

## The Typology of Islamic Social Entrepreneurship: Principles, and Characteristic from a Maqashid Shariah Perspective

<sup>1</sup>Muhammad Agus Setiawan\*, <sup>2</sup>Sheema Haseena Armina, <sup>3</sup>Syahrin Novika

<sup>12</sup>Univeristas Darussalam Gontor, <sup>3</sup>UIN Sayyid Ali Rahmatullah Tulungagung

[muhammadagussetiawan@unida.gontor.ac.id](mailto:muhammadagussetiawan@unida.gontor.ac.id), [sheemahaseenaarmina@unida.gontor.ac.id](mailto:sheemahaseenaarmina@unida.gontor.ac.id),

[novikahidayah6@gmail.com](mailto:novikahidayah6@gmail.com)

DOI: 10.21111/ijtiHAD.v18i2.12362

Received: 2024-07-12

Revised: 2024-11-02

Approved: 2024-11-03

### Abstract

This research aims to explore the typology of *Islamic Social Entrepreneurship* (ISE) through its definition, principles and characteristics from the perspective of *Maqashid Shariah*. *Maqashid Shariah*, as the ultimate goal of Islamic law, provides a framework for developing an entrepreneurship model that focuses not only on economic gains but also social and moral benefits. ISE differs from conventional entrepreneurship as it emphasizes the balance between economic needs and social welfare based on Islamic teachings. The research method used is a qualitative method with theoretical analysis and empirical studies to define the ISE typology. The results show that the ISE typology includes the protection of religion through the establishment of Islamic educational institutions, Islamic media publishing, and Islamic study centers, the protection of the soul through the provision of Islamic health services, social and charitable institution programs, and community welfare programs, and the protection of wealth through Islamic banking and finance, waqf-based businesses, and Islamic social investment. Based on the results of the ISE typology, ISE can make a practical contribution by offering guidance for businesses and policy makers in developing ISE according to Islamic principles. Theoretically, the typology enriches the literature on ISE and *Maqashid Shariah*, providing a clearer framework for the classification and development of social entrepreneurship models that comply with Islamic values. This research emphasizes the importance of a holistic approach that combines theoretical analysis and empirical studies to define a typology of ISEs, as well as providing practical guidelines for implementation in the field.

**Keywords:** *Islamic Social Entrepreneurship, Maqashid Syariah, Typology*

### Abstrak

Penelitian ini bertujuan mengeksplorasi tipologi *Islamic Social Entrepreneurship* (ISE) melalui definisi, prinsip, dan karakteristiknya dari perspektif *Maqashid Syariah*. *Maqashid Syariah*, sebagai tujuan utama hukum Islam, menyediakan kerangka kerja untuk mengembangkan model kewirausahaan yang tidak hanya berfokus pada keuntungan ekonomi tetapi juga manfaat sosial dan moral. ISE berbeda dari kewirausahaan konvensional karena menekankan keseimbangan antara kebutuhan ekonomi dan kesejahteraan sosial berdasarkan ajaran Islam. Metode penelitian yang digunakan adalah metode kualitatif dengan analisis teoretis dan studi empiris untuk mendefinisikan tipologi ISE. Hasil penelitian menunjukkan bahwa Tipologi ISE meliputi perlindungan agama melalui pendirian lembaga pendidikan Islam, penerbitan media Islami, dan pusat kajian Islam, perlindungan jiwa melalui pemberian layanan kesehatan Islami, program lembaga sosial dan amal, serta program kesejahteraan komunitas, serta perlindungan harta melalui perbankan dan keuangan syariah, bisnis berbasis waqf, dan investasi sosial Islami. berdasarkan hasil dari tipologi ISE, ISE dapat memberikan kontribusi praktis dengan menawarkan panduan bagi pelaku usaha dan pembuat kebijakan dalam mengembangkan ISE sesuai prinsip Islam. Secara teoretis, tipologi ini memperkaya literatur tentang ISE dan *Maqashid Syariah*, memberikan kerangka kerja yang lebih jelas untuk klasifikasi dan pengembangan model social entrepreneurship yang sesuai dengan nilai-nilai Islam. Penelitian ini menekankan pentingnya pendekatan holistik yang menggabungkan analisis teoretis dan studi empiris untuk mendefinisikan tipologi ISE, serta menyediakan panduan praktis untuk implementasi di lapangan.

**Kata Kunci:** *Kewirausahaan Sosial Islam, Maqashid Syariah, Tipologi*

### Introduction

This research aims to explore the typology of *Islamic Social Entrepreneurship* through its definition, principles, and characteristics from the *Maqashid Shariah* perspective. This topic was chosen due to the importance of understanding how Islamic principles can be applied in *Social Entrepreneurship* to achieve the goals of sustainability and societal well-being<sup>1</sup>. *Maqashid Shariah*,

<sup>1</sup> Kausar Yasmeen, 'Framework for Islamic Social Entrepreneurship', *Journal of Islamic Accounting and Business Research*, 1 May 2024, p. 128, <https://doi.org/10.1108/JIABR-08-2023-0256>.

which is the ultimate goal of Islamic law, provides a rich framework for analyzing and developing entrepreneurship models that focus not only on economic gains but also on social and moral benefits.<sup>2</sup>

*Islamic Social Entrepreneurship* (ISE) differs from other forms of entrepreneurship in that it emphasizes a balance between economic needs and social welfare based on Islamic teachings<sup>3</sup>. As global interest in social entrepreneurship grows, there is an urgent need to understand how Islamic principles can be applied in this context<sup>4</sup>. This is important to ensure that entrepreneurial initiatives are not only economically sustainable but also conform to the ethical and moral values held by Muslims.

