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Synergizing Islamic Social Finance: Enchacing Community Resilience throught Takaful, BMT, and Philanthropy in Central Java

Rifai Kurniawan[1], *Heri* Kurniawan[2]

[1,26] Faculty of Islamic Economic and Business, Universitas Islam Negeri Salatiga, Indonesia

Abstract. This study examines the roe of Islamic Social Finance specifically Takaful, BMT (Baitul Maal wat Tamwil), and Islamic Philanthropy (zakat, infaq, and wakaf) in enhancing community resilience in Central Java, Indonesia. Despite the expansion of Islamic Financial Service in Indonesia, the integration of these services with social finance mechanisms has received limited empirical attention, especially in terms of their collective impact on rural community resilience. This qualitative study aimed to fill this gap by exploring how these instruments contribute to economic empowerment and long term sustainability for marginalized groups. In depth interviews conducted with 15 key information, including BMT managers, Takaful agents, philanthropy practioners, and beneficiaries from rural communities. The findings identified several key themes: (1) the empowerment of beneficiaries throught productive financing and social safety nets, (2) the role of wakaf assets in long term economic stability, (3) the synergy of fintech in improving accessibility for vulnerable enterpreneurs, and (4) challenges related to trust, governance, and financial literacy. The research highlight the potential of Islamic

Keywords: Islamic Social Finance, Takaful, BMT, Zakat, Wakaf, Community Resilience, Financial Inclusion

1. INTRODUCTION

Financial Inclusion is a global challenge, particularly in developing economies where significant portions of the population remain excluded from the formal financial system. According to the (World Bank, 2022), an estimated 1.7 billion people worldwide remain unbanked, with the majority located in emerging markets. Indonesia, a country with a population exceeding 270 million, faces similar issues, particularly among rural communities and micro enterpreneurs. Despite the country's progress in financial inclusion, where over 90% of adults have access to financial services (World Bank, 2022), a substantial number of individuals still lack access to essential financial products such as credit, insurance, and saving especially in underserved rural areas.

In response to these challenges, Islamic Finance has emerged as a potential solution. Rooted in Sharia Law, Islamic finance operates on principles such as the prohibition of riba (interest), maysir (gambling), and gharar (uncertainty), promoting fairness, equity, and social welfare in financial transactions. In recent years, the Islamic finance sector in Indonesia has grown significantly, particularly in Islamic banking and Takaful (Islamic Insurance) which has experienced an annual growth rate of 11.4% (OJK, 2021). This growth positions Islamic finance as an alternative for marginalized communities, offering affordable credit, micro-insurance and finance program aimed at financial inclusion.

However, despite this progress, Indonesia faces persistent socio economic inequalities that hinder full financial participation, particularly in rural areas. Despite advancements in digital financial service such as mobile banking and fintech solution, many rural communities still face challenges in accessing formal financial products. The Indonesian government’s goal to achieve universal financial inclusion by 2024 faces significant obstacles, including low financia literacy, cultural barriers, and a general lack of trust in non-conventional financial systems (Bank Indonesia, 2020). This is especially true for Islamic Financial Product, which remain unfamiliar to many individuals in rural areas.

In response to these barriers, Islamic social finance mechanisms such as zakat, infaq, and wakaf have gained recognition as key tools in alleviating financial exclusion and addressing poverty. These instruments, deeply embedded in Islamic tradition, provide a means for redistributing wealth and offering social welfare to those in need. Zakat, the mandatory almsgiving in Islam, has the potential to alleviate poverty by redistributing wealth, while infaq (voluntary charity) and wakaf (endowment) can provide long-term funding for community

[1] Corresponding author: heri.kurniawan@uinsalatiga.ac.id
No Hp/WA: +6285643395298

development initiatives. The integration of Islamic social finance with formal financial products, such as Takaful and BMT (Baitul Maal wat Tamwil), can foster a more inclusive, equitable, and resilient economy.

In regions like Central Java, where rural poverty and income inequality are prevalent, Islamic social finance has emerged as a promising tool to support local communities, particularly micro entrepreneurs and vulnerable populations. Despite its potential, there is a notable gap in existing literature regarding how Islamic social finance mechanisms interact with formal financial products like Takaful and BMT to enhance community resilience.

By examining the synergistic use of Islamic insurance, microfinance, and charitable funds, this study contributes to the literature on sustainable community development and financial inclusion. It aligns with national initiatives calling for Islamic social finance to play a greater role in achieving the Sustainable Development Goals (SDGs) in Indonesia. Practically, insights from Central Java can inform policymakers, financial regulators, and Islamic philanthropic institutions on how to better collaborate. The overarching goal is to propose a model where Islamic social finance not only provides immediate relief to vulnerable populations but also empowers them over the long term effectively transforming *mustahiq* (aid recipients) into self seliant individuals and even future *muzakki* (zakat payers). In the following sections, we review relevant literature, outline the research methodology, present key findings from the field, and discuss implications for policy and practice in enhancing community resilience through Islamic social finance synergy.

2. LITERATUR REVIEW

2.1 Islamic Social Finance and Community Resilience

Community resilience is commonly defined as the ability of a community to withstand, adapt to, and recover from stresses or crises. Building resilience often requires both immediate safety nets and long-term capacity-building. Islamic social finance, anchored in principles of mutual aid, equity, and social justice, offers a multifaceted approach to bolster resilience at the grassroots level. Unlike conventional finance, Islamic finance emphasizes risk-sharing and ethical investment, making it naturally aligned with sustainable and inclusive development (Al Jasser, 2025). In recent discourse, Islamic financial instruments such as cooperative insurance (*takaful*), charitable endowments (*waqf*), and interest-free microloans (*qard hasan* via BMTs) have been highlighted as alternative sources of financing for climate adaptation and community resilience projects. According to (Muhammad Al Jasser, 2025), the President of the Islamic Development Bank, these instruments embody asset-backed and risk-sharing principles that inherently support sustainability and social welfare. By leveraging the $4.5 trillion global Islamic finance industry in innovative ways, developing countries could mobilize additional capital for resilience-building initiatives.

