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Waqf as an Instrument for Social Security System: A Framework for Society's Welfare

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Abstract: Waqf, an enduring institution in Islamic economic thought, holds significant potential as an instrument for ensuring society's welfare through a sustainable social security system. This paper proposes a conceptual framework that integrates waqf into contemporary social protection mechanisms, aiming to address poverty alleviation, income inequality, and community empowerment. Drawing from classical jurisprudence and modern institutional models, the framework outlines governance structures, operational mechanisms, and financing strategies that align with the principles of transparency, accountability, and *maqāṣid al-sharī'ah* (objectives of Islamic law). The study highlights the role of waqf assets in providing long-term funding for essential services such as healthcare, education, housing, and livelihood support. It also examines the synergy between waqf-based initiatives and governmental welfare programs to enhance resilience and reduce dependency on short-term aid. The proposed model offers a strategic pathway for policymakers, waqf managers, and social welfare institutions to revitalize waqf as a viable, equitable, and sustainable pillar of social security in the modern era.

Keywords: waqf, social security, society's welfare, Islamic economics, sustainable development

Introduction

A social security system serves as the backbone of a welfare-oriented society, ensuring that essential needs such as healthcare, food, housing, and education are adequately met. Unfortunately, these fundamental services are often left unmet due to challenges such as poor human resource quality, limited capital, low income, and exposure to social vulnerabilities. When these needs remain unfulfilled, individuals or families face heightened risks of hardship, leading to a diminished quality of life (Maftuchan et al., 2016).

In the short run, social security functions as a safeguard, providing a buffer that helps communities avoid deeper poverty, health crises, or other social difficulties. Beyond its immediate role, however,

it has the potential to restore economic stability and promote sustainable growth, thereby ensuring long-term social welfare (Paluttri, 2023).

Put differently, the presence of a social security system creates an enabling environment that allows all members of society to actively engage in economic activity with confidence. This is because social security not only protects vulnerable groups but also motivates them to participate in income-generating activities and secure a decent livelihood (Besanko & Malik, 2017).

Within the framework of Islamic economics, *waqf* represents one of the instruments that can be utilized as part of public policy to achieve prosperity and justice. Unlike conventional systems run by governments or commercial institutions, a *waqf*-based social security system derives from community contributions. These funds originate from collective generosity and the willingness to share, making *waqf* an independent, community-driven resource designed to address social challenges and promote mutual well-being.

As a key religious institution in Islam, *waqf* plays a central role in the social structure. It channels charitable giving into sustainable initiatives that generate tangible economic benefits for society (Shaikh et al., 2017). Historically, *waqf* has had significant socioeconomic impact across various Muslim societies, financing education, healthcare, and other vital sectors through proper management (Arno, 2018).

In Islamic tradition, *waqf* has consistently been employed to tackle social problems. It supports community empowerment, social security, education, and healthcare, thereby enhancing collective welfare. According to Jalil et al. (2015), the Islamic social security framework emphasizes mutual responsibility (*ummah*) in safeguarding public and private interests, preventing both material and moral harm, and utilizing instruments such as *waqf*, *sadaqah*, *hibah*, *infaq*, *kafarah*, *warathah*, and *ghanimah*. Arif (2012) further highlighted that *waqf* has proven effective as a tool for community-based social security and empowerment.

In Indonesia, the National Waqf Board (BWI) manages *waqf* assets on both national and international levels. By principle, *waqf* assets are preserved in perpetuity, with the returns directed toward social security programs, including initiatives for community development (Arif, 2012).

Nonetheless, a critical question persists: can *waqf* truly function as an integrated, sustainable social security system that significantly enhances societal welfare? This article seeks to address that question by examining concepts, frameworks, and practical models of *waqf*-based social security, while also arguing that *waqf* can indeed serve as a viable instrument in achieving long-term social welfare.

Research Methodology

This study adopts a qualitative research design utilizing a discursive approach to examine the concept and practice of social security within both conventional and Islamic frameworks. The discursive approach is employed to critically analyze and interpret how social security systems are conceptualized, developed, and operationalized, with particular attention to the role of *waqf* as an alternative instrument. The research relies on an extensive body of secondary data, including classical and contemporary literature in both English and Arabic, official documents, and scholarly works related to *waqf* and social security. By engaging with these diverse sources, the study seeks to capture a wide range of scholarly viewpoints and debates.