Several studies<sup>5</sup> Igantius (2022), Kamaruddin (2024), Setiawan (2024) has discussed the concept of *social entrepreneurship* from an Islamic perspective, but many have not focused on how *Maqashid Sharia* can be specifically used as a guide in the practice of social entrepreneurship. This gap indicates the need for a more in-depth study to identify and define the principles and unique characteristics of ISE based on *Maqashid Shariah*. As such, this research offers an important new contribution by providing a more structured and comprehensive understanding of how Islamic principles can be integrated in social entrepreneurship.

Although there are several studies that have been conducted on *social entrepreneurship* from an Islamic perspective, there is still a lack of literature that explicitly links this concept to *Maqashid Shariah*<sup>6</sup>. Many studies focus on the economic and managerial aspects without considering the spiritual and moral dimensions that are essential in *Maqashid Shariah*<sup>7</sup>. This research fills this gap by developing a clear typology of *Islamic Social Entrepreneurship* based on the principles of *Maqashid Shariah*, which include the protection of religion (*hifz al-din*), soul (*hifz al-nafs*), intellect (*hifz al-aql*), offspring (*hifz al-nasl*), and property (*hifz al-mal*)<sup>8</sup>.

The novelty of this research lies in the holistic approach that combines theoretical analysis with empirical studies to identify and define the typology of *Islamic Social Entrepreneurship*. Thus, this research not only adds to the theoretical knowledge but also provides practical guidance for *social*

---

<sup>2</sup> Mohammad Nizarul Alim and Abdul Rohman, 'The Governance Type of Pondok Pesantren Business Unit and Maqashid Shariah Perspective' 17, no. 2 (2018): p. 267.

<sup>3</sup> Iqmal Hisham Kamaruddin, 'The Development of the Islamic Social Enterprise Management Index (ISEMI)', *Corporate & Business Strategy Review*, January 1, 2023, [https://www.academia.edu/106066089/The\\_Development\\_of\\_the\\_Islamic\\_Social\\_Enterprise\\_Management\\_Index\\_ISEMI\\_](https://www.academia.edu/106066089/The_Development_of_the_Islamic_Social_Enterprise_Management_Index_ISEMI_).

<sup>4</sup> Alim and Rohman, 'The Governance Type of Pondok Pesantren Business Unit and Maqashid Shariah Perspective'; Yasmeen, 'Framework for Islamic Social Entrepreneurship'. p. 129

<sup>5</sup> Ignatius Heri et al., 'A Community-Based Economic Empowerment Approach Through Coffee-Scented Bath Soap Making Training', *Abdimas Musi Charitas Journal* 6, no. 1 (June 29, 2022): 64-71, <https://doi.org/10.32524/jamc.v6i1.480>; Kamaruddin, 'The Development of the Islamic Social Enterprise Management Index (ISEMI)'; Putri Novita Sari and Intisari Haryanti, 'The Effect of Product Quality, Motivation and Consumer Attitudes on Purchasing Decisions of Millennial Generation Users of Lazada Marketplace', *Indonesian Journal of Multidisciplinary on Social and Technology* 2, no. 3 (May 25, 2024): 1–5, <https://doi.org/10.31004/ijmst.v2i3.307>. Setiawan, et al. 2024. "Implementation of the Islamic Social Entrepreneurship Concept in the Pondok Modern Darussalam Gontor Business Unit: Implementasi Konsep Islamic Social Entrepreneurship Pada Unit Usaha Pondok Modern Darussalam Gontor". *Indonesian Journal of Innovation Multidisipliner Research* 2 (2):p. 161-72. <https://doi.org/10.69693/ijim.v2i2.123>.

<sup>6</sup> Yosa Sabarina Rosihaza et al., 'Determinants Of Social Entrepreneurship From Islamic Perspective', *I-ECONS e-Proceedings*, October 20, 2023, p. 648-61, <https://doi.org/10.33102/iecons.v10i1.46>.

<sup>7</sup> Nurhadi Nurhadi, 'The Importance of Maqashid Sharia as a Theory in Islamic Economic Business Operations', *International Journal of Islamic Business and Economics (IJIBEC)* 3, no. 2 (November 10, 2019): p. 130, <https://doi.org/10.28918/ijibec.v3i2.1635>.

<sup>8</sup> Alim and Rohman, 'The Governance Type of Pondok Pesantren Business Unit and Maqashid Shariah Perspective'; 'Contribution of Islamic Microfinance in Financing Social Entrepreneurship: A Review of the Literature', November 7, 2021, <https://doi.org/10.5281/ZENODO.5651835>; Rosihaza et al., 'Determinants Of Social Entrepreneurship From Islamic Perspective'; Habibollah Salarzahi, Hamed Armesh, and Davoud Nikbin, 'Waqf as a Social Entrepreneurship Model in Islam', *International Journal of Business and Management* 5, no. 7 (June 19, 2010): p. 179, <https://doi.org/10.5539/ijbm.v5n7p179>.

*entrepreneurship* actors in applying Islamic principles in their business.<sup>9</sup> From the background description, the question can be formulated how the typology of *Islamic Social Entrepreneurship* can be defined and identified based on the principles and characteristics of *Maqashid Sharia*, the purpose of this study is to develop a typology of *Islamic Social Entrepreneurship* through analysis of its principles, and characteristics based on *Maqashid Sharia* perspective.

