



## 38th Ministerial Session of the COMCEC

Exchange of Views Session on “Effective Social Assistance Provision and Socioeconomic Empowerment in the light of COVID-19 Pandemic”

### Effective Social Assistance Systems: Islamic Religious Institutions as Supporting Instruments

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# Agenda

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- Effective Social Assistance Systems
  - Issues and challenges
- Islamic Religious Institutions and Social Assistance Systems



Standing Committee  
for Economic and Commercial Cooperation  
of the Organization of Islamic Cooperation (COMCEC)

Effective Social Assistance Provision and Socioeconomic  
Empowerment in light of COVID-19 Pandemic in the OIC  
Member Countries: Integrated Monitoring and Information  
Systems

COMCEC Coordination Office  
September 2022

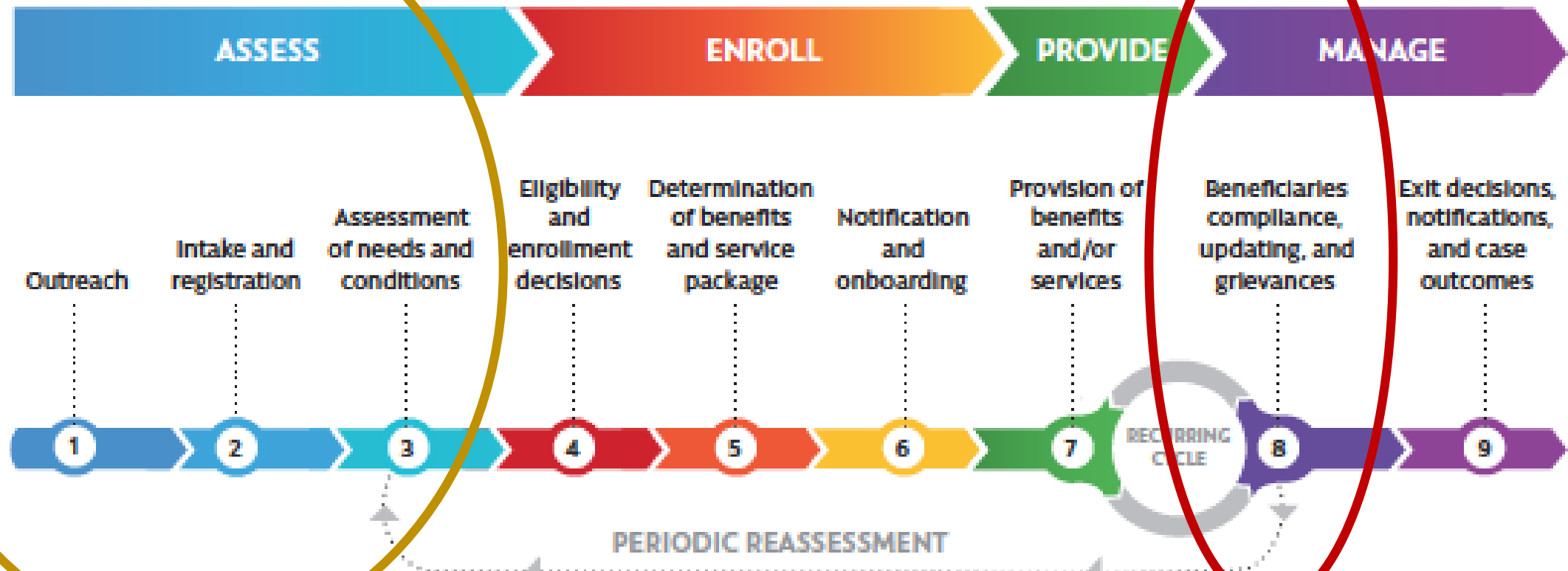
The report presents a framework of Social Assistance Program that uses an Integrated Monitoring and Information System (includes a government-to-person payments module)

P. 24: *"the ability of a country to care for its people and respond to their life-cycle needs depends on its **ability to identify those who are in need, enroll them, provide tailored benefits and services, and follow up to cater to evolving circumstances.**"*

