

## INCREASE MSMEs CAPITAL IN COVID 19 PANDEMIC THROUGH CASH WAQF

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**Abstract:** *The spread of covid19 in our country has a very serious impact on the economic life of the people, especially traders who are classified as UMKM. During the pandemic, UMKM traders issued capital to sell but buyers were reduced. As a result they lack capital to resell. Many of them had to stop trading due to reduced buyers. This leads to a decrease in their income, even though they have a lot of needs. This is a problem for them. In order to help UMKM traders who have experienced a lack of capital during pandemic period, it is necessary to increase the capital of UMKM traders in the covid 19 pandemic through the empowerment of cash waqf. The research is normative juridical research. The data sources in this research is secondary data. The technique to collecting data is documentation study. Based on the research discovered that waqf has social functions that act as a means and capital for the improvement of the means of people. The increase in UMKM capital in the pandemic era can be done by providing assistance in the form of capital for UMKM traders, especially those who reduce their income as a result of the covid19 outbreak. With the help of capital through cash waqf it is hoped that UMKM traders can resell or can increase their capital. With waqf cash, then, UMKM traders will be helped and able to sell for the fulfillment of their family's life needs.*

**Keywords:** *Capital, MSMEs, Cash*

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### INTRODUCTION

The spread of covid19 in our country has a very serious impact on the economic life of the community, especially traders who belong to the Micro, Small and Medium Enterprises (MSMEs).

Micro, Small and Medium Enterprises (MSMEs) is one of the supporting economies of Indonesia. MSMEs as a small community economic sector with local scale, local resources and a simple production process whose products are sold locally have been able to make MSMEs able to keep moving in the midst of a crisis (EliadaHerwiyanti, dkk, 2020).

But not in a pandemic. During the pandemic, MSMEs traders spend capital to trade, but buyers are reduced.

As a result they lacked the capital to resume their business trading. Many of them had to stop trading because of the reduced buyers. Many MSME actors lack opinions, especially since the enactment of PSBB, and physical distancing. This results in a decrease in their income, when they have many needs. Both personal needs and to meet the needs of his family. In addition, there are also among those who have to pay the cost of capital loan installments or the cost of renting a place to trade. This is the problem for them.

In order to help MSME traders who are experiencing capital shortages during the pandemic, it is necessary to increase the capital of MSME traders during the covid 19 pandemic through the empowerment of cash waqf.

## LITERATURE REVIEW

### 1. Capital

In the Indonesian dictionary capital is defined as the principal money or money used as the parent to trade to release money and so on. That definition also reinforces the old theory of microeconomics, where capital in the form of money is one of the production factors, in addition to humans, raw materials, machinery and procedures and technologies. From there it is clear that production is part of business or business activities (Supriyono Soekarno, 2010).

### 2. MSMEs

The regulation on MSMEs is contained in Law No. 20 of 2008 on Micro, Small and Medium Enterprises. Regarding the understanding, principles, and objectives of MSMEs are outlined in Article 1-3 of the MSME Law.

Micro enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria of micro enterprises regulated in the law.

Small business is a stand-alone productive economic enterprise, conducted by individuals or business entities that are not subsidiaries or non-branches of companies owned, controlled, or become part of either directly or indirectly from medium or large businesses that meet the criteria of small businesses as regulated by law.

Medium enterprises are stand-alone productive economic enterprises, conducted by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or parted either directly or indirectly with small businesses or large businesses with the amount of net worth or annual sales results as regulated by law.

Micro, small and medium enterprises are based on family, economic democracy, togetherness, equitable efficiency, sustainable, environmentally sound, self-reliance, the balance of progress, and national economic unity.

Micro, small, and medium enterprises aim to grow and develop their businesses in order to build a national economy based on equitable economic democracy.

