



THE ROLE OF ISLAMIC PHILANTHROPY IN GREEN ECONOMY DEVELOPMENT: CASE IN INDONESIA

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ABSTRACT

This study aims to describe the role of Islamic philanthropy in the development of green economy. Through a qualitative descriptive approach with literature study and content analysis methods, the study found that Islamic philanthropy has a large potential to support the green economy development through various projects and programs, such as investment and development of renewable energy, education and research, and community empowerment. The development of Islamic philanthropy to support green economy faces several challenges. However, Islamic philanthropic practices also have potential and opportunities that can be optimized in supporting green economy. Efforts are needed to increase awareness and understanding of green economy in the community and society. Furthermore, it is important to build partnerships and collaborations with non-governmental organizations in an effort to overcome resource constraints and legal complexities. Finally, capacity building within the Islamic philanthropic community through training and mentoring will strengthen capabilities in supporting green economy projects. This research contributes to enriching literacy and insight into the role of Islamic philanthropy in developing the green economy as an important issue in facing the environmental challenges and climate change facing the world today.

Keywords: Islamic Philanthropy, Green Economy, Environment

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INTRODUCTION

The development of green economy is currently a very important issue in facing environmental challenges and world climate change (Malihah, 2022). Green economy is a concept that has the main objective of achieving sustainable economic growth, protecting the environment, and improving people's welfare (Susila & Hukom, 2023; Annisa & Harahap, 2023; Mardani, 2023). In the context of green economy, development and economic growth are directed at meeting current needs without compromising future generations, by reducing negative impacts on the environment, increasing resource efficiency, promoting environmentally friendly technologies and practices, and increasing social welfare (Kusuma, Hamidah, & Fitriani, 2022; Anwar, 2022; Baiq, 2022; Mardani, 2023; Wahyuni, Hilal, & Madnasir, 2022).

Likewise, in order to reduce carbon emissions and negative impacts on the environment, green economy aims to reduce greenhouse gas emissions and environmental pollution, limit environmental damage, and protect natural resources (Sholiha, Putri, Alpandi, & Reza, 2022). Meanwhile, in an effort to increase resource efficiency, the green economy seeks to increase the efficiency of the use of natural resources, including energy, water, and





raw materials (Annisa & Harahap, 2023). By optimizing the use of these resources, green economy can reduce the economic and environmental costs caused by wastage and degradation of resources. Likewise, the green economy encourages the development and adoption of environmentally friendly technologies, such as renewable energy, sustainable transportation, and efficient waste treatment technologies (Baiq, 2022). This can encourage innovation and create new business and job opportunities in green economy sectors.

In relation to energy, the United Nations Environment Program (UNEP) sparked the idea of green economy in order to support efforts to meet the need for renewable energy, including through reducing greenhouse gas emissions. The idea aims to provide a great opportunity to utilize the concept of green economy to support the implementation of development that is oriented towards environmental and ecosystem aspects. UNEP stated that the notion of green economy is broader in scope than the Low-Carbon Economy (LCE) or Low-Fossil-Fuel Economy (LFFE) (UNEP, 2011). Indicators of implementing green economy in an economy can be seen through several activities, such as increasing public and private investment in the green sector, increasing the quantity and quality of jobs in the green sector, increasing Gross Domestic Product (GDP) in the green sector, decreasing the use of energy/resources power per unit of production, reduced CO₂ and pollution levels, and decreased consumption which generates a lot of waste (Fauzia, 2016).

Related to the idea of green economy conception, there are two objectives to be achieved. First, the green economy tries to create an economic concept that does not only consider macroeconomic issues, particularly investment in sectors that produce environmentally friendly products and the production of more environmentally friendly goods and services (green investment), but also focuses on how investment contributes green jobs in fields related to environmentally friendly (green jobs). Second, the green economy tries to prepare guidelines for pro-poor green investment or green investment that can encourage poverty alleviation (Iskandar & Aqbar, 2019).

From the description above, it can be understood that the benefits of implementing green economy include reducing environmental risks, creating new jobs, improving people's quality of life, increasing economic competitiveness, diversifying income sources, and reducing dependence on limited resources. In this context, the role of Islamic philanthropy in the green economy is relevant for study because Islamic philanthropy has principles and values that include concern for humanity, the environment and sustainability, in line with the aims of green economy.

As a religion that teaches humans to love and support each other, Islam has a configuration of generosity or philanthropy from its teachings (Uyun, 2015), including orders to give zakat, infaq, charity, and endowments, which can have implications not only for increasing faith in Allah, fosters a high sense of humanity, eliminates stinginess, greed and materialism, fosters peace of life, cleans and develops one's assets, but can also overcome various problems in social, economic, educational, environmental and other aspects of life (Kasdi, 2016). In Quran surah al-Taubah verses 60 and 103, surah al-Baqarah verses 177 and 261, surah Ali 'Imrān verses 92, 133 and 134, surah Fāṭir verses 29 and 30, and a number of other verses in the Quran, the position and the role of philanthropy, especially zakat, infaq and alms as evidence of the faith and love of a Muslim for good deeds that bring good luck in the world and the hereafter. Philanthropy is actually part of the worship of *māliyyah ijtimā'iyah*, namely worship in the field of property which has a very important and decisive social position. Philanthropy in Islam should be used as a necessity and life style for a Muslim. The strengths and weaknesses of a person's faith and Islam are determined, among other things, by his generosity and social concern.





