intake, and the emergence of various diseases due to poor dietary habits. The most recent data from the Indonesian Central Bureau of Statistics, as reported in the 2022 Individual Food Consumption Survey (SKMI), indicate that approximately 21 million individuals in Indonesia are affected by malnutrition. This figure demonstrates that the fulfillment of adequate nutrition remains a vulnerable and pressing concern, necessitating significant attention from the government.

The prevalence of food insecurity in a country is closely correlated with the level of social welfare that the country aspires to achieve. As posited by Vilhelm Aubert, the concept of a

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welfare state has become increasingly defined in terms of the rights afforded to citizens and the capacity of the state to fulfill the associated demands. The objective is to guarantee a baseline level of welfare with respect to health, nutrition, housing, and education.³ In accordance with Aubert's perspective, the objectives of the welfare state encompass the realization of welfare in the domains of health, education, nutrition and housing. Nevertheless, at this time, nearly every country, including the Indonesian government, lacks the capacity to manage this issue independently. Consequently, there is a need for collective action and support from all stakeholders, including the community, to achieve the objective of improving welfare. This is due to the constrained budgetary resources that are consistently insufficient to meet annual expenditure requirements. Consequently, the government is compelled to pursue alternative sources of funding to supplement the state budget, while concurrently bearing the burden of debt owed to other nations that support the state budget in achieving the objective of enhancing welfare.

In recent years, Islamic Economics has witnessed the advent and expansion of a novel form of Islamic securitization, namely sukuk, which possesses a remarkable capacity to provide cutting-edge financial solutions. The product has made a significant contribution to the pursuit of innovation in financial products and has generated a response comparable to that observed in other conventional capital markets.⁴

Furthermore, it can serve as a source of state income, thereby reducing dependence on foreign debt, which is known as sukuk.⁵ In addition to sukuk, Islam has a financial instrument that has long been practiced by Muslims in various countries. This instrument, known as waqf, has played a role in helping to solve social and religious problems, as well as in empowering the people's economy and reducing poverty. The evolution of waqf has been marked by a paradigm shift, enabling it to adapt to social changes, economic theories, and the demands of the real sector. This has led to the emergence of cash waqf, which can be utilized as a social investment tool, thereby enhancing its functionality. In general, cash waqf can be defined as the transfer of waqf assets in the form of cash that cannot be transferred or frozen for purposes other than those that serve the public interest and do not result in a reduction or elimination of the principal

³ I D.G. Palguna, *Welfare State VS Globalisasi Gagasan Negara Kesejahteraan Di Indonesia*, Cet.1, (Depok: Rajagrafindo Persada, 2019), page.17.

⁴ Ima Maspupah & Shofia Mauizotun Hasanah, Penguatan filantropi Islam through the optimization of sukuk-based waqf, *Journal of Islamic Economics Lariba (2016)*. vol. 2, issue 2: 25-38, Page 25 of 38. Rozaq Asyhari, "Barang Milik Negara Sebagai Underlying Asset Dalam Penerbitan Surat Berharga Syariah Negara," (Doctoral Dissertation, Faculty of Law, University of Indonesia, Jakarta, 2017), page 10-11.

⁵ Rozaq Asyhari, "Barang Milik Negara Sebagai Underlying Asset Dalam Penerbitan Surat Berharga Syariah Negara," (Doctoral Dissertation, Faculty of Law, University of Indonesia, Jakarta, 2017), page 7-8.

amount (the essential substance of waqf).⁶

In the context of efforts to enhance optimal state financial management and the development of financial instruments with Sharia principles, including voluntary sector finance,⁷ a discourse emerged to integrate cash waqf instruments and state sukuk as a novel breakthrough in the form of social investment. This initiative was spearheaded by the government, in this case the Ministry of Finance of the Republic of Indonesia and the Indonesian Waqf Board.⁸ It is imperative to leverage the immense potential of cash waqf to enhance its economic value and benefits. This can be achieved by developing cash waqf investment through state sukuk, which has served as a pivotal instrument for state budget financing for over a decade. This includes the funding of developmental projects that bolster national growth, while also offering lucrative profit-sharing opportunities.

The objective of employing CWLS is to enhance food security in a range of sectors, including agriculture, animal husbandry, and balanced nutrition. In light of the aforementioned, this research endeavors to examine the Cash Waqf Linked Sukuk, designated as Cash Waqf Linked Sukuk (CWLS), in the pursuit of food security.

