

The Role of Waqf in Supporting Sustainable Development Goals: Linking theory and its practices

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ABSTRACT

Poverty has become a main issue faced by many developing countries. It is worsened by the fact that a few rich people have equal wealth to most of the world's population. Hence attempts to reduce the poverty number have been initiated by many players including academicians and international organizations such as the United Nations through the United Nations Development Program (UNDP). On the other hand, Islamic philanthropy such as Waqf has been linked as a medium to not only eradicate poverty but also attempt to develop and empower society. Therefore, this study attempts to link waqf practices and Sustainable development goals (SDGs). This study uses qualitative methods i.e., explanatory studies. This study finds that waqf has similar characteristics with SDGs in at least 7 out of 17 goals of SDGs, including No Poverty goal, zero hunger goal, good health and wealth being goal, quality education goal, affordable and clean energy goal, decent work and economy goal, and industry, innovation, and infrastructure goal. Hence its promotion of the SDGs program is essential and undeniable. Future studies are encouraged to look further at the potential applications and practices of Waqf to the SDGs, particularly from the perspective of public policy and law.

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1. Introduction

Poverty is still the main concern of world leaders. In 2015, the wealth of 62 individuals was equal to other 3.6 billion humans. This is worse compared to 2010 when the wealth of most people across the globe was equal to 388 individuals (Oxfam, 2016). Other reports state that the world's eight richest people have the same wealth as 50% of the poorest (Guardian, 2017). Similarly, the World Bank (2022) reports that the income gap in Indonesia tends to increase. Evidenced by the Gini index in 2019 is 37.6 and it will increase to 37.9 in 2022, which means that there is still unequal income distribution happening recently in Indonesia.

In an attempt to combat the problem, many studies have highlighted the effort to eradicate such problems. For instance, Ayoo (2022), highlights the importance of economic aspects such as Inclusive

growth, institutional reforms, microfinance, marketing system, and cash transfer. Others such as Padmakanthi (2023), stressed the importance of social security by means poverty can be eradicated through the assurance of water supply, electricity, and lavatory. The two studies proved that the poverty root problem is not only caused by the economic aspects but also other barriers such as basic human needs, for instance, water supply and electricity.

To combat such a problem, United Nations members made eight declarations called the Millennium Development Goals in the year 2000. Later, in 2015, or after achieving the MDGs, the United Nations launched a program called as Sustainable Development Goals. The report issued by the United Nations finds that Muslim countries are ranked among the poorest nations in the world (Obaidullah and Khan, 2008).

This fact is ironic, particularly if we compare it to the fact that Islam as a religion promotes sustainable development through its socio-economy acts such as zakat and waqf. As mentioned by Sadeq (2002) Islam is a religion that not only regulates personal worship which connects between individual and the almighty, but also several approaches to poverty alleviation. The Islamic approach to poverty alleviation is multi-dimensional and comprehensive. For instance, as mentioned in Al Quran:

“And in their wealth (there are portions determined to be given) to the poor who beg, and the poor yet who refrain (from begging)” (Adh-Dhariyat: 19).

A portion of wealth that is determined to be given by Muslims to their poor brothers and sisters is for instance zakat (Islamic tax) and waqf (Islamic endowment). While zakat is more jaded in both theory and its application (for instance, zakat fund must strictly distribute to eight categories as mentioned in Quran), waqf, on the other hand, is more flexible, hence it makes waqf proposed by many Islamic scholars to be utilized as an instrument of distributive justice and decrease the powerlessness and upgrade the versatility of the poor (Sadiq and Mustaq, 2015). Others such as Khan (2010), mention that waqf is one of the instruments for reducing poverty where it aims to promote social economic justice and thus requires optimal management strategy in the development of waqf assets (Ahmed, 2009). As its flexibility, waqf programs in Muslim countries can be designed to fulfill the poor needs like food, health, housing, and income. This is like what the SDGs attempt.

Previous studies such as Ayoo (2022) and Padmakanthi (2023) highlight the economic and socio-economic solutions for such problems. Meanwhile, a discussion on how to link the waqf and poverty and development problems still needs to be developed. Therefore, this paper attempts to review waqf theory and practices and link it to the SDGs in Indonesia. This study is expected to contribute to the development of Waqf literature as well as the practice of Waqf and Sustainable Development Goals in Indonesia, so the practitioner of both Waqf and SDGs can benefit from developing their programs.