The analytical process involves synthesizing existing knowledge to identify key themes, conceptual gaps, and potential linkages between *waqf* and the social security system. Through this process, the research aims not only to present a critical understanding of the historical and contemporary relevance of *waqf*, but also to construct a comprehensive framework that demonstrates how *waqf* can be systematically integrated into modern social security systems. Ultimately, the study aspires to offer an Islamic perspective that contributes to both theoretical discourse and policy development in the field of social protection.

Social Security System: Significance and Goals

Social security can be understood as a form of public policy and collective intervention aimed at addressing the various social and economic challenges faced by society. It involves the mobilization and joint management of resources by the government, private institutions, or a collaboration between the two sectors (Suharto, 2009).

At its core, the social security system seeks to provide protection for individuals and communities against socio-economic pressures arising from loss or reduction of income due to certain contingencies such as illness, maternity, workplace accidents, unemployment, disability, and old age.

Essentially, social security represents a social initiative oriented toward safeguarding vulnerable groups from the negative impacts of socio-economic change on living standards, thereby ensuring that all members of society can achieve a decent standard of living and prosperity. Its implementation aims to guarantee the fulfillment of basic needs for the poor and those unable to work, contributing to the realization of social justice, equity, and welfare.

The effectiveness of social security depends on its ability to provide assurance that every citizen, regardless of condition, can access the means of sustaining life for themselves and their families at

an adequate level. This includes guaranteeing income replacement in the event of unemployment, illness, or disability, as well as pension benefits in old age and coverage for family dependents (Hanna, n.d.).

Crescent's research (2018) identifies three dimensions of need that fall within the scope of social security:

- **Survival**, encompassing food, nutrition, health, clean water, sanitation, clothing, and shelter.
- **Security**, which includes employment, income stability, and protection.
- **Enabling**, such as access to education, family resilience, and psychosocial support.

From this perspective, social security is designed not only to alleviate poverty and unemployment but also to mitigate the effects of economic shocks and social vulnerabilities. It acts as a form of social risk management, enabling individuals and households to better cope with crises and changing circumstances, while also tackling chronic and extreme poverty (World Bank, 2003). By strengthening resilience, social security helps communities confront challenges such as poverty, social exclusion, and insecurity, preventing these from escalating into prolonged suffering.

The principle underpinning social security is social welfare, which emphasizes the protection of citizens' rights and equitable access to basic needs. It serves as a mechanism to manage risks associated with shifts in the socio-economic cycle, including poverty, underdevelopment, and unemployment.

An important function of social security is the establishment of a **social safety net** (*al-takaful al-ijtima'i*), which maintains social stability by providing support such as retirement benefits, unemployment assistance, and housing for the homeless. In the Indonesian context, social security measures are often operationalized through direct cash transfers (*Bantuan Langsung Tunai*), educational support, food assistance programs (*Sembako*), fertilizer subsidies, and other forms of aid. These interventions, whether short-term or long-term, are designed to prevent vulnerable groups from falling into deeper poverty and to enhance community welfare (Widiastuti et al., 2021).

Social Security System: An Islamic Framework

From the perspective of Islamic economics, the provision of social security is regarded as a collective duty (*fard kifayah*). Wealthier members of society are obliged to support the needs of the poor and disadvantaged, while the state holds the authority to enforce this responsibility when necessary (Abu Zahrah, 1991). Accordingly, social security policies are intended to safeguard vulnerable groups against adverse socio-economic changes and ensure their access to a dignified standard of living through a well-structured system (Crescent, 2018).