Islamic philanthropy in its various forms, as mentioned above, aims to distribute wealth and resources fairly and contributes to the economic empowerment of society which aims to create better opportunities for people to develop their economic potential. Therefore, it is important to examine further how Islamic philanthropy carries out its role in efforts to develop green economy. The role of Islamic philanthropy in developing green economy is an important object to study because it is based on several reasons. First, Islam as a religion with a very large number of adherents around the world has significant potential to make a real contribution to the development of green economy. With adhered principles and values, Islamic philanthropy can become a powerful resource in encouraging sustainable practices and initiatives in the economic sector, including green economy.

Second, given the urgency of environmental protection and climate change mitigation, there is a need to explore various approaches and strategies in developing green economy. In this case, Islamic philanthropy can be one of the important factors that encourage innovation and sustainable solutions through investment, education, research and community empowerment. Third, a study of the role of Islamic philanthropy in the development of green economy can provide valuable insights for policy makers, philanthropic institutions and other practitioners in understanding how religious and cultural aspects can contribute to the development of a sustainable green economy. The existence of the decision of the Indonesian Ulama Council (MUI) fatwa Number 001/MUNAS-IX/MUI/2015 concerning the utilization of zakat, *infaq*, alms, and endowments for clean water and sanitation development facilities for the community, confirms the existence of a close relationship between humans and the environment (non-human) in a religious context. Therefore, exploring and studying the role of Islamic philanthropy in the green economy is interesting and relevant.

In addition, the concept of implementing green economy which is believed to be able to be a solution for a better, just, prosperous, and sustainable global life and civilization, is actually in accordance with or in line with the values in the principles or concepts of Islamic economics (including Islamic philanthropy) especially from the *maqāshid* point of view. *al-shari'ah*. In terms of terminology, *maqāshid al-syarī'ah* is the meanings and objectives maintained by *syara'* in all or most of its laws. In other words, *maqāshid al-syarī'ah* is the ultimate goal of the shari'a and the secrets that the shari'a places in each of its laws (al-Zuhailī, 1986). According to al-Syāṭibī (1997), the purpose of the revelation of Islamic law is for the benefit of mankind in this world as well as in the hereafter.

With regard to the classification of *maqāshid al-syarī'ah*, al-Syāṭibī (1997) then divides this into three important parts, namely *ḍarūriyyah* (primary), *ḥājjiyyah* (secondary) and *taḥsiniyyah* (tertiary). *Al-Maqāshid al-ḍarūriyyah* is the aim of Shari'a in maintaining the most basic benefit for the sake of the survival of human beings which must be realized. Because if not, it can cause an imbalance in life in the world which will impact on the benefits of life in the hereafter. What is meant by *al-maqāshid al-ḍarūriyyah* is *ḥifzu al-dīn* (guarding religion), *ḥifzu al-nafs* (guarding souls), *ḥifzu al-nasl* (guarding offspring), *ḥifzu al-māl* (guarding property) and *ḥifzu al-'aql* (keeping the mind). *Al-maqāshid al-ḥājjiyyah* is the benefit intended by the Shari'a in the form of human needs for a more prosperous and more spacious life. If this benefit is not maintained, it can lead to a narrow and heavy life, even though its absence does not lead to a larger meaning which is more essential and emergency in nature. Meanwhile, *al-maqāshid al-taḥsiniyyah* is a type of benefit that should be realized for a better life, and negates everything that is rejected by common sense. Examples are maintaining cleanliness, wearing clothes that look beautiful, performing voluntary acts of worship such as giving alms, staying away from dirty places, moderation (*isrāf*) in terms of consumption, and others (al-Syāṭibī, 1997).





Further studies regarding the role of Islamic philanthropy in the development of green economy will provide a better understanding of the potential, practice and impact of Islamic philanthropy in promoting economic and environmental sustainability, as well as provide more effective policy recommendations in dealing with complex global challenges. Several previous studies have tried to examine the role of zakat, infaq and alms in sustainable development in general. Utama (2021) examines the role of zakat, infaq, and alms in realizing sustainable development goals (SDGs) in Indonesia. From the results of the analysis carried out, it was found that zakat, infaq, and alms have a positive role in achieving the SDGs goals in Indonesia with five program pillars, namely: economy, health, education, da'wah, and social humanity, with the biggest role towards the SDGs goals, namely eradicating poverty, eradicating hunger, proper health, and quality education. Amymie (2017) conducted a study to find out the zakat fund management system at Baznas West Java and its relation to the SDGs. This study concludes that the strategy for Strengthening, Distribution and Utilization of the West Java BAZNAS, namely with the intersection of the SDGs and zakat programs, meets an objective of reducing poverty including hunger that occurs in this world and its various derivatives. The research results of Iswanaji, Nafi'Hasbi, Salekhah, & Amin (2021) show that the priority for implementing zakat distribution in supporting sustainable community economic development is the social aspect with a strategy, namely: 1) increasing the quality and quantity of concern for social institutions and stakeholders; 2) improve comprehensive and efficient disaster risk reduction; 3) improve the quality of just law enforcement, and 4) increase employment opportunities and concern for community SMEs.