Basically, waqf consists of four continents, which include waqif (the person who donates waqf), mauquf (waqf item), mauquf alaih (the person who receives the benefit of the waqf), and sighah (waqf declaration) (Mutalib, Mamoor, 2016). Further, following its recent practice, waqf also can be paid into two types of property which include movable property such as cash waqf, share waqf, and sukuk, and immovable waqf property such as land and building (Sanep and Nur, 2011).

As a kind of benevolence among Muslims, in 622 H, the prophet Muhammad set an example when he gave seven gardens that previously belonged to Mukhairiq after his death to the Muslim community in Medina (Kahf, 2003). Currently, the practices of waqf are continuing and evolving in Muslim countries.

According to some experts including Kahf (1998), waqf as a kind of benevolence has three unique characteristics, which include a) Perpetuity means that once an asset is dedicated as waqf, it remains waqf forever. Arabic term of perpetuity is ta'bid, b) Irrevocability means the lack of power of waqf to cancel a donation at any time, and c) Inalienability means that after a valid declaration for waqf, the subject matter of waqf passes out of the ownership of the waqif and it cannot be alienated or transferred either by waqif or mutawalli nor do they can take it by way of inheritance.

Sustainable development goals (SDGs) are a set of parameters issued by the United Nations to measure the sustainability of economic and human development within a country. There are 17 aspects focusing on five key elements: People, planet, peace, prosperity, and partnership. The 17 aspects of SDGs are 1. No Poverty; 2. Zero Hunger; 3. Good health and well-being; 4. Quality education; 5. Gender equality; 6. Clean water and sanitation; 7. Affordable and clean energy 8. Productive employment and economic growth; 9. Industry, innovation, and infrastructure; 10. Reduced inequalities; 11. Sustainable cities and communities; 12. Responsible consumption and production; 13. Climate action; 14. Life below water; 15. Life on land; 16. Peace, justice, and strong institution; and 17. Partnership for global development. It is a guide for global action over the next 15 years (WDI, 2016).

With the SDGs, every country must overcome poverty and hunger and ensure that everyone can have respect and a healthy environment. In addition to ensuring everyone is free from fear and violence through strong global cooperation. This agenda will end in 2030. There are several goals that are directly related to the economic field such as Poverty, Hunger, Health, Quality education, Gender equality, Infrastructure, Consumption, and Production.

To achieve these SDGs, it is necessary to access financial services for the whole community or financial inclusion (Klapper, et al., 2016). According to Hassan (2015), Islamic microfinance products are suitable for empowering the poor. This service will help them to turn their saving and build small businesses.

2. Method

This research is a qualitative descriptive study. This study uses an exploratory study on waqf. According to Bogdan and Taylor (Moloeng, 2010), the qualitative method is a research procedure that produces descriptive data in the form of written or spoken of the person or object being observed. The type of data that is used in the form of secondary data. According to Sugiyono (2005), secondary data is the data sourced from literature in the form of books and records relating to the research conducted.

The collecting technique in this research is the first study literature. Namely, data collection activities acquired from books related to the research. Second, the documentary details activities of collecting data obtained from articles, reports, and scientific journals related to the issues discussed in this study. Intuitive third-subjective is the data collection method involving the author's opinion on the issues discussed (Bungin, 2007).

3. Results and Discussion

Waqf as Distributive Justice Instrument

Iqbal (1988), in his book *Distributive Justice and Need Fulfillment in an Islamic Economy*, explains distributive justice in Islam to conclude the guarantee of the fulfillment of the basic needs of all people, equitable not equality in personal incomes and the reduction of extreme inequalities in income and wealth.

