Maintaining The Strategy For 2023 Recession In Indonesia: The Role Of Islamic Philanthropy (Ziswaf)

Mochammad Harun Rosyid
Universitas Darussalam Gontor, Indonesia
boyoskak8@gmail.com

Abstract
Several countries are currently facing the risk of economic recession due to their inability to cover production expenses, resulting in worker layoffs and rising national unemployment rates. The Russia-Ukraine conflict has emerged as a global issue, impacting international markets and potentially triggering a food and energy crisis. Furthermore, both nations are the foremost global producers and exporters of oil, gas, and wheat. Consequently, a worldwide economic downturn was marked by reduced economic output, heightened inflation, and sluggish economic expansion. This study proposes the utilization of Islamic philanthropy (Ziswaf) as a tool to address the worldwide economic downturn. Social funds, also known as Ziswaf, are extensively utilized for humanitarian initiatives, particularly aimed at economically disadvantaged communities, encompassing both consumption-based and production-based endeavours. This work employs a quantitative narrative research methodology, using material from books, newspapers, and other media outlets. This study will also present empirical data from prior research to substantiate the claim that Ziswaf can serve as both a strategic approach and a viable remedy to the economic downturn 2023. Furthermore, if Ziswaf monies are allocated and distributed just and efficiently, the challenges of unemployment and poverty can be effectively addressed.

Keywords: Recession, Economic Inflation, Islamic Philanthropy
Introduction
The global economic issue regarding the impact of the 2023 economic recession is a hot issue for every country in the world because this issue directly impacts the basic needs of the world community caused by the conflict between Russia and Ukraine.1 The conflict between the two countries caused a food crisis and some necessities that caused many problems, such as energy and population security. Furthermore, the Russian-Ukrainian states are two important countries as global supply chains and producers.2 Russia is the world's third-largest oil producer and exporter, the second-largest exporter of natural gas, and the third-largest coal exporter. Meanwhile, Ukraine fills the global market as the largest exporter of sunflower oil, the fourth-largest exporter of corn, and the fifth-largest wheat exporter.3 If the two global exporting countries no longer produce and do not distribute the needs of other countries, this will lead to a global economic recession. Based on international demand and supply theory, if a country strongly depends on the global economy, it will also experience a strong recession, such as decreased economic activity and profits in the company, lack of employment, and low investment simultaneously. An economic recession is also characterized by a decrease in prices (deflation), or vice versa, a sharp increase in prices (inflation) in a process called stagflation. Other factors that cause economic recession are the inequality between production and consumption levels, slow or consecutive economic growth, the value of imports much greater than the value of exports, and the increasingly high unemployment rate.4 During the COVID-19 pandemic, many countries implemented large-scale quarantine policies (lockdowns), eventually weakening export and import activities. The weakness of these activities results in a lag in domestic investment performance.5 In Indonesia itself, the lockdown policy impacts the turnover of large and small companies; many producers reduce their production due to scarce demand. Even the amount of crude oil distribution has experienced a decline in buyers due to weakness in export and import levels. Even though Indonesia is one of the most oil-producing countries and is one of the main energy sources for companies, oil has an important role in driving the global economy. The demand for crude oil strongly impacts economic activity at the micro and macro levels. If there is a shock to the world oil price, it will result in a shock in the production performance of an enterprise.6 If the production performance of an enterprise experiences shocks or degrades its production level, then the company needs less workforce. This means that the company implements a termination policy (layoffs). The layoffs were carried out due to increased production costs due to rising crude oil prices. It is common for rising oil prices to be the

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reason for the increasing unemployment rate in a country. Furthermore, in Indonesia, the rising unemployment rate impacts the growth of the poverty rate.\(^7\) As reported by BPS, as of March 2022, the poverty rate in Indonesia has decreased quite encouragingly after the COVID-19 pandemic wave. The proportion of the urban poor fell from 7.60% (September 2021) to 7.50% (March 2022). Meanwhile, the proportion of the rural poor was 12.53% (September 2021) and fell to 12.29% (March 2022).\(^8\) The data shows that the poverty rate in Indonesia has decreased after the COVID-19 pandemic. However, it is again threatened to rise if the conflict between the two global staple-producing countries continues.