*"These actions ... require **dynamic and real-time data.**"*

# Social Protection Delivery Chain and Data

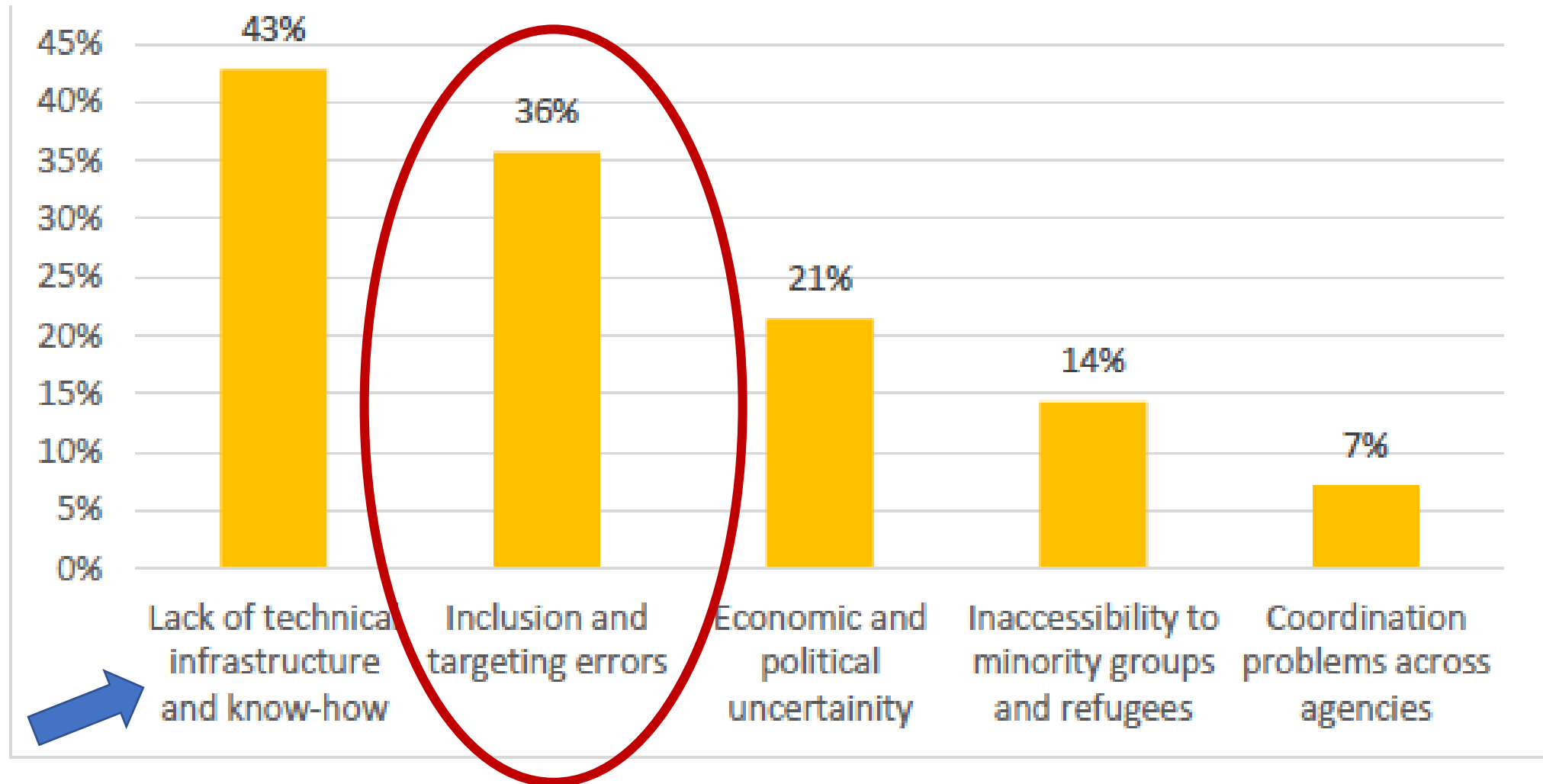
Requires dynamic and real-time data



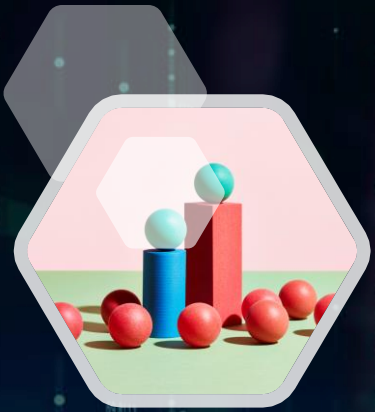
Identification

Follow-up

# Reported barriers against moving to integrated systems (p. 51)



Study  
focusses on



# Key Challenge in Social Assistance Programs

- Key challenge identified in the study include Dynamic inclusion:  
*“Expanding outreach to new beneficiaries and dynamically **updating the information** on the existing beneficiaries is one of the most challenging tasks in the protection systems”* (p. 94)
- Main issue: Gathering and updating information on beneficiaries
- Doing this centrally would be costly, time consuming and static
- Integrated Information Systems do not have complete data
  - Turkiye: Integrated Social Assistance System (57.7m individuals, 70% of the population)
  - Indonesia: *Data Terpadu Kesejahteraan Sosial (DTKS)* (25.7m household or 93m people, 40% of the population)