### 3. Cash Waqf

Cash waqf or waqf money is regulated in Waqf Law No. 41 of 2004 Article 16. In the past, the issue of waqf had more to do with immobile objects such as soil. Currently the issue of waqf expands its scope on moving objects. What is meant by moving objects is property that can not be exhausted because it is consumed (Article 16 paragraph 3) includes the following;

- a. Money;
- b. Precious metals;
- c. Securities;
- d. Vehicles;
- e. Intellectual property rights;
- f. Rental rights; Dan
- g. Other moving objects in accordance with sharia provisions and applicable laws and regulations.

Waqf through money is a waqf by giving money to buy or hold immobile property or moving property as Wakif wants to be managed productively or socially (Article 1 (4) BWI Regulation No. 01 of 2020). Cash waqf can be done by a person or legal entity.

Waqf money according to Fanani is a waqf in the form of money that is then managed productively by nazhir and the result is utilized for waqaf meaning that someone who wants to invest money that then the profit is diwakafkan to maukuf alaih (Benny Witjaksono, 2020).

## **METHOD**

The research is normative juridical research, namely research with an approach conducted based on legal materials, by studying literature materials, in the form of legal principles, concepts, and related legislation. The data sources in this study are secondary data, consisting of primary legal materials, secondary legal materials, and tertier legal materials. The data collection tool used is a documentation study.

## **RESULT AND DISCUSSION**

Waqf is one of the Islamic economic institutions that plays a role in the economic empowerment of the people. Waqf has played an important role in development efforts in various fields, both in education, social, and economic fields.

Currently waqf undergoes a sharp paradigm change. The paradigm change is primarily in the management of waqf which is intended as an instrument in improving the welfare of the community. Therefore, a business and management approach is carried out. This approach came to be known as productive waqf (Firman Setiawan, 2017).

Waqf has the function of worship from man to Allah SWT. But on the other hand, waqf also has a social function. In this case (social function), waqf is used as a means to improve the economy and welfare of the community.

Waqf is social worship, not pure worship, which is social worship (Nasutin KA. 2019). According to Toha wakaf is a noble instrument that as a teaching belongs to sharia that is sacred but the understanding and implementation of waqf is classified as fiqh or humanitarian efforts. Islamic philanthropy can also be interpreted as giving charity based on promoting social justice and community for the general public (Benny Witjaksono, 2020).

The management of waqf property can enter the territory of economic activities in a broad sense as long as the processing is in accordance with the principles of management and sharia economy. Especially if we refer to the Hadeeth of The Muslim history of Umar Ibn Khattab who manned his palm garden. In the hadith it is explained that the Prophet (peace and blessings of Allaah be upon him) explained that Umar continued to take care of the garden and give his crops to people in need. The Hadith can be used as a basis for the importance of productive waqf management where the results of waqf management can be directly utilized to improve the welfare of the community (Girindra Mega Paksi dkk, 2020).

One part of the rapidly growing productive waqf is the cash waqf. Waqf money has actually long been known in the Islamic world, namely since the time of the victory of the mamluk dynasty, the jurists debated whether or not money, diwakafkan. There are some scholars who allow waqf money, and some scholars prohibit it, and each has adequate reasons. Although the waqf money was well known at the time of Imam Mazhab, but the new money waqf lately got the attention of scientists and became the subject of intensive studies.

Waqf money has long been a study, and has even been practiced and regulated in legislation. The problem in various places both in Indonesia and in other countries is its

management, not infrequently waqf is managed with poor management or less professional, so it can result in the waqf is reduced or lost. In fact, if the endowment of this money is regulated, managed, and well developed it will bring a huge impact in the community.

According to Muhammad, the first person to introduce waqf money in Islamic history was Imam Az Zulfar in the 8th century (Benny Witjaksono, 2020).