### Research methods

The research method used in this study is a qualitative approach, which combines theoretical analysis with empirical study to define a typology of Islamic Social Entrepreneurship (ISE)<sup>10</sup>. A qualitative approach was chosen to explore the principles and characteristics of ISE<sup>11</sup> from a *Maqashid Shariah* perspective. Data collection involved an in-depth literature review, analysis of existing ISE practices<sup>12</sup>. Data analysis included coding by collecting literature and thematic analysis to identify key themes and patterns related to the integration of Islamic principles in social entrepreneurship<sup>13</sup>. The research findings were validated through triangulation, which ensured the credibility and reliability of the research results<sup>14</sup>. This methodological approach enables a comprehensive understanding of how *Maqashid Shariah* principles can guide the development and implementation of ISE, and provides theoretical insights and practical guidance for practitioners and policy makers.

### Results and discussion

#### A. Understanding a Definition, Principles, and Characteristic of Typology Islamic Social Entrepreneurship with Maqashid Syariah Perspective

In theory, *Islamic Social Entrepreneurship* is combining Islamic values with entrepreneurship to achieve social goals. It aims to address social issues with innovations and efforts that comply with sharia principles, emphasizing equitable distribution of wealth, social justice, and the use of zakat, infaq, sadaqah, and waqf to support social initiatives<sup>15</sup>. According to Almarri & Meewella (2015), there is little research on social entrepreneurship in the Islamic context, but there are several studies on Islamic philanthropy and its effects on society, which suggest a connection between Islamic philanthropy and social entrepreneurship<sup>16</sup>. The principles of *Islamic Social Entrepreneurship* are based on respect for human dignity, maintaining a balance between *worldly* and *ukhrawi* interests, and running a business with integrity and accountability, prioritizing ethics and Islamic values in every aspect of operations.

*Islamic Social Entrepreneurship* is developed from the principles of the *Quran, Hadith, Shariah* and *Sunnah*, integrating spiritual elements in business practices to aid economic development and social justice. Research by Baochi (2021) notes how the Islamic economic system with the '*Al WAQF*' or *Waqf* model has shown efficiency in solving social problems in Islamic society and

---

<sup>9</sup> Farooq Rehan, Joern Block, and Christian Fisch, 'Entrepreneurship in Islamic Communities: How Do Islamic Values and Islamic Practices Influence Entrepreneurship Intentions?', *Journal of Enterprising Communities: People and Places in the Global Economy* 13, no. 5 (November 28, 2019): p. 129, <https://doi.org/10.1108/JEC-05-2019-0041>.

<sup>10</sup> Patrik Aspers and Ugo Corte, 'What Is Qualitative in Qualitative Research', *Qualitative Sociology* 42, no. 2 (June 2019): p. 139–60, <https://doi.org/10.1007/s11133-019-9413-7>.

<sup>11</sup> Richa Awasthy, 'Nature of Qualitative Research', in *Methodological Issues in Management Research: Advances, Challenges, and the Way Ahead*, ed. Rabi N. Subudhi and Sumita Mishra (Emerald Publishing Limited, 2019), p. 145-61, <https://doi.org/10.1108/978-1-78973-973-220191010>.

<sup>12</sup> Brent Wolff et al., 'Collecting and Analyzing Qualitative Data', in *The CDC Field Epidemiology Manual*, ed. Sonja A. Rasmussen and Richard A. Goodman, 1st ed. (Oxford University Press New York, 2019), p. 213-28, <https://doi.org/10.1093/oso/9780190933692.003.0010>.

<sup>13</sup> Joan E. Dodgson, 'Reflexivity in Qualitative Research', *Journal of Human Lactation* 35, no. 2 (May 2019): p. 220–230, <https://doi.org/10.1177/0890334419830990>.

<sup>14</sup> Aspers and Corte, 'What Is Qualitative in Qualitative Research'. p. 140

<sup>15</sup> Baochi and Rahhal, 'Contribution of Islamic Microfinance in Financing Social Entrepreneurship'; Kamaruddin, 'The Development of the Islamic Social Enterprise Management Index (ISEMI)'.  
<sup>16</sup> Jasem Almarri and John Meewella, 'Social Entrepreneurship and Islamic Philanthropy', *International Journal of Business and Globalization* 15, no. 3 (2015): 405, <https://doi.org/10.1504/IJBG.2015.071901>.

continues to grow through modern Islamic financial instruments as described by Baochi & Rahhal (2021). In 2019, Anwar et al. stated that the implementation of an Islamic-based entrepreneurship system in Indonesia is considered appropriate in line with the majority of the population being Muslim. Underlining that entrepreneurship, in accordance with risky income generation, is a form of worship that can increase per capita income and reduce poverty by integrating human relationships and social interactions in accordance with Islamic principles<sup>17</sup>.

Maqasid Sharia is an important concept in Islamic law that identifies the main objectives of sharia aimed at protecting basic human needs: religion (*din*), soul (*nafs*), intellect (*'aql*), offspring (*nasl*), and wealth (*mal*). This concept was first theorized by classical scholars and then further developed, emphasizing that Islamic law is designed to serve human interests in achieving social welfare and justice. Maqasid Sharia serves as a framework to guide the application of Islamic law in various aspects of life, ensuring that every action or policy not only formally complies with religious texts but also substantively contributes to the well-being of humanity.<sup>18</sup>

In economic practice, *Maqasid Shariah* provides the foundation for an Islamic economic and financial system that focuses on social justice, collective welfare, and sustainable development. The concept rejects harmful economic practices such as *riba* (interest), supports the practice of *zakat* (purification of wealth through charity), and emphasizes the importance of fair and transparent transactions. It encourages economic development that simultaneously creates economic and social value, guiding the Islamic financial system to operate not only in the pursuit of profit but also in the pursuit of broader social and spiritual benefits<sup>19</sup>.