# Funding Challenges for Social Assistance Programs

## Global Humanitarian Overview 2022\*

- People in need: 325.5m
- People Targeted: 216.6m
- Overall Funding Requirements: \$51.65bn
- Total Funding Received: \$22.81bn
- Countries Affected: 69 (many OIC member countries)
- The focus of funding social assistance is from government sources (report mentions about foundations in Turkey)
- Most governments have budget constraints with many other commitments
- There is a need to look for alternative sources to fund social assistance programs



# Agenda

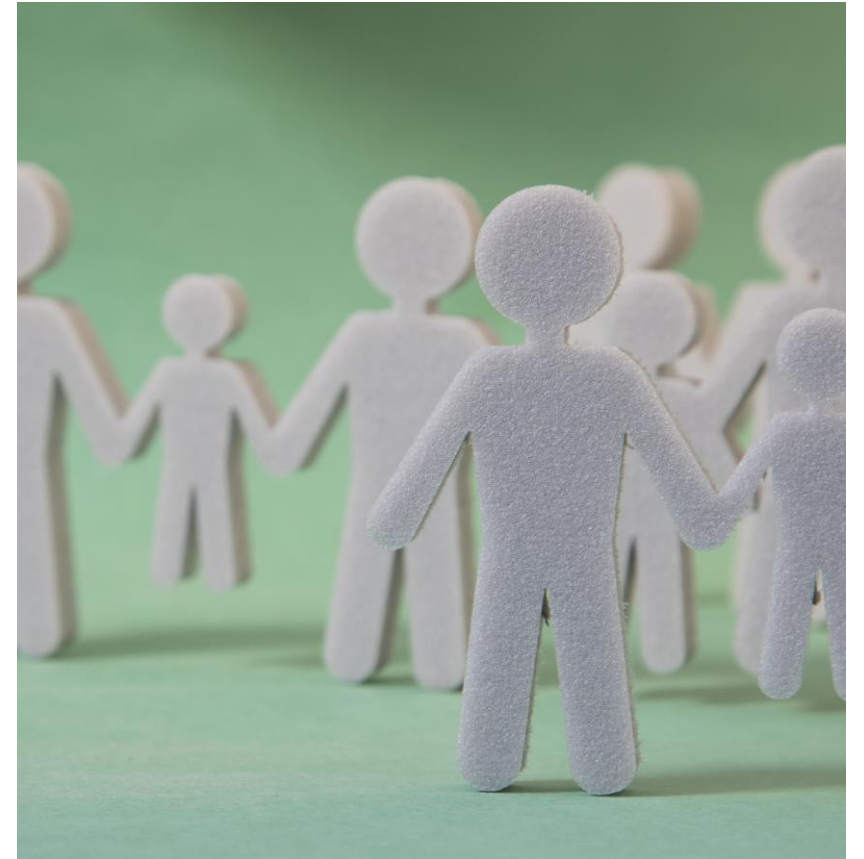
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- Effective Social Assistance Systems
  - Issues and challenges
- **Islamic Religious Institutions and Social Assistance Systems**

# Two supporting instruments

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1. Intangible: Communities as social capital
  - 'networks of social relations that may provide individuals and groups with access to resources and supports'
  - 'social organizations such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions'
  - improves the quantity and quality of information flows and reduces transactions costs
2. Tangible: Social finance
  - (charities, grants, subsidies, etc.)



# Islamic worldview and societal well-being

- Overall objective of Shariah—“enhance *maslaha* (welfare/benefit) and minimize *mafsada* (harm)”
- The essentials of *maslaha*—*maqasid al Shariah*
  - Protection and enhancement of faith, life, intellect, posterity, wealth and dignity for all
- Islam has introduced different institutions to ensure the fulfillment of *maqasid*
  - *Zakat*, *saqaqat* and *waqf*—historically play an important role to provide the basic needs and enhance social welfare
  - A community-based approach to resolving societal problems
    - Centre of community was the mosque



