

ABSTRACT

Analysis of Potential Cash Waqf in Alleviating Poverty

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36.2015.4.1.0722

Cash waqf is one of the new *ijtihad* of waqf innovation that is inseparable from the context and essence of waqf itself, its worship, and as well as Islamic philanthropic media to realize *Falah* for the benefit of the people. Then waqf is one of the fiscal instruments in Islam that has a role to solve socio-economic problems in society, such as poverty. The issue of poverty in Indonesia has not been resolved significantly. This is because poverty alleviation has not fully used instruments in Islam, such as waqf, *zakat*, *infaq*, and others. The Central Bureau of Statistics noted in 2018 the number of poor people in Indonesia is 25,95 million people, including in Medan City where the majority of the population are Muslims, the poor population in Medan City is recorded as 204,220 people or as many 0,78% from poor people in Indonesia. In the context of alleviating poverty, cash waqf is one alternative solution that can be done, because with cash waqf every person can represent or become a *wakif* so it will give a great potential, with high potential that poverty alleviation has great hopes to be achieved. Therefore, this study aims to find out how big the potential of cash waqf in Medan City and how far the potential of cash waqf can alleviate poverty. The method used in this study is a quantitative method with the types of primary and secondary data sourced directly from the people and institutions in Medan City. The sampling technique by random sampling and data collection using the questionnaire method with the Likert measurement scale. Data analysis using Simple Regression Analysis and Headcount Ratio and data processing using SPSS 16.0. The results of the study indicate that Medan City has a considerable potential of cash waqf. This is seen from the big number of Muslim communities in Medan who have the ability and interest in cash waqf which is as many 81%. Even in nominal, Medan City has a potential of cash waqf as many 132 billion Rupiah per month or 1.5 trillion rupiah per year. Then in this study it was proven that the existing potential of cash waqf could alleviate poverty in a considerable scope. This result can be seen from the figure or number of poverty with headcount ratio which was initially 9,08% and after being influenced by the value of potential cash waqf, the headcount ratio number was reduced to 4,45%. Apart from that, cash waqf also has a strong correlation and has a significant influence on poverty alleviation as many 50,9%. However, this research it's not fully perfect because in this study it still focuses on the potential that exists from cash waqf, there needs to be other approaches related to cash waqf for example using qualitative methods, so the existing of potential cash waqf will be fully achieved then can alleviate poverty in a large scope and the economic goals in Islam, it is the welfare in the world and hereafter (*Falah*) will be achieved.

Keywords: Cash Waqf, Potential, Poverty.