As explained above, if an economic recession occurs in 2023, what will be the next solution to overcome poverty and unemployment rates? This paper offers an alternative solution to the global economic recession by implementing Islamic philanthropy focusing on the food sector to overcome societal hunger. Islamic philanthropy is the practice of generosity in the Islamic tradition through the instruments of zakat, infiq, sadaqah, and waqf (ZISWAF).\(^9\) After a review of increasing national development through the IKN development program and efforts to improve people's welfare, there are still frequent unequal distributions of wealth, so many poor people have not received health and environmental services. Furthermore, they are faced with a bureaucratic system that is unfair and filled with corrupt administration even though the potential of the Indonesian state is very large to become an economically independent country when viewed from the aspect of a wealth of natural resources and human resources to overcome national economic problems.

This research uses a qualitative approach chosen with a descriptive method.\(^10\) In this qualitative research, the researcher wants to describe a problem, namely the 2023 recession, with the solution, Islamic philanthropy (Ziswaf), in this paper, which will be poured into a narrative nature based on the data obtained. Qualitative research contains quotations of data (facts) revealed in the field to support what is studied in his writings.\(^11\)

The data collected by researchers in this study is secondary data as the main data source, and the technique used is data collection by identifying themes or discourse from books, papers or articles, news, and journals from previous research results. Researchers utilize secondary data to describe the conditions in the field to obtain the information needed from data or research issued by several competent agencies and institutions to be used as research-based material.

**Result and Discussion**

**ZISWAF as a Manifestation of Islamic Philanthropy**

Philanthropy is interpreted as a sense of love for fellow human beings by giving alms to others. Philanthropy is also interpreted as the conceptualization of voluntary giving,

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\(^7\) Widia Wardani and others, ‘Dampak Kenaikan Bahan Bakar Minyak (BBM) Terhadap Inflasi Dan Implikasinya Terhadap Makroekonomi Di Indonesia’, *All Fields of Science J-LAS Jurnal Penelitian*, 2.3 (2022), hal. 63-70


\(^9\) Widia Wardani and others, ‘Dampak Kenaikan Bahan Bakar Minyak (BBM) Terhadap Inflasi Dan Implikasinya Terhadap Makroekonomi Di Indonesia’, *All Fields of Science J-LAS Jurnal Penelitian*, 2.3 (2022), 63–70, 227

\(^10\) Anggito Albi and Johan Setiawan, *Metodologi Penelitian Kualitatif* (Sukabumi: CV Jejak, 2018), hal. 8

\(^11\) Ibid. 11
voluntary service providers, and voluntary associations voluntarily helping others in need as an expression of love. The title of Islamic philanthropy in this paper shows the existence of philanthropic practices with Islamic traditions through the instruments of zakat, infaq, sadaqah, and waqf, commonly abbreviated as ZISWAF. Islam teaches a Muslim to donate/share some of his sustenance so that existing wealth does not circulate only for the rich. When explaining philanthropy, al-Qur'an always uses the words zakat, infaq, and alms, which convey the meaning of sharing welfare/wealth. The form of generosity in Islam is officially shown in the form of alms, which the jurists then formulate with a lot of reference to the Qur'an and the hadith of the Prophet regarding detailed provisions, such as types of assets, minimum levels, amounts, and other rules.

Furthermore, alms in Islam include zakat, infaq, and waqf, which are then given the term Islamic philanthropy. First, zakat is one of the pillars of Islam; in Arabic, zakat means ziyyadah (additional), namma (grows), ath-thinbru (holy), and barakah (good). According to the Shar'a, zakat is part of the property that is obligated to the owner to be issued to those entitled to receive it with certain conditions following what Allah prescribes. Moreover, assets obliged to pay zakat have reached bawl, and their nisab.

The government also emphasizes the obligation to pay zakat with the Republic of Indonesia Constitution Number 23 of 2011. Zakat is a property that must be issued or set aside by every Muslim or business entity to be given to someone entitled to receive it according to Islamic law. With tithe and effective management of zakat funds and good distribution, you can be sure that problems of public interest (welfare) problems can be resolved. Every Muslim must set aside a portion of his wealth for Muslims who have fulfilled the obligatory zakat requirements to be given to those entitled according to what is stated in the Qur'an. On the Last Day, Allah will ask for human accountability regarding wealth, where it was obtained, how it was managed, and for what it was distributed.

