

## ARTICLE

# Reconceptualizing Social Security as State-Led Hibah: Islamic Legal Transformation and Social Protection for Informal Workers

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**Keywords:**

Islamic Economics  
Ta'awun  
Islamic Social Security  
Labor Law Reform  
Social Transformation

## Abstract

**Background:** In the discourse of Islamic economics, labor is a noble form of worship that necessitates a robust protection system against socio-economic risks. For the informal sector or Non-Wage Earners (BPU), access to social security remains a critical challenge due to the "literacy-trust gap" and religious concerns regarding conventional financial instruments.

**Objective:** This study aims to analyze the implementation of the social security program for BPU participants at the BPJS Ketenagakerjaan Pinrang Branch and evaluate its alignment with Islamic economic principles, specifically regarding the mechanisms of contributions and fund development.

**Methodology:** This research employs a qualitative-descriptive approach with a phenomenological lens. Data were gathered through in-depth interviews with BPJS officials and BPU participants at the Pinrang Branch, complemented by a review of Law No. 24 of 2011 and relevant Sharia economic literature. Data analysis followed the interactive model of data condensation, display, and conclusion drawing.

**Result :** The findings indicate that the BPU program – comprising Work Accident Insurance (JKK), Death Insurance (JKM), and Old Age Security (JHT) – functions as a state-led manifestation of *Ta'awun* (mutual assistance) and *Maslahah Mursalah* (public interest). Despite the absence of a formal Sharia branch in Pinrang, participants generally perceive the JHT fund development (which yielded a projected 29.39% value enhancement over 10 years in this study's simulation) as a form of *hibah* (gift) or state *Mas'uliyah* (responsibility) rather than prohibited *Riba*. However, the reliance on conventional interest rates as a benchmark remains a "Sharia gap" that requires institutional reform.

**Implications:** To solidify public trust, BPJS must accelerate nationwide Sharia-compliant investment portfolios to eliminate residual usury concerns.

**Originality :** This research identifies a pragmatic religious reconciliation among informal workers, framing state social insurance as a modern fiduciary responsibility (*Mas'uliyah*)

## INTRODUCTION

Islam views economic activity and labor as a noble form of worship aimed at achieving ultimate welfare, or *falah*, in both this world and the hereafter. This principle asserts that every Muslim is obligated to maintain their dignity through lawful (*halal*) endeavors and avoid practices that exploit others. In the context of Islamic economics, financial independence is seen not only as a personal success but also as the foundation for harmonious social relations based on the values of justice. Therefore, labor in Islam is a manifestation of the human responsibility as a *khalifah* (steward) who must prosper the earth

through dignified means.<sup>1</sup> This dignity, however, is frequently jeopardized by systemic vulnerabilities within the informal labor market, necessitating a social finance intervention that transcends mere ritual compliance to foster genuine economic empowerment.

Modern life, fraught with uncertainty, gives rise to socio-economic risks that can threaten the stability of human life at any time. Within the framework of *Maqasid al-Shari'ah*, social security is not merely a technical policy but a mandatory instrument for *hifz al-nafs* (protection of life) and *hifz al-māl* (protection of wealth), ensuring that the workforce does not descend into the structural poverty often neglected by conventional market mechanisms. Recent scholarship in Islamic Social Finance emphasizes that social security must function as a redistributive tool to bridge the widening inequality gap between formal and informal sectors. Without an adequate protection system, workers are vulnerable to falling into extreme poverty when faced with unexpected calamities.<sup>2</sup>

Non-bank financial institutions, particularly insurance, play a vital role in distributing risk through a mechanism of mutual cooperation among participants. In both Sharia and conventional formats, the basic essence of insurance is the spirit of mutual assistance (*ta'awun*) in facing disasters or future losses. However, Islam provides strict boundaries through the prohibition of *riba* (usury), *gharar* (uncertainty), and *maysir* (gambling) in every financial transaction. Compliance with these principles is crucial because practices containing exploitative elements are considered contrary to the spirit of justice outlined in the Qur'an.<sup>3</sup> In the global landscape, the integration of *Takaful* principles into national social safety nets is increasingly recognized as a key driver for financial inclusion in Muslim-majority developing nations.