# Islamic Social Finance

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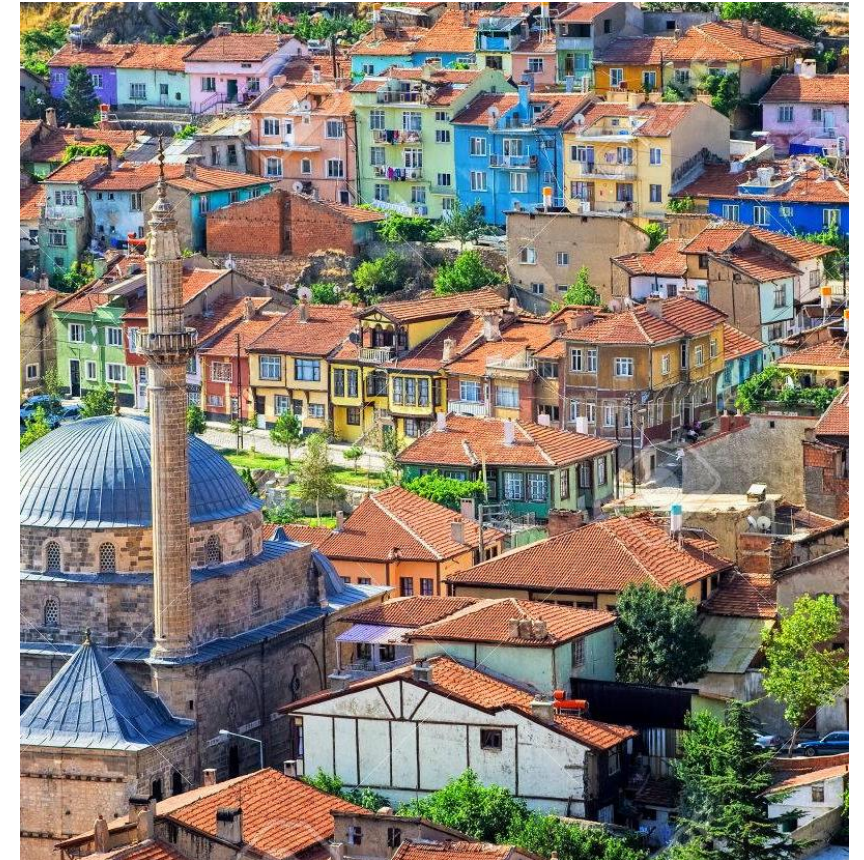


- Zakat—obligatory annual levy on Muslims having wealth above a threshold level
- Zakat potential—estimates of \$300 bn annually
  - Total official development assistance member countries of OECD was US\$ 178.9 bn. in 2021
- Waqf—Estimates of waqf range from US\$100 billion to US\$ 1 trillion
  - Estimated of waqf land in Indonesia is US\$ 60 billion
  - Waqf of \$500 billion earning a return of 5% annually implies \$25 billion
- As governments face constraints of resources, mobilizing zakat and waqf can be useful social capital that can be tapped into