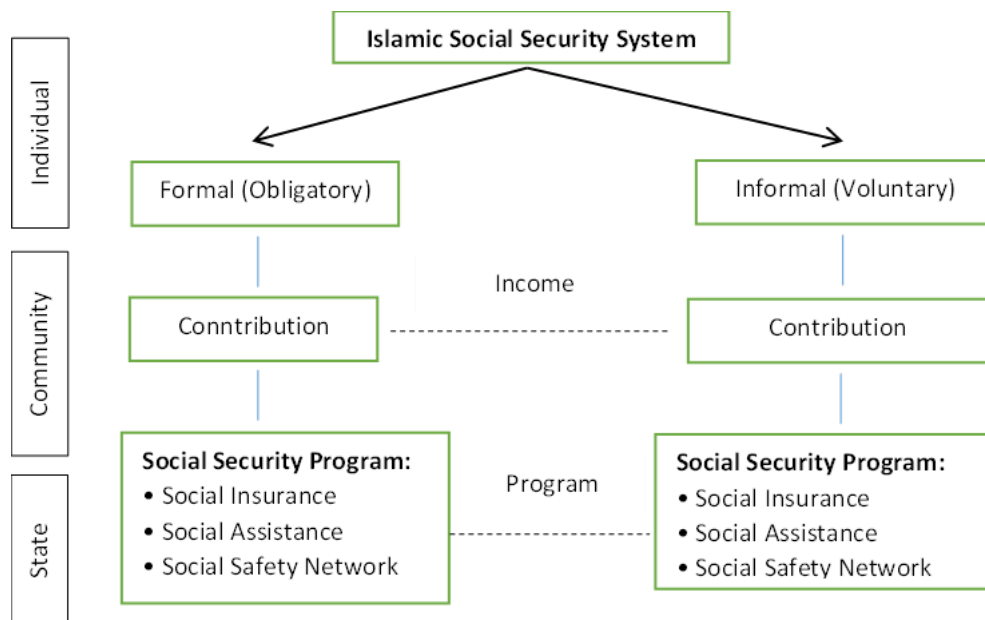
The purpose of social security in Islam is closely tied to the establishment of a social safety net that reflects collective participation within both societal and governmental structures. Responsibility for its implementation cannot rest solely with one party; rather, it requires a gradual and layered approach involving families, communities, and ultimately the state. At the individual level, people are encouraged to meet their own needs and plan for protection. Families function as the first line of support, enhancing resilience in times of hardship. Beyond this, the wider community and the state act as higher levels of responsibility to guarantee prosperity and welfare. The Islamic principle of social security is grounded in reciprocity, whereby every member of society has both rights and obligations in socio-economic interactions. This includes voluntary acts of solidarity as well as obligatory contributions, ensuring that all individuals can share in the use of available resources. Such arrangements nurture social trust and mutual responsibility, extending to both material and moral dimensions of welfare. Nevertheless, since not all individuals are capable of fulfilling their basic needs independently, collective social mechanisms and state intervention become essential to guarantee decent living standards for all citizens (Abu Zahrah, 1991).

The state plays a pivotal role in organizing and administering social security in line with Islamic law. It carries the ultimate responsibility for ensuring the welfare of its people, particularly those unable to work or lacking sufficient income. Resources from the *bait al-mal* may be allocated to finance these obligations, and governments are permitted to establish dedicated funds for social security, supported by both community contributions and obligatory asset transfers. In this sense, social security represents a state instrument for collectively assuming responsibility for citizens' basic needs (Putri, 2014).

This state obligation is further reinforced by the recognition that socio-economic uncertainties—such as unemployment, disability, or economic downturns—can disproportionately affect vulnerable groups. Consequently, the state must develop a comprehensive safety net capable of anticipating and mitigating the impact of such risks (Wisnu, 2012). Within this framework, social security not only addresses immediate poverty but also functions as a long-term strategy to disrupt the cycle of deprivation, offering communities greater opportunities for sustainable prosperity. True welfare, therefore, encompasses not only the fulfillment of material needs—nutrition, healthcare, education, housing, and employment—but also the assurance of security and dignity in human life (Crescent, 2018).

Conceptually, the Islamic social security system can be illustrated through a three-tiered structure comprising the individual, the community, and the state. This framework integrates both formal and informal mechanisms. Formal mechanisms include obligatory contributions from individuals'

income and mandatory state support, while informal mechanisms involve voluntary philanthropic practices, such as *waqf*, which are often managed by civil society organizations. Together, these instruments form a comprehensive approach that combines state responsibility with community solidarity, ensuring that social security is upheld across different levels of society.



Source: author's own

Figure 2: Islamic Social Security System

In the Islamic framework, the social security system can be conceptualized as operating across three interrelated layers: the individual, the community, and the state. Each layer integrates both formal and informal mechanisms to ensure the protection and welfare of society.

1. First Layer: Individual-Based Social Security

At the foundational level, individuals are expected to secure their own welfare through productive employment or sources of livelihood that generate adequate income. Formally, individuals contribute to social protection by enrolling in insurance schemes such as life, health, or education insurance, thereby safeguarding themselves and their families against risks. At the same time, individuals are also encouraged to engage informally in voluntary philanthropic practices, such as *waqf*, *infaq*, and *sadaqah*, which serve to support the less fortunate in society and strengthen social solidarity.

2. Second Layer: Community-Based Social Security

The next level of protection operates at the community level, where collective efforts are mobilized to establish community-based social security mechanisms, often utilizing *waqf* funds. These mechanisms can take several forms:

- **Community-based social funds**, managed by local institutions, that provide financing for micro-businesses, construction of public facilities, or funding of productive enterprises.
- **Voluntary social insurance schemes**, whereby members contribute to a pooled fund managed collectively to address risks and contingencies within the community.
- **Community-based safety nets**, designed to mitigate vulnerabilities independently and offer support for those most affected by socio-economic changes.