Second, infaq comes from the Arabic word anfaqa, which means issuing or spending assets. The assets spent are part of the sustenance given by Allah to his servants to seek the pleasure of Allah. In Shar'a, giving infaq is spending and spending wealth with the aim of goodness.

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13 Ibid. 230
14 Mufti Afif and Richa Angkita Mulyawisdawati, Ekonomi Makro Islam, ed. by Arika Rukminastiti Masrifah, El Markazi (Bengkulu: ELMARKAZI, 2020), jilid. 1, hal. 51
and benefit from creating harmonious social interaction. As well as improve relations between the rich and the poor.²¹ As Allah says in the Qur'an:


ٌاَلَّذِيمَانَ اٰمَنُومٰٓا اَنمفِقُوما مِنم طَي ِبٰتِ مَا كَسَبمتُمم وَمِمَّآٰ اَخمرَجمنَا لَكُمم م ِنَ

From the verse above, Allah explains that Infaq can be given by every believer, both those with high and low incomes and both in happy and difficult situations. Because infaq does not know the nisab, it is different from zakat, which has a nisab, and there are conditions for receiving it. In contrast, infaq can be transferred to anyone, such as parents, wives, orphans, living things (animals), and other plants.²²

Third, alms. The concept of alms is broad and important in Islamic economics. Alms comes from the Arabic "sadaqah," which comes from the word sidig, which means truth. Alms are divided into two, namely, treasure and non-treasury alms, which are then issued by individuals or business units outside of zakat for the public good.²³ As has been said, charity does not have to be in the form of money; it can be replaced by smiling, removing stones in the middle of the road, helping with energy, ibikr, amar ma'ruf and nahi munkar, and saying kind words. Alms are also a practice that is loved by Allah because alms are intended to meet the needs of Muslims, both the poor and the need to strive for the cause of Allah.²⁴ This is evidenced by the many verses of the Qur'an that mention charity, one of which is surah Al-Baqarah verse 271, Allah says:


فَنِعِمَّا هِيََۚ وَاِنم تُخمفُومهَا وَتُؤمتُومهَا المفُقَرَاۤءَ فَهُوَ خَيمرٌ لَّكُمم ۗ وَيُكَف ِرُ

The verse above explains to his servant that Allah is very pleased when there are among his servants vying to give alms; whether it is shown alms or secretly, it is better because Allah knows what his servants are doing.

Fourth, waqf comes from pronouncing waqf (prevention) and tabbis (detention). Waqf is holding assets to be spent in contrast to infaq. Because the waqf property is judged to belong to Allah, it no longer belongs to the person who has donated it.²⁵ The waqf nadzir and the proceeds will utilize the waqf asset withholding, which will be distributed according to the purpose of the waqf with the sole intention of worshipping closer to Allah. In contrast, the waqf assets are still intact.²⁶ The wisdom of waqf is being able to make Muslims independent in various socio-economic issues and free themselves from dependence on various parties that are not in line with and agree with Muslims.²⁷

²² Royyan Ramdhani Djayusman and others, ‘Analisis Strategi Penghimpunan Dana Zakat, Infaq, Dan Sedekah [Studi Kasus Di LAZ Ummat Sejahtera Ponorogo]’, Islamic Economic Journal, 3.1 (2017), hal. 56
²⁵ Dr. Imam Kamaluddin, Fiqih Wakaf Praktis (Dasar), Cetakan 1 (Ponorogo: UNIDA Gontro Press, 2018), hal. 2
²⁶ Mufti Afif, ‘Analisis Pengaruh Karakteristik MAUQUF’ALAIHI Terhadap Kelancaran Pelunasan Al-Qardhu Al-Hasan’, 45.07 (2012), hal. 52
²⁷ Kamaluddin, Fiqih Wakaf Praktis……..4
You could say waqf is a recommended charity in Islam because the benefits of waqf assets are used for the public good and also as a means of getting closer to Allah. As Allah says in his book:

لَنم تَنَالُوا المبِرَّ حَتهى تُنمفِقُوما مِمَّا تُحِبُّومنَ ۗوَمَا تُنمفِقُوما منم ش َيمء  فَاِنَّ اللّٰهَ بِهٖ عَلِيمم

Scholars believe this verse is addressed to the believers from the verse above. Scholars also argue that the meaning of al-birr is something someone obtains unless he has spent something he loves. It is said that the meaning of al-birr makes humans do absolute good to Allah.