The prohibition of *riba* is explicitly explained in Q.S. al-Baqarah verse 275, which emphasizes the fundamental difference between legitimate trade and damaging usurious practices.<sup>4</sup> This verse serves as a parameter for Muslim communities in choosing financial protection instruments that are not only functionally material but also spiritually clean. In the context of public social security, a major challenge arises regarding how public funds are managed so they remain productive without violating these Sharia boundaries. The debate concerning the legal status of interest and profit-sharing within public insurance funds remains a heated discourse among Islamic economic scholars.<sup>5</sup>

In Indonesia, the transformation of social security reached its peak with the establishment of BPJS Ketenagakerjaan as a public institution with a constitutional mandate. Based on Law Number 24 of 2011, this institution integrates various protection programs such as Work Accident Insurance (JKK), Death Insurance (JKM), Old Age Security (JHT), and Pension

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<sup>1</sup> Scheherazade S Rehman and Hossein Askari, "How Islamic Are Islamic Countries?," *Global Economy Journal* 10, no. 2 (2010): 1850198.

<sup>2</sup> Nor Salam, "CRITICISM OF THE ISLAMIC INHERITANCE DISTRIBUTION SYSTEM PERSPECTIVE OF THE PRINCIPLE OF PROPORTIONALITY.," *MAQASHID* 6, no. 2 (2023): 16–24.

<sup>3</sup> M Umer Chapra, *The Future of Economics: An Islamic Perspective*, vol. 21 (Kube Publishing Ltd, 2016).

<sup>4</sup> Fichta Melina, "Pembiayaan Murabahah Di Baitul Maal Wat Tamwil (Bmt)," *Jurnal Tabarru': Islamic Banking and Finance* 3, no. 2 (2020): 269–80, [https://doi.org/10.25299/jtb.2020.vol3\(2\).5878](https://doi.org/10.25299/jtb.2020.vol3(2).5878).

<sup>5</sup> Abdul Ghafar Ismail and Noraziah Che Arshad, "Islamic Economic System: From Principles to Microeconomics and Macroeconomics Fields," in *International Conference on Islamic Economics, Banking and Finance*, 2009, 1–16.

Security (JP). The transition from PT Jamsostek to a public legal entity aims to expand the scope of protection so that it is not limited to commercial profit, but purely for the welfare of the people. The existence of this institution is theoretically in line with the state's duty to provide a social safety net for its citizens.

However, field realities show a significant gap in participation between the formal and informal sectors. Non-Wage Earners (BPU), which include farmers, market traders, and freelancers, often remain outside the social security ecosystem due to information and accessibility constraints. Indeed, national data shows that the informal sector contributes significantly to the gross domestic product, yet they are the group most financially vulnerable to work risks.<sup>6</sup> This phenomenon of low social security penetration among independent workers is a crucial issue that requires strategic solutions from both policy and religious perspectives.<sup>7</sup>

This gap is exacerbated by the low literacy of Sharia-based social security among informal workers, the majority of whom are Muslim. Many BPU workers are still hesitant to join BPJS Ketenagakerjaan because the application of Sharia principles is often perceived as a mere label rather than a substantive mechanism for economic liberation. Previous literature has focused more on aspects of state administrative law and bureaucratic effectiveness, yet very few have touched upon the alignment of the contract (*aqad*) between the state and BPU participants within a Sharia framework.<sup>8</sup> This creates a literary void that results in policies often failing to address the socio-religious roots of the community.

This research aims to fill that gap by critically evaluating how Islamic economic principles are applied within the social security program for the BPU category. The novelty of this study lies in its analytical focus linking the independent contribution mechanisms of informal workers with the concept of *tabarru'* and the management of social security fund investments free from usurious elements. Unlike previous general research, this study specifically dissects the challenges of Sharia principle implementation in a sector that lacks a fixed employer as a contribution collector.<sup>9</sup> This is vital to provide legal certainty for the *Ummah* in participating in state programs.