2.2 Takaful (Islamic Insurance)

Takaful is a Sharia-compliant form of insurance based on mutual cooperation, where participants pool funds (tabarru') to indemnify members facing losses rather than paying premiums to a profit-maximizing insurer. Grounded in the principles of ta'awun (mutual help) and tabarru' (donation), takaful aims to provide risk protection in a way that avoids *riba* (interest), *maysir* (gambling), and *gharar* (excessive uncertainty). In principle, takaful strengthens community resilience by providing financial protection against life uncertainties such as illness, accidents, crop failure, or natural disasters without violating core Islamic prohibitions. Studies show that introducing micro takaful products for low income groups helps safeguard their livelihoods and micro businesses from shocks that could otherwise push them back into poverty. For instance, (Tika Widiastut et al., 2022) develop a sustainable waqf based micro takaful model to support flood victims in Malaysia, illustrating how endowment funds can subsidize contributions and provide quick recovery funds to affected families while upholding Islamic charitable values. This integration of waqf and takaful for disaster relief highlights takaful's potential role as a risk sharing pillar within a broader Islamic social finance ecosystem.

At the same time, empirical research highlights both opportunities and structural challenges in realizing this potential, particularly in Indonesia. On the opportunity side, micro takaful small-ticket takaful schemes tailored to low income households shows strong latent demand. Survey based studies employing the extended Theory of Planned Behavior find significantly positive intentions to participate in micro takaful among poor communities, with awareness, perceived benefits, and affordability emerging as key drivers of uptake (Rapi et al., 2023) Low income respondents are generally favorable toward micro takaful as a risk management tool, provided that contributions remain affordable and product features are clearly explained. This suggests that, conceptually, takaful is well positioned to become an important component of household level resilience, especially when bundled with microfinance and other Islamic social finance instruments.

However, despite this conceptual fit and positive attitude, the actual penetration of takaful in Indonesia remains relatively low. Public awareness of Islamic insurance is limited: surveys by the Financial Services Authority (Otoritas Jasa Keuangan, 2016), only around 6.9% of Indonesians were even aware of the concept of

Islamic insurance, and takaful's market share was estimated at under 3% of the total insurance market, with only a small fraction of the Muslim population holding any form of Sharia compliant insurance coverage (Agustin, 2020). Other studies similarly report that overall Islamic insurance penetration is stuck at a very low single digit level, despite Indonesia's large Muslim majority. This gap is largely attributed to low financial literacy, lack of trust or familiarity with takaful contracts, weak branding, a shortage of well trained takaful agents able to explain Sharia features convincingly, and a scarcity of micro-takaful products specifically designed for the poor (Awaliya et al., 2025; Agustin, 2020). In many rural areas, households either do not distinguish takaful from conventional insurance or assume that any form of insurance is expensive and complicated, which further suppresses demand.

The Indonesian government and regulators have begun to recognize these constraints and are attempting to strengthen the takaful sector. The National Committee for Islamic Economics and Finance (KNEKS) and OJK have introduced a series of regulatory initiatives, such as mandating the spin off of Islamic insurance windows into standalone Sharia units by 2024, encouraging product innovation in micro takaful, and promoting digital distribution channels to reach underserved segments. These policy measures are expected to improve operational focus, transparency, and consumer protection in the Islamic insurance industry. Nonetheless, the literature suggests that regulatory reform alone is insufficient; sustained investment in public education, agent training, and collaboration with other Islamic social finance actors is also required.

In sum, while takaful provides a crucial risk-mitigation tool for resilience, its actual impact on community resilience in Central Java and Indonesia more broadly will depend on three interrelated factors: (1) expanding outreach and literacy so that low-income households understand and trust takaful, (2) improving affordability and tailoring micro-takaful products to the cash flow realities of the poor, and (3) integrating takaful more systematically with BMT financing, zakat funded programs, and waqf based schemes. Where these conditions are met, takaful can function not as a stand alone insurance product but as part of an integrated Islamic social finance architecture that protects hard won livelihood gains from being wiped out by shocks (Awaliya et al., 2025; Priambodo & Hannany, 2025; Widiastut et al., 2022).

2.3 Baitul Maal wa Tamwil (BMT) Islamic Microfinance

BMTs are unique Islamic microfinance institutions that combine *baitul maal* (social fund management) and *baitul tamwil* (commercial financing) under one roof. They operate as cooperative entities, deeply embedded in local communities, and serve as an alternative to formal banking for those who lack access. A study by (Siraj et al., 2021) on Islamic microfinance in Java describes BMTs as *community-based and faith-driven institutions* that pursue dual missions: poverty alleviation and economic empowerment on one hand, and socio-religious obligations on the other. BMTs mobilize savings and provide small loans or financing to micro-entrepreneurs using Sharia-compliant contracts (profit-sharing, sale-based credit, etc.), thereby fostering financial inclusion among the poor. At the same time, in their *maal* function, BMTs collect zakat, donations, and manage waqf or other benevolent funds to distribute to the needy or to offer *qard al-hasan* (interest-free benevolent loans). This integrated model effectively merges Islamic commercial finance with social welfare, which some scholars consider an ideal embodiment of Islamic finance's ethical paradigm. Indeed, (Ascarya, 2018) notes that Islamic social instruments like zakat, infaq, and waqf are "effective ethical instruments to improve the socio-economic condition of the poor" when combined with Islamic financial intermediation.

Indonesia has witnessed significant growth of BMTs over the past two decades. By official estimates, there are approximately 4,500 – 5,500 BMTs spread across the country, though an exact count is difficult since not all are under OJK supervision (many register under the Ministry of Cooperatives). Central Java is one of the provinces with a high concentration of BMTs, given its dense Muslim population and strong culture of cooperatives. BMTs have demonstrated success in reaching marginal groups; they serve an important segment of the estimated 50 million microfinance clients in Indonesia, 80% of whom obtain loans from non-bank institutions like cooperatives (Siraj et al., 2021). There is evidence that participation in BMT programs contributes to improved livelihoods and empowerment. For example, micro-entrepreneurs receiving BMT financing often report increased income and business growth, and some BMTs have graduated borrowers from being zakat recipients to zakat payers, indicating upward economic mobility (Basyith et al., 2021). BMTs also foster social capital and resilience by engaging clients in group-based activities, Islamic mentorship, and mutual support networks that can help mitigate credit risks and encourage solidarity. *However*, BMTs face a dilemma inherent in their dual role: balancing financial sustainability with social outreach. (Siraj et al., 2021) found that while most BMTs in Yogyakarta were operationally sustainable, they struggled to scale up outreach to all needy segments due to limited capital and regulatory constraints. The integration of social finance in BMT operations (essentially acting as amil zakat and microfinance provider simultaneously) is effective at the micro level, but it remains largely informal and varies by institution. There is no standardized framework to coordinate BMT social funds with national zakat systems or with takaful providers, which is a gap this study later addresses. Overall, BMTs provide the "missing middle" in community resilience: they bridge charitable relief and market-based finance, offering poor households a route to build assets and incomes over time, rather than depending on one-off aid.