Although those previous studies have studied and analyzed various aspects related to the role of Islamic philanthropy in Indonesia in sustainable development, those studies have not examined the role of Islamic philanthropy, through zakat, infaq, alms, and waqf, in specifically developing the green economy. Therefore, in general, this research was conducted with the aim of describing the role of Islamic philanthropy in the development of green economy. While specifically, the objectives to be achieved in this study, namely:

1. Knowing the principles of philanthropy in Islam which are the moral and spiritual foundation in directing these philanthropic practices in the development of green economy. In the context of this research, an understanding of these principles will assist in identifying how Islamic philanthropy can be applied concretely in supporting green economic practices, through zakat, infaq, alms, endowments, and community economic empowerment.
2. Understand the contribution of Islamic philanthropy to green economic practices. At this point, this research will identify and analyze the practice or implementation of Islamic philanthropy that contributes to the development of green economy.
3. Identify the potential and opportunities that exist in the development of Islamic philanthropy in green economy. By identifying the existing opportunities and challenges faced by Islamic philanthropic initiatives, this research will provide insight into the fully untapped potential and new opportunities that can be explored in the context of green economy development.
4. Develop strategies or policy recommendations. Based on research findings and analysis, this study will formulate policy recommendations in the form of strategies that can increase the role of Islamic philanthropy in developing green economy. These recommendations could involve collaborative efforts between governments, philanthropic institutions, the private sector, and civil society to strengthen the role of Islamic philanthropy in driving innovation, investment, and sustainable practices in green economy.

By achieving the above objectives, this research is expected to provide a deeper understanding of the potential and contribution of Islamic philanthropy in the development of





green economy, as well as provide useful recommendations for stakeholders in formulating policies and strategic steps to promote economic growth. sustainable and environmentally friendly, especially through Islamic philanthropy.

Conceptual Framework

The conceptual framework in this study includes several key concepts that are relevant to the research objectives. The following are the main elements used as a framework for the research concept, namely:

1. Islamic Philanthropy. The concept of Islamic philanthropy includes principles and values related to social care and sustainability. This concept also includes philanthropic practices such as zakat, infak, alms, and endowments, which have the aim of distributing wealth and resources fairly and encouraging economic empowerment. public. The concept of Islamic philanthropy also includes aspects such as ukhuwah (brotherhood) and ihsan (kindness).
2. Green Economy, namely practices and innovations that aim to achieve sustainable and environmentally friendly economic growth. This includes developing and implementing clean technologies, using renewable energy, resource efficiency, sustainable waste management, and policies that support the transition to a low-carbon economy. The green economy concept also includes social aspects such as community welfare, economic empowerment, and sustainable development.
3. Relations between Islamic Philanthropy and Green Economy. This concept is a link between Islamic philanthropy and the development of green economy. This includes an understanding of how Islamic philanthropic principles, including practices in the forms of zakat, infaq, alms, and waqf, can be used to support green economic practices, for example through investment in renewable energy, education and research on green economy, empowering communities in green economic practices, as well as green infrastructure and climate change countermeasures.

The conceptual frameworks of this study is illustrated in the following chart:

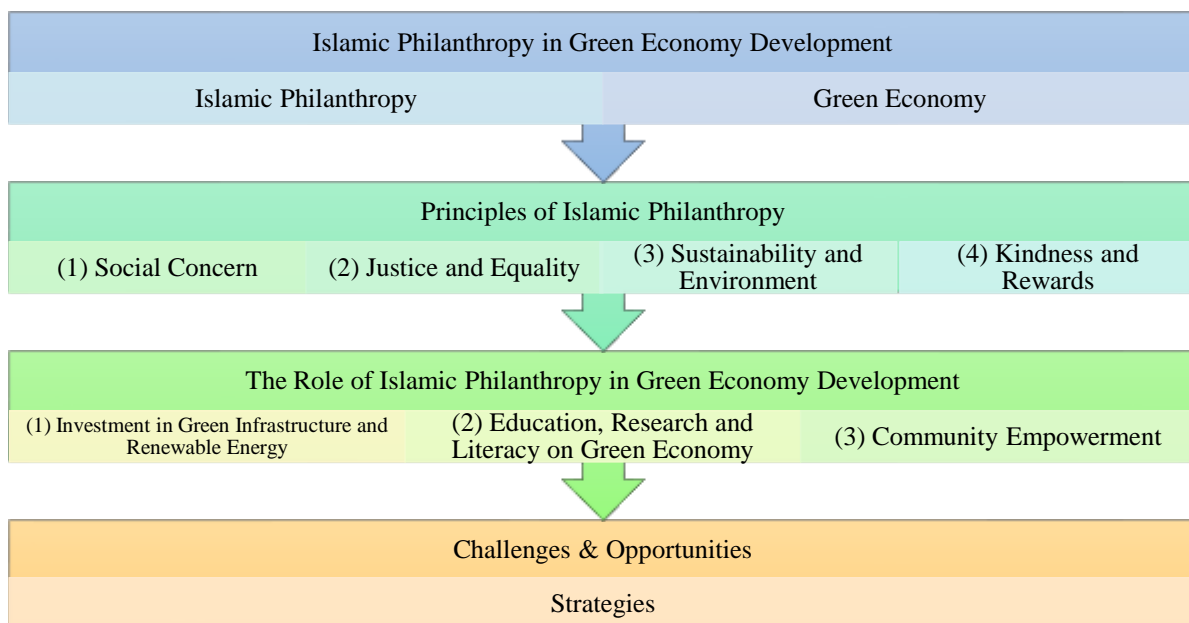


Figure 1: Conceptual Framework





By using the conceptual framework and line of thought mentioned above, through this research it will be possible to understand the role of Islamic philanthropy in the development of green economy in a comprehensive manner. This framework helps to carry out a more in-depth analysis of the implications and impacts of Islamic philanthropic practices in achieving sustainable green economy development goals because it can provide a strong theoretical foundation for understanding the contribution of Islamic philanthropy in the development of green economy.