Waqf can foster people to be economically independent. Therefore it would be nice if the benefits of waqf can be channeled into revolving capital for small entrepreneurs. As a form of philanthropy, the existence of waqf is positively correlated to the strengthening of civil society or civil society. Waqf practices support the economy of the community if productive waqf succeeds in stabilizing the people's economic economy this supports the strengthening of welfare (Amelia Fauzia dkk, 2016). Economic development carried out will not be successful and beneficial if there is still a social gap and there is no equitable, both in the economic, social, and legal protection sectors (Rachmad Abduh and Faisal Riza, 2018).

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Waqf must be more potential to be developed. Therefore, it is necessary to manage existing waqf assets, so as to bring wider benefits that must be developed productively.

If reviewed from the strength of the law, waqf teaching is a teaching that is advisable (sunnah), but the power that has really been so great as a milestone to run the wheel of welfare of many people. Others with zakat in certain positions will be exhausted just because it must be given to the rightful person. However, if the waqf is precisely the advantage lies in the aspect of eternal benefit, while the point (originally) remains intact for a long time, even eternal.

Cash waqf has the potential to empower the real sector and strengthen economic fundamentals (Departemen Agama RI, 2007). Waqf money is seen as one of the solutions that can make waqf more productive if the waqf money can be managed and empowered by an institution professionally will be very helpful in explaining the economy of the people meet the rights of the community and reduce the suffering of the community (Benny Witjaksono, 2020).

Amidst the social problems of Indonesian society and the demands for economic welfare lately, the existence of waqf money becomes very strategic. Besides being one aspect of Islamic teachings with spiritual dimension, waqf money is also a teaching that emphasizes the importance of economic welfare (social dimension) and welfare of people.

Moreover, currently various countries including Indonesia are being hit by the covid 19 virus. The spread of the covid 19 virus has a negative impact in various areas of people's lives.

Many parties are experiencing shortages in the economic sector. Especially for traders who belong to MSME traders. Usually MSME traders can trade every day without worrying about buyers.

The spread of the covid 19 virus, which has an impact on various restrictions in the field of life, resulted in not a few among traders who had to stop trading temporarily or even unable to continue their business, due to lack of capital. The cause is due to the decrease in purchasing power of the buyers due to these various.

Related to this, Riza Faisal and Zainuddin, Z (2020) stated that the impact of COVID 19 is also felt by the community, namely reduced income.

As a form of concern to fellow communities, cash waqf empowerment activities to help MSME traders are worth the investment, namely not only to increase the business capital of traders but also to advance their business.

Waqaf has a social function that serves as a means and capital for the improvement of people's means. The increase in MSME capital in the pandemic era can be done by providing capital assistance for MSME traders, especially those who are reduced in income as a result of the covid19 outbreak.

Capital assistance for MSME traders is provided to increase capital for their businesses. With the help of capital through waqaf cash, it is expected that MSME traders who stop trading, can re-sell by complying with the applicable rules of course. So that traders rose from the downturn due to the spread of covid 19, or various restrictions that resulted.

With waqaf cash, then, MSME traders will be helped and can sell to meet the needs of their families. In addition, capital assistance to traders is expected to improve the quality of life of traders.

So as to support the state's goal to create the welfare of the community, in order to realize a fair and prosperous country, which of course will help and ease the burden of the government in realizing the state goals, because it is in line with the vision and direction of the Long-Term Development Plan (RPJP) 2005-2025, which has been set out based on Law No. 17 of 2007 on the National Long-Term Development Plan year 2005-2025.

Article 3 of Law No. 17 of 2007 explains: The National RPJP is a description of the purpose of the establishment of the Government of the State of Indonesia listed in the Preagent of the Constitution of the Republic of Indonesia Year 1945, namely to protect the entire nation and the entire bloodshed of Indonesia, promote the general welfare, educate the life of the nation, and participate in implementing world order based on independence, eternal peace, and social justice in the form of vision formulation, mission and direction of National Development.

## CONCLUSION

The empowerment of cash waqf is carried out by providing capital assistance for MSME traders. So that traders get financial support for the progress of their business. This is an investment not only for their capital, but an investment for the survival and future quality of the families of traders.

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