Through juridical-normative and empirical approaches, this study aims to analyze whether the operations of BPJS Ketenagakerjaan for BPU participants have fully met the principles of Islamic economic justice. Furthermore, this study seeks to formulate an effective socialization model so that the values of *ta'awun* in social security can be well-received by informal workers.<sup>10</sup> By understanding the religious and economic background of the community, it is hoped that the reach of social protection can increase significantly.

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<sup>6</sup> Statistics Indonesia (BPS), "Indonesian Labor Force Report 2024" (Jakarta, 2024).

<sup>7</sup> Guan Huang and Jingmiao Wang, "The Chinese Case: Challenging Established Foundational Consensus Regarding the Law of Social Security Development," *African and Asian Studies* 1, no. aop (2026): 1–33.

<sup>8</sup> M Kabir Hassan and Mervyn K Lewis, "Islamic Banking: An Introduction and Overview," in *Handbook of Islamic Banking* (Edward Elgar Publishing, 2007).

<sup>9</sup> Muhammad Nejatullah Siddiqi, *Role of the State in the Economy: An Islamic Perspective*, vol. 20 (Islamic foundation, 1996).

<sup>10</sup> Yulianto Achmad, Nanik Prasetyoningsih, and M Reformis Al Fath, "ASEAN Non-Intervention Principles: An Alternative Settlement towards Human Rights Violation in Rohingya," *Jurnal Media Hukum*, 2021, 118–35.

This will strengthen national economic resilience through labor protection based on local and universal values.

Theoretically, the results of this research are expected to contribute to the development of Islamic economics, particularly regarding the concept of state social insurance. Practically, the resulting recommendations can serve as input for policymakers at BPJS Ketenagakerjaan to refine a Sharia scheme that is more inclusive for informal workers. Alignment between government regulations and Sharia principles will create a sense of security (*itmi'nan*) for participants, ensuring that active participation can be realized voluntarily. Public trust is the primary asset for the long-term sustainability of the social security system.

In conclusion, focusing on Non-Wage Earners (BPU) is a strategic step to review the state's effectiveness in grounding Islamic economic principles. Without a comprehensive understanding of the application of Sharia values in social security, the goal of achieving equitable welfare for all citizens will be difficult to attain. Therefore, this research is relevant as a bridge between modern risk protection needs and the demands of Sharia compliance, which is the identity of the majority of the workforce in Indonesia.<sup>7</sup>

## LITERATURE REVIEW

### 1. Islamic Perspective on Labor and Compensation (*Ujrah*)

In Islamic jurisprudence, labor is not merely a secular transaction but a moral obligation rooted in the principle of *amanah* (trust). Compensation or *ujrah* is defined as the counter-value (*iwad*) provided to a worker in exchange for their effort and expertise. According to the majority of Sharia scholars, the validity of a labor contract (*ijarah al-ashkhas*) hinges on four essential pillars: the contracting parties (*mu'jir* and *musta'jir*), the formal agreement (*sighat*), the specified wage (*ujrah*), and the clear benefit or service rendered (*manfa'ah*).<sup>11</sup>

Islamic economic ethics necessitate that wages be determined through mutual consent (*'an taradin*), ensuring justice (*'adl*) and transparency to eliminate *gharar* (uncertainty).<sup>12</sup> Beyond its worldly function, *ujrah* carries spiritual significance; fulfilling a worker's right promptly—before their sweat dries—is considered an act of piety that prevents social oppression (*zulm*). This framework establishes that a "living wage" is not just a regulatory requirement but a divine mandate to preserve human dignity (*karamah*).

### 2. Social Security and the Welfare State Framework

Social security is a structured mechanism designed to protect individuals against life-contingency risks that threaten their economic subsistence. Within the constitutional framework of Indonesia, particularly Article 28H of the 1945 Constitution, social security is a fundamental right intended to provide a dignified life for all citizens.<sup>13</sup> This is operationalized through Law No. 40 of 2004 concerning the National Social Security System (SJSN), which adopts the principle of social insurance and compulsory participation to mitigate risks for vulnerable groups, including the elderly and the disabled.

<sup>11</sup> Toseef Azid et al., *Labor Economics in an Islamic Framework: Theory and Practice* (Routledge, 2022).