The equation of zakat, infaq, alms, and waqf is one of the characteristics of the Muslim worshipping Allah to give alms and donate to the poor. ZISWAF is also an activity that plays a role in contributing to poverty alleviation by spending our wealth aiming to achieve the good of many people without expecting anything in return except for the blessing of Allah. The differences between zakat, infaq, alms, and waqf, among others, can be seen in the table.

<table>
<thead>
<tr>
<th>Differentiation</th>
<th>Zakat</th>
<th>Infaq</th>
<th>Alms</th>
<th>Waqf</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Law</td>
<td>Obligatory</td>
<td>Obligatory/Sunnah</td>
<td>Sunnah</td>
<td>Sunnah</td>
</tr>
<tr>
<td>Eligible person to receive</td>
<td>Prescribed in the Qur’an (8 asnaf)</td>
<td>Unspecified (Free)</td>
<td>Unspecified (Free)</td>
<td>Unspecified (Free)</td>
</tr>
<tr>
<td>Form</td>
<td>Formed property</td>
<td>Formed property</td>
<td>Formed property non-property</td>
<td>Formed property</td>
</tr>
<tr>
<td>Redemption Time</td>
<td>Determined</td>
<td>Unspecified</td>
<td>Unspecified</td>
<td>Unspecified</td>
</tr>
<tr>
<td>Terms of Nisab</td>
<td>There is a nisab provision</td>
<td>There is no nisab provision</td>
<td>There is no nisab provision</td>
<td>There is no nisab provision</td>
</tr>
</tbody>
</table>

Table 1. Differences Between Zakat, Infaq, Alms, and Waqf

The four forms of philanthropy look almost the same, but they have differences if we look back at several aspects, as shown in Table 1. It is explained there that zakat, infaq, alms, and waqf have differences, such as the nature of the law, the people entitled to receive assistance, the form of gift, time, and nisab provisions.

Economic Recession

A recession is a condition where the economy grows negatively, or it can be called a decrease in gross domestic product for two consecutive quarters in one year. The recession has weakened the global economy and will affect the domestic economy worldwide. There are various sources of economic recession. For example, one of the reasons for a recession is a change in the price of inputs used to produce goods and services. Of course, price changes lead to recessions with price changes that are sharper than before.

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28 Arie Rachmat Soenjoto, Adib . Susilo, and Mufrı . Afif, ‘Pengaruh Model Rekrutment Karyawan Badan Wakaf Pada Kinerja Pengelolaan Aset Umat (Studi Kasus Badan Wakaf Indonesia)’, Al Tijarah, 4.2 (2018), hal. 26
29 Nunung Lasmana, ‘Wakaf Dalam Tafsir Al-Manar (Penerasiran Atas Surat Al-Baqarah Ayat 261-263 Dan Ali ’Imran Ayat 92)’, Al-Tijary, 1.2 (2016), hal. 204
30 Tika Widiastuti, Sri Herianingrum, and Siti Zulaikha, EKONOMI DAN MANAJEMEN ZISWAF (Zakat, Infaq, Sedekah, Wakaf), ed. by Anas Abadi (Surabaya: Airlangga University Press, 2022), hal. 20
31 Ibid, 20-21
For example, the price of oil can lead to an increase in general prices and reduce demand. In addition, monetary or fiscal policy by the government to reduce inflation can also trigger a recession when used excessively. Excessive policies can cause a decrease in the demand for goods and services, eventually leading to a recession.\textsuperscript{33} Such include the decline in economic activity, decreased company profits, and the simultaneous lack of employment and investment.

Like during the COVID-19 pandemic, according to the International Monetary Fund (IMF), the impact of the COVID-19 pandemic resulted in a world recession in 2020, marked by an increase in unemployment and poverty rates in every country, especially in Indonesia.\textsuperscript{34} The pandemic has affected almost all sectors of life, including the economy, politics, society, and culture. Especially the economic sector, one of the most influential due to COVID-19.\textsuperscript{35} This was proven by the limited business activities and the decline in consumers then, which resulted in layoffs at various companies. So many companies from various countries have to close their business units.