(A) Research Method

This research employs a normative juridical methodology, with data collection techniques based on library research. This entails a study of primary legal materials, secondary legal materials, and tertiary legal materials, including laws, books, literature, records, and reports related to the issuance of Cash Waqf Linked Sukuk. In addition to the primary data, this research employs secondary data as a supporting source. To gain further insight, interviews were conducted with relevant parties who possess the authority to issue Cash Waqf Linked Sukuk (CWLS). The interview technique employed was in-depth, although not structured. In analyzing the data, this research employs qualitative methods, which produce analytical descriptive data through research procedures.

II. RESULTS AND DISCUSSION

(A) Cash Waqf Linked Sukuk (CWLS)

⁶ .A. Mannan, *Sertifikat Wakaf Tunai Sebuah Inovasi Instrumen Keuangan Islam*, translated by Tjasmijanto and Rozidyantri, Cet. I, (Jakarta: CIBER dan PKTTI-UI). page 8.

⁷ In President Jokowi's Vision and Mission in the Next Five Years, on the stairs <https://nasional.republika.co.id/berita/pzpb6m440/visi-misi-presiden-jokowi-5-tahun-ke-depan-part1>, Accessed on June 15, 2020

⁸ See Indonesian Waqf Board, *Proposal Wakaf Uang untuk diinvestasikan pada Sukuk Negara dengan imbal hasil yang dipergunakan untuk pengembangan dan penambahan fasilitas Retina Centre Rumah Sakit Mata Achmad Wardi, Serang, Banten serta pembangunan Rumah Sakit Mata berbasis Wakaf di seluruh Indonesia*, 2019.

The Cash Waqf Linked Sukuk, also known as CWLS, represents a cash waqf investment scheme through state sharia securities. The investment proceeds will be utilized to finance CWLS programs and activities. The CWLS scheme was developed by the Waqf Authority in collaboration with the Government with the objective of providing support for the advancement of Islamic social finance and investment in Indonesia.⁹ In the Ministry of Religious Affairs Regulation No. 1 of 2022 on the Management and Development of Cash Waqf through CWLS, provides a definition of "CWLS is the investment of cash waqf funds in state sukuk issued by the government to facilitate waqifs in empowering the people's economy and social activities."¹⁰

Cash waqf refers to the transfer of waqf assets in the form of cash that is not transferable and is frozen for purposes other than those of the public interest, which must not result in a reduction or elimination of the principal amount (the essential substance of waqf).¹¹ The regulations pertaining to cash waqf in Indonesia are set forth in Law No. 41 of 2004 concerning waqf. State sukuk represent a category of state securities that are issued in accordance with sharia principles and serve as evidence of participation in SBSN assets, both in rupiah and foreign currencies.¹² In accordance with the stipulations set forth in Law No. 19 of 2008 on State Sharia Securities. The integration of cash waqf and sukuk, designated as Cash Waqf Linked Sukuk (CWLS), represents a noteworthy advancement in Islamic finance. Sukuk has the potential to serve as an effective instrument for mobilizing funds, while waqf has the capacity to generate income and engage in productive financial activities. Consequently, the conjunction of sukuk and waqf may prove an efficacious means of furnishing low-cost financing for the purpose of ensuring economic sustainability.¹³

Cash waqf linked sukuk represents an efficacious instrument for the alleviation of poverty and the rectification of inequality. It does so by meeting the basic needs of people, empowering those who earn low incomes, and facilitating access to the business world. The integration of sukuk and cash waqf represents a significant and promising innovation in the field of Islamic finance. Sukuk has the potential to serve as an effective instrument for the mobilization of funds,

⁹Government of the Republic of Indonesia, Sukuk Wakaf (*Cash waqf Linked Sukuk*) SWR 003 issued in Jakarta dated June 10, 2023 issued by the Ministry of Finance of the Republic of Indonesia.

¹⁰ Peraturan Kementerian Agama No. 1 Year 2022 on the Management and Development of Cash Waqf through CWLS, Art. 1 paragraph (2).

¹¹ M.A. Mannan, *Sertifikat Wakaf Tunai Sebuah Inovasi Instrumen Keuangan Islam*, translated by Tjasmijanto and Rozidyantri, Cet. I, (Jakarta: CIBER dan PKTTI-UI). page 8

¹² Law on State Sharia Securities, Law No. 19 of 2008, LN No. 19 of 2008, TLN No. 4852, hereinafter referred to as SBSN Law, Article 1 Paragraph (1).