<sup>12</sup> Syaugi Mubarak and Jailani Abdullah, "UJRAH INSTRUMENT IN TABARRU CONTRACT: A LEGAL BREAKTHROUGH IN THE FATWA OF THE NATIONAL SHARIA COUNCIL," in *APCoMS: The Annual Postgraduate Conference on Muslim Society*, vol. 6, 2024, 42–54.

<sup>13</sup> Sanjivi Guhan, "Social Security Options for Developing Countries," *Int'l Lab. Rev.* 133 (1994): 35.



The literature suggests that labor welfare is multifaceted, significantly influenced by the synergy between take-home pay and institutionalized safety nets. Social security functions as an "economic stabilizer" for workers, ensuring that the loss of physical capacity – due to accident, old age, or death – does not result in immediate familial impoverishment.<sup>14</sup> In an Islamic economic context, this aligns with the concept of *Takaful* (mutual protection), where the state or a collective body manages funds to assist members in times of hardship.

### 3. Institutional Role of BPJS Ketenagakerjaan

BPJS Ketenagakerjaan serves as a public legal entity established under Law No. 24 of 2011 with a specific mandate to administer employment social security. Its operational scope covers four primary dimensions: Work Accident Insurance (JKK), Death Insurance (JKM), Old Age Security (JHT), and Pension Security (JP). Unlike private insurance driven by premium-based profits, BPJS operates on a non-profit principle, where fund management outcomes are returned to the participants to maximize benefit values.<sup>15</sup>

The institution's responsibility extends beyond mere fund collection; it encompasses the fiduciary duty to manage social security assets ethically and sustainably. As a public body reporting directly to the President, BPJS Ketenagakerjaan acts as the state's instrument in implementing distributive justice. Research indicates that mandatory registration by employers is the primary pillar for formal sector protection, yet the institutional challenge remains in ensuring compliance and fund sustainability in the long term.<sup>16</sup>

### 4. The Dynamics of Non-Wage Earners (BPU) in the Informal Economy

The segment of Non-Wage Earners (*Bukan Penerima Upah* or BPU) represents the independent or informal workforce, characterized by the absence of a formal employer-employee relationship. Under Ministry of Manpower Regulation No. 1 of 2016, this category is expansive, encompassing self-employed professionals (e.g., doctors, lawyers), entrepreneurs, and informal workers such as farmers, fishermen, and gig-economy drivers.<sup>17</sup>

The transition of BPU individuals into the social security net is a critical focal point for achieving universal coverage. Unlike the formal sector where contributions are automatically deducted, BPU participants rely on voluntary compliance and individual awareness. Literatures highlight that this group faces the highest "protection gap" due to fluctuating incomes and a lack of institutionalized advocacy.<sup>18</sup> Therefore, integrating BPU into the BPJS framework is not merely a regulatory task but a strategic effort to alleviate

<sup>14</sup> Y N Supriadi, "Social Security Contribution to Productivity and Wages in Labour Organization Perspective," in *IOP Conference Series: Materials Science and Engineering*, vol. 180 (IOP Publishing, 2017), 12020.

<sup>15</sup> Tom Christensen and Martin Lodge, "Accountability, Transparency and Societal Security," in *The Routledge Handbook to Accountability and Welfare State Reforms in Europe* (Routledge, 2016), 179–93.

<sup>16</sup> Julizar Idris et al., "Mediating Economic Growth toward Inclusive Development: State Institutional Capacity and the Developmental Role of BPJS Ketenagakerjaan in Indonesia," *Jurnal Multidisiplin Sahombu* 5, no. 08 (2025): 2907–15.

<sup>17</sup> Jairous J Miti et al., "The Informal Sector and Social Protection," in *Handbook on Social Protection Systems* (Edward Elgar, 2021), 389–402.

<sup>18</sup> Rebecca Hawkins, Michael Redley, and A J Holland, "Duty of Care and Autonomy: How Support Workers Managed the Tension between Protecting Service Users from Risk and Promoting Their Independence in a Specialist Group Home," *Journal of Intellectual Disability Research* 55, no. 9 (2011): 873–84.

poverty and ensure that the informal sector – the backbone of many developing economies is not left behind in the national development agenda.