The threat of an economic recession is visible in Southeast Asian countries, such as disruptions to global supply chains, rising fuel prices, and rising prices of basic commodities in several countries. This happens because it is related to the global economy in essential fields. The effects of the war between Russia and Ukraine were especially strong in Southeast Asia. Russia has been the ninth-largest trading partner in the Southeast Asian region since 2019. Russia's trade in the Southeast Asian region has reached €17 billion, and there are several large Russian investments that tough European sanctions on the Russian economy could threaten.\textsuperscript{36}

One of the Southeast Asian regions with the greatest threat of recession is Vietnam, a Southeast Asian country that abstained from UN General Assembly resolutions. This country is economically the riskiest. This was supported by a statement by Vietnamese investment manager Thu Nguyen, who said Vietnam had not yet felt the effects of the war between Russia and Ukraine, particularly in the financial sector.\textsuperscript{37} This is different from other countries in the Southeast Asian region, which are directly experiencing the effects, such as disruption to global supply chains and rising energy and food prices. As in Indonesia, fuel prices have increased, which proves that the Russia-Ukraine conflict has had a major impact on all sectors, causing the restructuring of the global economy.

The threat of an economic recession has also hit several European countries, including the Netherlands, with many people losing their jobs; this figure increased by 10% in March and reached 283,000 people.\textsuperscript{38} Furthermore, Germany experienced an economic recession. This country in 2020 experienced minus 10.1% in its economic growth. The increase in energy prices worsened the German economy with declining household consumption, investment, and export values.\textsuperscript{39} France also experienced a recession in its economic growth of minus 5.9%. The weakening of the economy in France was due to fuel shortages throughout the

\begin{thebibliography}{99}
  \bibitem{33} Mansur Juned and others, ‘COVID-19 Dan Kebijakan Dalam Menyikapi Resesi Ekonomi ’, \textit{Jurnal MADANI}, 4.1 (2021), hal. 74
  \bibitem{34} Bambang Arianto, ‘Dampak Pandemi COVID-19 Terhadap Perekonomian Dunia’, \textit{Jurnal Ekonomi Perjuangan}, 2.2 (2021), hal. 106
  \bibitem{36} Bakrie, Delanova, and Yani.....71
  \bibitem{37} Bakrie, Delanova, and Yani.....72
  \bibitem{38} Arianto, ‘Dampak Pandemi Covid-19......113
  \bibitem{39} Ibid. 114
\end{thebibliography}
country. As a result, about 30% of gas stations in France have difficulty serving the queues of vehicles that snake around everywhere.\textsuperscript{40}

You can be sure that the conflict between Russia and Ukraine could be the reason for the 2023 global recession due to the lack of imports and rising oil and wheat prices from the two countries. They consider that there is much demand for energy sources globally, which leads to economic growth.\textsuperscript{41} According to Heri Sunandar, oil, gas, and water energy sources are the core sources of economic, political, and social life for all countries.\textsuperscript{42}

**The Threat Of 2023 Recession in Indonesia**

Based on the previous explanation, the researcher explained that the effects of the Russia-Ukraine conflict greatly impacted all countries, especially the economic sector. Of course, the war ended with the restructuring of international trade. For example, Indonesia is experiencing an increase in fuel prices, while the government is trying to deal with fuel inflation using fiscal and monetary policies.

Fiscal and monetary policies in reducing inflation are still effective so far. The proof is that inflation in October 2022 was recorded at 5.71\% (year-on-year/ YoY), lower than in September, which reached 5.95\% (YoY). This was triggered by a decrease in the price of Pertamax by 4.14\% on 1 October 2022. However, the government and Bank Indonesia (BI) cannot be complacent. This is because if you pay close attention to core inflation in October 2022, it has penetrated the highest rate this year, 3.31\% (YoY).\textsuperscript{43}

Core inflation is an indicator that reflects real improvement in people's purchasing power. This consumer price index (CPI) component tends to settle and is used as the basis by BI to modify its benchmark interest rate. In theory, core inflation is only driven by the interaction of demand and supply and a series of external factors such as exchange rates, international commodity prices, and inflation in trading partner countries.\textsuperscript{44}

The problem is that the increase in fuel prices does not only cause a spike in prices and tariffs on goods or services that correlate closely with energy. The policy also sparked a spiralling aftereffect that helped to do justice to core inflation last month. We are still feeling the effects of the fuel price increase on inflation in October 2022.