RESEARCH METHODOLOGY

Based on the objectives to be achieved, this research is included in the descriptive research category which aims to describe certain situations or symptoms in detail (Hamdi & Ismaryati, 2019). In terms of approach, this study used a qualitative approach through literature study and content analysis technique (Sarwono, 2006). The literature study method is used by studying various references, such as books, magazines, journals, scientific works, articles on the internet, or other literature that are related or relevant to the topic or research objectives. Meanwhile, content analysis techniques are used to obtain an accurate understanding and meaning of a text and to produce an objective and systematic description of the content contained in the text. The data source used is secondary data obtained from research results, articles and reference books that discuss the same topic.

FINDINGS DAN DISCUSSION

Principles of Islamic Philanthropy and Green Economy Development

In examining the role of Islamic philanthropy in the development of green economy, there are several philanthropic principles in Islam which form the basis for understanding the role of philanthropy in the development of green economy. Some relevant Islamic philanthropic principles, namely:

1. **Social Concern.** This principle includes the understanding that every Muslim has a social responsibility towards fellow human beings. Philanthropy in Islam encourages individuals to have concern and concern for social welfare and fight for economic justice. The principle of shared ownership and brotherhood in Islam influences attitudes and philanthropic actions aimed at reducing social inequality and providing assistance to those in need, including in the context of developing green economy (Fauzia et al., 2003).
2. **Justice and Equality.** This principle emphasizes the importance of justice and equality in philanthropic practice. In Islam, philanthropic donations such as zakat and infaq have the goal of reducing economic inequality and strengthening social equality. This principle encourages a fair distribution of wealth and the use of resources for the public interest, including in the development of green economy (Fauzia et al., 2003).
3. **Sustainability and Environment.** Islamic philanthropic principles also include concern for sustainability and the environment. Islam teaches its people to be wise managers of the earth and maintain the balance of nature. Therefore, Islamic philanthropy in the context of developing green economy also considers the environmental impact of economic activities (Nur & Bakir, 2020) and encourages sustainable practices that are environmentally friendly (Latief, 2013).





4. Kindness and Rewards. Philanthropy in Islam is seen as an act of kindness that brings rewards. The main motivation in practicing philanthropy is to seek the pleasure of Allah and obtain rewards in the hereafter (Fauzia et al., 2003). This principle encourages Muslims to donate voluntarily and generously, without expecting direct material rewards.

These philanthropic principles in Islam become the moral and spiritual foundation that directs philanthropic practices in the development of green economy. In the context of this research, an understanding of these principles will assist in identifying how Islamic philanthropy can be applied concretely in supporting green economic practices, through zakat, infaq, alms, endowments, and community economic empowerment.

In line with these principles, there is a close relationship between the concept of Islamic principles and green economy. Islamic principles provide a moral and ethical foundation that aligns with green economy goals and values. Some of the relationships in the form of relationships and relevance, among others, namely:

1. Common Ownership and Justice. Islam has a unique view of the problem of ownership (property), which is different from the views of capitalism and socialism. The concept of public ownership in Islamic teachings departs from the view that humans have a basic tendency (*fitrah*) to own property individually, but also need other parties in their social life. The wealth or wealth that He has bestowed in this universe, is a gift from God to humans to be utilized as well as possible for the welfare of all mankind economically, in accordance with God's will (Akbar, 2012; Gunawan, 2017; Hamdani, 2020). This principle of common ownership in Islam encourages the equitable sharing of resources and wealth. This concept is in accordance with the principles of equality and fairness in green economy. In green economy, natural resources and wealth must be distributed fairly and sustainably, without creating detrimental economic disparities. This principle encourages active participation in green economy and fair sharing of benefits for the whole society.
2. Social Responsibility and Environmental Concern. The principle of social responsibility in Islam encourages individuals to contribute and care for social and environmental welfare (Nur & Bakir, 2020). Islamic philanthropy, such as alms, can be used to support efforts to develop green economy. Islamic philanthropic donations and assistance can be allocated for environmental preservation programs, education on green economy, and community empowerment in environmentally friendly practices.
3. Environmental Preservation and Balance (*Mizān*). Islam emphasizes the importance of maintaining the environment and natural balance. The concept of *mizān* (balance) in Islam includes the wise management of natural resources. The green economy also encourages sustainable practices that consider environmental impacts (Mangunjaya, 2015). These principles support each other, with a focus on conserving nature and using resources responsibly for current and future well-being.
4. Avoidance of Extravagant (*Isrāf*). Islam teaches its people to avoid the extravagant in the use of resources (Zaimsyah & Herianingrum, 2019). This principle is also relevant in green economy, which emphasizes resource efficiency and extravagant reduction. By reducing excessive consumption and optimizing the use of natural resources, green economy promotes principles that are in line with Islamic values.