# Intangible Community-based Capital: Mosques

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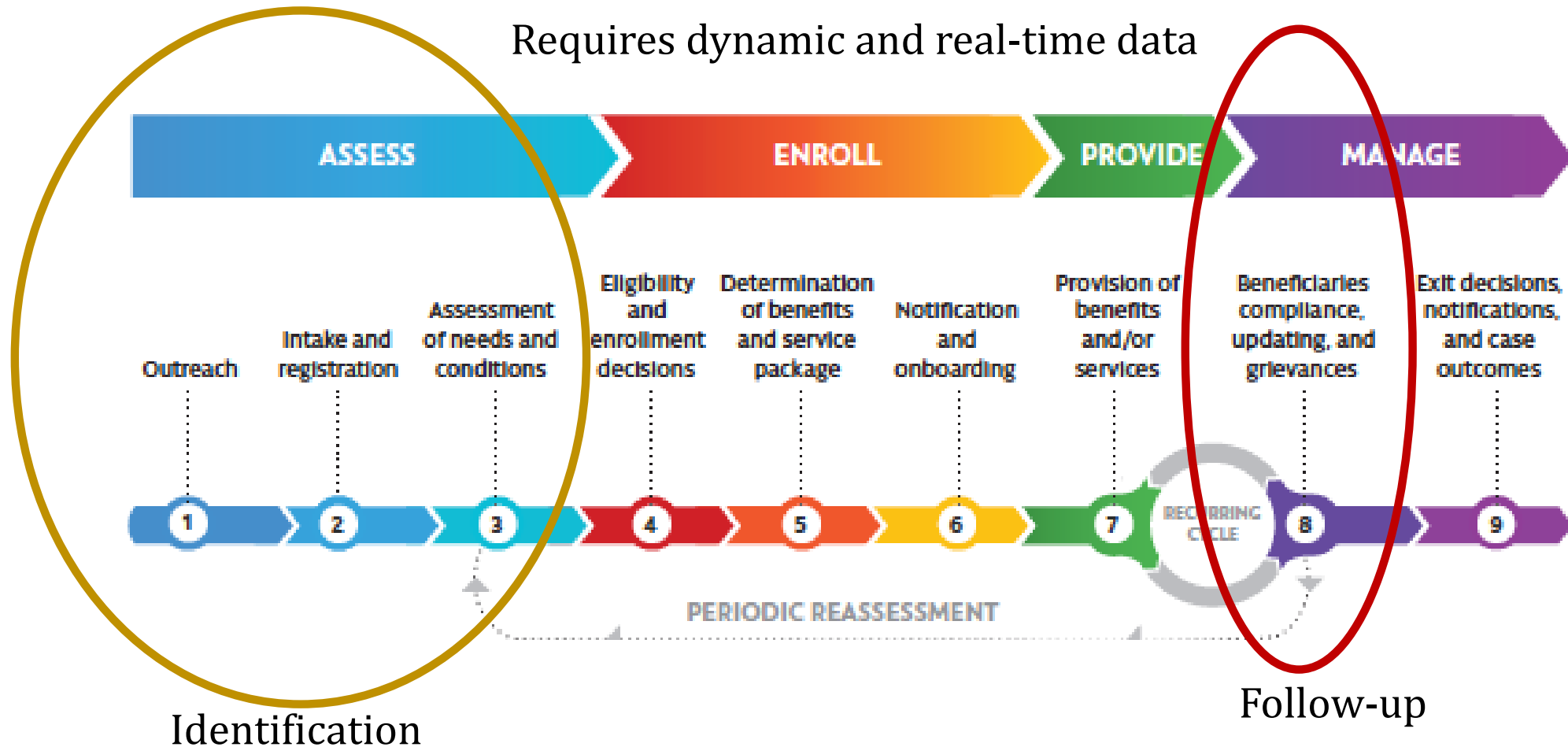
- Mosques are community-based institutions
- Other than places of worship, mosques historically played an important role as socio-economic hub of communities
  - Schools and libraries
  - Important life milestones linked to mosques (birth, marriage, death)
  - Social gatherings and festivals
  - Clinics and pharmacies
- Important sources of social capital
  - Information exchange at low costs
  - Provide support to the vulnerable



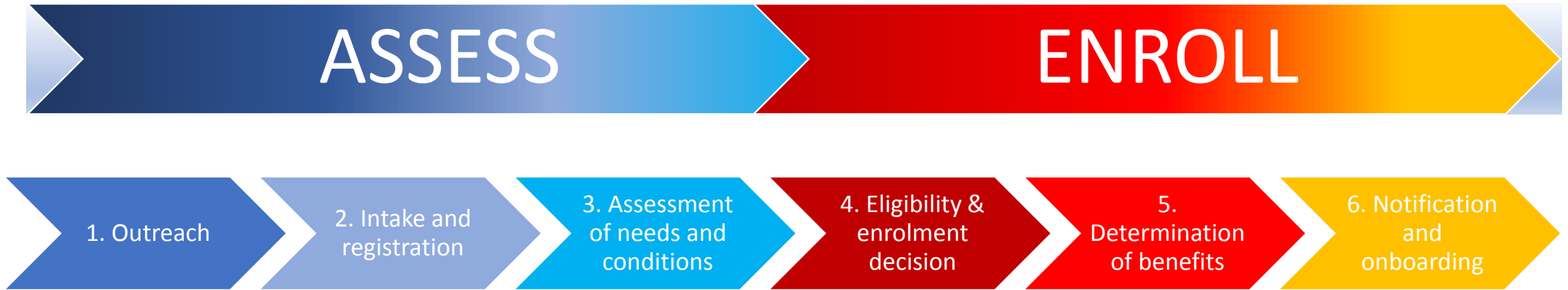
Afyon, Turkey

# Challenges in Social Assistance Programs

“Expanding outreach to new beneficiaries and dynamically updating the information on the existing beneficiaries is one of **the most challenging tasks** in the protection systems”