The recession risk results from an economic slowdown coupled with high inflation. The spread of this crisis can widen into reduced food supplies, soaring energy prices, and increasing debt.\textsuperscript{45} For Indonesia, this energy price movement significantly impacts the budget by increasing energy subsidies for fuel prices and other commodities. With the addition of these subsidies and the target to reduce the deficit, it becomes more difficult, and the government inevitably has to push the revenue side. This situation is a real challenge because

\begin{itemize}
\item \textsuperscript{40} Ibid. 115
\item \textsuperscript{41} The international conflict over energy consists of seizing gas and oil pipelines between exporting and transit countries. (Russian-Ukrainian conflict) Russian gas supplies to Western Europe. Russia supplies about a quarter of the gas consumed in Europe and about 80\% of this gas passes through the Ukrainian countries before reaching EU3 supplies. In October 2009, another disagreement over the amount of gas that Ukraine would import from Russia in 2010 led to a reduction in EU gas supplies, and this led to a gas crisis in Europe and a global crisis in, which the market could be affected. Such differences may give rise to future disputes at the international level, for example between energy-exporting countries and between transit countries.
\item \textsuperscript{42} Heri Sunandar, ‘Konflik Internasional Terhadap Sumber Energi (Penyebab Dan Konsekuensi)’, *PAPATUNG: Jurnal Ilmu Administrasi Publik, Pemerintahan Dan Politik*, 2.1 (2019), hal. 12.
\item \textsuperscript{44} Ibid
\end{itemize}
the consequences of adding subsidies are often accompanied by programs to protect the people, steps to provide social assistance, and efforts to protect the economy. Regarding protection, Ukraine's conflict with Russia also greatly affects the fate of Ukrainian agricultural product exports, regarding the supply and security of distribution channels for sunflower oil from Ukraine. Ukraine contributed almost 50% of the world's sunflower oil exports before the Russian-Ukrainian war at the end of February. Moreover, the war cut off that supply. The tropical oil, used in everything from margarine to ice cream to shampoo, surged 25% last month amid threats of a cut in supply due to flooding that could disrupt crops in palm production sites.46

On the other hand, CPO from Indonesia, the main producer, is increasingly attractive after the government extended the exemption from export levies, even though it raised the reference price. Indonesia will continue to waive export levies until the end of the year, provided that the reference price used to determine levies remains below US$800 per tonne. The government raised the CPO reference price by around 8% to US$770.88 per ton for the first two weeks of November. Indonesia's decision to temporarily ban palm oil exports exacerbated the strained supply. Now, the price of CPO has lost almost 33% from its peak position but still strengthened by around 8% from its position at the beginning of the year.47 Moving on to the discussion on the Indonesian Chamber of Commerce and Industry, the Indonesian Chamber of Commerce and Industry asked the government to provide fiscal and non-fiscal incentives to prevent waves of layoffs in labour-intensive industries. Chairman of the Indonesian Chamber of Commerce and Industry, Arsjad Rasjid, noted that labour-intensive industries from various sectors are experiencing heavy pressure due to the global economic situation.48 He stated that several companies could not survive, forcing them to close their factories and terminate their employment (PHK). If not handled properly, this situation could lead to more layoffs. A wave of layoffs has occurred in various regions due to global economic pressures. For example, 18 garment factories in West Java were forced to close, causing their workers to lose their jobs. The reduction in workers in each company is due to an increase in raw materials and a decrease in consumers, which causes the high cost of the product. For example, the textile and textile product industry is experiencing a performance decline due to declining export demand due to the economic slowdown, rising inflation, and very high local market pressure. So, 500,000 employees are threatened with being laid off or forced to experience layoffs. The tobacco products industry is another labour-intensive sector showing a significant decline in performance. The profitability of tobacco companies continues to decline due to exorbitantly high excise duties in times of unfavourable economic conditions.49