Through these arrangements, the community assumes a pivotal role in complementing state efforts by providing localized, bottom-up solutions to social protection.

3. Third Layer: State-Based Social Security

At the highest level, the state bears the ultimate responsibility for ensuring the welfare of its citizens in accordance with Islamic principles of governance. The government is tasked with creating employment opportunities, ensuring job security, and protecting workers' rights, while also administering formal schemes such as unemployment insurance and income support during layoffs. State-managed social security typically takes the form of contributory programs—funded by premiums, contributions, or savings—that offer comprehensive protection. These include:

- **Unemployment benefits**, to provide income support during periods without work.
- **Work accident insurance**, as compensation for injuries sustained during employment.
- **Health insurance**, to secure access to medical care and treatment.
- **Old-age insurance**, ensuring financial security after retirement.
- **Life insurance**, to protect dependents and ensure family welfare.

Beyond insurance, the state also provides **social assistance and welfare services** aimed at supporting vulnerable groups. These programs may include:

- Direct transfers in the form of cash or in-kind assistance.
- Social services such as counseling, education support, and family welfare programs—for example, *Bantuan Operasional Sekolah* (BOS) and *Program Keluarga Harapan* (PKH) in Indonesia.
- Temporary subsidies to reduce the burden of living costs.
- Broader safety net schemes designed to prevent households from falling into extreme poverty.

Together, these three layers illustrate a comprehensive social security framework in the Islamic context. The system integrates individual responsibility, community solidarity, and state obligation to ensure a just and sustainable welfare system.

Table 1
Three-Layered Social Security System in the Islamic Framework

Layer	Formal Mechanisms	Informal/Voluntary Mechanisms	Examples/Illustrations
Individual-based	<ul style="list-style-type: none"> - Employment and decent livelihood - Individual social insurance (life, health, education, etc.) 	<ul style="list-style-type: none"> - <i>Waqf, infaq, sadaqah</i> (philanthropic giving) - Family and kinship support 	<ul style="list-style-type: none"> - Paying health/life insurance premiums - Donating to charitable causes
Community-based	<ul style="list-style-type: none"> - Community-based social insurance (contributory, voluntary) - Organized community funds for risk-sharing 	<ul style="list-style-type: none"> - Voluntary collective initiatives using <i>waqf</i> or mutual aid - Community-driven safety nets 	<ul style="list-style-type: none"> - Microfinance from community funds- <i>Waqf</i>-based clinics or schools - Informal neighborhood solidarity
State-based	<ul style="list-style-type: none"> - Employment creation policies - Contributory social insurance (unemployment, health, old age, accident, life) - Social assistance (cash transfers, subsidies, services) 	<ul style="list-style-type: none"> - State-supported religious philanthropy facilitation (<i>waqf</i> governance, zakat agencies) 	<ul style="list-style-type: none"> - BPJS Ketenagakerjaan (Indonesia) - BOS & PKH programs - Subsidies for fuel, food, or education

Waqf for Society’s Based Social Security System

In the Islamic tradition, the concept of social security (*al-takāful al-ijtimā‘ī*) refers to a system in which every individual is placed under mutual protection (*kafāla*), whereby members of society collectively assume responsibility for supporting the vulnerable, particularly those facing poverty or social and economic hardship. This system is designed to safeguard both the spiritual and material well-being of individuals, rooted in the establishment of a cohesive social structure (Hanna, 1969). The spirit of this principle is derived from the Qur’an, where Allah commands: “O you who believe, spend (in the way of Allah) part of the results of your good efforts and part of what We remove from the earth for you” (al-Baqarah: 267). Similarly, the Prophet Muhammad (SAW) illustrated this sense of solidarity by stating: “The parable of those who believe in mutual affection, mercy, and compassion is like one body: if one part suffers, the whole body responds with sleeplessness and fever” (Muslim, *Ṣaḥīḥ*).

Classical and modern Islamic scholars have further elaborated on this principle. Muṣṭafā al-Sibā‘ī, in *Ishtirākīyyat al-Islām*, defines Islamic social security as not merely the fulfillment of basic material needs (food, clothing, shelter) for the poor, but as the guarantee of five fundamental rights for all: the right to life, liberty, education, property, and dignity. This demonstrates that the concept of *al-takāful al-ijtimā‘ī* is comprehensive, covering both the moral and material aspects of human existence (Hanna, 1969). Likewise, al-Shāṭibī (2014), through the framework of *maqāṣid al-sharī‘ah*,

explains that obligations imposed by the Shari'ah serve to preserve human welfare through three categories: necessities (*daruriyyat*), needs (*hajiyyat*), and complementary interests (*tahsiniiyyat*). The fulfillment of these categories ensures a balanced life in both this world and the hereafter.