# Role of Mosques in Social Assistance Programs



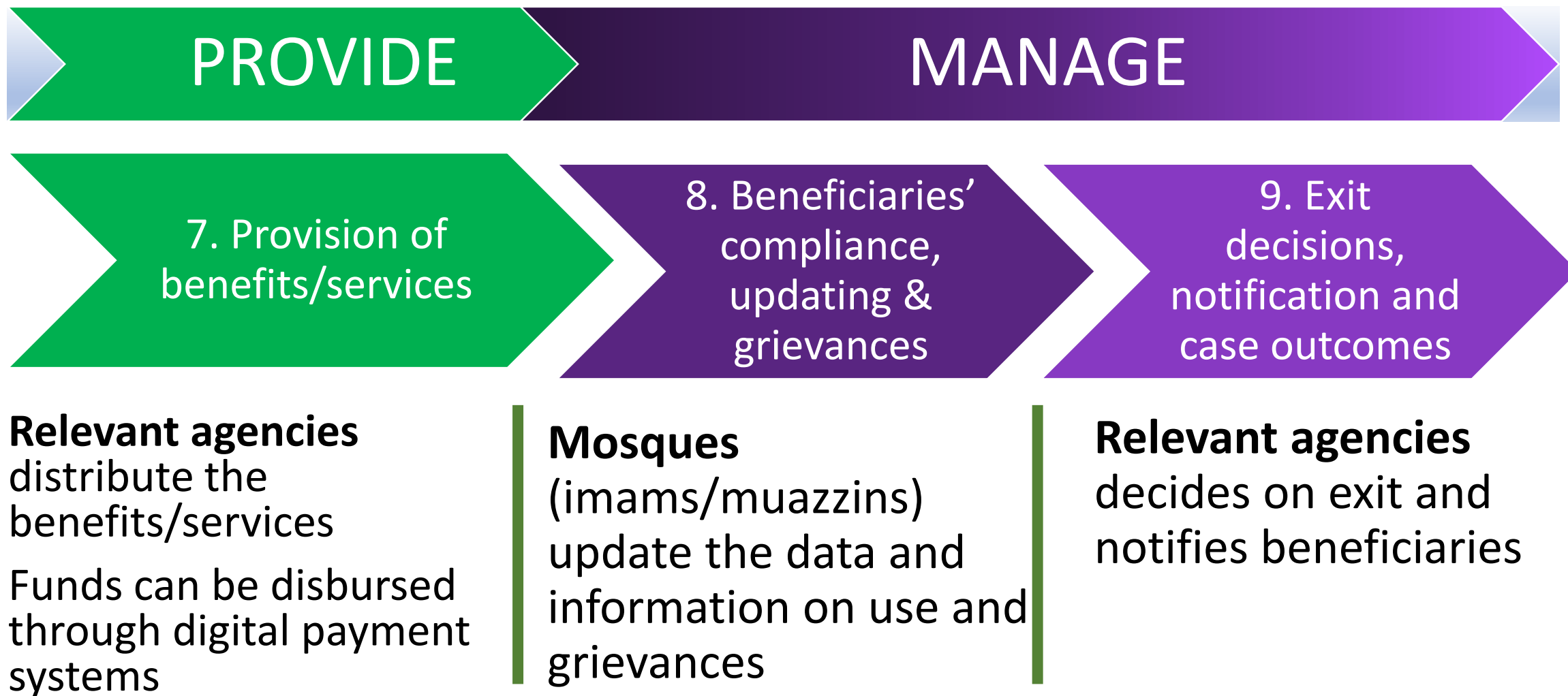
**Mosques** can play an important role

- Imams/muazzins can contribute to collection of information on prospective beneficiaries
- Register and input data on tablets/ipads
- Data transmitted to Integrated Information System (IIS)

**Integrated Information System (IIS)** uses algorithm to

- Assess eligibility & enrolment
- Determine disbursement of benefits
- Onboard and inform beneficiary

# Role of mosques in Social Assistance Programs



# Integrated Information Systems (IIS) with Islamic Religious Institutions

## Assess

- Train *imams/muazzins* of mosques for data input of beneficiaries IIS—optimal use of their time

## Enroll

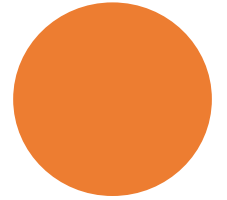
- Decision to disburse determined by the criteria set by the government or donor agencies (instituted in IIS)

## Provide

- Mobilize additional Islamic social finance
- Funds can be disbursed through a digital payments system

## Manage

- *Imams/muazzins* follow up with beneficiaries and update information on IIS





# Thank you

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