¹³ Indonesian Waqf Board, Proposal for Cash Waqf to be invested in State Sukuk with returns used for the development and addition of Retina Center facilities at Achmad Wardi Eye Hospital, Serang, Banten and the construction of Waqf-based Eye Hospitals throughout Indonesia, 2019, page 16.

while waqf has the capacity to generate income and engage in productive financial activities. It can be reasonably deduced that the joint utilization of sukuk and cash waqf represents a novel approach to the provision of low-cost financing for the purposes of economic sustainability.¹⁴

CWLS is a form of social investment in Indonesia, where cash waqf collected by the Indonesian Waqf Board as Nazir through Islamic Banks as Sharia Financial Institutions Receiving Cash Waqf (LKS-PWU) will be managed and placed in State Sukuk or SBSN (State Sharia Securities) instruments issued by the Ministry of Finance (MoF). The proceeds from the issuance of sukuk by the government will be utilized for project development, while the returns from the government by the nadzir will be channeled for the benefit of the community in the fields of health, education, resilience and so on.

The Ministry of Finance together with Bank Indonesia, the Ministry of Religious Affairs and the Indonesian Waqf Board have compiled and signed a memorandum of understanding governing the policy and operational aspects in the development of waqf linked sukuk on November 1, 2018 and previously on October 14, a soft launch of CWLS was conducted at the International Monetary Fund and World Bank (IMF-WB) Annual meeting in Bali.¹⁵ (Rahmat Ari, 2020) The validity of sukuk waqf already has a Fatwa of the National Sharia Council-Majelis Ulama Indonesia No. 131 / DSN-MUI / 20 I 9 concerning Sukuk Wakaf explaining that Sukuk Wakaf is a Sukuk issued in order to optimize the benefits of waqf assets and their returns for the public interest (mashalih 'ammah) which is not contrary to sharia principles.¹⁶

(B) The Role of Cash Waqf Linked Sukuk in Realizing Food Security

Food security in Article 1 paragraph (4) of Law No. 18/2012 states that food security is a condition of food fulfillment for the state to individuals, which is reflected in the availability of sufficient food, both in quantity and quality, safe, diverse, nutritious, equitable, and affordable and does not conflict with religion, beliefs and culture of the community, to be able to live healthy, active and productive lives in a sustainable manner.¹⁷ Food security must include availability, distribution and consumption factors. The food availability factor serves to ensure food supply to meet the needs of the entire population, both in terms of quantity, quality,

¹⁴ Badan Wakaf Indonesia, *Proposal Wakaf Uang untuk diinvestasikan pada Sukuk Negara dengan imbal hasil yang dipergunakan untuk pengembangan dan penambahan fasilitas Retina Centre Rumah Sakit Mata Achmad Wardi, Serang, Banten serta pembangunan Rumah Sakit Mata berbasis Wakaf di seluruh Indonesia*, 2019.

¹⁵ Interview with Rachmat Ari Kusumanto, Commissioner of the Indonesian Waqf Board on June 12, 2020.

¹⁶ Fatwa of the National Sharia Council-Majelis Ulama Indonesia No. 131/DSN-MUI/20 I 9 on Sukuk Wakaf.

¹⁷ Dini handayani and Heru Susetyo. "The Role Of Waqf (Endowment) In Fulfilling Children's Right In Education In Regency Of Serang." Proceeding Of The International Conference On Universal Wellbeing. Universiti Teknologi Malaysia, Kuala Lumpur, 4-6 December 2019. Page 79-83. Available on Proceedings – ICUW2019 (perintis.org.my).

diversity and safety. Distribution functions to realize an effective and efficient distribution system to ensure that people can obtain food in sufficient quantity, quality and sustainability at affordable prices. Meanwhile, the consumption factor serves to direct that the pattern of food utilization nationally meets the rules of quality, diversity, nutritional content, safety and halalness.¹⁸

The right to food should not be interpreted in a narrow or restrictive sense that equates it with a minimum package of calories, protein and other specific nutrients, but should be realized progressively. The right to food obliges states to strengthen people's access to and utilize of resources to ensure their livelihoods, including food security. Particularly for those living in rural areas, protecting access to productive resources is a key condition for enjoying the right to adequate food.¹⁹