## RESEARCH METHOD

This study employs a qualitative research design with a descriptive-phenomenological approach, aiming to provide a profound understanding of social phenomena within their natural and holistic context. In this framework, the researcher serves as the primary instrument, facilitating an in-depth exploration of the behaviors, experiences, and social activities of workers that cannot be quantified through statistical metrics.<sup>19</sup> The choice of this qualitative approach is grounded in the need to interpret the subjective meanings and perceptions of participants regarding the implementation of Islamic economic principles within the social security framework. Consequently, the research findings are presented in a descriptive-narrative format, emphasizing depth of insight over numerical representation.

Data for this study are categorized into two primary streams to ensure a comprehensive analysis of the subject matter. Primary data are collected directly from original sources through field observations and in-depth interviews conducted at the BPJS Ketenagakerjaan Pinrang Branch. This direct engagement allows the researcher to capture authentic field dynamics and the operational realities of the Non-Wage Earner (BPU) program. To complement these firsthand accounts, secondary data are integrated from various authoritative sources, including books, prior theses, academic journals, and official legal documents such as Law No. 24 of 2011. These secondary materials serve as a theoretical foundation and a means of data triangulation to strengthen the validity of the research.<sup>20v</sup>

The data analysis process is conducted qualitatively and iteratively, following an interactive model that spans from the pre-fieldwork phase to the final reporting stage. This continuous analysis involves data condensation, data display, and conclusion drawing to ensure that the findings are accurately aligned with the evolving conditions in the field. To maintain the scientific rigor of the study, the trustworthiness of the data is upheld through rigorous testing of credibility, dependability, and confirmability. This systematic verification ensures that the results reflect objective facts and participants' genuine perspectives rather than the researcher's subjective bias. Ultimately, the analysis is integrated with the data collection process through interpretation and ethical categorization, providing a robust conclusion that adheres to established research ethics.

## RESULTS

### **Integrating *Maqasid al-Shari'ah* and Social Security: An Analysis of Non-Wage Earners (BPU) Protection in the Informal Economy**

The implementation of the Social Security Program for Non-Wage Earners (BPU) at the BPJS Ketenagakerjaan Pinrang Branch represents a significant state initiative to transition the informal sector toward a protected work ecosystem. This study finds that the program functions not only as a financial safety net but also as an instrument for the redistribution of

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<sup>19</sup> A M Ajagbe et al., "Qualitative Inquiry for Social Sciences," in *International Conference on African Development Issues (CU-ICADI)*, 2015, 319–25.

<sup>20</sup> Md Nazrul Islam and Md Saidul Islam, "Data Collection and Analysis," in *Islam and Democracy in South Asia: The Case of Bangladesh* (Springer, 2020), 49–65.

social justice reaching the most vulnerable layers of society. Fundamentally, this initiative reflects the government's constitutional responsibility to guarantee every citizen's right to a decent standard of living. By providing protection schemes for independent workers such as farmers, fishermen, and micro-entrepreneurs the state actively mitigates economic risks previously borne individually by small-scale actors in the Pinrang region.

Sociologically, there is an intriguing dynamic regarding the perception of the Pinrang community toward the urgency of social security, which often clashes with traditional skepticism of insurance concepts. Field findings reveal a "literacy-trust gap," where segments of the community still equate public social security with profit-oriented commercial insurance. However, through personalized approaches and socialization emphasizing affordable premiums and simplified access, the Pinrang Branch has successfully increased participation rates. This phenomenon indicates that risk protection awareness is beginning to outweigh administrative hesitation, creating a new paradigm where work safety is viewed as a long-term investment for family economic stability.