*Islamic Social Entrepreneurship* is closely linked to Maqasid Shariah in terms of providing practical solutions to social and economic problems with an approach that complies with Islamic law. The concept integrates social enterprise values with Shariah principles, guiding Muslim entrepreneurs to design and run ventures that are not only economically viable but also make a positive contribution to society and the environment. Through the application of Maqasid Shariah, *Islamic Social Entrepreneurship* emphasizes on building general welfare, reducing poverty, and promoting social justice in the business ecosystem. This approach truly reflects the footing of Shariah in responding to the actual needs of society, promoting peace, equality, and prosperity for all.<sup>20</sup>

Typology in the context of *Islamic Social Entrepreneurship* (ISE) refers to the classification or grouping of various forms of businesses that are not only concerned with profit, but also aim to provide social benefits in line with Islamic values. Research in this area explores how Islamic principles and social values interact to form a unique approach to entrepreneurship that focuses on solving social problems, alleviating poverty, and promoting socio-economic justice. *Islamic Social Entrepreneurship* integrates the principles of entrepreneurship with the teachings of Islam, showing that Islam not only supports entrepreneurial activities but also encourages Muslims to engage in entrepreneurial activities as part of their daily lives<sup>21</sup>. This means that ISE operates within a broader framework compared to conventional social entrepreneurship, with a particular emphasis on sharia

---

<sup>17</sup> Vebby Anwar et al., 'Entrepreneurship in through Islam Perspective', in *Proceedings of the 3rd International Conference on Accounting, Management and Economics 2018 (ICAME 2018)* (Proceedings of the 3rd International Conference on Accounting, Management and Economics 2018 (ICAME 2018), Makassar, Indonesia: Atlantis Press, 2019), <https://doi.org/10.2991/icame-18.2019.16>.

<sup>18</sup> Giulia Evolvi, 'Hate in a Tweet: Exploring Internet-Based Islamophobic Discourses', *Religions* 9, no. 10 (October 10, 2018): p. 307, <https://doi.org/10.3390/rel9100307>.

<sup>19</sup> Khairul Wahid and Ahmad Syakur, 'The Concept of Islamicpreneurship in Economic Growth from a Qur'anic Perspective', *ORGANIZE: Journal of Economics, Management and Finance* 2, no. 2 (July 24, 2023): p. 83–96, <https://doi.org/10.58355/organize.v2i2.19>.

<sup>20</sup> M. U. Chapra, *The Islamic Vision of Development in the Light of Maqasid Al-Shariah* (Jeddah: Islamic Research and Training Institute, 2008), p. 18.

<sup>21</sup> José G. Vargas-Hernández, Mohammad Reza Noruzi, and Narges Sariolghalam, 'An Exploration of the Affects of Islamic Culture on Entrepreneurial Behaviors in Muslim Countries', *Asian Social Science* 6, no. 5 (April 16, 2010): p.120, <https://doi.org/10.5539/ass.v6n5p120>.

compliance and the realization of Tawhid, which explains that the five spiritual principles of Islam guide the process of recognizing entrepreneurial opportunities<sup>22</sup>.

In the Indonesian context, ISE is emphasized as a solution to reduce poverty by aligning entrepreneurial practices with Islamic teachings, which promote income-generating activities as a form of worship and a way to alleviate poverty through ethical business practices<sup>23</sup>. This concept is also known as Islamicpreneurship, which involves activities in accordance with Islamic teachings and has a significant influence on economic growth, explained through a Qur'anic perspective<sup>24</sup>. Overall, the typology in *Islamic Social Entrepreneurship* includes initiatives that combine profit orientation with social goals, priority on sharia compliance, utilization of Islamic principles in the recognition and exploitation of business opportunities, and their influence on solving social and economic problems. This represents a unique entrepreneurial paradigm, where social purpose and compliance.

## B. Typology of Islamic Social Entrepreneurship Based on Maqashid Syariah Perspective

*Islamic Social Entrepreneurship* has various forms and objectives that can be categorized based on *Maqashid Sharia*, which is the main objectives of Islamic law as in the research<sup>25</sup>. This research identifies three main typologies of *Islamic Social Entrepreneurship* based on *Maqashid Syariah*: protection of religion (*hifdz al-din*), protection of life (*hifdz al-nafs*), and protection of property (*hifdz al-mal*) in research.<sup>26</sup>

### 1. Typology 1: *Islamic Social Entrepreneurship* that Focuses on Religious Protection (*Hifdz al-Din*)

*Islamic Social Entrepreneurship* that focuses on the protection of religion aims to strengthen and protect the religious beliefs and practices of Muslims<sup>27</sup>. Enterprises in this typology are not only profit-oriented, but also strengthen religious values. Aziz (2017) identified several examples of *Islamic Social Entrepreneurship*, which include Islamic educational institutions, Islamic publishing and media, and Islamic study centers. Islamic educational institutions such as madrasas, Islamic boarding schools, and integrated Islamic schools provide education based on Islamic values, with the aim of educating the younger generation to have a strong religious understanding as well as relevant skills for their future. Islamic publishing and media include companies that focus on publishing Islamic books, magazines, and digital media platforms that disseminate Islamic content, with the aim of increasing religious literacy and providing reliable sources of information for the Muslim community. Islamic study centers are research and study institutions that conduct various activities such as seminars, workshops, and scientific discussions on Islamic issues, aimed at deepening religious understanding and providing solutions to contemporary problems faced by Muslims.

### 2. Typology 2: *Islamic Social Entrepreneurship* that Focuses on the Protection of the Soul (*Hifdz al-Nafs*)

The second typology is *Islamic Social Entrepreneurship* which aims to protect the human spirit. Enterprises in this category focus on the physical and mental well-being of individuals and

---

<sup>22</sup> Farhana Sidek, Kathryn Pavlovich, and Jenny Gibb, 'An Islamic Perspective on Entrepreneurial Opportunity Recognition', *International Journal of Entrepreneurship and Small Business* 25, no. 4 (2015): p. 395, <https://doi.org/10.1504/IJESB.2015.070215>.