In Indonesia, the agricultural sector is divided into five subsectors, namely the food agriculture subsector, plantation subsector, forestry subsector, livestock subsector and fisheries subsector. Agricultural development as part of national development is directed towards the development of advanced, efficient and resilient agriculture. The aims and objectives are to expand employment and to support regional development. From the five agricultural subsectors, each sub-sector has a different role and contribution to the national GDP.²⁰

Islam has a teaching that can be utilized as a solution to problems in society including food security in an effort to maintain the conversion of agricultural land, the availability of capital by providing intensive assistance for quality rice seeds, helping to subsidize livestock, healthy intake, all of which are efforts to maintain food security. In an effort to maintain food security, one of the instruments that can support it is cash waqf. Cash waqf integrated with state sukuk is a new product that connects the social and commercial economy in realizing a decent life in Indonesia in realizing welfare. CWLS which has been practiced for approximately two years began to show its movement from the issuance of SW 001, SWR 001 series, SWR 002, SWR 003 in maintaining food security. This can be seen in the benefits of CWLS programs owned by nazir (waqf managers).

Bangun Sejahtera Mitra Umat Foundation (BSM Umat Foundation) as the beneficiary of CWLS series SWR 002, has several programs aimed at food security. The program is a rice seed breeding program, this program is a program in maintaining community and economic life. This

¹⁸ Rossi Prabowo, 2010. Government Policies in Realizing Food Security in Indonesia, *Jurnal Ilmu Pertanian:Media Agroo*. Volume. 6, page 63

¹⁹ rene I. Hadiprayitno, Food Security and Human Rights in Indonesia, *Development in Practice*, Vol. 20, No. 1 (Feb., 2010), page 122-130

²⁰ 1EP19274.pdf (uajy.ac.id)

is realized through the utilize of certified rice seeds as a new quality and quality seed product characteristic, which now reaches 50.86% of the total seed demand, which is 349,540 tons. In the field, there is a gap in improving the quality of rice seeds around 49.14%. this can cause problems and opportunities for farmer groups to cultivate their own rice seeds. Waqf BSM Umat initiated a food strengthening program through rice seed breeding assistance which will be implemented in Central Lampung. The objective is to increase rice production and farmers' income in the target area of the program with a target of 75 farmers who are seed breeders, a land area of 40 hectares located in Central Lampung, Lampung Province, with a budget of 800 million. Central Lampung was chosen as the program location due to the readiness of farmer groups and land.²¹

Hasanah Titik Wakaf Foundation has a food security program, namely healthy intake for the nutritional needs of school-age children. This healthy intake campaign is carried out as an effort to provide understanding to students, teachers and parents about the importance of intake, especially breakfast for children in improving the quality of intelligence. Providing examples of intake and monitoring the development of intake behavior as well as being the basis for determining follow-up plans. The next program is the economic empowerment of agriculture through hydroponic techniques, through which the community can continue to grow crops through the installation of water pipes that have been given nutrients to grow various vegetables that can be harvested and produce useful economic value. ²²

In food security for the Beef Cattle Breeder Assistance program, the demand for beef in Indonesia reaches 700,000 tons per year, equivalent to 3-4 million cattle, but can only be met by domestic farmers as much as 400,000 tons, so there is a ratio of about 40% which is then met from imports. One of the efforts to increase beef production is to increase the population of female breeders through the breeding process. However, cattle breeding activities in Indonesia are mostly carried out by small farmers and are still traditional. The BSM Umat Waqf initiated the Strengthening Food Security Program through Breeder Assistance for small farmers in Trenggalek Regency. The objective is to increase the cattle population and increase the income of farmers, with a target of 72 farmers, target assistance of 72 cows, located in Trenggalek, East Java Province with a budget of 1.296 M.²³

Wakaf Bangun Nurani Bangsa Bangkit Saudaraku Foundation has a community empowerment

²¹ Government of the Republic of Indonesia, Information Memorandum on Cash Waqf Linked Sukuk, issued in Jakarta on October 9, 2021.