Social security thus functions as a safeguard for survival and collective well-being, regardless of economic fluctuations (An-Nabhani, 1990). When disparities in meeting essential needs arise, social instability emerges (Sulistiani, 2021). For this reason, the state is entrusted with the responsibility of mediating through redistributive policies and welfare programs to ensure equitable access to resources and opportunities (An-Nabhani, 1990). Importantly, the Islamic economic system situates social security not only as a mechanism for poverty alleviation but as a broader framework for building a just, prosperous, and harmonious social order. It ensures access to basic needs, sustainable sources of income, and affordable public services such as healthcare and education, while simultaneously fostering community resilience and economic empowerment.

A key objective of *al-takaful al-ijtima'i* is the realization of equality in rights and responsibilities, alongside fair distribution of wealth and protection for vulnerable groups (Abu Zahrah, 1991). In this framework, waqf emerges as an essential instrument, expanding the scope of social protection beyond immediate poverty alleviation. Historically, waqf has played a significant role in supporting religious and social functions, ranging from the construction of public facilities to funding education, health services, and welfare programs (Usmani, 1998; al-Nawawi, 2009). Its impact extends to strengthening family ties, enhancing state-society relations, and reinforcing solidarity among individuals (Ulwan, 2008).

The development of waqf in the modern context, particularly through innovations such as *cash waqf*, reflects the revitalization of *fiqh al-mu'amalat* and alignment with the *maqasid al-shari'ah*. This innovation enables broader fundraising capacity and more flexible utilization of waqf resources, extending its benefits across various socio-economic dimensions. When integrated into the social security framework, waqf can address vulnerabilities in health, education, and employment while simultaneously reducing inequalities arising from uneven income distribution. By converting private assets into public waqf properties, resources are reallocated for collective welfare and the long-term sustainability of social programs.

The management of waqf as a social security instrument encompasses multiple dimensions. The revenues generated from waqf properties (*maqūf alayh*) can be strategically allocated to provide affordable healthcare, educational opportunities, and basic needs such as housing, clean water,

sanitation, and electricity. This ensures not only the fulfillment of immediate necessities but also contributes to human capital development and improved quality of life. Ultimately, waqf-based social security reinforces both resilience and equity, serving as a protective mechanism against risks while fostering long-term socio-economic transformation.

The conceptualization of waqf as a foundation for social security can therefore be illustrated through a structured model, which integrates its functions at the individual, community, and state levels. This multi-layered framework highlights both formal mechanisms (such as obligatory contributions and institutional programs) and informal mechanisms (such as voluntary philanthropy and community-based initiatives), thus reflecting the holistic nature of social security in the Islamic worldview.

Table 2.
Waqf-Based Social Security Model in Islamic Perspective

Layer	Formal Mechanism	Informal Mechanism	Role of Waqf
Individual	<ul style="list-style-type: none"> - Employment and livelihood - Social insurance (life, health, education, pension) 	Voluntary giving: sadaqah, infaq, hibah, waqf	Encourages individuals to dedicate part of wealth as waqf for social benefit
Community	<ul style="list-style-type: none"> - Community-based social funds - Micro-insurance managed by society - Social safety networks 	Mutual aid and solidarity initiatives within the community	Waqf funds are pooled to establish schools, clinics, microfinance, and relief aid
State	<ul style="list-style-type: none"> - Job creation and labor protection - National social insurance (unemployment, pension, health, work accident, life) - Social assistance and welfare services 	Collaboration with civil society and waqf institutions	State may channel <i>bait al-mal</i> and integrate waqf resources for sustainable welfare programs

Waqf Allocation for Social Security Dimensions

The utilization of *waqf* as an instrument of social security demonstrates its multidimensional role in addressing both immediate welfare needs and long-term developmental objectives. The integration of *waqf* allocations into the domains of health, education, living standards, and economic empowerment reflects a holistic approach to human well-being. When aligned with the Sustainable Development Goals (SDGs), this framework highlights the potential of Islamic social finance in contributing to global development agendas while maintaining its rootedness in Islamic values (Mohsin, 2013; IsDB & UNDP, 2017).

