



The Role of Waqf in Supporting the Achievement of the Sustainable Development Goals (SDGs)

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ABSTRACT

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Waqf as an Islamic financial instrument has great potential in supporting the achievement of Sustainable Development Goals (SDGs). This research aims to analyze the contribution of waqf in achieving sustainable development goals, with a focus on the sectors of poverty alleviation, education, health and environmental sustainability. Using a qualitative approach with a literature study method, this research examines related literature to describe the relationship between the concept of waqf and its implementation in supporting the SDGs. The data analyzed includes research results, waqf institution reports, and relevant policies. The research results show that waqf, especially through innovations such as productive waqf, has the ability to fund development programs in a sustainable manner. However, challenges in regulation, public awareness and management still need to be overcome. With good management, supportive regulations, and synergy between the government, waqf institutions and the community, waqf can become the main driving force in achieving sustainable development goals.

INTRODUCTION

In recent decades, global attention to sustainable development has increased significantly. This concept is embodied in the Sustainable Development Goals (SDGs), which were adopted by the United Nations (UN) in 2015. The SDGs consist of 17 main goals and 169 targets encompassing social, economic, and environmental dimensions. Their primary objective is to address various global challenges such as poverty, inequality, climate change, and other socio-economic issues. The SDGs aim to ensure human well-being and the sustainability of the planet, and they apply universally to both developed and developing countries, including Indonesia.

Indonesia, as the country with the largest Muslim population in the world, has significant potential to contribute to the achievement of the SDGs. One relevant Islamic financial instrument with considerable potential to support the SDGs is waqf. Traditionally, waqf is understood as a form of worship in Islam where a person (waqif) donates assets for the public benefit. These waqf assets are managed according to sharia principles to provide long-term benefits to society. Unlike regular charity, waqf not only delivers immediate benefits but also creates sustainable impact through

productive management. As such, waqf can support SDGs such as poverty alleviation (SDG 1), quality education (SDG 4), good health and well-being (SDG 3), and environmental sustainability (SDG 13) (Harpepen & Yustati, 2025; Asnaini et al., 2023).

Previous studies have shown the strategic role of waqf in socio-economic development. Masriyah (2024), for example, explains how productive waqf can significantly contribute to community welfare by managing assets for educational and health-related projects. Masrurroh, Nanggur, and Ngamal (2024) also reveal that waqf plays a role in supporting sustainable economic development through investments in small and medium enterprises (SMEs) and infrastructure. However, these studies have not explicitly linked waqf's contributions to the full scope of the SDGs. Kamali (2017) highlights the importance of waqf in supporting socio-economic development in Muslim countries, though his discussion remains conceptual and lacks specific case studies. Similarly, Setiawan (2020) asserts that waqf can be a solution for achieving the SDGs in Indonesia but does not elaborate in detail on the challenges faced in its implementation.

In this context, theories such as Social Capital Theory, Sustainability Economics Theory, and Islamic Philanthropy Theory become relevant to explore the role of waqf further. Social Capital Theory emphasizes the importance of trust, norms, and social networks in supporting collective action. In waqf management, public trust in waqf managers (*nazhir*) greatly influences the success of asset management. Sustainability Economics Theory highlights the importance of sustainable resource management to create long-term benefits, aligning well with the concept of productive waqf. Meanwhile, Islamic Philanthropy Theory underscores that waqf is not only a form of worship but also a tool for equitable wealth distribution and the creation of broad socio-economic impact.

However, there is a research gap that needs to be addressed. Although many studies have shown the benefits of waqf, the specific relationship between waqf and the achievement of the SDGs in Indonesia has not been thoroughly explored. Furthermore, a lack of innovation in managing productive waqf and minimal synergy between waqf institutions, the government, and society are major obstacles. Many people still view waqf as a traditional form of charity, without understanding its potential as an instrument for sustainable development. Suboptimal regulations and the limited capacity of waqf managers to manage funds transparently and professionally also pose significant challenges (Arisandi et al., 2023).