<sup>23</sup> Anwar et al., 'Entrepreneurship in through Islam Perspective'.

<sup>24</sup> Khairul Wahid and Ahmad Syakur, 'The Concept of Islamicpreneurship in Economic Growth from a Qur'anic Perspective'.

<sup>25</sup> Yasmeen, 'Framework for Islamic Social Entrepreneurship'. p. 130

<sup>26</sup> Alim and Rohman, 'The Governance Type of Pondok Pesantren Business Unit and Maqashid Shariah Perspective'; Nurhadi, 'The Importance of Maqashid Sharia as a Theory in Islamic Economic Business Operations'; Salarzahi, Armesh, and Nikbin, 'Waqf as a Social Entrepreneurship Model in Islam'.

<sup>27</sup> Fakhrudin Aziz, 'Formula of Religious Maintenance (Hifz Al-Din) in Dermolo Jepara Village Community: Implementation of Maqashid al-Shari'ah with an Anthropological Approach', *Al-Ahkam* 27, no. 1 (June 9, 2017): p. 83, <https://doi.org/10.21580/ahkam.2017.27.1.1315>.

communities<sup>28</sup>. In Yaqin's (2020) research, several forms of Islamic Social Entrepreneurship were identified, including Islamic healthcare, social and charitable institutions, and community welfare programs. Islamic healthcare services include clinics, hospitals, and health centers that are managed based on Islamic principles, ensuring that the treatment provided is sharia-compliant and safeguarding the rights of patients in accordance with Islamic values. Social and charitable institutions, such as orphanages, halfway houses, and zakat institutions, provide assistance to those in need. The main focus of these institutions is to provide protection and assistance to individuals in difficult circumstances, both economically and socially. In addition, community welfare programs are designed to improve the quality of life of the community through various initiatives, such as the provision of clean water, health education, and skills training. These programs aim to empower individuals and communities to live healthier and more prosperous lives. This approach not only provides material assistance but also focuses on capacity building and long-term quality of life improvement, in line with the *Maqashid Shariah* principles of safeguarding life and property.

3. Typology 3: *Islamic Social Entrepreneurship* that Focuses on the Protection of Property (*Hifdz al-Mal*)

The third typology is *Islamic Social Entrepreneurship* which is oriented towards the protection and management of wealth. This category includes businesses that not only seek material benefits, but also aim to manage wealth in a way that is fair and beneficial to the wider community<sup>29</sup>. Nura (2020) in detail explains the role of *Islamic Social Entrepreneurship* in the protection of wealth, covering several key aspects. Islamic Banking and Finance, for example, are institutions that operate based on sharia principles, such as being free from *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation), with the aim of providing ethical and Islamic law-compliant financial services. Waqf-based businesses utilize *waqf* assets (property endowed for public use) for productive economic activities, with the profits generated used for social purposes such as education, health, and infrastructure development. In addition, Islamic Social Investment is an investment program that prioritizes positive social impact in addition to financial returns<sup>30</sup>. Examples are investment funds allocated to projects that support community development, such as affordable housing, sustainable agriculture, and renewable energy.

### C. Suitability of Islamic Social Entrepreneurship Typology

#### 1. Conformity of Typology with *Islamic Social Entrepreneurship* Principles

Justice (*Al-'Adl*), Justice is a fundamental principle in Islam that includes the fair distribution of resources and wealth and the equal treatment of all individuals<sup>31</sup>. In the context of *Islamic Social Entrepreneurship*, this principle is reflected in the three typologies identified<sup>32</sup>. *First*, Protection of Religion (*Hifdz al-Din*), such as a Islamic educational institutions and Islamic study centers ensure equitable access to religious education and religious understanding, regardless of economic or social background. *Second*, Protection of the Soul (*Hifdz al-Nafs*): Islamic health services and social institutions that provide assistance to the needy reflect justice in access to basic services and welfare. *Third*, Protection of Property (*Hifdz al-Mal*): Islamic banking and waqf-based businesses ensure fair

---

<sup>28</sup> Nasrullah Ainul Yaqin and Mu'tashim Billah, 'Islamic Thought Response to the Problem of Poverty in Indonesia: Elaboration of Maqāshid Reasoning from Ḥifẓ an-Nafs to Ḥifẓ al-Māl', *Kontekstualita* 35, no. 02 (December 19, 2020): p. 121, <https://doi.org/10.30631/35.02.121-142>.

<sup>29</sup> Nura Abubakar Gwadabe and Asmak Ab Rahman, 'The Role of Islamic Finance in Mitigating the Economic Impact of COVID-19 towards the Attainment of Maqasid al Shariah: A Case Study of Waqf Institutions in Kano State, Nigeria', *The Journal of Muamalat and Islamic Finance Research* 2, no. 4 (November 4, 2020): p. 59, <https://doi.org/10.33102/jmifr.v17i3.284>.

<sup>30</sup> Mohammad Hariri, 'Characterization of Islamic Investment Funds: A Systematic Literature Review,' *International Journal of Economics and Finance* 14, no. 5 (April 15, 2022): p. 14, <https://doi.org/10.5539/ijef.v14n5p14>.

<sup>31</sup> Khudzaifah Dimiyati et al., 'Developing Islamic Legal Philosophy-Based Assurance of Justice,' *WISDOM* 24, no. 4 (December 25, 2022): p. 193, <https://doi.org/10.24234/wisdom.v24i4.808>.