2.4 Islamic Philanthropy (Zakat, Waqf, and Sadaqah)

Baitul Maal wa Tamwil (BMTs) are unique Islamic microfinance institutions that combine *baitul maal* (social fund management) and *baitul tamwil* (commercial financing) under one roof, operating as cooperative entities deeply embedded in local communities and serving as an alternative to formal banking for those who lack access (Ascarya, 2018; Siraj et al., 2021). A study on Islamic microfinance in Java describes BMTs as community based and faith driven institutions that pursue dual missions poverty alleviation and economic empowerment on the one hand, and socio religious obligations on the other (Siraj et al., 2021). In practice, BMTs mobilize savings and provide small loans or financing to micro entrepreneurs using Sharia compliant contracts (profit sharing, sale based credit, etc.), thereby fostering financial inclusion among the poor, while in their *maal* function they collect zakat, donations, and manage waqf or other benevolent funds to distribute to the needy or to offer *qard al-hasan* (interest free benevolent loans) (Ascarya, 2018; Siraj et al., 2021). This integrated model effectively merges Islamic commercial finance with social welfare, which some scholars consider an ideal embodiment of Islamic finance's ethical paradigm; indeed, (Ascarya, 2018) notes that Islamic social instruments like zakat, infaq, and waqf are "effective ethical instruments to improve the socio economic condition of the poor" when combined with Islamic financial intermediation.

Indonesia has witnessed significant growth of BMTs over the past two decades, with an estimated 4,500–5,500 BMTs spread across the country, many registered under the Ministry of Cooperatives rather than OJK, and Central Java is one of the provinces with a high concentration of BMTs given its dense Muslim population and strong cooperative culture (Siraj et al., 2021) BMTs have demonstrated success in reaching marginal groups: they serve an important segment of Indonesia's roughly 50 million microfinance clients around 80% of whom obtain loans from non-bank institutions like cooperatives and there is evidence that participation in BMT programs contributes to improved livelihoods and empowerment; micro entrepreneurs receiving BMT financing often report increased income and business growth, and some BMTs have even graduated borrowers from being zakat recipients to zakat payers, indicating upward economic mobility (Basyith & Hamid, 2021; Siraj et al., 2021). Beyond direct financial services, BMTs also foster social capital and resilience by engaging clients in group-based activities, Islamic mentorship, and mutual support networks that help mitigate credit risks and encourage solidarity (Mukhtar Arif Siraj et al., 2021).

Recent Indonesian studies further show that pesantren linked BMTs exhibited "tough endurance" during the COVID-19 shock because their loyal, faith based clientele trusted the religious leaders managing these institutions, although scholars warn that BMTs relying solely on low-income and digitally illiterate members risk obsolescence unless they adopt technology, professional management, and favorable regulations (Mas'ud, 2022). To address funding constraints, researchers propose integrating zakat and *qardhul hasan* by using pooled zakat and infaq donations to strengthen benevolent loan portfolios, thereby strategically blending social funds with microfinance lending to maintain both financial resilience and mission focus (Ascarya Ascarya, 2018). Environmental and social dimensions are also increasingly highlighted: for example, (Ma'ruf et al., 2025) observe that BMTs often engage in CSR and disaster relief programs and "can take a role in disaster mitigation" by supporting environmentally sustainable and humanitarian projects, suggesting that their community initiatives (education, health, disaster assistance) further strengthen local resilience. Overall, the evidence indicates that BMTs provide the "missing middle" in community resilience by bridging charitable relief and market-based finance and offering poor households a viable route to build assets and incomes over time rather than depending on one-off aid (Ascarya, 2018; Basyith et al., 2021; Siraj et al., 2021; Mas'ud, 2022).

2.5 Integration of Islamic Social Finance Instruments

An emerging body of literature explores models for integrating Islamic commercial finance (such as banking and microfinance) with Islamic social finance instruments (zakat, waqf, and other charitable funds), on the premise that synchronizing these tools allows multiple needs of the poor to be addressed in a coordinated way combining immediate protection, access to capital, and capacity building rather than delivering fragmented, siloed interventions (Huda et al., 2021; Hasanah et al., 2025). Within this strand, (Widiastut et al., 2022) develop the Integrated Waqf-based Islamic Microfinance (IWIM) model in Bangladesh, which combines waqf fund resources with microfinance and structured training for the poor their pilot shows that this integrated approach reduces poverty more effectively than standalone micro credit because the waqf component enables interest free loans and social support to be provided concurrently (Widiastut et al., 2022). In a similar vein, (Rakhmadi & Kurniawati, 2021) propose integrated zakat waqf microfinance schemes for poverty reduction in contexts such as Nigeria and Sudan, arguing that Islamic social funds can fill gaps that profit driven finance cannot for example by reaching the very poor, subsidizing financing costs, or providing grants for education and health alongside loans (Rakhmadi et al., 2021). In the context of disaster management, (Tika Widiastut et al., 2022) also design a model that explicitly links zakat and waqf for disaster response and recovery, ensuring that emergency relief through zakat

is followed by rehabilitation and reconstruction financed by waqf based investments, so that communities are not left in a permanent state of dependence but are gradually rebuilt on a more sustainable footing (Widiastuti et al., 2022).

What these models share is the concept of a "staged" intervention, in which different Islamic social finance instruments are sequenced to rescue, stabilize, rebuild, and then reinforce household livelihoods over time a logic that closely aligns with the "4R/4ER" framework (Rescue, Recovery, Reinforcement, Resilience) introduced by (Widiastuti et al., 2022)). In their integrated Islamic social finance model, a joint project starts by rescuing those in dire need through zakat in the form of consumptive assistance, then supports recovery via training and productive zakat, reinforces growing micro-businesses with waqf funded capital provided as *qard* (interest-free) loans, and finally moves toward resilience by ensuring that beneficiaries achieve relatively stable incomes and, where possible, are protected by takaful coverage against future shocks (Widiastuti et al., 2022). Notably, their empirical test in East Java finds that such an integrated model is significantly more effective in "enriching the poor" than non-integrated approaches, confirming that coordination across instruments yields superior welfare outcomes compared to isolated programs (Widiastut et al., 2022). However, the success of this kind of integration is not automatic; it depends on a supportive ecosystem that includes skilled human resources, clear and enabling regulations, appropriate technology for fund management and data sharing, and strong collaboration among stakeholders such as Islamic banks, BAZNAS, BWI, and NGOs, which together provide the governance and operational infrastructure needed for integrated Islamic social finance to translate into durable community resilience .(Huda et al., 2021; Hasanah et al., 2025; Rakhmadi et al., 2021; Widiastut et al., 2022).