From an Islamic economic perspective, the BPU program aligns with the concept of *Maslahah Mursalah* policies formulated for the public interest that are not specifically regulated but do not contradict Sharia principles. Although the legal instruments of social security are not found textually in primary Islamic sources, their essence is an extension of the state's duty (*Mas'uliyah*) to protect the five essential elements of human life (*Al-Daruriyyat al-Khamsah*), particularly the protection of life (*Hifz al-Nafs*) and property (*Hifz al-Mal*). In Pinrang, this is translated as an economic *ijtihad* to create social resilience for a Muslim-majority population working in the non-formal sector, thereby preventing systemic poverty caused by unforeseen calamities.<sup>21</sup>

A crucial discussion arises regarding the technical management of funds, particularly in the Old Age Security (JHT) program involving fund accumulation and investment development. In Pinrang, participants tend to perceive the results of fund development not as *riba* (usury), but as *hibah* (a gift) or cross-subsidies from the government as a form of appreciation for membership loyalty. This perspective is vital as it demonstrates a cultural and religious accommodation toward the public financial system. Such development funds are categorized as an assistance instrument that enhances participant benefits, ensuring that the primary goal of Islamic economics creating equitable welfare is felt directly without the psychological burden regarding religious validity.

The mutual cooperation system (*gotong royong*) serving as the pillar of BPJS Ketenagakerjaan inherently adopts the principles of *Takaful* (Islamic insurance), where participants mutually bear risks through collective contributions.<sup>22</sup> In the context of BPU workers in Pinrang, this spirit of *ta'awun* (mutual assistance) acts as a catalyst for strengthening local social capital. When an independent worker suffers an accident, the compensation provided is viewed not merely as material indemnity but as a form of institutionalized social solidarity. This proves that Islamic values of economic brotherhood

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<sup>21</sup> Salam, "CRITICISM OF THE ISLAMIC INHERITANCE DISTRIBUTION SYSTEM PERSPECTIVE OF THE PRINCIPLE OF PROPORTIONALITY."

<sup>22</sup> Abdul Malik Badeges and Asmak Ab Rahman, "Social Health Insurance in Economic Review: A Comparative Study between Western and Islamic Principles," *Jurisprudensi: Jurnal Ilmu Syariah, Perundang-Undangan Dan Ekonomi Islam* 17, no. 2 (2025): 169–82.

can be integrated into modern public policy to create an inclusive and sustainable protection system.

Analysis of the three core programs Work Accident Insurance (JKK), Death Insurance (JKM), and Old Age Security (JHT) shows that each scheme possesses preventive and curative functions against economic vulnerability.<sup>23</sup> utamiFor informal workers in Pinrang with fluctuating incomes, JKK and JKM serve as barriers preventing occupational hazards from abruptly destroying family financial structures. Meanwhile, JHT acts as a mandatory savings mechanism ensuring worker dignity in old age. The integration of these programs creates a more humane work ecosystem, where life risks are no longer perceived as obstacles hindering the productivity of the Muslim community in the independent sector.

However, this study also notes that significant challenges remain regarding formal Sharia standardization, as Sharia-based BPJS Ketenagakerjaan services are currently concentrated only in specific regions (such as Aceh). The Pinrang community expresses high expectations for transparency in fund management to ensure it remains free from prohibited elements (*haram*). Therefore, optimizing benefits must be accompanied by continuous education regarding the Sharia contracts (*aqad*) underlying the institution's operations.<sup>24</sup> Strengthening the narrative that social security is part of a modern context of social welfare can be an effective strategy to expand protection in highly religious regions.

In conclusion, the success of the BPU program in Pinrang serves as evidence that progressive state policies can synergize with Islamic economic values to achieve *Falah* (comprehensive welfare). Social protection for independent workers is not merely a matter of regulatory compliance but a humanitarian mission to honor the dignity of labor as subjects of development. By continuously refining operational mechanisms and strengthening the Sharia literacy base, BPJS Ketenagakerjaan can become a primary pillar in realizing inclusive distributive justice for all Indonesians, regardless of their formal employment status.

## DISCUSSION

### *Conceptual Convergence: BPJS Principles and Islamic Ethical Standards*

The operational framework of the social security program for Non-Wage Earners (BPU) at the BPJS Ketenagakerjaan Pinrang Branch is structured through a systematic contribution mechanism designed to mitigate life-cycle risks for the informal workforce. Participants are required to make regular and periodic payments to access essential protection schemes, which include Work Accident Insurance (JKK), Death Insurance (JKM), and the optional Old Age Security (JHT). For the BPU category, the JKK and JKM programs are mandatory, requiring a minimal monthly contribution of IDR 16,800, while the JHT remains a voluntary investment with a baseline contribution of IDR 20,000. From the perspective of *Maqasid al-Shari'ah*, this low-entry barrier is not merely a technical subsidy but a substantive effort to achieve *hifz al-māl* (protection of wealth) for marginalized workers, ensuring that motorcycle

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<sup>23</sup> Tanti Kirana Utami, "Old-Age Security Protection for Government Employees with Work Agreements Is Reviewed According to The National Social Security System," *Sociological Jurisprudence Journal* 5, no. 1 (2022): 71–77.