²² *Ibid.*

²³ *Ibid.*

program through agriculture, goat and quail livestock located in the village of Baduy Cibolegar, Lebak Regency, Banten. The program has a target beneficiary of 50 (fifty) heads of families. The location is a place built as a temporary settlement for the residents of Baduy Dalam who have changed their beliefs by custom. The program aims to develop the potential of waqf management through economic empowerment to be able to meet daily needs, especially for underprivileged communities. In addition, the program focuses on improving human resources and processing environmental resources. The empowerment will be in the form of training and mentoring as well as breeding to fattening livestock, as well as agricultural activities that are their expertise. The animals used as livestock by beneficiaries are goats and quails. Through this program, it is hoped that it can improve the welfare of the beneficiaries or mauquf'alaih.²⁴

The social program/activity of YPI Al-Azhar that will be financed using the proceeds from the SWR002 series CWLS is the micro-economic productive waqf program for financing assisted village cattle breeders. This program is chosen to encourage the role of micro-enterprises that require the availability of financial capital, training, and mentoring. Al-Azhar Waqf has a program to help cattle farmers who do not have access to bank capital, to be free from moneylenders and usury financing and from middlemen who give unreasonable prices to farmers. Productive waqf through money on a rolling and sustainable basis will be used to provide access to capital, religious mentoring and assistance with access to markets for sales. The proceeds from the sale of the animals will be used to cover business capital and will be given again on a rolling basis to other breeders, The profits received by Al-Azhar Waqf will be used for humanitarian programs owned by LAZ Al Azhar. This activity will be carried out by the Al Azhar assisted village community together with local farmer groups in order to improve the quality of da'wah empowerment comprehensively and help the local economy. This program will be implemented every time a multiple of 10 cows is collected at the Assisted Village location. The aim is to improve the welfare and income of farmers, target mauquf alaih cattle breeders & their families. The project started in 2021 with a total budget value of IDR 5 billion, the value that has been spent is IDR 250 million, the category of productive waqf with the location of Al Azhar Assisted Villages (currently in Bima Regency, NTB & Bandung Regencies, West Java).²⁵

The Breeding of Sheep and Goats (Doka) is an economic empowerment program for village communities by providing capital assistance in the form of: Sheep and Goats, Mentoring and Marketing. The program targets 50 people for the Purbalingga - Central Java area. The

²⁴ *Ibid.*

²⁵ *Ibid.*

assistance to be provided is in the form of goats and sheep, mentoring and marketing worth Rp530,000,000.00 (five hundred and thirty million rupiah).²⁶

Baitulmaal Muamalat Zakat-Gaduh Goat Hamlet Program, Zakat-Gaduh Goat Hamlet Program is an empowerment program to improve the community's economy by providing goat seeds for breeding. This program will be implemented in several stages. For the first stage, it will be rolled out to 1 group consisting of several heads of households to receive 2-3 goat seeds per household out of a total of 20 goat seeds. From the breeding of these goats, the results will be sold where 70% will be the right of Goat Cultivators / Goat Managers and 30% will be the right of Baitulmaal Muamalat. The 30% portion of Baitulmaal Muamalat will be rolled back to other recipient groups.

Bangun Desa Unggul - Goat Livestock Business Development Program, Bangun Desa Unggul - Livestock Business Development Program helps communities improve their economy independently through a goat livestock business development program. In practice, this program activity will emphasize the process of capacity building, coaching and mentoring. The hope is that the program can help the village become better to accelerate the process of improving welfare in the community from the goat livestock business that is managed. The program is scheduled for 24 months. Program targets are people who are classified as mustahik, especially those who have high motivation to improve goat livestock business management in Gelagah Agung Village, Purwoharjo, Banyuwangi, East Java and Pager Harjo Village, Kulon Progo, Yogyakarta. The monthly fee is Rp23,000,000.00 (Twenty-Three Million Rupiah), the annual fee is Rp280,000,000.00 (Two Hundred Eighty-Three Million Rupiah) the total cost for this program is Rp560,000,000.00 for a period of 24 months.²⁷

Utilization of Potential Furthermore, the implementation of waqf must pay attention to the purpose and function of waqf as stipulated in Articles 4 and 5, implying that the purpose of waqf is to utilize waqf property in accordance with its function. Meanwhile, the function of waqf is to realize the potential and economic benefits of waqf property for the benefit of worship and the advancement of public welfare.

In order to achieve the objectives and functions of waqf, waqf assets can only be utilized for:²⁸

- a. Facilities and worship activities

²⁶ *Ibid.*

²⁷ Government of the Republic of Indonesia, Information Memorandum of Sukuk waqf (Cash Waqf Linked Sukuk), SWR 002 issued in Jakarta on October 9, 2021 Government of the Republic of Indonesia, Information Memorandum of Sukuk waqf (Cash Waqf Linked Sukuk), SWR 002 issued in Jakarta on October 9, 2021.