Chapra (2007), in his *Guarantee of Satisfaction of Fundamental Needs*, restates that one of the essential goals of Islam is to be a blessing for mankind (21:107), and an indispensable requisite for being a blessing is to ensure the well-being of all people. Al Ghazali 450/1058) reviews the justice concept from several dimensions, focusing mainly on distributive justice. He pointed out that for justice to prevail, the state must remove societal distress (Ahmad and Hassan, 2000). The Islamic worldview of distributive justice includes the following three elements: guarantee of the fulfillment of the basic needs of all, equity but not equality in personal incomes, elimination of extreme inequalities in personal income and wealth

Therefore, Islam has put charity as one of the five pillars of faith and is obligatory for Muslims. Its role is to eradicate the social distance and reduce inequality in society. Waqf is one of the charities

that have always been a purpose in Islam. Since introduced by Rasulullah, Muslims have voluntarily given their wealth for the benefit of others in the form of waqf.

Throughout the history of Islamic civilization, it is evident that the scope, effect, magnitude, and viability of waqf have been far greater than any other voluntary in Islam such as sadaqah, hibah, Aaliyah, card, and nadir (Islahi, 1996). Rahim (2003), justice being central to Islam in general and distribution an aspect that affects the well-being of people collectively awards the notion of distributive justice an exciting and significant place as an independent subject matter of analysis.

Waqf in Supporting SDGs

As the biggest Muslim-populated country in the world, Indonesia has the upper hand in accessing and mobilizing Islamic finance, which other countries in the Asia Pacific might lack. One of the tangible products of Islamic finance is waqf. The word 'waqf' in Arabic means 'detaining,' which signifies the dedication or consecration of any property in express terms or implication for any charitable or religious object or to secure any benefit to refers to human beings. In order to support the SDGs program, waqf must be managed quickly. In principle, SDGs and endowments have the same goals, namely the welfare and the welfare of Indonesia, one of the leading countries in the Asia Pacific region, to take one step further in realizing these goals.

Ahmed (2004), in his lengthy occasional paper on the Role of Zakat and Awqaf in Poverty Alleviation, reaffirms the significance of these traditional Islamic institutions in promoting social welfare. He recommends capacity building, wealth creation, and income support to mitigate poverty of various types in Muslim countries with massive poverty.

If 100 million of 204 million Indonesian Muslims carry out an average Waqf of Rp. 100,000 per month. Total waqf collected in one month: Rp. 10 trillion, in a year Rp. 120 trillion. If only reached 50 percent, the amount of Waqf-Money collected in one year Rp. 60 trillion. Imagine that with a Waqf worth 60 trillion rupiah, every year we can build Modern Houses, about 1,200 units, 6,000 Islamic Schools Integrated, and many other things in order to create a better world civilization (Hosen, 2017).

According to UNPD Deputy Director Francine Pickup at the workshop, Wakaf can be used to support the achievement of Sustainable Development Goals or SDGs. For example, to reduce poverty, provide health and education facilities, provide clean water and proper sanitation, improve the quality of education and public health, improve economic welfare, and reduce economic disparities. Wakaf potential management can support the SDGs program.

The workshop by UNDP (2017) highlighted several SDGs that are targeted by the waqf, including No poverty (goal 1), Zero Hunger (goal 2), good health and well-being (goal 3), quality education (4), affordable and clean energy (goal 7), decent work and economic growth (goal 8) and industry, innovation, and infrastructure (goal 9). SDGs have goals that are based on indicators made by IAEG-SDGs. Waqf Institutions in Indonesia have several programs to support that goal.

Goal 1-No Poverty

The institution of waqf could help provide income support to poor people who are food insecure due to lower and unsustainable incomes. By 2030, the United Nations aims to eradicate extreme poverty for everyone everywhere, currently measured as people living on less than \$1.25 daily. The United Nations also implements the right national social protection system and measures for all. The achievement indicator is achieving substantial coverage of the poor and vulnerable in 2030. Waqf institutions in Indonesia have some programs to reduce poverty, for example :

Waqf Productive Programme-Agriculture and Farmers

Wakaf Al Azhar also planted 1550 Jabon trees on the land of waqf of 2.5 ha in the village of Cibeunteung Muara, Bogor. Waqf advisors synergize between management and local community groups. The value of the harvest that flows its benefits reaches 750 million per 6 years. The need for waqf funds reached 200 billion for a working capital of 200 Ha of rice fields spread over 40 villages in 14 provinces, and the benefits of waqf flow up to 400 million per year (Hosen, 2017).