The government's decision to increase tobacco excise tariffs by an average of 10% in 2023 and 2024 will put pressure on the profit performance of cigarette manufacturers. This year alone, cigarette manufacturers listed on the Stock Exchange have fallen by more than 30%.50 Minister of Finance Sri Mulyani announced the presidential decision to increase the tobacco excise tax rate, which is set differently for each category of cigarettes. The company's

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49 Ibid
financial statements recorded HMSP’s net profit at Rp. 4.9 trillion as of 30 September 2022, or a drop of 11.75% compared to last year’s period, which reached Rp. 5.5 trillion. The decline in profit was driven by an increase in the cost of goods sold from only Rp. 59.78 trillion last year to IDR 70.8 trillion (YoY).

With this situation, the Indonesian Textile Association (API) general chairman, Jeimmy Kartiwa Sastraatmadja, predicts that the industry will soon face the potential for mass layoffs and bankruptcy of the textile industry and some companies.51

Ziswaf’s Role in Facing the 2023 Recession

If you look at the history of the previous Muslims, Ziswaf became one of the sources of Islamic wealth in solving economic problems. From the time of Rasulullah to the Abbasiyah Dynasty, Ziswaf became the key source of Islamic wealth, eradicating poverty and prospering the people, both Muslims and non-Muslims.

Like the story of the *alms* of Rasulullah, namely by giving food and clothing to the poor people in Mecca, meanwhile, at the time of Abu Bakar, he focused on *zakat* philanthropy, which then the results of the *zakat* was used as state revenue and stored in the *baitul mal* to be distributed directly to Muslims until nothing was left.52 At the time, Umar bin Khattab also philanthropized by giving *zakat* and *alms* to the poor to support the welfare of their lives, regardless of whether he was a Muslim.53

During the Umayyad dynasty, Umar bin Abdul Aziz was the caliph who succeeded in implementing the concept of a welfare state. With this new policy, he has managed to prosper his people, as evidenced by not finding anyone who can receive *zakat* because all his people are full.54 Continuing the reign of the Abbasid daula, the ruling dynasty for more than five centuries also carried out Islamic philanthropic practices during the reign of the caliph Harun al-Rashid and his son al-Ma’mun with *alms*. With agriculture as the main source of state income. Abundant wealth at this time was used for activities in various fields such as social, education, culture, science, health, literature, and public facilities. So, in the era of Harun al-Rashid, various fields reached their golden age.55 This is proof that Ziswaf played a key role in the wealth of Islam in the heyday of Islam.

If withdrawn in 2023, researchers will take several previous studies to prove and find out the potential for Ziswaf funds and the role of Ziswaf for communities in several regions of Indonesia. For example, Ades Sugita, the researcher who researched to see the potential of Ziswaf in Cirebon in helping the people’s welfare. This study has come to the endpoint that the role, management, and distribution of Ziswaf funds carried out by LA-ZISNU Cirebon district, which allocates Ziswaf funds from muzakki, have been channelled to empower the people’s economy through the Wirabina NU program, which has an impact on increasing the economic welfare of the people.

Wirabina NU is the flagship program of LA-ZISNU, which has successfully empowered people by providing business capital assistance such as production equipment (business groups), interest-free soft loans, and coaching in spirituality. Thanks to Ziswaf funds, out of a total allocation of 40%, around 20% went to the surrounding communities, which initially

52 Ibid. 8
53 Muhammad Fauzan, ‘Kebijakan Fiskal Dalam Perekonomian Islam Di Masa Khalifah Umar Bin Al-Khathab’, *Human Falah*, 4.1 (2017), hal. 70
54 See, Devita Ayu Fildayanti, ‘Konsep Ekonomi Pada Masa Dinasti Umayyah, Abbasiyah Dan Turki Usmani’, 2021, pp. 2017–19, hal. 1
55 Meriyati, ‘PERKEMBANGAN EKONOMI ISLAM PADA MASA DAULAH ABBASIYAH’, *Islamic Banking*, 4.1 (2018), hal. 45-55
did not have a steady business field, and felt that this productive assistance was very helpful. Which funds are used as support to survive in the Cirebon district? In carrying out a program of this magnitude, LAZISNU is not alone but is working with the Nahdlatul Teachers' Association (Pergunu) and the Nahdlatul Ulama Branch Manager (PCNU) of Cirebon City.