²⁸ Indonesia, *Law on Waqf*, Law No. 24 Year 2008, LN No. 41 Year 2004, TLN No. 41 Year 2004, TLN 159

- b. Educational and health facilities and activities
- c. Aid to the poor, abandoned children, orphans, scholarships.
- d. Progress and improvement of the people's economy and/or
- e. Advancement of other public welfare that is not contrary to sharia and laws and regulations.

Regarding the purpose and function of waqf, waqifs can choose according to their wishes as long as it does not conflict with the law or choose the designation of waqf assets in accordance with the provisions regulated by law. In relation to CWLS in maintaining food security, it can be done by referring to the designation of economic progress and improvement and or other public welfare advancements that do not conflict with sharia.

(C) CWLS in realizing Social welfare

Law Number 11 of 2009 concerning Social Welfare in Article 1 paragraph (1) explains that "social welfare is a condition of fulfilling the material, spiritual and social needs of citizens in order to live properly and be able to develop themselves, so that they can carry out social functions."²⁹ From this definition, it can be formulated that social welfare is a situation where the creation of a good life order in society, and not just prosperity in material life, but also in spiritual and social aspects. ³⁰ The article describes social welfare as an idealized state of an order (system of life) that encompasses material, spiritual life, by not placing one aspect more important than the other, but rather trying to look at efforts to get a point of balance. The balance point in question is the balance between social, material and spiritual aspects. There are quite a number of human needs in order to continue and live their lives in this world. Among these various needs, there are three very basic needs, namely: material needs, social needs, and spiritual needs. These three types of needs are referred to as basic needs because these are the things that allow humans to live a humane life.³¹

In the implementation of social welfare is the responsibility of the state as stated in the opening and constitution of the Indonesian nation, the 1945 Constitution of the Republic of Indonesia, but in its implementation requires the role of all parties in realizing social welfare. The government has a big role in realizing social welfare and in its implementation requires support

²⁹ *Law on Social Welfare*, Law Number 11 of 2010, LN Year 2009 No. 12, TLN No. 4967, Article 1 paragraph (1).

³⁰ Banu Muhammad Haidlir, "Kebijakan Pengembangan Wakaf Uang Di Indonesia: Tinjauan Dukungan Masyarakat Dan Optimalisasi Kelembagaan," (D Doctoral Dissertation, Faculty of Social and Political Sciences, University of Indonesia, Jakarta, 2022), page 144.

³¹ Yasniati, Zefrizal Nurdin dan Misnar Syam, *Wakaf Untuk Kesejahteraan Sosial Di Sekolah*, cet. 1, (Padang: Andalas University Press, 2019), page 124.

from various parties, in this case the wider community.

CWLS is one of the instruments that has urgency as a social fund that can realize social welfare, in this case CWLS as one of the Islamic economic instruments in the volunteer field that can fulfill the three dimensions of needs in realizing social welfare, namely the fulfillment of material needs, spiritual needs and social needs.

In the fulfillment of spiritual needs, CWLS comes from waqf as a recommendation for charity in Islam, although it is not stated contextually in the Qur'an, but many verses of the Qur'an that instruct Muslims to give alms are the legal basis for waqf. In the Hadiths, the recommendation for waqf is clearly emphasized to hold waqf assets and distribute the proceeds to people in need such as the poor, close relatives, freeing slaves, entertaining guests, and intended for people who run out of provisions on a journey. Hadiths related to waqf show waqf as a charity that will continue to flow its rewards uninterruptedly. Based on this, the implementation of waqf including CWLS is a form of servitude as a Muslim to obey the teachings in accordance with Islamic law so that it can cause peace in carrying out the teachings of his religion. In addition, the state sukuk is also one of the modern Islamic economic instruments that has the concept of fulfilling sharia provisions by avoiding usury, *maishir* and *gharar* practices.