Today, environmental-based narratives and movements from religious and non-religious groups that are cultural and non-formal at the grassroots have started to become massive and emerge to the surface. Unfortunately, it is still difficult to accept the fact that there are still many religious or non-religious institutions, both formal and structural, that are not yet serious about making environmental issues a mainstream and an important concern in the second century (Permadi, 2020).





One of the results of the 2019 National Level Religious Jurisprudence Session by Muhammadiyah organizations which was held in Aceh was the distribution of eight *aṣṅaf* which experienced an expansion of meaning. There are two categories, namely individual mustahik and public mustahik. Individual mustahik include the indigent, poor, amil, *mu'allaf*, *ibn sabīl* and *garimīn*. While those included in public mustahik are *riqāb* and *sabilillah*. "Green" zakat as a form of utilizing Islamic philanthropy in green economy is an effort to safeguard the soul (*ḥifzu al-naḥs*) and safeguard public benefit (*maṣlaḥah 'ammah*). Zakat management in a "green" manner includes the interests of individual *aṣṅaf* and public *aṣṅaf*. More broadly, greenery in the zakat distribution system will provide a proper living space for all of His creatures (Permadi, 2020).

The Role of Islamic Philanthropy in Green Economy Development

With the existence of the above principles and the relevance (relationship) between Islamic philanthropy and the green economy, the practice of Islamic philanthropy can actually play a role in the development of green economy through several aspects, including:

Investment in Green Infrastructure and Renewable Energy

Islamic philanthropy can be used to support investment in green infrastructure, such as financing of community-based environment (Green Fund) such as financing for rural farming (suburban farming), urban farming, development of renewable energy, sustainable waste management, environmentally friendly transportation, and other ecologically oriented environment. Islamic philanthropic contributions can be used to fund these projects, encourage the adoption of green technologies, and accelerate the transition to a low-emission economy.

In particular, Islamic philanthropic investment in renewable energy is an important aspect of developing green economy. Renewable energy, such as solar, wind and biomass energy, has a lower environmental impact than fossil energy sources. Islamic philanthropy can play an important role in supporting investments in renewable energy, such as the construction of solar panels, wind turbines and installation of biomass power plants. This investment will accelerate the transition from fossil fuels to clean and sustainable energy.

As a complete guide covering all aspects of life, spiritual, intellectual, political, social and economic, the Quran contains an overview of the concept of energy or renewable energy sources which are conceptually and simply illustrated in several verses of the Quran. Renewable energy and energy sources are mentioned a lot in the Qur'an. Several verses of the Quran that explain various sources of energy and renewable energy are mentioned by Iskandar, Aqbar, & Herman (2021) dan Jaelani (2017), namely:

Table 1: The Qur'an and the Concept of Energy

No.	Names of Surahs and Verses of the Qur'an	Issues Related to Energy
1.	Al-An'ām, 6: 95	Vegetables and fruit seeds
2.	Al-Hijr, 15: 22	Wind, plant marriage, rain, and water to drink
3.	Al-Nahl, 16: 11-13	Rainwater, growing plants, night and day, sun and moon, stars, the earth for humans to manage
4.	Yasin, 36: 34	Orchards of dates and vines, and springs of water
5.	Al-Hajj, 22: 65	Earth and the ark that sailed the seas; prevent celestial bodies from falling to earth.





6.	Al-Mu'minūn, 23: 21-22	Farm animals, milk, consumption, animals and boats for transportation.
7.	Al-Rūm, 30: 46	The wind as herald of glad tidings, the ship sails for a living
8.	Al-Fāṭir, 35: 12	Fresh and salty seas that produce fresh meat and jewelry, and ships that sail.
9.	Saba', 34: 10	Iron, armor
10.	Saba', 34: 12	Wind and transport
11.	Al-Hadīd, 57: 25	Iron and its uses

Source: Iskandar, Aqbar, & Herman (2021); Jaelani (2017)

In Islamic economics, a philosophical approach to energy from the perspective of the Qur'an can be traced from three interrelated aspects in green economy, namely the human task as Allah's caliph in prospering the earth, the environment as a place for human life, and human needs for energy. In the Qur'an, humans are creatures with the most potential so that Allah delegates the main task as caliph to humans (Q.S. al-Baqarah: 29-32) to manage and prosper the earth (Q.S. Hud: 61-62). Humans are given the potential of reason that is able to create technology to manage the earth and natural resources, as Allah has created the sky, earth, mountains, water, and plants (Q.S. al-Anbiyā': 30-31), so that humans can enjoy all of these gifts for meet the needs of life and sustain life, including energy needs. Therefore, everything that was created by Allah becomes part of the needs of human life, but humans are given responsibility as a religious obligation to manage it properly, not to do damage to the earth by exploiting it that is detrimental to humans and the environment (Q.S. al-Qaṣaṣ: 77), and act efficiently in the utilization of energy sources (Q.S. al-An'ām: 141). In other words, the human task of prospering the earth is a religious obligation (Jaelani, 2014), including the use of energy for human welfare and developing renewable energy in the context of green economy.