<sup>24</sup> A A Putri and J Juliana, "Multi-Akad in the Dynamics of Islamic Banking: Between Needs Markets and Sharia Principles," n.d.

taxi (*ojek*) drivers and traditional traders can transition into a protected economic ecosystem without facing the systemic exclusion typical of conventional insurance markets.

To ensure high accessibility and participation rates among the informal sector in Pinrang, the institution has diversified its payment infrastructure through conventional banking, digital banking, and the "Agen Perisai" (shield agents) who operate at the grassroots level. This multi-channel approach significantly reduces transaction costs and bridge the geographical gap for workers who may not have ready access to formal financial institutions. Programmatically, JKK provides comprehensive protection against work-related accidents, covering medical costs and loss of income, while JKM offers lump-sum death benefits to beneficiaries for non-work-related fatalities. Meanwhile, JHT functions as a long-term capital accumulation tool, where participant contributions are pooled and managed to provide a cash payout upon retirement or cessation of work, ensuring a dignified transition into old age.

From the perspective of Islamic economic governance, the nine fundamental principles of BPJS Ketenagakerjaan – including transparency, portability, accountability, and the non-profit motive – demonstrate a high degree of convergence with Sharia ethical standards. The National Social Security Council (DJSN) emphasizes that the "trust fund" (*dana amanat*) model and the spirit of mutual cooperation (*gotong royong*) are inherently aligned with the principle of *Ta'awun* (mutual assistance). Analysis of the fund management at the Pinrang Branch reveals a distinct separation between participant assets and institutional operational funds, mirroring the *Tabarru'* (donation) concept in Sharia insurance. This structure ensures that the institution acts as a fiduciary trustee (*Amanah*) whose primary objective is the collective welfare of the *Ummah* rather than capitalistic profit maximization.

Despite these ethical alignments, a critical scholarly debate persists regarding the mechanism of fund development within the JHT program, which is currently benchmarked against the fluctuating interest rates of Bank Indonesia. In traditional Sharia discourse, any return based on conventional interest rates often raises concerns regarding *Riba* (usury), which is strictly prohibited due to its exploitative nature. However, contemporary scholars such as M. Quraish Shihab offer a more contextual interpretation, suggesting that interest in a public welfare system may not necessarily constitute *Riba* if it lacks elements of oppression (*zulm*) and serves to preserve the purchasing power of the people's savings. This nuanced view allows for a pragmatic acceptance of state-led social insurance while acknowledging the ongoing need for a transition toward fully Sharia-compliant investment portfolios.

The findings from field observations in Pinrang indicate that the BPU program has successfully integrated five core pillars of Islamic economics: *Tawhid* (Unity), *Adl* (Justice), responsibility, truth, and mutual consent (*radziyah*). Nevertheless, the dependency of JHT returns on conventional interest rates remains a "Sharia gap" that creates a theoretical conflict with the prohibition of usury. This technical contradiction highlights the complexity of implementing Sharia ideals within a national financial system that is still predominantly conventional. For the Muslim-majority workforce in Pinrang, this situation necessitates a balance between the urgent need for social protection and the aspiration for religious purity in financial transactions, positioning social security as a form of *Maslahah Mursalah* (public interest) that must be upheld to prevent greater harm.

To illustrate the economic impact of the JHT program on a typical BPU participant, this study provides a mathematical simulation of fund accumulation over a ten-year period. Consider a worker contributing IDR 20,000 monthly with an assumed annual return rate of 5%. Using the ordinary annuity formula to calculate the future value (FV):  $FV = P \times \frac{(1 + r)^n - 1}{r}$ , where P is the monthly iuran, r is the monthly interest rate, and n is the

total months of participation. In this scenario, after 120 months, the participant would accumulate approximately IDR 3,105,380. This amount significantly exceeds the principal contribution of IDR 2,400,000, demonstrating a value enhancement of approximately 29%. This surplus serves as a critical financial buffer, protecting the worker from immediate impoverishment upon entering old age.