In the research conducted by Banu Muhammad Chaidir, he explains waqf as a form of fulfilling spiritual needs because it has fulfilled religious teachings so as to get inner peace for waqifs, which can improve spiritual well-being with the implementation of waqf programs. According to Canada and Leola Furman as cited by Banu, spiritual wellbeing contains two main meanings, namely process and impact. In the process aspect, spiritual wellbeing occurs individually and independently in the dimension of personal awareness of the issue of meaning and the essential purpose of human life.³² In the aspect of the impact of waqf activities to make one's life better in real terms, the implementation of waqf can generally be seen as a form of altruistic behavior. Based on this, the implementation of waqf for a waqif can also be said to be an articulation of his social behavior that greatly affects satisfaction. It can be said to be an increase in spiritual well-being due to the inner peace when participating in the waqf program. This spiritual impact is not only felt by the waqif, but also by the nazir, the waqf recipient community and the wider community.³³

In fulfilling material needs, CWLS derived from cash waqf is the latest innovation in Islamic financial social investment instruments that can become social capital in empowering the

³² Haidlir, *Kebijakan Pengembangan Wakaf Uang Di Indonesia ...*, page 170.

³³ *Ibid.*, page 171.

people's economy. Good development and management of cash waqf will have a domino effect on society. The development and management of CWLS will have a domino effect on society, starting from cash waqf which is used as social capital to be invested in instruments such as state sukuk, the funds are then used by the government for the development of public service infrastructure and the profit from the investment will be given to CWLS beneficiaries, the distribution of waqf benefits will be channeled in social and economic sectors such as in the health and food sector with the aim of eliminating hunger and ensuring access for all people, especially the poor and those in vulnerable conditions, including infants, to safe, nutritious food, and the waqf principal will be intact again because only the profits are given. Waqf money given by wakif perpetually will become an endowment fund that will continue to be productive and placed in other investment instruments or placed back in state sukuk so that it will continue to get repeated and continuous returns or profits. The principal of cash waqf will be reinvested by the nazhir as the recipient and manager of cash waqf in profitable and safe instruments and will continue to benefit, such a cycle will continue if public understanding of the magnitude of the potential of cash waqf so compete to implement cash waqf which has a domino effect if managed properly and will ultimately become social capital for the people that is eternal and will even continue to grow.

The continuous cycle will bring economic empowerment to the ummah because the existence of the ummah social endowment fund will certainly provide benefits to the beneficiary community either directly or indirectly, this will have an impact on increasing people's purchasing power so that the need for goods and services increases which in turn will increase the production of goods and services.

Besides the sustainable benefits, CWLS can also help the government to improve the development of community service infrastructure to support the implementation of the SDGs program. SDGs are prepared to answer demands including in overcoming poverty, social inequality, this is in line with the purpose of the birth of CWLS as an instrument that has the aim of alleviating problems in society in realizing benefits in order to achieve prosperity. The utilization of CWLS returns shows the returns given by the government for the placement of CWLS and then by the nazir given to beneficiaries in the fields of health, education, food security and helping MSMEs and many other programs that can be a solution in solving problems in society.

In fulfilling social needs, CWLS is an appropriate form of Islamic phylanthropy in fulfilling social needs. The role of CWLS in the fulfillment of material welfare needs shows its mutually sustainable role as social capital in the economic empowerment of the people. The distribution

of waqf benefits from the waqif will be channeled into social and economic sectors such as the fulfillment of basic rights such as health, education, food security, economic sectors and so on. This shows the distribution or transfer of wealth from the fortunate community to the less fortunate community so that it shows the spirit of solidarity togetherness as social beings who cannot live alone. Based on this, the gap in life is expected to be minimized so that it can create peace and tranquility for each other in society.

III. CONCLUSION

In realizing social welfare, CWLS originating from Waqf money and state sukuk is the latest innovation in Islamic financial social investment instruments that can become social capital in empowering the people's economy with the aim of maintaining food security in agricultural and livestock programs whether consumed directly or cultivated so that food is fulfilled up to individuals, which is reflected in the availability of sufficient food, both in quantity and quality. CWLS is an economic and social instrument that can support the realization of material social welfare. The development and management of CWLS will have a domino effect on society, starting from cash waqf which is used as social capital to be managed in instruments such as state sukuk, the funds are then used by the government for the development of public service infrastructure and the profits from the investment will be given to the beneficiaries of cash waqf, the distribution of waqf benefits will be channeled in the social and economic sectors such as in the food sector with the aim of eliminating hunger and ensuring access for all people, especially the poor and those in vulnerable conditions, including infants, to safe, nutritious food, and the waqf principal will be intact again because only the profits are given.

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