The renewable energy value chain starts from the availability of natural resources to the final utilization of the energy itself. Utilization for various sectors, such as household needs, transportation, industry, and commercial. There is also a primary industry which consists of upstream (raising from the source of origin) and downstream (processing into energy products). Indonesia's advantage is that it has abundant resources in implementing renewable energy that can be provided locally. Various existing regional and national policies are supporting aspects. In addition, the potential for the availability of renewable energy sources in Indonesia, which are diverse and quite large, has been supported by technology for the development of renewable energy which is relatively easy to learn to implement. However, the development of renewable energy in Indonesia is still not optimal. One reason is the development of renewable energy requires high investment costs and product selling prices are not yet competitive. Renewable energy distribution still has limited market access and cannot be mass-produced. In addition, currently the development of renewable energy has not been supported by adequate infrastructure. Another thing that needs attention is the absence of effective synergy from stakeholders to execute Indonesia's renewable energy development potential.

Islamic philanthropy and the Islamic finance sector can be a solution to the problem of the lack of availability of financing instruments that are in line with the needs of renewable energy investments. Through various sharia-based financing with various schemes, Islamic philanthropy and the sharia financial industry ecosystem can contribute to being one of the supporting factors for achieving the renewable energy targets that have been set for 2025 and 2050.

In developing renewable energy investments, the government and the private sector share their portion in the investment. Renewable energy funding sources in Indonesia include





ministries and the State Electricity Company (PLN), Regional Revenue and Expenditure Budget (APBD), grants, and green bonds (green sukuk). Until 2018 funding for renewable energy was channeled through the Ministry of Energy and Mineral Resources (ESDM) and PLN. Other funding schemes are through PPP (government and business entity cooperation) with independent power producers, investment through the APBD (special allocation fund/DAK) scheme, and investment by other ministries. Grant funds as a non-State Income and Expenditure Budget (APBN) funding source, are carried out through other funding schemes obtained from foreign grants such as MCA-Indonesia, Green Climate Fund, ESP3, USAID-ICED, and others.

The relatively high funding requirement for the development of renewable energy is a potential for Islamic philanthropy and the Islamic finance sector to be able to contribute through its philanthropic and financial products. In the context of social-religious renewable energy financing, Islam teaches the concept of *ta'āwun*, namely helping, mutual cooperation, helping fellow human beings, as Allah's commandment says in Surah al-Mā'idah verse 2. In this case, the benefits obtained are alms jariah whose rewards will continue to flow. This program can be carried out through crowdfunding to mobilize the potential of Indonesian waqf of more than Rp. 60 trillion for social programs as well as community empowerment, especially in the aspect of environmental protection. For example, endowments for the installation of solar panels at the Salman Mosque ITB and biogas reactor waqf have been made for Islamic boarding schools and the Azzikra mosque in Sentul, Bogor. The construction of this biogas facility is not only for energy, but also for the treatment of liquid waste from the mosque which was previously channeled into the Cikeas river, which of course is prohibited by Islamic law because it causes harm.

Currently, several crowdfunding and project financing schemes through waqf are being intensively developed by the Islamic banking industry, the Indonesian Waqf Agency (BWI) and MUI (MUI-LPLHSDA, n.d.). One of them is the idea or study of the Green Waqf Framework, the result of the collaboration between UNDP and BWI, which is supported by a number of other institutions, namely IPB University, the Green Waqf organization, and WaCIDS (Waqf Center for Indonesia Development and Studies). This idea or study is one of the efforts to encourage a breakthrough in utilizing existing waqf assets, to support the achievement of sustainable development goals, as well as to participate in overcoming the challenges of climate change and the energy crisis that overshadows people's lives, both at the national and global levels. In other words, how to create a waqf program that provides large socio-economic benefits, as well as a significant ecological impact for the quality of human life sustainability (Beik, 2022).

Likewise, the Green Waqf Movement is one of the strategic solutions in driving community-based Indonesian energy production through green waqf. Apart from focusing on waqf campaigns, the Green Waqf Movement is a meeting place for waqf activists, environmental activists, and renewable energy to contribute together in solving issues of climate change and energy availability. Currently, there are more than seventeen thousand islands that have not been used optimally, both in terms of food and energy utilization. The funding factor which is the main obstacle can be resolved through the waqf scheme which is used to mobilize productive and strategic assets. Furthermore, the Green Waqf focuses on the use of Tamanu plants as materials for the energy industry, health, to impact industries such as carbon trading, net zero instruments, and social empowerment. Through optimizing waqf in strategic sectors, it is hoped that it can help achieve the goals of sustainable development and prosperity for the Indonesian people (Tim Konten WaCIDS, 2022).

Meanwhile, in the context of Islamic finance, one of the choices of Islamic financial instruments that can be utilized is sukuk. Projects related to sustainable energy and





development can be funded by sukuk. These include clean energy, mass transportation, water conservation, forestry, and low-carbon technologies. Sukuk is a new term introduced as a substitute for the word Islamic bonds (Islamic bonds). Indications of the strengthening role of state sukuk in financing the state budget can be seen, among other things, from the increase in the number of issuances of state sukuk from year to year. Based on data from the Directorate of Sharia Financing, Directorate General of Financing and Risk Management (DJPPR), the issuance of state sukuk has increased very significantly from the first issuance in 2008 which was only IDR 4.7 trillion to the issuance in 2018 which reached IDR 192.49 trillion. After the issuance of the green sukuk on 22 February 2018 with a five-year tenor worth USD 1.75 billion and was listed on the Singapore Stock Exchange and NASDAQ Dubai, the total accumulation of sovereign sukuk issuance from 2008-2018 reached IDR 950.26 trillion (Iskandar & Aqbar, 2019).