1. Health Dimension

In the health dimension, the allocation of *waqf* funds can support the provision of adequate medical services, immunization programs, child mortality prevention, and

stunting alleviation. These initiatives resonate with SDG 3 (Good Health and Well-Being) by ensuring equitable access to healthcare and reducing vulnerabilities among children and other at-risk groups. Historically, *waqf* institutions in the Ottoman Empire and other Muslim societies financed hospitals (*bīmāristān*), physicians, and public health facilities, reflecting its embedded role in social protection (Çizakça, 2004; Kahf, 2003). By prioritizing preventive measures and sustainable service delivery, *waqf* enhances community resilience against health shocks.

2. Education Dimension

In the education dimension, *waqf* resources may be directed toward elementary and secondary learning programs, the improvement of educational facilities, and scholarship schemes for disadvantaged students. These measures directly advance SDG 4 (Quality Education) by guaranteeing 12 years of basic education, lowering dropout rates, and enhancing human capital development. Historically, *awqāf* were the primary source of funding for schools, madrasas, libraries, and universities such as Al-Azhar, sustaining knowledge dissemination for centuries (Hoexter, 1998; Ahmed, 2004). Education, supported through *waqf*, not only provides immediate benefits to individuals but also contributes to broader socioeconomic transformation.

3. Standard of Living Dimension

The improvement of living standards is another critical layer, wherein *waqf* funds are allocated for housing, sanitation, clean water, and access to electricity. These interventions align with SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), and SDG 11 (Sustainable Cities and Communities). The historical role of *waqf* in financing public utilities, including roads, water fountains (*sabil*), bridges, and rest houses, demonstrates its longstanding contribution to urban development and community welfare (Mandaville, 1979; Singer, 2008). By addressing basic needs, *waqf* fosters dignity, security, and community well-being, which are essential foundations for sustainable development.

4. Economic Empowerment

Economic empowerment represents the transformative capacity of *waqf*. Through the establishment of microfinance schemes, support for entrepreneurship, and skills training, *waqf* provides communities with the means to achieve self-sufficiency and reduce dependency on external aid. These initiatives reinforce SDG 8 (Decent Work and Economic Growth) and SDG 1 (No Poverty) by promoting inclusive growth, generating employment, and breaking cycles of poverty. In recent years, models such as *cash waqf* and *corporate waqf* have been introduced to mobilize resources for poverty alleviation and micro-

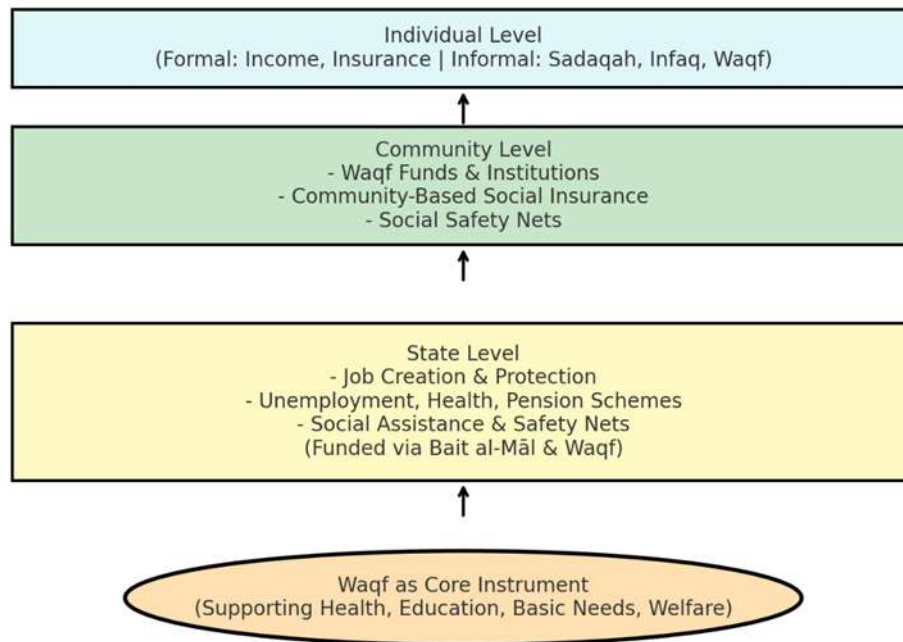
enterprise support, as seen in Malaysia and Indonesia (Cajee, 2007; Pitchay, Thaker & Mydin, 2018).