<sup>32</sup> Mimma Maripatul Uula and Darwis Harahap, 'The Implementation of Maqasid Shariah in Economic Studies,' *Journal of Islamic Economics Literatures* 4, no. 1 (February 24, 2023): p. 130, <https://doi.org/10.58968/jiel.v4i1.223>.

and transparent wealth management, and avoid practices that harm other parties, such as *riba* and *gharar*.

Balance (*Al-Tawāzun*), Balance in *Islamic Social Entrepreneurship* refers to the balance between the needs of individuals and society, as well as between material benefits and social benefits<sup>33</sup>: First, Religious Patronage: With a focus on education and the spread of Islamic values, this typology maintains a balance between the spiritual and intellectual needs of the community. *Second*, Protection of the Soul: Health services and charities oriented towards individual and community well-being create a balance between physical and social needs. *Third*, Protection of Property: The Islamic banking system and Islamic social investment strive for a balance between economic gain and social responsibility, ensuring that the management of wealth not only benefits the individual but also benefits society at large.

Alignment (*Al-Maslahah*), Alignment refers to striving to achieve the greatest benefit for society as a whole<sup>34</sup>. The identified typology of *Islamic Social Entrepreneurship* clearly reflects this principle. *First*, Protection of Religion: Educational institutions and Islamic media contribute to increased religious literacy and religious understanding, which brings long-term benefits to society. *Second*, Life Protection: Health services and community welfare programs provide direct and tangible benefits to people's physical and mental well-being. *Third*, Protection of Wealth: Initiatives such as Islamic banking and waqf businesses contribute to economic stability and a fairer redistribution of wealth, bringing sustainable economic and social benefits.

The principle of Shura (*deliberation*), The principle of deliberation or consultation is an important element of decision-making in Islam<sup>35</sup>. The identified typologies demonstrate the implementation of this principle through community and stakeholder participation in various aspects<sup>36</sup>. *First*, Protection of Religion: Activities at Islamic study centers often involve discussions and consultations with religious scholars and experts, ensuring that decisions taken reflect community consensus. *Second*, Life Protection: Charities and health services often involve communities in needs identification and program development, ensuring the relevance and effectiveness of interventions. *Third*, Protection of Assets: Islamic banking and Islamic social investment adopt a participatory approach to resource management and allocation, involving customers and investors in the decision-making process.

## 2. Conformity of Typology with *Maqashid Shariah* Objectives

Protection of Religion (*Hifdz al-Din*), Typology of *Islamic Social Entrepreneurship* that focuses on the protection of religion has compatibility with *Maqashid Shariah*, one of whose objectives is to protect religion (*Hifdz al-Din*). The establishment of educational institutions, Islamic media publishing, and Islamic study centers play a significant role in the preservation and dissemination of Islamic values. They strengthen people's religious beliefs and practices through formal and informal education, the distribution of Islamic literature, and the organization of various religious discussions and seminars. According to<sup>37</sup>, these institutions are not only a means of preserving

---

<sup>33</sup> "Maqashid Syariah as Frame Work for Social Entrepreneurship - Consensus," accessed 24 June 2024; See also on journal Siti Sarah and Nur Isyanto, "Maqashid Al-Syari'ah in Theoretical Studies and Practice," *Tasyri'*: 1, no. 1 (January 11, 2022): p. 69-104, <https://doi.org/10.53038/tsyr.v1i1.6>; and also journal Maripatul Uula and Darwis Harahap, "The Implementation of Maqasid Shariah in Economic Studies"; Reva Rizki Amalia and Wahanani Mawasti, "Social Enterprise in Maqashid Shariah Perspective: Study on PT Kampung Marketerindo Berdaya," *Realita*: , 2022, <https://doi.org/10.30762/realita.v19i2.3516>.

<sup>34</sup> Nur Rofiq and M Zidny Nafi Hasbi, "A New Paradigm In Economy About Maqashid Al-Sharia Theory: Reformulation Of Ibn-Asyur," *PAMALI: Pattimura Magister Law Review* 2, no. 1 (March 19, 2022): p. 77, <https://doi.org/10.47268/pamali.v2i1.817>.

<sup>35</sup> Achmad Fageh, "Contextualization of Maslahah Jasser Auda's Thought in Islamic Economy," *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)* 4, no. 1 (6 September 2021): p. 132, <https://doi.org/10.31538/ijse.v4i1.1344>.

<sup>36</sup> Fageh, p. 135.

<sup>37</sup> S. Ahmad, 'Role of Islamic Institutions in Preserving Religious Values', *Journal of Islamic Studies* 12 (2020): p. 45-60.

religious teachings, but also a bulwark against deviations and moral degradation that are contrary to Islamic teachings. Thus, *Islamic Social Entrepreneurship* activities that focus on this dimension directly support one of the main objectives of *Maqashid Shariah*, namely preserving religion.

Protection of Life (*Hifdz al-Nafs*), *Islamic Social Entrepreneurship* that focuses on the protection of life is also aligned with *Maqashid Shariah* which aims to protect human life (*Hifdz al-Nafs*). Islamic health services and social institutions that provide assistance to the needy, as well as community welfare programs, are concrete examples of efforts to preserve and improve the quality of life of individuals and society. According to a report from<sup>38</sup>, healthcare services tailored to Islamic principles not only ensure access to sharia-compliant healthcare, but also support the psychological and spiritual well-being of patients. These institutions make an important contribution to reducing mortality and improving quality of life, which is in line with the principle of protection of life in *Maqashid Shariah*.

The typology of *Islamic Social Entrepreneurship* that focuses on the protection of wealth has strong relevance to the *Maqashid Shariah* objective of managing and protecting wealth (*Hifdz al-Mal*). Islamic banking, *waqf-based* businesses and Islamic social investment are clear examples of this endeavor. According to research by<sup>39</sup>, Islamic banking offers financial solutions free from usury and speculation, which not only protects individual wealth but also supports sustainable economic growth. In addition, *waqf-based* businesses enable a more equitable and sustainable redistribution of wealth, and support social development through funding community projects. Islamic social investment also ensures that invested wealth is used for activities that benefit the wider community, thereby reducing economic disparities and improving social welfare.