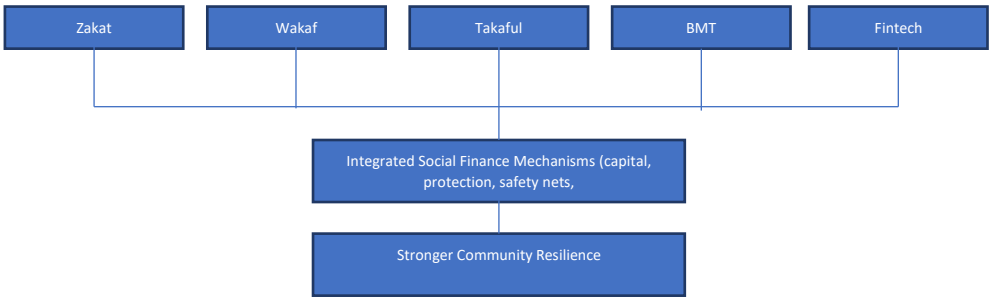


Fig 1. Conceptual Framework

In summary, the literature suggests that a synergistic approach leveraging takaful for risk protection**,** BMTs for financial inclusion, and philanthropy for social support can address different dimensions of community vulnerability in a complementary manner. Each component has its strengths and limitations takaful mitigates shocks but needs scale BMTs empower economically but need funding and oversight; philanthropy reaches the poorest but needs better coordination and productive use. By integrating these, one can potentially create a virtuous cycle where, for example, zakat funds provide seed capital to a poor entrepreneur via a BMT, the BMT financing grows her business, and takaful ensures that a disaster or illness does not wipe out her progress all done in an Islamic values-based framework that encourages community solidarity (Ismail & Huda, 2021). This study builds on these insights from prior research and attempts to apply them to the real-world context of Central Java. In doing so, it addresses a gap in literature: while conceptual models abound, empirical studies documenting on-the-ground integration and its outcomes are still scarce (Tika Widiastut et al., 2022). The following sections describe how this research was conducted to fill that gap and what findings emerged regarding the interplay of Islamic social finance instruments in enhancing community resilience.

3. METHODOLOGY

This research adopts a qualitative case study approach to explore the synergistic role of takaful, BMT, and Islamic philanthropy in community resilience. The case study is centered on the Central Java province, focusing on selected communities and institutions known for Islamic social finance activities. A qualitative design is well-suited because the study aims to gain in depth understanding of processes and perceptions particularly how different Islamic finance actors coordinate (or fail to coordinate) and how their efforts are experienced by beneficiaries. This approach follows established practices in social finance research, where interviews and case analysis are used to uncover complex interaction effects. Similar research on Islamic social programs has used qualitative case studies to derive insights into empowerment and governance models. For instance, (Minarni et al., 2025) employed interviews and document review to assess a zakat empowerment initiative in Malang, Indonesia. our study mirrors such methodology but with a broader multi instrument scope.

3.1 Sampling and Data Collection

We selected three primary groups of stakeholders in Central Java for data collection: (1) BMT institutions specifically two well-established BMT cooperatives (pseudonymously called BMT A and BMT B) operating in different regencies; (2) Takaful providers including branch managers of an Islamic insurance company and a cooperative micro-takaful scheme; and (3) Philanthropic organizations notably the provincial BAZNAS office and two reputable Islamic NGOs active in zakat and waqf projects. Within each group, we conducted in depth interviews with key informants. A total of *15 interviews* were completed, involving BMT managers and staff, insurance agents, BAZNAS officials, local religious leaders, and community members (beneficiaries). Participants were identified through purposive sampling, ensuring they had at least five years of experience in their field or direct involvement with community programs (Widiastut et al., 2022). The interviews were semi-structured, allowing us to probe topics like: coordination mechanisms between institutions, examples of clients receiving multi-faceted support, challenges in fund distribution, and perceptions of community outcomes. In addition to interviews, we held two focus group discussions (FGDs) with community members (each FGD had 6–8 participants, drawn from villages where both a BMT and zakat program were active). These FGDs provided insight into beneficiaries' perspectives on how various financial tools have helped them cope with hardships or improve their livelihood.

To triangulate and enrich the qualitative data, we also collected secondary data and documents. This included internal reports and brochures from the BMTs about their services, annual reports from BAZNAS Central Java on zakat collection and utilization, and relevant statistics from government sources (e.g., BPS poverty data, OJK reports on Islamic finance). We analyzed recent policy documents such as OJK's *Sharia Finance Development Reports* and Bank Indonesia's guidelines on microfinance, to understand the regulatory context. Furthermore, we drew on credible institutional publications (Bank Indonesia, OJK, BAZNAS, BWI, World Bank) for any quantitative indicators of impact or coverage, which are cited in this paper to complement the interview findings. For example, BAZNAS reports were used to verify zakat distribution figures, and OJK data provided context on takaful market share.

3.2 Data Analysis

All interviews were transcribed and analyzed using a thematic analysis approach. Initially, open coding was performed to identify recurring concepts related to synergy (e.g., "referral between BMT and BAZNAS", "insurance payout for microloan clients", "training provided with zakat funds", "overlap or redundancy in aid"). Codes were then grouped into higher-level themes reflecting our research questions: *Integration Mechanisms*, *Benefits to Community*, *Operational Challenges*, and *Governance/Coordination*. We also mapped each interviewee's observations onto the timeline of community support, from immediate crisis relief to longer-term development, to see how different instruments played roles at different stages. The FGDs provided illustrative cases of individual households – these were written as narrative case profiles, which helped contextualize the more general input from institutional stakeholders. For reliability, the researchers cross-checked themes against the document data; for instance, if an interviewee claimed that "zakat and microfinance are combined in program X", we looked at program documents or reports to verify details. We also employed triangulation by comparing perspectives: BMT managers versus beneficiary accounts, or BAZNAS official accounts versus community perceptions. Areas of discrepancy were further investigated in follow-up phone calls with informants for clarification.

Throughout the analysis, we remained attentive to APA 7th ethical considerations and researcher reflexivity. As many interviewees were discussing their own institutions, we assured confidentiality (hence, using pseudonyms or generic references in our findings). The qualitative data analysis was supported by NVivo software to organize coding, but the interpretation was done manually by iteratively reviewing coded segments and relating them to our conceptual framework (Tika Widiastut et al., 2022). The end result of analysis was a set of synthesized findings that describe (a) how (and to what extent) takaful, BMT, and philanthropic efforts are currently working together in Central Java, (b) what impact this synergy has had on community resilience (with specific examples), and (c) what barriers and opportunities exist for enhancing this synergy.