This study aims to fill that gap by exploring the contribution of waqf to the achievement of the SDGs in Indonesia, particularly in sectors such as poverty alleviation, education, health, and environmental sustainability. Using a qualitative research method based on literature review, this article identifies challenges in implementing waqf for the SDGs and provides recommendations to maximize the potential of waqf as a key pillar of sustainable development. It is hoped that this study will provide a more comprehensive understanding of the role of waqf in supporting the SDGs and encourage synergy among waqf institutions, the government, and the community to achieve inclusive and sustainable development goals.

METHOD

This study employs a qualitative approach to explore the role of waqf in supporting the achievement of the Sustainable Development Goals (SDGs). According to Setiawan, the theories used are Social Capital Theory, Sustainability Economics Theory, and Islamic Philanthropy Theory. These theories provide a crucial foundation for understanding the strategic role of waqf in sustainable development. Social Capital Theory emphasizes the importance of trust and social networks in supporting the efficient management of waqf. Sustainability Economics Theory illustrates how productive waqf can generate long-term sustainable benefits for future generations. Meanwhile, Islamic Philanthropy Theory asserts that waqf is not only a spiritual instrument but also has a significant socio-economic impact in distributing wealth fairly and enhancing the welfare of the community. Together, these theories complement each other to strengthen waqf's role as a tool for social transformation and sustainable development.

The research method used is library research, which involves analyzing secondary data obtained from various literature sources related to waqf and the SDGs. The data is analyzed using a descriptive analysis method aimed at illustrating the relationship between the concept of waqf and the achievement of the SDGs in various sectors, such as poverty alleviation, education, health, and environmental sustainability. A thematic approach is employed to identify key themes emerging from the relevant literature, allowing the researcher to understand the specific role of waqf in supporting each of the SDG goals.

RESULT AND DISCUSSION

Definition of Waqf

Waqf originates from the Arabic word meaning “to hold” or “to donate.” In Islamic legal context, waqf refers to assets that are separated and allocated for social purposes such as education, healthcare, and infrastructure (Kamali, 2017). Waqf assets may consist of land, buildings, or financial assets managed to provide long-term benefits. Law No. 41 of 2004 defines waqf as the act of dedicating or separating property for perpetual or time-bound use for religious or public welfare purposes according to sharia principles. Based on this law, it is permissible for waqf land to be used for the welfare of the community as long as it aligns with Islamic law, giving rise to the concept of *productive waqf*. Another reason for the emergence of productive waqf is the government's dissatisfaction with traditional waqf management, which prompted the development of this new paradigm (Susilowati, 2020).

Productive waqf refers to a dynamic and innovative approach to waqf asset management. In this approach, waqf assets are utilized productively to generate profits, which are then used for social purposes, such as education, healthcare, or economic empowerment. Examples include converting waqf land into agricultural fields, commercial properties, or financial investments whose returns benefit social welfare programs.

Waqf is a form of social worship with significant potential to create positive change within society. The concept promotes sharing wealth for the common good, providing not only spiritual merit but also tangible benefits for community welfare. In today's context, waqf management must be more professional and productive, as seen in the emergence of the productive waqf paradigm. This paradigm responds to the need to maximize the benefits of waqf assets to ensure sustainable results for education, health, and economic empowerment. Productive waqf not only fulfills Islamic legal principles but also addresses modern challenges through innovation. We believe that waqf management based on professionalism, transparency, and accountability can be an effective solution to various social issues and strengthen the economic independence of the Muslim community. Therefore, understanding and practicing waqf must continue to evolve so that it becomes not only a charitable tradition but also a pillar of sustainable development.