Education, Research and Literacy on Green Economy

Islamic philanthropy can be used to support education and research on green economy. By making donations to educational, research and training institutions focused on green economy concepts and practices, Islamic philanthropy can play an important role in generating the knowledge and innovation needed to develop green economy sectors. This Islamic philanthropy can be manifested in the form of financing research on renewable energy and the environment, scholarships for activists/academicians who have a high commitment to the environment and all related policies, such as maritime affairs, forestry, river advocacy and communities on its banks, saving biodiversity, green village program, to ecological Islamic boarding schools, ecological orphanages, etc.

Islamic philanthropy can finance educational and environmental awareness programs aimed at increasing public understanding of the importance of green infrastructure and climate change mitigation. This support can be used to organize seminars, workshops or information campaigns that promote sustainable practices and the adoption of green technologies. Education, literacy and environmental awareness supported by Islamic philanthropy will help build public awareness about the importance of developing green economy and their role in tackling climate change.

In addition, this Islamic philanthropic contribution can also support research on innovation and green technology, policy analysis, and the development of sustainable business models. Philanthropic support in this aspect will also create new knowledge, increase awareness, and develop capacity in implementing green economy. This support will encourage the development of innovations and best practices in addressing environmental challenges, such as efficient water management, waste treatment and low energy building designs.

Furthermore, on the way to realizing the sustainable development agenda in Indonesia, stakeholders who are activists of the SDGs are starting to see and assess the potential for resources, especially in the funding sector to achieve the SDGs, especially from the zakat, infaq and alms sectors. When viewed from the target of zakat distribution in Indonesia and the types of programs that have been rolled out by zakat institutions in Indonesia, it can be seen the clear cut and similarities between the target of zakat distribution and the SDGs achievement goals in many aspects. For example, in poverty and hunger eradication programs, providing quality education that can be accessed by all segments of society, provision of clean water and sanitation. Therefore, Islamic philanthropy in the form of zakat, infaq and alms can be regarded as an instrument that has a strategic role and contribution to the achievement of the SDGs. This is also a breath of fresh air from the potential for zakat, infaq, alms in Indonesia, which are quite large in number and are always increasing peningkatan (Utama, 2021). From the data presented by the National Amil Zakat Agency (BAZNAS), it can be seen that the collection of





zakat, infaq, alms in Indonesia has always experienced a rapid increase every year. This can be an opportunity by utilizing these funds and the distribution of these funds to accelerate the realization of sustainable development goals and the development of green economy in Indonesia, particularly through optimal and good management of zakat, infaq and alms funds in education, research and literacy.

Community Empowerment

Islamic philanthropy can encourage community economic empowerment through support for small and medium enterprises that focus on green and sustainable economic practices. Community empowerment is an important aspect in the development of green economy. Philanthropic donations can be used to provide access to capital, training, and coaching for communities in developing green economy businesses. Through investment and mentoring, Islamic philanthropy can assist local communities in adopting green economic practices, such as eco-friendly production, waste management and the use of renewable energy. Thus, community empowerment will increase the overall sustainability of the green economy.

Greening Islamic philanthropic funds/donations will also be able to become a tool for expanding employment opportunities (workforce) and prioritize vulnerable groups who are of productive age to become independent ecological workers, for example in coastal communities, freelance workers, women, widows, disabilities, marginalized groups, and groups other vulnerable. In an effort to expand employment opportunities for mustahik, establishing waste banks in strategic areas can also be a priority program. By providing capital for the provision of sorting locations, equipment, as well as education, advocacy assistance, to the establishment of a system to increase the value of waste up to the marketing process if there are processed waste products that have marketability.

Furthermore, building systemic synergies between zakat management institutions and vendors who are ready to buy the results of collecting and sorting waste by waste banks for reprocessing, so that the management is centralized, sorted from homes or waste banks, processed by a standardized and sustainable system. This is expected to help and provide solutions to problems related to waste management, recycle management, and most importantly self-awareness of the people.

Challenges, Opportunities and Strategies

The development of Islamic philanthropy to support green economy faces several challenges, including:

1. Lack of awareness and understanding. One of the main obstacles and challenges is the lack of public awareness and understanding of the green economy concept within the Islamic philanthropic community and society in general. This can lead to a lack of interest and participation in supporting green economy projects.
2. Limited Financial Resources. Islamic philanthropy still faces limited financial resources in supporting green economy projects. This can be a constraint on financing, particularly on green infrastructure, renewable energy investments, and sustainable skills training.
3. Legal and Regulatory Complexities. Another challenge is the legal and regulatory complexities associated with green economy projects. Islamic philanthropy needs to comply with the rules and regulations that apply in the use of funds and the implementation of green economy projects, especially regulations related to the accountability of Islamic philanthropic management institutions which pose a challenge to maintain public trust.

However, Islamic philanthropic practices also have potential and opportunities that can be optimized in supporting green economy, including:





1. The existence of Islamic values that support green economy. Islam has strong environmental and sustainability values. Principles such as preserving nature, social justice, and human responsibility for the environment can become a strong foundation for optimizing the role of Islamic philanthropy in supporting green economy.
2. Strong Islamic philanthropic base. Islamic philanthropy has a strong base in Muslim communities around the world, especially in Indonesia. With a community that is committed to charity and humanity, the potential for significant financial support and human resources can be tapped into the development of green economy.
3. Synergy of Non-Government Organizations and Institutions. There are opportunities to forge partnerships with non-governmental organizations and institutions focused on green economy. By working together, Islamic philanthropy can expand the reach and impact of green economy projects.

