



Waqf and Social Welfare: An Analysis of the Role of Waqf in Promoting Sustainable Development in Indonesia

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ABSTRACT

Sustainable development is a strategic effort to balance economic growth, environmental conservation, and social justice. However, its implementation in Indonesia still faces serious challenges such as poverty, inequality, and limited access to basic services. In this context, Islamic economics offers an alternative approach through philanthropic instruments, especially waqf. This article aims to analyze the role of waqf in supporting the achievement of sustainable development in Indonesia, especially within the framework of the Sustainable Development Goals (SDGs). Using a literature study method, this study reviews relevant literature from scientific journals, books, and institutional reports. The results of the study indicate that waqf has great potential in funding the development of social infrastructure such as education and health, supporting micro and small businesses, and reducing poverty and social inequality. Waqf also reflects the values of sustainability and solidarity that are in line with the principles of sustainable development. Therefore, optimizing waqf management productively and strategically can be an effective solution in accelerating the achievement of sustainable development in Indonesia.

1. INTRODUCTION

Sustainable development is an approach that prioritizes a balance between economic progress, environmental conservation, and social equality. This concept is reflected in the Sustainable Development Goals (SDGs) that have been adopted by Indonesia as a guideline in implementing national development. However, in its implementation, major challenges are still faced, such as high poverty rates, social inequality, and limited public access to basic services such as education and health [1]. Amidst these development challenges, Islamic economics offers alternative solutions through philanthropic instruments such as zakat, infaq, sedekah, and waqf. Waqf in particular, has unique characteristics in the form of sustainable benefits (sustainability) which makes it relevant to the principles of sustainable development. Waqf is not only a form of worship but also has economic and social dimensions that can be optimized to empower society [2]. Waqf is one of the key instruments in Islamic economics which plays a role in encouraging the economic activities of the

community and supporting equal distribution of income [3].

The potential for waqf in Indonesia is very large. Based on data from the Indonesian Waqf Board (BWI), as of 2023 there are more than 420 thousand waqf land locations with a total area of 57 thousand hectares, but most of them have not been managed productively. In addition, the development of innovations such as cash waqf and waqf through digital platforms has begun to receive attention, but its contribution to social welfare and SDGs is still not optimal [4]. Waqf as a productive philanthropic instrument has an important role in supporting the development of social infrastructure, including in the fields of education, health services, and other public facilities [5].

Based on the background that has been presented, the problem raised in this paper is about the role of waqf in supporting sustainable development in Indonesia

2. MATERIALS AND METHODS

This study applies a library research method with the aim of examining the contribution of

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waqf in supporting the achievement of SDGs 10. This approach involves the collection and analysis of secondary data sourced from various references, such as scientific journals, academic books, institutional reports, and appropriate digital sources. The data studied is conceptual and comes from valid literature and is relevant to the focus of the study.

3. RESULTS AND DISCUSSION

Linguists use three words to express waqf, namely al-waqf (Waqf), al-habs (withholding), and at-tasbil (donating for sabiilillah). The word al-waqf is a masdar form of the sentence waqfu ash-shay' which means to withhold something [6].

According to the Madzhab Maliki, the property that is donated still belongs to the wakif. In comparison, waqf not only prevents the wakif from taking actions that can transfer ownership of the property to others, but also prohibits the wakif from withdrawing their donations. Syafi'i and also Ahmad bin Hambal agree that after the waqf process is complete, the owner of the property (wakif) will release the property that has been donated. The owner must treat the donated property differently from the administrator. If the wakif dies, the family cannot inherit this property. Based on the teachings of Syafi'i, the impact is that waqf is not an act of handing over something that belongs to Allah SWT. but produces benefits for welfare [7].

Waqf plays an important role in driving economic development within the framework of Islamic economics. One of its main contributions lies in providing funds for the development of social and economic infrastructure in a sustainable manner. Through the practice of waqf, sources of financing are available to support strategic projects such as the construction of educational facilities, health services, roads, and places of worship. In addition, waqf also supports the strengthening of the micro and small business sector by providing initial capital for underprivileged communities to start productive activities. Thus, waqf not only expands access to basic services but also contributes to local economic growth through the development of vital economic facilities. This role is in line with Islamic economic values that emphasize the distribution of wealth fairly and sustainably, as well as the empowerment of the community's economy towards independence [8].

In line with research conducted by Priyadi, et al. [9], which states that waqf as a form of investment in the development of social and economic infrastructure has the potential to

accelerate the economic growth of the community by providing access to basic services such as education and health. In addition, the practice of waqf reflects the values of solidarity and social concern that play an important role in building a solid and sustainable foundation for the people's economy.

In addition, waqf is able to eradicate poverty and inequality. Huda [10] argues that efforts to overcome poverty are not only limited to the distribution of zakat, but can also be done through optimizing waqf, strengthening institutions (institutional building), increasing access to welfare (welfare), increasing public awareness (conscientization), and involvement in political participation (political participation). Waqf can be seen as a form of institutional strengthening or as a financial instrument, considering its great potential in supporting economic redistribution effectively.

Waqf can serve as an effective wealth redistribution tool by providing access to resources for underprivileged groups in society, especially those living below the poverty line. Through the use of waqf funds, various social programs such as educational scholarships, health services, and economic empowerment can be implemented sustainably. In addition, waqf also opens up opportunities for poor people to gain access to business capital and skills training, which can ultimately increase their income and economic independence. Therefore, waqf not only helps individuals or families escape the trap of poverty, but also supports the creation of social justice and equality. The implementation of appropriate and sustainable waqf can be an effective approach in reducing poverty and economic inequality.

Wakaf memainkan peran penting dalam encourage sustainable economic and social development and support long-term planning. Based on the principles of Islamic economics that emphasize sustainability, waqf practices enable consistent and targeted resource management to meet the long-term needs of the community. The use of waqf funds for infrastructure development, education services, and health facilities helps to strengthen the social and economic structure of the community in a sustainable manner. In addition, waqf also encourages the birth of sustainable business models, such as the development of micro and small businesses funded through waqf, which are able to contribute to long-term economic growth. The implementation of waqf that is oriented towards sustainability also requires strategic planning and active involvement from various parties in

identifying community needs and designing appropriate solutions. Thus, waqf not only provides direct impact in the short term, but also becomes a solid foundation for sustainable social and economic progress in the future [8].

4. Conclusion

From the results and discussions that have been studied, it can be concluded that waqf has a strategic role in supporting sustainable development in Indonesia. As one of the main instruments in Islamic economics, waqf not only has spiritual value but also real economic and social benefits. Waqf is able to provide alternative funding sources that support the development of social and economic infrastructure such as education, health, and other public facilities. In addition, waqf plays a role in empowering the community economy through funding micro and small businesses, and can be an effective tool in reducing poverty and social inequality. With the principle of sustainability inherent in the concept of waqf, this instrument can be a strong foundation in supporting equitable and inclusive long-term development planning. Therefore, optimization of proper and sustainable waqf management is very necessary to encourage the achievement of sustainable development goals (SDGs) in Indonesia.

Conflict of Interest

No conflict of interest is declared by the authors. In addition, no financial support was received.

Author Contributions

Study Design, DDS; Data Collection, DDS and MAS ;Statistical Analysis, DDS and MAS; Data Interpretation, DDS and MAS; Manuscript Preparation, DDS and MAS; Literature Search, AEB. All authors have read and agreed to the published version of the manuscript.

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