By using a qualitative case study design with multiple data sources, the study ensures a rich, contextualized understanding of Islamic social finance interactions. The methodology's validity is strengthened by data triangulation and alignment with prior scholarly approaches. One limitation to note is that our findings are not meant to be statistically generalizable; rather, they provide in depth insights that could inform theory and practice, with the context of Central Java as a reference point. The next section presents the findings and discussion, integrating both field data and supporting references to draw broader implications.

4. FINDING AND DISCUSSION

4.1 Current Interactions Between Takaful, BMT, and Philanthropy

Field evidence from Central Java indicates that some ad hoc integrations of Islamic social finance instruments are already taking place, yielding notable benefits for community members. However, these interactions are largely informal or pilot in nature rather than systemic. One recurring pattern from interviews is a referral and collaboration network between local BMTs and zakat institutions. Both BMT managers reported that they frequently identify extremely poor clients who are not yet ready for microfinance, and refer them to BAZNAS or a local zakat NGO to receive immediate assistance. *"When a widow comes with no income at all, we know a loan would burden her. So we help her apply for zakat funds first,"* explained a manager of BMT A. In return, BAZNAS officers in two regencies mentioned that after giving a family short-term zakat aid or livelihood startup kits, they often encourage them to join a BMT to access business capital and mentoring. This kind of sequential support charity first, then microfinance reflects the Rescue-to-Reinforcement stages of the integrated model discussed in the literature. Our participants universally saw merit in this synergy: zakat meets basic needs and stabilizes the household, while BMT financing and guidance then help grow income. A beneficiary from an FGD in Klaten regency illustrated this path: her household received zakat in the form of a free cow (under a productive asset grant program), and after raising and breeding livestock for a year, she qualified for a small BMT loan to expand into a cattle-feed business. She stated, *"Without the initial zakat help, we couldn't have started anything. The BMT loan came at the right time – now we repay it from our farm earnings and we don't need charity anymore."* This story epitomizes the *mustahiq-to-muzakki* transformation ideal. It also resonates with findings by (Widiastut et al., 2022) that zakat can cut in half the time needed for households to exit poverty. In our case, after two years the woman's family was self-sufficient and even donated back to the local mosque – a small step toward becoming future zakat contributors.

There is also evidence of integrative financial products being offered. BMT B, for example, has a policy that every borrower must allocate a tiny percentage of their financing (1-2% of the financing value) to a group emergency fund essentially a micro takaful element. This fund is used to cover installments if a member faces a shock like hospitalization or crop failure. In Sharia terms, it's structured as tabarru' (mutual donation), separate from the BMT's own funds. *"It's not a formal insurance, but it works similarly. We had a farmer whose hut burned down; the group fund covered his next two payments so he could rebuild,"* the BMT's credit officer shared. This practice shows an indigenous form of takaful being embedded in microfinance operations. It aligns with the notion that micro-takaful can ensure social entrepreneurs don't fall back into poverty due to shocks, which (Tika Widiastut et al., 2022) highlighted. While in our case the fund is internal and community managed, some larger Islamic cooperatives have partnered with formal takaful operators to insure their clients' lives or assets. For instance, one interviewee from a takaful company noted they had a memorandum of understanding with a national BMT association to provide low cost life coverage to BMT members (the premium was partly subsidized by zakat from the takaful firm's corporate social responsibility program). These examples illustrate early steps toward *programmatic integration*, where products and services are co-developed across sectors. Although not yet widespread in Central Java, they point to a scalable strategy: bundling microfinance with micro-insurance (takaful) and layering it with zakat support for the poorest clients. Academic research also supports this direction; a study found that combining micro-credit with micro-insurance significantly reduced default rates and improved business survival among poor entrepreneurs. In our context, BMT staff similarly observed that the emergency fund (takaful-like) improved *portfolio quality*, as clients were less likely to default when crises struck, knowing assistance was available.

From the perspective of Islamic philanthropic organizations, there is a growing recognition of the need to move beyond one-off charity and work in tandem with productive finance. Officials at BAZNAS Central Java described several new programs, such as *Zakat Community Development* projects, which deliberately integrate elements of capacity-building and financing. One such project in Kendal regency is the "1,001 Empowered Villages" initiative where BAZNAS provides seed capital grants (through the ZMart program) to establish or upgrade small shops run by mustahiq, then partners with local microfinance (either BMTs or Islamic banks) to monitor and later extend additional capital as the business grows (Nasution, 2025). The goal, echoed by BAZNAS leadership, is to *"boost local economies and support national development goals"* by turning zakat recipients into entrepreneurs. Early results are promising our document review of BAZNAS reports indicates that in pilot villages, average incomes of beneficiaries have risen and a number of them have graduated to taking commercial financing. This multi sector approach reflects best practices in empowerment: it leverages zakat for initial Economic Rescue/Recovery and uses microfinance for Economic Reinforcement, much like the 4ER model suggests (Widiastut et al., 2022). Additionally, some of these projects consider insurance needs; for example, BAZNAS partnered with the national health insurance agency to provide free health coverage to zakat beneficiaries for one year, acknowledging that health shocks can undermine economic gains.

4.2 Community Resilience Outcomes

The ultimate test of synergy is whether communities are more resilient, better able to cope with and adapt to hardships as a result of these integrated efforts. Qualitative evidence from our FGDs and interviews suggests tangible improvements in resilience at the household level where such synergy exists. Participants described several dimensions of positive change:

1. Economic Resilience

Families that received layered support (charity + microfinance + possibly micro-insurance) were more likely to have diversified income sources and savings. For instance, one family used zakat to start a home industry (making snacks) and later took a BMT loan to buy equipment, now they have both business income and the husband's wage, and they started saving in a BMT deposit account. They reported feeling more secure financially and able to handle small emergencies without selling assets. This aligns with broader findings that Islamic finance interventions can improve income stability. It's also supported by external data (Tika Widiastut et al., 2022) found integrated social finance significantly improved the welfare status of recipients, and our qualitative data give life to that statistic. We also heard that those in programs with a takaful element had quicker recovery from shocks e.g. a participant who had a crop failure but was part of an Islamic cooperative's takaful fund did not fall into debt because the fund covered his loss. Compared to neighbors outside the program who had to take high interest loans to replant, he recovered and even helped others, demonstrating community solidarity.