As for the research conducted by Ririn Nur Hidayah, she found that many of the Dompet Dhuafa programs that have been studied have been realized thanks to Ziswaf funds. Such as educational programs and Scholarship Achievement programs. School assistance program for elementary school students to tertiary institutions. Archipelago activist scholarship program. Scholarships are realized with three forms of activity. First is the provision of funds for monthly activities at home and abroad. Second are self-development activities such as writing, character building, and leadership training. Third, coaching activists, namely leadership practices by facilitators in religion, leadership, skills development, academic, and social. This activity was accompanied by bringing in national figures to broaden insights and ideas for participants and increase relations between participants and institutions.

The next program is the Indonesian Teacher's School Program (SGI), one of the Dompet Dhuafa programs that aims to produce Transformative Teachers who can teach, educate, and have the spirit of social leadership. Furthermore, the Free Health Service Program (LKC). LKC is a non-profit organization specializing in the health sector by serving the poor, such as establishing LKC clinics, health service actions, mass circumcisions, and mass operations such as cleft lip and cataract surgeries. Another program is the Indonesian Creative Orphans program (YAKIN), which is a program organized by Dompet Dhuafa South Sumatra in the form of character building and life skills for orphans or orphans and people who want to learn and want to change Indonesia with knowledge. Dompet Dhuafa, with all the programs, is very helpful for the lower middle class, especially those who cannot afford it.

Kasdi conducted subsequent research as a researcher, making BMT in Demak the discussion. The researcher saw Ziswaf's management and empowerment at BMT Demak were very well organized. Here are the metrics: There is a one-way management system, a feedback management system, and a pilot project system. The indicators of Ziswaf empowerment carried out by BMT administrators are distribution to educational institutions, donations for orphans, places of worship, and other social activities.

The purpose of the Ziswaf empowerment carried out by BMT Demak is as follows: First, social distribution with the opportunity to distribute funds directly to people experiencing poverty as much as in the form of compensation, distribution to educational institutions, distribution of funds to orphans, distribution to places of worship, and distribution to activities other social. Second, empower human resources with workforce development. The method provides scholarships to poor children, skills training, and regular recitations. Third, economic empowerment is channelling entrepreneurial funds into a profit-sharing scheme to increase profits to be distributed to Mustahik, as for distributing BMT funds to breeders whose results are enjoyed by poor farmers and opening soft loans without profit sharing, especially for small traders.

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57 Ririn Nur Hidayah, ‘Strategi Dompet Dhuafa Sumatera Selatan Dalam Menarik Minat Donatur Untuk Menyalurkan Dana Zakat Infak Sadaqah Wakaf (ZISWAF)’, Intelektualita, 6.1 (2017), hal. 135-143.
As mentioned, Ziswaf's role in several regions of Indonesia has ensured that the potential for Ziswaf funds, especially among Muslims, cannot be underestimated. Even though in Indonesia, the majority of the population is Muslim, people are not fully aware that Islamic philanthropy (Ziswaf) can overcome poverty.

Conclusion
Ziswaf funds can significantly mitigate the impact of an economic recession in 2023 by providing an alternate solution to assist the impoverished population in fulfilling their costly necessities resulting from inflation. Numerous social programs can be undertaken utilizing Ziswaf money. Philanthropy has been a longstanding tradition among Muslims since Rasulullah and Ziswaf emerged as a significant source of Islamic income during its golden period. In the event of a recession in 2023, the community has made preparations by utilizing the Ziswaf funds. This will ensure that impoverished individuals do not suffer from hunger. Additionally, the Ziswaf monies can generate employment opportunities by building Micro, Small, and Medium Enterprises (MSMEs) for those who have lost their jobs due to the economic downturn.

Many individuals in this paper continue to face a dearth of reliable data due to researchers only employing narrative-based qualitative methodologies. Furthermore, the growth of Ziswaf in digitizing media is not elaborated upon in this paper. Hence, the researcher offers recommendations to future researchers to examine the impact of digitalization on the advancement of Islamic philanthropy since technology presents a distinct possibility for enhancing the management of Islamic philanthropic funding.

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