Taken together, this framework positions *waqf* as both a social safety net and a development enabler, bridging Islamic principles of solidarity and justice with the universal aspirations of the SDGs. It underscores the strategic potential of *waqf* not only in protecting vulnerable groups but also in advancing long-term, sustainable development trajectories.

Table 3.
Waqf Allocation in Social Security Dimensions and Alignment with SDGs

Dimension	Allocation of Waqf Funds	Expected Outcomes	Relevant SDGs
Health	<ul style="list-style-type: none"> - Provision of general and specialist health services - Child mortality prevention - Immunization programs - Stunting reduction initiatives 	<ul style="list-style-type: none"> - Reduced child mortality and stunting - Increased immunization coverage - Improved access to sustainable healthcare services 	SDG 3: Good Health and Well-Being
Education	<ul style="list-style-type: none"> - Support for elementary and secondary education programs - Provision of adequate educational facilities - Scholarships and assistance to prevent dropouts 	<ul style="list-style-type: none"> - Guaranteed access to 12 years of basic education - Decreased dropout rates - Improved human capital development 	SDG 4: Quality Education
Standard of Living	<ul style="list-style-type: none"> - Construction of livable housing- Provision of sanitation facilities - Access to clean water - Provision of electricity sources 	<ul style="list-style-type: none"> - Improved quality of life - Enhanced community welfare - Greater social and economic resilience 	<ul style="list-style-type: none"> - SDG 6: Clean Water and Sanitation - SDG 7: Affordable and Clean Energy - SDG 11: Sustainable Cities and Communities
Economic Empowerment	<ul style="list-style-type: none"> - Establishment of microfinance and revolving loan funds- Support for entrepreneurship and SMEs - Skills training and vocational programs 	<ul style="list-style-type: none"> - Increased employment opportunities - Strengthened local economy - Reduced dependency on state subsidies 	SDG 8: Decent Work and Economic Growth SDG 1: No Poverty

Waqf-Based Social Security Model in Islam



Policy Implications and Recommendations

1. Integration with National Social Protection Programs

One of the strategic steps to optimize the role of waqf as a social protection instrument in Aceh is to encourage its integration into the national social protection framework. So far, social protection programs funded by the national budget such as the Family Hope Program (PKH), Non-Cash Food Assistance (BPNT), and the National Health Insurance (JKN) have reached a large portion of vulnerable groups. However, budget limitations and data accuracy issues often become major obstacles in ensuring the sustainability and equity of these programs (Mirzal & Zaki, 2023). In this context, waqf as a community-based social fund can serve to complement, fill the gaps left by state interventions, and strengthen protection for groups that are overlooked by government programs.

In Aceh, with its special autonomy and the presence of Baitul Mal as the official waqf management institution, there is a tangible opportunity to build synergy between waqf and national social protection programs. This mechanism can begin with data system integration through the use of the Unified Database of Social Welfare (Data Terpadu Kesejahteraan Sosial or DTKS), enabling more accurate waqf distribution while avoiding duplication of beneficiaries. Waqf can also be directed toward vulnerable groups who do not qualify for formal government assistance, such as

informal workers, elderly without pension benefits, or families affected by disasters who are not yet included in the national system.

More than just administrative coordination, this integration involves recognizing waqf as part of the broader social protection ecosystem. Within this framework, a national policy is needed to formally acknowledge the contribution of waqf through Baitul Mal Aceh or other waqf institutions in achieving long-term social protection goals. This aligns with the blended social protection approach, where both the state and community share responsibility in ensuring sustainable welfare for citizens.

With a clear legal framework, inter-agency coordination, and integrated information systems, waqf holds strong potential to serve as both a complement and an innovation in addressing the structural limitations of national social protection programs. Aceh, with its unique normative and institutional context, has the potential to serve as a national model for inclusive, participatory, and sustainable waqf-based social protection integration.

2. Strengthening Institutional Capacity

Strengthening institutional capacity is a key prerequisite for successfully transforming waqf into a functional part of the social protection system. Baitul Mal Aceh and BWI Aceh and the district/city-level have thus far played an important role in collecting and distributing waqf (Mubarraq et al., 2022). However, the growing complexity of today's socio-economic challenges calls for a more systematic and long-term capacity development (Mia Andika Sari & Lucky Herviana, 2024). Capacity in this context refers not only to the availability of human resources and technical infrastructure, but also to governance quality, institutional leadership, information systems, and the ability to adapt to social change.

