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MANAGEMENT OF ISLAMIC PHILANTHROPY AND SHARIA FISCAL POLICY IN POVERTY ALLEVIATION

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ABSTRACT

Poverty is a social and economic problem that remains a major challenge to national and global development. High poverty rates not only impact public welfare but also affect access to education, health care, and adequate economic opportunities. From an Islamic perspective, poverty alleviation is not solely the responsibility of the government but also a collective responsibility of society through various economic and social instruments regulated by sharia. Two instruments that play a strategic role in realizing public welfare are Islamic philanthropy and sharia fiscal policy. Islamic philanthropy, which includes zakat, infaq, sedekah, and waqf, is a wealth distribution mechanism aimed at reducing social disparities and improving the living standards of underprivileged groups. Meanwhile, sharia fiscal policy serves as an instrument for managing state revenues and expenditures based on the principles of justice, welfare, and economic equality. This study aims to analyze the role of Islamic philanthropic management and sharia fiscal policy in poverty alleviation efforts and to examine the synergy between the two instruments in creating inclusive and sustainable economic development. The research method used is library research with a descriptive-qualitative approach. Data were obtained from various sources, such as books, scientific journals, previous research results, reports from zakat and waqf institutions, and policy documents related to Islamic economics and poverty alleviation. Data analysis was conducted through a process of identification, classification, interpretation, and synthesis of various relevant concepts and research findings.

The research results show that professional, transparent, and accountable management of Islamic philanthropy can increase the effectiveness of the collection and distribution of religious social funds to mustahik groups. These funds are not only used for consumptive assistance but can also be developed into productive economic empowerment programs that contribute to increasing the income of the poor. Furthermore, sharia fiscal policy plays a crucial role in creating economic stability, income equality, and providing public services that support public welfare. Integrating Islamic philanthropic instruments and sharia fiscal policy can strengthen the social protection system, expand economic access for vulnerable groups, and reduce social inequality more effectively. Therefore, strong collaboration between the government, Islamic philanthropic institutions, and the community is needed to optimize the potential of the sharia economy as a strategic solution for poverty alleviation and sustainable improvement of social welfare.

INTRODUCTION

Poverty is a social and economic problem that remains a major challenge for many countries, including Indonesia. Various government policies have been implemented to reduce poverty, but the results have not been fully optimal due to the complexity of the factors causing poverty, which include economic, social, educational, and access to productive resources. From a broader perspective, In Islam, poverty alleviation efforts are not solely the responsibility of the government, but also a social obligation for all Muslims through Islamic philanthropic instruments such as zakat, infaq, sedekah, and waqf (ZISWAF). These instruments serve the function of redistributing wealth, aiming to create social justice and improve community welfare. (Hayati & Soemitra, 2022a)

On the other hand, Islamic fiscal policy is an economic instrument used to regulate state revenue and expenditure based on Islamic principles. Unlike conventional fiscal policy, which focuses solely on economic stability, Islamic fiscal policy also emphasizes equitable income distribution, social justice, and social welfare (falah). In the Islamic economic system, zakat, waqf, infaq, and sedekah can function as fiscal instruments that support development programs and poverty alleviation. The integration of Islamic philanthropic instruments into Islamic fiscal policy is believed to strengthen the wealth redistribution system and increase the effectiveness of social welfare programs. (Nazwa Akhiela Salsabila Coal, 2025)

The development of zakat and waqf management institutions in Indonesia demonstrates growing public awareness of the importance of Islamic philanthropy. However, the substantial potential of ZISWAF funds has not been fully utilized due to various obstacles, such as low fundraising rates compared to existing potential, limited institutional governance, and a lack of synergy between philanthropic institutions and government policies. Therefore, an effective philanthropic management model and stronger integration between Islamic philanthropic instruments and sharia fiscal policies are needed to achieve the goal of poverty alleviation sustainably. (Hayati & Soemitra, 2022b)

Based on this description, this study aims to analyze the role of Islamic philanthropic management and sharia fiscal policy in poverty alleviation. This study is expected to provide theoretical contributions to the development of Islamic economics and provide recommendations for the government and philanthropic institutions in formulating more effective, transparent, and sustainable strategies for managing religious social funds.

Poverty is a multidimensional problem that remains a major challenge to economic development in many countries, including Indonesia. Poverty is not only related to low income levels but also encompasses Limited access to education, health care, employment, and various economic resources that can improve quality of life. Various government programs have been implemented to reduce poverty, but poverty remains a strategic issue that requires a more comprehensive and sustainable approach. From an Islamic economic perspective, poverty is viewed as a social and economic problem that must be resolved through synergy between individuals, society, and the state to achieve distributive justice and social welfare. (Fathurrahman, t.t.)

Islam offers an economic system that is not only oriented towards economic growth but also emphasizes the equitable distribution of wealth. One of the instruments that characterizes the Islamic economic system is Islamic philanthropy, consisting of zakat, infaq, sedekah, and waqf (ZISWAF). These instruments have crucial social and economic functions in assisting underprivileged groups in society. Islamic philanthropy serves not only as a form of individual worship but also as a mechanism for income redistribution aimed at reducing economic disparities and improving the welfare of society at large. Through professional and sustainable management, philanthropic funds can become an effective source of financing for social development. (Uyun, 2015)

METHOD

This research employs a qualitative approach with a library research approach. This approach was chosen because the research focuses on theoretical and conceptual studies of the role of Islamic philanthropic management and sharia fiscal policy in poverty alleviation through analysis of various relevant literature sources. The library study method allows researchers to gain a comprehensive understanding of the concept, implementation, and effectiveness of Islamic philanthropic instruments such as zakat, infaq, sedekah, and waqf (ZISWAF) in supporting sharia fiscal policy.