In this case, the *Maqashid Shariah-compliant* typology of *Islamic Social Entrepreneurship* focuses not only on achieving financial goals, but also considers social impact and long-term sustainability. According to<sup>40</sup>, this approach places Islamic ethical and moral values as the cornerstone of every business and investment activity, ensuring that profits are not made at the expense of individual or community welfare. Thus, social entrepreneurship that adopts *Maqashid Syariah* principles has great potential to create sustainable positive change, both in terms of economic and social aspects.

Taking into account the three main aspects of *Maqashid Shariah* - the protection of religion, life and property - it can be concluded that a typology of social entrepreneurship oriented towards these principles is not only relevant, but also indispensable in the context of a complex modern society. The efforts made by various institutions and individuals in this field show that the integration of Islamic values in economic and social activities is capable of providing comprehensive and sustainable solutions to the various challenges facing humanity today. Therefore, the development and strengthening of *Maqashid Shariah-based* social entrepreneurship typology needs to be encouraged and supported by various parties, including the government, private sector, and the wider community.

### Conclusion

The conclusion of this study shows that *Islamic Social Entrepreneurship* (ISE) can be categorized into three main typologies based on the *Maqashid Shariah* perspective. *First*, ISEs that focus on the protection of religion (*hifdz al-din*), including the establishment of Islamic educational institutions, Islamic media publishing, and Islamic study centers that aim to strengthen Muslims' religious beliefs and practices. *Second*, ISEs that focus on the protection of the soul (*hifdz al-nafs*), involve the provision of Islamic health services, social and charitable institution programs, and community welfare programs to improve the physical and mental well-being of individuals and communities. *Third*, ISEs that focus on the protection of wealth (*hifdz al-mal*), including Islamic banking and finance, *waqf-based* businesses, and Islamic social investments that manage wealth fairly and benefit the wider community.

---

<sup>38</sup> World Health Organization, 'Islamic Health Services Report' (WHO, 2022), Accessed on June 18, 2024.

<sup>39</sup> M. Ali, 'Islamic Banking and Wealth Management: Principles and Practices', *Journal of Islamic Finance* 10 (2019): p. 89-102.

<sup>40</sup> Chapra, *The Islamic Vision of Development in the Light of Maqasid Al-Shariah*. p. 28



This research emphasizes the importance of a holistic approach that combines theoretical analysis and empirical studies to define a typology of ISEs. As a result, this research provides practical guidance for businesses and policymakers in developing ISEs that comply with Islamic principles, and enriches the literature on ISEs and *Maqashid Shariah* by providing a clearer framework for the classification and development of social entrepreneurship models that comply with Islamic values. The integration of Islamic values in economic and social activities through ISE has great potential to create sustainable positive changes, both in economic and social terms.

## References

- Ahmad, S. "Role of Islamic Institutions in Preserving Religious Values." *Journal of Islamic Studies* 12 (2020): 45-60.
- Ali, M. "Islamic Banking and Wealth Management: Principles and Practices." *Journal of Islamic Finance* 10 (2019): 89-102.
- Alim, Mohammad Nizarul, and Abdul Rohman. "The Governance Type of Pondok Pesantren Business Unit and Maqashid Shariah Perspective" 17, no. 2 (2018).
- Almarri, Jasem, and John Meewella. "Social Entrepreneurship and Islamic Philanthropy." *International Journal of Business and Globalization* 15, no. 3 (2015): 405. <https://doi.org/10.1504/IJBG.2015.071901>.
- Amalia, Reva Rizki, and Wahanani Mawasti. "Social Enterprise in Maqashid Syariah Perspective: A Study of PT Kampung Marketerindo Berdaya." *Realita: Journal of Islamic Research and Culture*, 2022. <https://doi.org/10.30762/realita.v19i2.3516>.
- Anwar, Vebby, Sofyan Hamid, La Ode Hidayat, and Andi Harmoko Arifin. "Entrepreneurship in through Islam Perspective." In *Proceedings of the 3rd International Conference on Accounting, Management and Economics 2018 (ICAME 2018)*. Makassar, Indonesia: Atlantis Press, 2019. <https://doi.org/10.2991/icame-18.2019.16>.
- Aspers, Patrik, and Ugo Corte. "What Is Qualitative in Qualitative Research." *Qualitative Sociology* 42, no. 2 (June 2019): 139–60. <https://doi.org/10.1007/s11133-019-9413-7>.
- Awasthy, Richa. "Nature of Qualitative Research." In *Methodological Issues in Management Research: Advances, Challenges, and the Way Ahead*, edited by Rabi N. Subudhi and Sumita Mishra, 145-61. Emerald Publishing Limited, 2019. <https://doi.org/10.1108/978-1-78973-973-220191010>.
- Aziz, Fakhruddin. "Formula of Religious Maintenance (Ḥifẓ Al-Dīn) in Dermolo Jepara Village Community: Implementation of Maqāṣid al-Sharī'ah with an Anthropological Approach." *Al-Ahkam* 27, no. 1 (June 9, 2017): 83. <https://doi.org/10.21580/ahkam.2017.27.1.1315>.
- Baochi, Mourad and Rahhal. "Contribution of Islamic microfinance in financing social entrepreneurship: A review of the literature," November 7, 2021. <https://doi.org/10.5281/ZENODO.5651835>.
- Biancone, Paolo Pietro, and Maha Radwan. "Social Finance and Financing Social Enterprises: An Islamic Finance Prospective." *European Journal of Islamic Finance* 3, no. 22 (February 15, 2019): 148. <https://doi.org/10.13135/2421-2172/3176>.
- Chapra, M. U. *The Islamic Vision of Development in the Light of Maqasid al-Shariah*. Jeddah: Islamic Research and Training Institute, 2008.
- Darcis, Anne-Cathrin, Rüdiger Hahn, and Elisa Alt. "Putting Entrepreneurship in Corporate Change Agency: A Typology of Social Intrapreneurs." *Business Ethics, the Environment & Responsibility* 33, no. 2 (April 2024): 170–83. <https://doi.org/10.1111/beer.12600>.