At the operational level, classic challenges still persist, such as the limited number of professional *amil*, lack of regular training, and weak post-distribution monitoring and evaluation systems (Hadi & Hana, 2023). Yet, in the context of waqf as a social protection instrument, a system is needed that can continuously assess the effectiveness of programs based on reliable data. Therefore, strengthening human resource capacity both in waqf jurisprudence, program management, and social development approaches should be a top priority. Likewise, investment in digital systems is crucial to enable real-time integration of *the poor-rich* data, while also supporting transparency and public accountability (Mia Andika Sari & Lucky Herviana, 2024).

Beyond technical aspects, institutional capacity also depends on how well nazhir can establish cross-sector collaborations with local governments, financial institutions, the business sector, and civil society organizations. Active involvement in local policy networks and the ability to advocate for the importance of waqf as a pillar of social protection in development planning forums are

important indicators of a proactive and visionary institution (Rusydia et al., 2025). In this regard, regulatory support from the Aceh Government and inter-agency coordination are essential components of a strong institutional ecosystem.

Strengthening institutional capacity also means fostering a culture that is open to innovation and learning. Strategically managed waqf is not merely a mechanism for fund distribution, it becomes a tool for social transformation (Pamuncak et al., 2025). By building a responsive, professional, and collaborative institution, Baitul Mal Aceh can play a greater role in realizing a just and sustainable Islamic-based social protection system.

3. Enhancing Impact and Sustainability

Enhancing the impact and sustainability of waqf programs presents both a challenge and an opportunity in the effort to position waqf as an integral part of the social protection system in Aceh. So far, waqf distribution has often been short-term and responsive to the basic needs of society, such as consumptive assistance and disaster relief. While these efforts are important as forms of social response, more meaningful change requires waqf programs to focus on transformative interventions those aimed at strengthening economic capacity and addressing the structural roots of poverty (Kafi et al., 2020).

One key strategy to increase waqf's impact is to expand the productive empowerment models developed by Baitul Mal Aceh. Programs such as business capital assistance, skills training, and support for micro-enterprises have shown their potential to improve income and well-being for the poor in the medium term (Furqani et al., 2018). However, to ensure broader and longer-lasting impact, these programs need a more structured design that includes sustained business mentoring, data-driven evaluation mechanisms, and a clear exit strategy to help beneficiaries transition out of waqf dependence. This requires trained human resources, strong partnership networks, and adequate budgeting.

Sustainability also requires Baitul Mal to strengthen its social legitimacy and public support. Community trust particularly from the rich is a key element in ensuring the continuity of waqf fund collection (Jamaludin et al., 2025). Transparency in reporting, public participation in program planning, and the dissemination of beneficiary success stories can help build a positive narrative and broaden community engagement. In this context, technological innovations such as digital reporting apps, open data dashboards, and two-way communication channels can strengthen the connection between waqf institutions and the wider public (Pamuncak et al., 2025).

Ultimately, sustainability also means building a waqf system that is resilient to social, economic, and environmental changes. As social challenges become more complex such as economic crises, climate change, or pandemics, waqf must evolve into an adaptive and responsive instrument. This

can only be achieved if waqf institutions are capable of innovating, engaging in cross-sector collaboration, and using the principles of *maqāṣid al-sharī'ah* as the foundation for policy and program direction. In doing so, waqf can go beyond being a safety net, it can become a driver of social transformation, rooted in values, inclusive in approach, and sustainable in impact.

Conclusion

This study demonstrates that *waqf* possesses significant potential as an innovative instrument for strengthening the social security system within contemporary society. As an Islamic social finance mechanism, *waqf* can function as a safety buffer that prevents communities from experiencing a decline in welfare levels and helps individuals and households to withstand economic shocks, health risks, and broader social vulnerabilities. A *waqf*-based social security framework not only contributes to stabilizing and revitalizing the economy but also lays the foundation for sustainable improvements in social welfare and resilience.

The effectiveness of *waqf* in this regard is supported by its historical role in financing essential public goods and its adaptability through various institutional innovations. The development of cash *waqf* and productive *waqf* models demonstrates its relevance in addressing modern socio-economic challenges. When managed transparently and effectively by *nāẓir* institutions, the proceeds of *waqf* can be allocated toward critical sectors such as health, education, and living standards. In doing so, *waqf* serves not merely as a charitable practice but as a systemic tool for mitigating social risks, alleviating poverty, reducing inequality, and enhancing human dignity.

Ultimately, embedding *waqf* within a structured social security system offers a viable pathway to building resilience among vulnerable groups and achieving inclusive socio-economic development. By linking its spiritual foundations with practical governance and innovative financial models, *waqf* can contribute significantly to the realization of a just, prosperous, and sustainable society.

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