Investment Component	Parameter / Formula	Value
Monthly Contribution (P)	Fixed monthly iuran	IDR 20,000
Participation Period (n)	10 Years (120 Months)	120 Months
Annual Return Rate (Assumed)	Market-based benchmark	5% p.a.
Monthly Return Rate (r)	$0.05 / 12$	0.004167
Total Principal Contribution	$P \times n$	<b>IDR 2,400,000</b>
Fund Development (Interest/Return)	$PV - (P \times n)$	<b>IDR 705,380</b>
Total Future Value (PV)	$P \times \{(1 + r)^n - 1\} / r$	<b>IDR 3,105,380</b>
Value Enhancement Percentage	$(\text{Net Return} / \text{Principal}) \times 100$	<b>29.39%</b>

The legal basis for this fund development is anchored in the BPJS Ketenagakerjaan Regulation of 2021, which mandates that the results of fund management be returned to participants to maximize their benefits and cover operational costs. In the context of the Pinrang community, this return on investment is often perceived as a form of state-led *hibah* (gift) or social assistance rather than a forbidden financial gain. This perception is crucial for maintaining public trust, as it frames the social security system as a partner in family economic resilience. By viewing the surplus as the state's fulfillment of its responsibility (*Mas'uliyah*), the psychological and religious barriers to participation are lowered, allowing the informal sector to embrace the program as a legitimate tool for social welfare.

The discourse surrounding the BPU program in Pinrang reveals a complex synergy between modern state policy and Islamic economic ethics. This study argues that the application of Sharia principles to BPU participants is a vital instrument for social transformation and the alleviation of structural poverty. While the technical reliance on conventional interest rates poses a challenge for Sharia standardization, the overarching principles of *Ta'awun* and distributive justice are clearly evident. The transition of informal workers from vulnerability to protection marks a significant step toward achieving *Falah* (comprehensive welfare) and resolving the participation inequality between sectors through a consistent *Maqasid al-Shari'ah* framework. To solidify participant confidence, it is recommended that the institution accelerates the implementation of Sharia-compliant investment windows nationwide.

## CONCLUSION

This study concludes that the implementation of the social security program for Non-Wage Earners (BPU) at the BPJS Ketenagakerjaan Pinrang Branch serves as a vital bridge between state-led social protection and the socio-religious values of the informal workforce. The findings demonstrate that while the program is rooted in national regulations, its fundamental principles such as *gotong royong* (solidarity), transparency, and the non-profit motive are inherently aligned with the Islamic economic concepts of *Ta'awun* (mutual assistance) and *Maslahah Mursalah* (public interest). The transition of independent workers from economic vulnerability to a protected ecosystem marks a significant step toward achieving *Falah* (comprehensive welfare) and distributive justice.

Despite the "literacy-trust gap" that initially hindered participation, the research identifies a growing pragmatic acceptance among the Muslim community in Pinrang. A notable

finding is the community's perception of the Old Age Security (JHT) fund development; participants generally view the investment returns as a form of state-led *hibah* (gift) or *Mas'uliyah* (responsibility) rather than forbidden *Riba*. Mathematical simulations further validate the program's efficiency, showing that a consistent monthly contribution of IDR 20,000 can yield a 29.39% value enhancement over ten years, providing a crucial financial buffer for workers in their old age.

However, the reliance on conventional interest rates for fund development remains a "Sharia gap" that necessitates institutional reform. To achieve absolute Sharia compliance and solidify public confidence, it is recommended that BPJS Ketenagakerjaan accelerates the expansion of formal Sharia-compliant service windows beyond the Aceh region. Such an evolution would ensure that the protection of the *Ummah* is not only economically robust but also religiously sound. Ultimately, the synergy between progressive state policy and Islamic economic ethics in the BPU program provides a replicable model for inclusive social protection in Muslim-majority developing economies.

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