The Relationship Between Waqf and SDGs

Waqf can contribute to various aspects of sustainable development:

1. Poverty Alleviation (SDG 1)

Waqf funds can be used for economic empowerment programs that help the poor. For instance, productive waqf offering business capital or skills training can increase community income (Setiawan, 2020). The concept of welfare includes improving living standards, maintaining and

enhancing quality of life, and rebuilding social functions to boost resilience, independence, and social responsibility. Welfare improvement is a shared responsibility. Strengthening individual or group capacity for self-reliance is the goal of community welfare initiatives. The government and other stakeholders continue to pursue welfare through legislation and the Islamic perspective (Masriyah, 2024).

Asset inequality exacerbates social disparity. Islam offers a solution in the form of waqf, which addresses these issues. Waqf, a type of worship, impacts the social and economic welfare of communities. Revitalizing waqf fund management can catalyze economic growth. Waqf has the potential to become an alternative funding source and boost Indonesia's economy (Masriyah, 2024). Waqf assets can be used to enhance the welfare of Muslims in the long term, involving various community stakeholders including the government, businesspeople, scholars, and the public. Waqf is generally a property donated by the waqif (donor) to the mauquf 'alaih (beneficiary) for management and use in public interest (Masriyah, 2024).

2. Quality Education (SDG 4)

Waqf can be used to establish educational institutions, provide scholarships, and support training programs. Waqf institutions that build schools or universities help improve access and quality of education for underprivileged children (Ali, 2019). An example is Al-Azhar University in Cairo, Egypt, founded in 950 CE, which successfully utilizes waqf to support education by offering scholarships to students from around the world. Today, Al-Azhar is not only a center for education but also manages hospitals, plantations, hotels, and other enterprises. It benefits over 400,000 students with free education, pays salaries to 11,000 lecturers, and sends scholars around the globe (Syamsuri, 2021).

3. Good Health and Well-being (SDG 3)

Funding hospitals and clinics through waqf can improve public access to healthcare services. Waqf may also fund preventive and promotional health programs (Rahman, 2018). For example, the development of waqf by YBWSA in Semarang included the establishment of Sultan Agung Islamic Hospital (Masrurroh, 2024).

4. Environmental Sustainability (SDG 13)

Waqf projects focused on environmental preservation, such as reforestation and water resource protection, can positively impact the environment. Moreover, waqf can support research and development of eco-friendly technologies (Setiawan, 2020). Waqf also contributes to infrastructure development and green projects. Of 20 analyzed infrastructure projects, 15 were environmentally friendly, with a total investment of IDR 50 billion. An example is the construction of a village road in Surabaya funded by waqf, which improved mobility and boosted the local economy (Masrurroh, 2024).

Waqf in Poverty Alleviation

Waqf has immense potential to support poverty alleviation programs through:

1. **Business Capital:** Many waqf institutions offer interest-free loans to small entrepreneurs, helping them start or grow businesses, thereby increasing income and generating employment (Setiawan, 2020).
2. **Skills Training:** Waqf-funded training programs help people acquire new skills, enhance employability, and reduce unemployment in the region (Ali, 2019).
3. **Direct Assistance:** Some waqf organizations provide direct aid to poor families for basic needs such as food, education, and healthcare (Kamali, 2017).

Waqf for Education

Education is a key pillar in the SDGs, and waqf contributes through:

1. **School and University Establishment:** Waqf institutions have built many schools and universities that offer free or affordable education for children from low-income families, improving school participation and education quality in remote areas (Setiawan, 2020).
2. **Scholarships:** Waqf-funded scholarship programs enable talented students from disadvantaged backgrounds to pursue higher education (Ali, 2019).
3. **Educational Infrastructure:** Waqf is also used to build adequate educational facilities such as laboratories, libraries, and proper classrooms, essential for improving educational quality (Rahman, 2018).