Waqf Productive Programme-Farms

Waqf Al Azhar is to be given access to Waqf institution capital through the productive Waqf program of farms. Before giving access to capital, Waqf Institution provides market access such as Aqiqah & Qurban Al Azhar community to provide capital access for scale-up fulfillment of market demand (Hosen, 2017). Hosen (2017) also said that 90% of the profit sharing between the waqf institution and the Zakat Institution-sponsored Farmers is used to alms for the Sustainable Farms Program. Through the program, it is able to produce other farmers from poor-based farmers.

Goal 2- Zero Hunger

One of the indicators of zero hunger by UNDP is to ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, help maintain ecosystems, and strengthen capacity for adaptation to climate change, extreme weather, drought, flooding, and other disasters and that progressively improve land and soil quality (UNDP, 2016). According to Zero Hunger, Global Waqf, as a waqf institution, provides a food waqf program. The benefits of this program are to ensure the sustainability of food security and cattle barns for the welfare of the people.

Goal 3- Good health and well-being well-being

Indicators that need to be considered to achieve Good health and well-being are universal health coverage and quality health services. Muhammadiyah Institution manages waqf land and has built 140 hospitals for health facilities (www.waqfsalmanitb.org).

Goal 4- Quality education

There are several indicators to reach that goal : (1) ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university; (2) Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all. (3) Substantially increase the supply of qualified teachers

Waqf institutions in Indonesia implement some programs; Muhammadiyah Institution managed waqf land has been built for educational facilities (universities, schools) and social institutions (establishing orphanages, dormitories, inns, mosques). At 104 years of age, Muhammadiyah Institution has more than 10,000 schools ranging from early childhood to senior high school and more than 170 universities. Dompot Dhuafa has a Khadijah Learning Center, and Rumah Waqf Indonesia has built one school called Schools Champion (Sekolah Juara) in Pekanbaru (Hosen, 2017).

Goal 7- Affordable and clean energy

According to World Development Indicators (2016), the Indicator for achieving Goal 7 is to Expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular, least developed countries, small island developing States, and landlocked developing countries, in accordance with their respective programs of support.

Badan Wakaf Al Qur'an has carried out a Waqf program for the Micro-hydro Power Plant in Islamic Boarding School Roudhotul Tholibin on the BWA's website. BWA raises waqf funds from Muslims to run the Micro-hydro Power Plant Waqf project. This project aims to bring electricity to the Islamic Boarding School to help students and residents study and other productive activities.

Goal 8- Decent work and economic growth

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro, small, and medium-sized enterprises, including through access to financial services. For example, Sodaqo is a mini market built by Aksi Cepat Tanggap.

Goal 9- Industry, Innovation, and Infrastructure

According to World Development Indicators (2016), One of the SDGs indicators to reach Goal 9 is to develop quality, reliable, sustainable, and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. The programs have implemented The first Islamic Apartment - Grand Zam-zam Tower (Margonda, Depok), and the Benefit of Waqf value from monthly lease - management is synergized with Grand Zam-Zam Property (Hosen, 2017).

Issues and Challenges

According to the UNDP workshop 2017, there are several challenges in utilizing waqf more productively, including the lack of transparency and good governance in the religious social fund's sector, lack of accurate data, low rate of cash waqf collection, 34% of waqf land is not certified. Nazir's (public officials) capacity building is needed. One strategy for raising awareness about the productive use of waqf is by involving the government in providing accurate data, improving the governance framework, and integrating the use of waqf with government programs (UNDP, 2017)

Rahim (2003) there is a need to reform the organizational structure of awqaf at the national level to enhance its efficiency and renew the people's confidence in their role in general. Indonesian Waqf Board (BWI) was established in 2004 by Waqf Act No.41/2004, while most private waqf institutions mainly have been established long before BWI. Waqf reporting is still fragmented and has been under development, so data on waqf has not been well reported and documented.

4. Conclusion

Waqf is an instrument of distributive justice in Islam. In the Islamic World, Waqf could enhance prosperity and economic development to the society. In this contemporary era, waqf is still relevant with SDGs, which reduce social and economic inequality in many countries such as Indonesia. Through several programs like agriculture and education, Waqf Institutions could contribute to SDGs not only theoretically but also practically as well. In all kinds and potency of waqf, Waqf institutions must overcome some problems in waqf development, like the lack of transparency and good governance.

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