The data sources used in this study are secondary data derived from scientific articles, national and international journals, reference books, proceedings, reports from zakat and waqf institutions, and policy documents related to Islamic philanthropy, sharia fiscal policy, and poverty alleviation. The literature used is prioritized from publications indexed by Google Scholar and published within the last ten years to obtain actual and relevant information. (Syaputra, 2026)

RESULTS AND DISCUSSION

RESULTS

Based on a literature review of various scientific articles indexed in Google Scholar, Islamic philanthropy plays a significant role in supporting poverty alleviation efforts through the instruments of zakat, infaq, sedekah, and waqf (ZISWAF). Research conducted by Afifah and Yarham (2023) shows that the productive use of zakat can increase the income of those entitled to receive it and encourage the economic independence of the poor. Zakat funds distributed in the form of business capital, skills training, and economic empowerment have been shown to have a more sustainable impact than purely consumptive assistance.

In addition to zakat, productive waqf is also an instrument with significant potential for community economic development. Research shows that professional management of waqf assets can generate long-term economic benefits through the development of the education, health, and productive business sectors. Thus, Islamic philanthropy serves not only as an instrument of social assistance but also as a means of sustainable economic empowerment.

On the other hand, studies on Islamic fiscal policy show that fiscal instruments in Islamic economics aim to create a more equitable distribution of income. Islamic fiscal policy relies not only on taxes as a source of state revenue but also utilizes socio-religious instruments such as zakat and waqf. Research by Saini and Hasan (2024) explains that integrating zakat into the national fiscal system can strengthen social protection programs and reduce economic disparities in society.

The literature also shows that Indonesia has enormous zakat potential. However, the realization of zakat fund collection remains far below the available potential. This situation indicates that the effective management of Islamic philanthropy still faces various challenges, such as low zakat literacy among the public, limited innovation in empowerment programs, and suboptimal synergy between philanthropic institutions and the government.

DISCUSSION

1. The Role of Islamic Philanthropic Management in Poverty Alleviation

Islamic philanthropic management encompasses the planning, collection, management, distribution, and oversight of religious social funds. Good management is a crucial factor in determining the success of poverty alleviation programs. The more professional the governance of zakat and waqf institutions, the greater the impact felt by the beneficiaries.

The concept of Islamic philanthropy is based on the principles of social justice (al-'adl) and shared prosperity (maslahah). In the context of poverty alleviation, ZISWAF funds function as a mechanism for redistributing wealth from those with surplus wealth to those in need. This mechanism helps reduce economic inequality and increases the purchasing power of the poor.

2. Sharia Fiscal Policy as an Instrument of Welfare

In Islamic economics, fiscal policy has broader objectives than conventional systems, namely achieving social welfare (falah), maintaining economic stability, and creating equitable income distribution. Sharia fiscal instruments include zakat, kharaj, jizyah, usyur, ghanimah, and various other sources of state revenue in accordance with Sharia principles.

The existence of zakat in Sharia fiscal policy has a strategic function because it is directly targeted at the eight groups of recipients (asnaf) as described in Surah At-Taubah, verse 60 of the Quran. Therefore, zakat is an effective instrument in reducing poverty and improving social welfare.

Various studies have shown that Sharia fiscal policy can create a more equitable distribution of income when optimally implemented. Integrating Islamic social funds into national development programs can strengthen the effectiveness of government policies in reducing poverty and economic inequality.

3. Synergy between Islamic Philanthropy and Sharia Fiscal Policy

Key findings from various literature indicate that poverty alleviation will be more effective if Islamic philanthropic management is integrated with sharia fiscal policy. This synergy can be achieved through coordination between the government, zakat institutions, waqf bodies, and sharia financial institutions in designing community economic empowerment programs.

This integration allows zakat and waqf funds to be used as a complement to government social protection programs. Furthermore, the development of productive waqf can serve as an alternative source of funding for the construction of public facilities such as schools, hospitals, and job training centers, supporting the improvement of human resource quality.

Thus, Islamic philanthropy and sharia fiscal policy have a complementary relationship in achieving the goals of Islamic economic development. If managed professionally, transparently, and accountably, both instruments have the potential to be an effective and sustainable solution to addressing poverty in Indonesia.

CONCLUSION

Based on the results of the literature review obtained from various scientific articles indexed in Google Scholar, it can be concluded that **Islamic philanthropic management and sharia fiscal policy have a very important role in poverty alleviation efforts.** Islamic philanthropy, through the instruments of zakat, infaq, sedekah, and waqf (ZISWAF), functions as a wealth redistribution mechanism that helps the poor meet their basic needs while increasing their economic independence through productive empowerment programs.

Research shows that professional, transparent, and accountable management of philanthropic funds can increase the effectiveness of aid distribution to those in need. The utilization of productive zakat and waqf has been proven to support the development of micro-enterprises, increase the income of those entitled to receive the benefits, expand employment opportunities, and reduce social and economic inequality. Therefore, Islamic philanthropic management is not solely oriented towards consumer assistance but also directed towards sustainable economic development.

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