Waqf in the Health Sector

Good health and well-being, a key goal of SDG 3, can be supported through waqf:

1. **Healthcare Facilities:** Many waqf institutions invest in hospitals, clinics, and public health centers to ensure access to healthcare for underprivileged communities (Setiawan, 2020).
2. **Free Health Services:** Waqf can fund free health services, including checkups, vaccinations, and treatments for the poor (Ali, 2019).
3. **Preventive Health Programs:** Waqf funds can support health campaigns about nutrition, hygiene, and communicable diseases, improving public awareness and preventing illness (Rahman, 2018).

Example: Free Health Services by Dompét Dhuafa: Dompét Dhuafa manages waqf-based clinics and hospitals that provide free health services to the underprivileged. These clinics often run mobile health programs and offer checkups, treatment, and health education for people in remote areas with limited healthcare access.

Waqf and Environmental Sustainability

Environmental sustainability is a critical theme in SDG 13. Waqf projects can support:

1. **Reforestation and Conservation:** Waqf-funded reforestation projects can restore degraded land and improve air quality. Water resource conservation efforts also support environmental sustainability (Setiawan, 2020).
2. **Environmental Education:** Waqf institutions may fund programs that educate the public on the importance of environmental protection and sustainability (Ali, 2019).
3. **Green Technology Innovation:** Waqf can finance research and development of eco-friendly technologies to address environmental challenges (Rahman, 2018).

Example: Eco-Park Waqf in Bogor : An eco-park based on waqf was established in Bogor as a space for conservation, recreation, and education. The park features endemic trees and provides a habitat for local species. Besides being a green space, it includes educational facilities to teach visitors about environmental sustainability, biodiversity, and resource conservation.

Challenges in Waqf Implementation

Despite its potential, waqf faces several challenges:

1. **Regulation:** Lack of clear regulations hinders the effective management and utilization of waqf funds. Supportive and transparent regulations are essential to increase public trust in waqf institutions, encouraging more participation. Without proper regulation, the larger goals of waqf in supporting sustainable development may be hampered, and productive use of waqf funds may be unrealized (Kamali, 2017).

2. **Public Awareness:** Public understanding of waqf and how to participate is still limited. Education is needed to help people see waqf not just as an act of worship but as a long-term social investment with broad impacts in areas like health, education, and poverty alleviation (Setiawan, 2020).
3. **Management:** Poor waqf fund management can lead to misuse and a lack of transparency. A strong management system and clear accountability are vital for optimal utilization of waqf funds. This includes using modern technology and strict management standards to ensure transparency, thereby maintaining public trust and encouraging greater contributions (Ali, 2019).
4. **Institutional Coordination:** Limited coordination among waqf institutions, government, and NGOs can impede collaboration toward shared SDG goals. Effective coordination allows each institution to contribute based on its expertise and resources, creating impactful partnerships to tackle social issues. With good synergy, waqf programs supporting SDGs can achieve wider and faster reach (Rahman, 2018).

CONCLUSION

Waqf holds significant potential as a strategic instrument in supporting the achievement of the Sustainable Development Goals (SDGs) in Indonesia, particularly in the sectors of poverty alleviation, education, health, and environmental sustainability. Through a more innovative approach, transparent management, and collaboration among various stakeholders, waqf can play a crucial role in sustainable development. To overcome challenges such as inadequate regulations, low public awareness, and unprofessional management, several strategic steps need to be taken.

The government should strengthen regulations that support the productive management of waqf, including providing incentives for institutions that utilize waqf funds to achieve SDG targets. On the other hand, waqf institutions must actively educate the public about the benefits of productive waqf and enhance the capacity of waqf managers through professional training and the application of modern technology. Furthermore, synergy between the government, waqf institutions, civil society organizations, and the private sector must be continuously strengthened to create integrated and impactful waqf programs. Innovation in productive waqf—such as investments in education, health, and green technology—should also be continuously developed.

With the implementation of these measures, waqf can become an effective and sustainable solution for supporting social, economic, and environmental development. The vast potential of waqf must be fully utilized to generate long-term benefits for society and support the realization of the SDGs in Indonesia.

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