2. Social and Psychological Resilience

Many beneficiaries highlighted improved confidence and hope for the future, knowing that a support system is in place. The presence of Islamic social finance institutions gave them a "mentor" and "safety net" simultaneously. BMTs often hold regular meetings with members (somewhat akin to Grameen bank's center meetings but infused with religious guidance). These meetings foster peer support and disseminate financial education found that Islamic cooperative membership improved financial literacy and discipline). Our respondents valued these gatherings as they not only learned business skills but also discussed family issues, health tips, etc. Coupled with the feeling that *"if something bad happens, the community (via zakat or takaful) will not abandon us,"* this nurtured a sense of security and belonging. Resilience is partly psychological the reduced fear of destitution can empower people to take productive risks. One micro-entrepreneur said she dared to try a new crop variety after hearing about takaful crop insurance (even though she hadn't bought it yet, the mere idea gave her courage, interestingly).

3. Institutional Resilience and Ecosystem

At a community level, where Islamic social finance actors coordinate, there appears to be a more robust *institutional ecosystem* for crisis response. A clear example came from a village affected by flooding last year. According to locals and corroborated by BAZNAS records, the immediate relief came from zakat funds (food, blankets distributed within 24 hours by a mosque charity and BAZNAS). Subsequently, a BMT in the neighboring subdistrict offered interest free rebuilding loans to small shop owners whose inventory was damaged, and a takaful cooperative fast-tracked claims for a few members who had insured their houses. The recovery in that village was relatively quick within two months most businesses had reopened and basic infrastructure was repaired through donated waqf funds. Comparatively, an adjacent village without active Islamic finance groups took longer to recover and relied more on sporadic government aid. This anecdote illustrates how an integrated Islamic finance presence contributes to community level resilience funds and support can be mobilized rapidly through local networks bound by trust and faith-based duty. It echoes the concept of *localized resilience financing* championed by UNDP's Insurance and Risk Finance Facility, which cites takaful as a means to widen financial inclusion and protect livelihoods in disaster prone regions. Our findings provide a concrete case of that in action. Indeed, the *Building Climate Resilience Through Takaful* report (UNDP et al., 2024) suggests that such models can fill protection gaps in climate-vulnerable communities.

Tabel 1. Comparative Role of BMT, Takaful, and Islamic Philanthropy in Supporting Community Resilience

Aspect of Resilience	BMT (Microfinance)	Takaful (Islamic Insurance)	Islamic Philanthropy (Zakat, Waqf, Charity)
Economic Stability	Provides access to affordable working capital; promotes savings culture	Offers financial protection against shocks (e.g., crop failure, illness, disaster)	Supplies seed capital via grants for business or basic needs
Shock Recovery Capacity	Enables business restarts post-crisis through interest-free loans	Facilitates rapid recovery with claim-based support	Delivers direct emergency relief (e.g., food, shelter, post-disaster logistics)
Social Cohesion & Mentorship	Fosters peer support through regular member meetings and financial education	Builds community solidarity via shared risk-pooling models	Reinforces social bonds through community-based distribution by trusted bodies

Psychological Empowerment	Enhances self-efficacy and confidence through financial independence	Reduces fear of future loss; inspires productive risk-taking	Cultivates hope and a sense of spiritual care from the ummah
Institutional Ecosystem	Acts as grassroots financial institution with relational trust	Operates within cooperative structures or mosque-linked networks	Collaborates with BAZNAS or mosque charities for quick mobilization

5. CHALLENGES IN ACHIEVING SYNERGY

Despite these encouraging signs, the research also uncovered significant barriers and shortcomings that currently prevent a full-fledged synergistic system from operating in Central Java. Recognizing these challenges is essential for formulating solutions.

5.1 Fragmented Governance and Regulatory Silos

A major issue is the lack of a unifying framework or platform for collaboration. Each sector insurance, microfinance, and philanthropy tends to operate under different authorities and regulations. BMTs (as cooperatives) report to the Ministry of Cooperatives and largely fall outside OJK's direct supervision, whereas takaful operators are supervised by OJK, and zakat institutions are governed by the BAZNAS law and Ministry of Religious Affairs. This fragmentation means there is no formal mechanism for, say, a BMT and a takaful to share client data or develop joint products, nor for BAZNAS to systematically channel funds through BMTs. One BMT manager noted, *"We would love to manage zakat funds and integrate with our financing, but legally we are not recognized as amil zakat and we fear accusations if we collect zakat without a license."* Indeed, by law only BAZNAS or licensed LAZ can officially collect zakat. While many BMTs do have a charitable wing acting like a community zakat fund, it operates informally. (Ascarya, 2018) points out that an integrated Baitul Maal model (where a financial institution runs an official zakat division) is ideal but not yet permissible under current banking laws. Our data concur: Islamic banks cannot act as zakat collectors directly, and similarly BMTs are cautious. Some workarounds exist, such as BMTs partnering with a LAZ who gives them portions of zakat to distribute, but these depend on personal relationships rather than institutional policy. The consequence is missed opportunities for instance, a BMT may have intimate knowledge of who is struggling in their community but cannot reallocate excess funds from its business to help them beyond a point, unless it engages in unofficial charity. OJK officials we spoke to acknowledged this gap: one suggested that if the law allowed, high performing BMTs could be enlisted as sub agents of BAZNAS to disburse zakat in their areas, leveraging their network. Such integration of management is advocated in literature (Widiastut et al., 2022) emphasize that management integration and distribution integration are key to an effective model. Right now, distribution is still somewhat overlapping and not optimally targeted because databases are not shared e.g., BAZNAS might give aid to someone who also has a loan from a BMT that BAZNAS is unaware of, leading to lack of a unified plan for that family's graduation from aid.

5.2 Cultural and Awareness Challenges

On the demand side, limited awareness and understanding among the public hinder synergy. Takaful uptake remains low several community members admitted they *"don't really know how takaful works"* or they confuse it with conventional insurance and suspect it might be expensive or non-compliant religiously. As earlier noted, only 6.9% of Indonesians are currently familiar with Islamic insurance concepts (Agustin, 2020). In our FGDs, even those who benefitted from microfinance had rarely considered insurance; they rely on social networks or prayer when calamity strikes. Without demand, there is little incentive for providers to develop micro takaful products. Moreover, some beneficiaries felt uncomfortable with the idea of combining charity and business: one said, *"Zakat is holy, I don't think it should be mixed up with loans which have to be paid back."* This mindset can be a barrier to integrated schemes where zakat might fund part of a microenterprise and a loan covers the rest. It underscores the importance of education and framing religious leaders need to clarify that using zakat for productive purposes or blending it with other instruments is acceptable and even encouraged to achieve its ultimate goal (maslahah for the community). The Ministry of Religious Affairs has started issuing guidance on *productive zakat* utilization, but local socialization is needed. Another cultural point is trust while people generally trust religious institutions more than banks, any mishandling of funds could erode faith quickly. Hence, integrated programs must uphold high standards of transparency to maintain public confidence. This is where adopting technology could help (e.g., blockchain for zakat tracking as IFRC did and clear communication that funds are used as intended (AAMIR A REHMAN, 2019).