Therefore, strategies that can be implemented to overcome challenges and take advantage of existing opportunities include:

1. Education and Awareness. One of the main strategies is to increase education and awareness about green economy in the Islamic philanthropic community and society. This can be done through information campaigns, training and educational programs that provide in-depth understanding of the concepts and benefits of green economy. By increasing this knowledge and awareness, there will be increased interest in and participation in supporting green economy projects.
2. Formation of Network and Collaboration. Building networks and collaboration with related organizations and institutions, both within and outside the Islamic philanthropic community, is an effective strategy for overcoming the challenges of limited resources and legal complexities. Through partnerships, knowledge, resources and experiences can be exchanged in the development of green economy. It can also expand the reach and impact of the projects supported.
3. Sustainable Funding. To overcome financial resource constraints, an important strategy is to develop a sustainable funding model, one of which is by utilizing sharia-based financial instruments that comply with Islamic principles. For example, the issuance of green sukuk can attract investors and provide long-term funding for green economy projects. In addition, collaboration with the private sector and fundraising from committed individuals can also be a sustainable source of funding. What is also important is the commitment of financial institutions and stakeholders to support green financing, to innovate green policies, and to synergize between authorities to increase green financing. This policy innovation and synergy is carried out to provide incentives in order to expand green financing, both from the banking side and the development of green financial markets. Through this policy synergy, it is hoped that investors' interest in transitioning and people's desire to use environmentally sound products are expected to increase so as to accelerate the balance between environmental ecosystems and economic growth.
4. Holistic Approach. Another effective strategy is to adopt a holistic approach to green economy development. This includes an integrated approach between environmental, social and economic aspects in Islamic philanthropic projects and programs. By considering these factors comprehensively, green economy projects will create a sustainable and overall positive impact.
5. Capacity Building. Capacity building within the Islamic philanthropic community is a crucial strategy. This includes providing training and mentoring to strengthen understanding of green economy, project management and impact evaluation. By increasing the capacity of organizations and individuals involved in Islamic philanthropy, greater effectiveness and efficiency will be created in developing green economy.





By adopting and implementing these strategies, Islamic philanthropy is expected to overcome challenges and take advantage of opportunities in developing green economy.

CONCLUSION

Based on the analysis and discussion, several important findings can be identified. First, Islamic philanthropy has the potential and a big role to play in supporting the development of green economy through various projects and programs, such as investment and development of renewable energy, education and research, and community empowerment. Second, the development of Islamic philanthropy to support green economy faces several challenges, including: lack of public awareness and understanding, limited financial resources, and legal and regulatory complexities. However, Islamic philanthropic practices also have potential and opportunities that can be optimized in supporting green economy, including: the existence of Islamic values that support green economy, a strong Islamic philanthropic basis, synergy with Non-Governmental Organizations and Institutions. Third, recommendations for strategies that can be carried out for the development of green economy through Islamic philanthropy, namely efforts are needed to increase awareness and understanding of green economy within the Islamic philanthropic community and society. Furthermore, it is important to build partnerships and collaborations with non-governmental organizations and institutions in an effort to overcome resource constraints and legal complexities. Finally, capacity building within the Islamic philanthropic community through training and mentoring will strengthen capabilities in supporting green economy projects.

This research has limitations, namely that it only describes the important role of Islamic philanthropy in the development of the green economy qualitatively, and has not yet measured the extent of its role or influence empirically, for example with inferential statistical measurements and others. Therefore, although this research provides important insights into the role of Islamic philanthropy in the development of green economy, there are still several areas for further research that can be explored, including:

1. Further case studies. Future research could include more in-depth case studies on the role of Islamic philanthropy in the development of green economy in different countries or regions. This will provide a better understanding of the local context, challenges, and opportunities faced by Islamic philanthropy in supporting green economy projects.
2. A more in-depth impact analysis. Future research can develop a more detailed impact analysis to evaluate in more depth the impact of Islamic philanthropic projects and programs on the development of green economy, for example through inferential statistical analysis or econometrics. This includes a more comprehensive analysis of social, economic and environmental impacts, so as to identify the benefits gained and the effectiveness of the steps taken.
3. The Role of Islamic Philanthropy in Green Innovation. Subsequent research can broaden its scope to examine the role of Islamic philanthropy in supporting green innovation. This includes research on innovative projects in the fields of renewable energy, green technology, and other sustainable solutions supported by Islamic philanthropy. Such studies will provide insight into how Islamic philanthropy can be a catalyst for innovation in green economy.
4. Comparative Analysis between Islamic Philanthropy and Other Philanthropy. Comparisons between Islamic philanthropy and other philanthropies in the context of developing green economy can also be an interesting research topic. This can provide an





understanding of the differences, similarities, and relative advantages of the Islamic philanthropic approach in supporting green economy.

By conducting further research within this scope, richer and in-depth insights will be gained about the role of Islamic philanthropy in the development of green economy, as well as steps that can be taken to increase its impact and sustainability.

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