5.3 Operational Capacity and Coordination Issues

Ven when institutions agree to collaborate, practical coordination can falter. Different organizational cultures and timelines can hamper joint efforts. A BAZNAS officer recounted a pilot where they tried to work with a BMT to support poor farmers: *"We had subsidy funds ready for seeds and the BMT agreed to give loans for equipment. But in implementation, our disbursement was fast while the BMT's process was slow by the time loans were approved, the planting season almost passed."* This indicates a need for better project alignment and possibly joint planning committees. Another example: takaful companies tend to have urban centric models and found it hard to market in villages without spending on agents; meanwhile, BMTs have the network but no incentive to push takaful unless they get a commission or see clear value for their members. Creating a win-win partnership (perhaps BMTs becoming agents for micro-takaful, earning fees) would require policy support and training. Only one BMT we studied had formally linked with an insurance scheme (a state-owned microinsurance) and that too had challenges in claim processing. Furthermore, data infrastructure is lacking there's no integrated database of who is receiving zakat, who has microfinance, etc. BPS at national level has a unified database of social assistance (DTKS), but Islamic NGOs often operate outside that. If Islamic finance players could share a common platform to track beneficiary progress (with consent and privacy), they could time their interventions more effectively and avoid redundancy or neglect.

5.4 Financial Constraints

Also means coordination overhead and potential dilution of responsibility if not managed well. While Islamic social funds are large in theory, in practice local institutions often face funding shortfalls. BMTs operate on thin margins and limited capital; they cannot finance very large projects or cover too many high-risk borrowers without jeopardizing their liquidity. Zakat institutions, on the other hand, have unpredictable inflows concentrated around Ramadan, and they must allocate funds across consumptive and productive needs carefully. If a resilience program requires, say, subsidizing takaful premiums for many poor households, none of the single actors can currently bankroll that alone on a large scale in Central Java. World Bank analyses have noted that relying purely on voluntary charity can be volatile; thus, blending with public funds or commercial funds is sometimes necessary. One possible solution observed is involving Islamic banks or corporate CSR: in the Green Zakat framework, Bank Syariah Indonesia's role is partly to mobilize larger funding and corporate participant Similarly, local governments could allocate some budget to match zakat funds for community projects (some regions in Indonesia have started doing matching grants) (Kurniawan, 2025). Our interviewees were enthusiastic about multi-party collaboration in fact, one called it a *"pentahelix"* approach (government, private sector, academia, community, and religious institutions together), echoing what (Minarni et al., 2025) studied in Malang. But this complexity.

5.5 Regulatory and Sharia Compliance Concerns

Ensuring that integration does not violate Sharia principles or legal rules is crucial. For example, if zakat funds are used in tandem with commercial finance, scholars need to agree on permissible models (many support *qard hassan* or equity like models for zakat utilization in businesses, but not anything that smells of interest). There's ongoing ijtihad (independent juristic reasoning) on issues like whether zakat can be lent or must only be given Indonesia's Council of Ulama (MUI) has fatwas allowing productive use as long as the *asnaf* (eligible beneficiaries) ultimately benefit. In our study, practitioners were sometimes unsure about boundaries, which made them hesitant. One BMT had excess charitable funds one year and thought about investing them in a small income generating project for the poor, but they refrained, saying *"we fear it could be seen as misusing zakat if the funds revolve."* Clear fatwas and guidelines from national Sharia boards can empower local actors to innovate confidently without fear of backlash. The Heliyon (Widiastut et al., 2022) study explicitly notes that integration must be carried out without violating Sharia, giving the example that waqf should be preserved in value (only its yields used) such details are vital. Regulators like OJK also have to ensure consumer protection for instance, if a BMT becomes an agent of takaful, it should be trained and authorized to avoid mis-selling. As of now, these cross sector regulations are in infancy.

6. STRATEGIC IMPLICATIONS AND RECOMMENDATIONS

The findings suggest that while organic synergy is developing at the grassroots, a more structured approach is needed to unlock the full potential of Islamic social finance for community resilience. Drawing on both the empirical insights and referenced successful models, we propose several strategies

1. Establish Coordination Platforms

We recommend creating a formal coordinating forum at the provincial or regency level that brings together BAZNAS, BMT associations, takaful representatives, and local government. Such a platform could facilitate data sharing, joint program planning, and monitoring. For example, a quarterly coordination meeting could review which communities are being served by which funds and identify gaps or overlaps. Bank Indonesia and OJK, through their regional offices, could support this by acting as neutral conveners and providing technical guidance (similar to how the *Team for Accelerating Financial Inclusion* works) (Hasan, 2020). Over time, this could evolve into a digital coordination platform a shared database of beneficiaries and services. Adopting technology in this manner aligns with global trends noted by UNDP (2019) that digital tools improve transparency and matching of Islamic social finance to needs (REHMAN, 2019).

2. Integrated Product Development
   Encourage and possibly incentivize the development of hybrid financial products that embed Islamic social finance elements. For instance, micro takaful linked with micro credit should be scaled up. Regulators can support by providing a sandbox for micro-takaful innovations targeted at BMT clients. One concrete idea from our study: a *"Resilience Package"* for farmers that includes a BMT agricultural loan, a takaful crop insurance policy, and a zakat-backed interest-free component or grant for buying climate-resilient seeds. This package approach ensures that the farmer has both skin in the game (loan to repay) and a cushion (insurance payout or grant) if disaster strikes, thus maintaining resilience. Successful pilots of such packages could then attract larger funding from government or donors to expand. IsDB and UNDP's IRFF are already advocating for models that combine insurance with other funding for vulnerable communities (Al Jasser, 2025).
3. Policy and Regulatory Reforms
   At a higher level, reforms could enable deeper integration. For example, revising regulations to allow Islamic banks or cooperatives to establish dedicated zakat/waqf management units (under proper supervision) would formalize what BMTs are informally doing. Ascarya's study recommended a *"Separate Baitul Maal"* model for Islamic banks where the bank hosts a social fund unit something similar could be explored for BMTs (Ascarya, 2018). Additionally, incorporating Islamic social finance into local development planning can mainstream its role. Local governments could sign MoUs with BAZNAS and Islamic MFIs to co-fund community resilience projects, effectively doubling the resource pool. Another policy step: providing tax incentives for takaful subscription or for corporations that channel CSR through Islamic social finance instruments in resilience projects. Given the huge SDG funding gap (Indonesia faces a USD 1.7 trillion gap for SDGs including climate targets), incentivizing private sector and Islamic social funds to bridge part of that makes sense. Notably, Indonesia's *Sharia Economy Masterplan 2019-2024* already calls for strengthening Islamic social finance governance and linkages to development; implementing these recommendations should be a priority.
4. Capacity Building and Public Awareness
   Strengthening the human capital in each institution will improve collaboration. Training programs can be designed for BMT staff on takaful basics and for zakat officers on microfinance principles, so each understands the other's domain. Cross sector secondments or joint workshops would build personal networks and trust. In our study, many successful synergies happened because individuals knew each other and took initiative. Institutionalizing that cooperation through capacity building is key. Public education campaigns can also raise awareness about how these instruments complement each other. For instance, outreach by religious leaders during sermons could emphasize not just the duty of zakat but also the importance of joining cooperatives and insuring one's family framing it as part of Islamic lifestyle. When the community appreciates the holistic approach ("financial jihad" for resilience, one cleric called it), participation rates in takaful and BMTs are likely to go up. Over 70% of Muslims in some countries report paying zakat, far higher than those using Islamic banking; channeling that broad participation into an integrated system is a real opportunity if messaging is effective (AAMIR A REHMAN, 2019).
5. Monitoring and Impact Evaluation
   To convince more stakeholders (especially policymakers and international donors) of the efficacy of synergizing Islamic social finance, robust impact data should be collected. This study provided qualitative evidence of improved resilience, but future efforts should incorporate quantitative measures e.g., comparing communities with integrated interventions vs those without on metrics like poverty rate decline, income variability, recovery time post disaster, etc. Establishing a *Community Resilience Index* tailored to Islamic finance interventions could be useful. Already, BAZNAS has developed a Zakat Village Index to assess the welfare of villages where it operates. Adding dimensions for financial inclusion and risk protection would create a comprehensive score to monitor. Publishing such results in peer reviewed research will also strengthen the academic foundation for Islamic finance as a tool for resilience have called for more empirical studies linking ISF to sustainable development outcomes.

In discussing these strategies, it is pertinent to situate them in the global context of sustainable finance. Islamic social finance's ethos of justice, shared responsibility, and long-term stewardship provides a valuable

complementary perspective to conventional development finance. As noted in the OECD report, Islamic finance's potential (over $2.5 trillion) can significantly contribute to SDGs by mobilizing faith-driven capital and strengthening partnerships. Our study in Central Java, although local, exemplifies this principle: when Islamic institutions partner and pool their unique strengths, they can uplift communities in ways that purely market-based or purely charitable approaches might not achieve alone (Niche to Norm, 2024).

6. CONCLUSION

The integration of takaful, BMT (Islamic microfinance), and Islamic philanthropic instruments holds great promise for enhancing community resilience in Central Java. This study's comprehensive analysis drawing on field data and supporting literature demonstrates that a synergistic Islamic social finance approach can provide multi-dimensional support to vulnerable communities: immediate relief for urgent needs, financial services for economic empowerment, and risk protection to safeguard against setbacks. Households benefiting from combined interventions (zakat aid followed by microfinance, supplemented by cooperative insurance mechanisms) have shown improved capacity to weather economic shocks and to gradually lift themselves out of poverty. These findings echo the broader evidence that leveraging Islamic social funds in tandem with financial inclusion initiatives accelerates poverty reduction and fosters sustainable development.

Crucially, the research highlights that *synergy does not arise automatically* it requires deliberate coordination, innovative product design, and supportive policy environments. In Central Java, we found encouraging grassroots collaborations between BMTs and zakat bodies, and inventive practices like internal takaful funds, but also systemic challenges like fragmented governance and limited awareness that restrain the scaling up of these best practices. Addressing these challenges will be key to moving from isolated success stories to a coherent model of integrated Islamic social finance. The recommended strategies include establishing formal coordination platforms, enabling regulatory frameworks for integrated social-commercial finance, developing bundled financial products, and investing in capacity building and public education. Implementing these can transform currently siloed efforts into a unified ecosystem that continuously guides a poor household from vulnerability to resilience effectively operationalizing the Quranic principle of *"ta'awun"* (mutual assistance) in modern financial terms.

From a policy perspective, this study underscores an opportunity for Indonesia to lead in Islamic finance innovation by institutionalizing synergy. Government agencies like BAPPENAS, OJK, and Bank Indonesia should consider the findings when crafting policies or pilot programs. For instance, the success of a Green Zakat initiative or a zakat BMT partnership in one district could be replicated nation wide with governmental support, helping to bridge the SDG financing gap with domestic social funds. There is also room for international development organizations to collaborate, as seen with UNDP and IsDB's interest in takaful for resilience Central Java's experience could serve as a model for other Muslim majority regions aiming to build financial resilience through Islamic instruments.

Academically, this work contributes to the literature by providing an empirical case of how multiple Islamic financial mechanisms interact on the ground to affect community outcomes. Prior studies have been largely conceptual; here we have mapped real stakeholder experiences to theoretical models like the 4ER framework, finding that such models are indeed applicable and beneficial. It fills a research gap noted by (Tika Widiastut et al., 2022)) regarding the paucity of empirical evidence on integrated Islamic finance effectiveness. Future research could build on this by quantitatively evaluating integrated vs Non integrated program impacts across multiple regions, or exploring consumer behavior aspects.

In conclusion, Synergizing Islamic social finance instruments is not just a theoretical ideal but a practical pathway to strengthen community resilience. When zakat, waqf, sadaqah and other charitable resources are strategically combined with microfinance services and backed by risk-sharing through takaful, they create a comprehensive support structure for the poor one that provides immediate protection, opportunities for growth, and safeguards for the future. This holistic approach aligns deeply with Islamic values of compassion and empowerment, and as this study shows, it also aligns with modern principles of sustainable development and disaster risk reduction. Central Java's communities have started to reap the benefits of this synergy on a small scale; with committed efforts from all stakeholders, these benefits can be amplified widely. Ultimately, the vision is of a resilient society where vulnerable families are not left to fall through the cracks where an illness or a flood does not spiral into financial ruin, because Islamic social finance in unison is there to catch them, heal them, and set them back on a path of hope and dignity. Such a vision is within reach, and its realization will mark a significant contribution of Islamic finance to social justice and human development in the 21st century.

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