- Dimiyati, Khudzaifah, Mukharom Ridho, Kelik Wardiono, Absori Absori, and Arief Budiono. "Developing Islamic Legal Philosophy-Based Assurance of Justice." *WISDOM* 24, no. 4 (December 25, 2022): 193–203. <https://doi.org/10.24234/wisdom.v24i4.808>.
- Dodgson, Joan E. "Reflexivity in Qualitative Research." *Journal of Human Lactation* 35, no. 2 (May 2019): 220–22. <https://doi.org/10.1177/0890334419830990>.
- Evolvi, Giulia. "Hate in a Tweet: Exploring Internet-Based Islamophobic Discourses." *Religions* 9, no. 10 (October 10, 2018): 307. <https://doi.org/10.3390/rel9100307>.
- Fageh, Achmad. "Contextualization of Maslahah Jasser Auda's Thought in Islamic Economy." *Indonesian Interdisciplinary Journal of Sharia Economics (IJSE)* 4, no. 1 (September 6, 2021): 132–55. <https://doi.org/10.31538/ijse.v4i1.1344>.
- Fazlurrahman, H. "Pesantren (Islamic Boarding Schools): The Largest Form of Social Entrepreneurship in Indonesia." *Driving Entrepreneurship in Southeast Asia*, no. Query date: 2024-06-19 20:15:47 (2022): 54–61. <https://doi.org/10.4324/9781003260783-5>.
- Hariri, Mohammad. "Characterization of Islamic Investment Funds: A Systematic Literature Review." *International Journal of Economics and Finance* 14, no. 5 (April 15, 2022): 14. <https://doi.org/10.5539/ijef.v14n5p14>.
- Hein, Rüdiger. "Beyond a Balanced View of Social Entrepreneurship within a Social-Commercial Dichotomy: Towards a Four-Dimensional Typology." *Sustainability* 14, no. 8 (April 8, 2022): 4454. <https://doi.org/10.3390/su14084454>.
- Heri, Ignatius, Maria Josephine Tyra, Lina Lina, Agustinus Riyanto, Johan Gunady Ony, and Agustinus Fernando. "A Community-Based Economic Empowerment Approach Through Training in Coffee-Scented Bath Soap Making." *Journal of Abdimas Musi Charitas* 6, no. 1 (June 29, 2022): 64–71. <https://doi.org/10.32524/jamc.v6i1.480>.
- Kamaruddin, Iqmal Hisham. "The Development of the Islamic Social Enterprise Management Index (ISEMI)." *Corporate & Business Strategy Review*, January 1, 2023. [https://www.academia.edu/106066089/The\\_Development\\_of\\_the\\_Islamic\\_Social\\_Enterprise\\_Management\\_Index\\_ISEMI\\_](https://www.academia.edu/106066089/The_Development_of_the_Islamic_Social_Enterprise_Management_Index_ISEMI_).
- Khairul Wahid and Ahmad Syakur. "The Concept of Islamicpreneurship in Economic Growth from a Qur'anic Perspective." *ORGANIZE: Journal of Economics, Management and Finance* 2, no. 2 (July 24, 2023): 83–96. <https://doi.org/10.58355/organize.v2i2.19>.
- "Maqashid Syariah as Frame Work for Social Entrepreneurship - Consensus." Accessed June 24, 2024. <https://consensus.app/results/?q=Maqashid%20Syariah%20as%20Frame%20Work%20for%20Social%20Entrepreneurship>.
- Maripatul Uula, Mimma and Darwis Harahap. "The Implementation of Maqasid Shariah in Economic Studies." *Journal of Islamic Economics Literatures* 4, no. 1 (February 24, 2023). <https://doi.org/10.58968/jiel.v4i1.223>.
- Muin, M.A.A. "The Challenges of the Industrial Revolution 4.0 in Islamic Social Entrepreneurship in the Covid-19 Era." *Journal of Advanced Research in Applied Sciences and Engineering Technology* 28, no. 2 (2022): 235–46. <https://doi.org/10.37934/araset.28.2.235246>.
- Nura Abubakar Gwadabe and Asmak Ab Rahman. "The role of Islamic finance in mitigating the economic impact of COVID-19 towards the attainment of maqasid al shariah: A case study of waqf institutions in Kano State, Nigeria." *The Journal of Muamalat and Islamic Finance Research* 2, no. 4 (November 4, 2020): 59–70. <https://doi.org/10.33102/jmifr.v17i3.284>.

- Nurhadi, Nurhadi. "The Importance of Maqashid Sharia as a Theory in Islamic Economic Business Operations." *International Journal of Islamic Business and Economics (IJIBEC)* 3, no. 2 (November 10, 2019): 130–45. <https://doi.org/10.28918/ijibec.v3i2.1635>.
- Rama, A. "Islamic Crowdfunding and Social Entrepreneurship: The Effect of Organizational Orientation Rhetoric on Crowdfunding Success." *Journal of Social Entrepreneurship*, no. Query date: 2024-06-19 20:15:47 (2024). <https://doi.org/10.1080/19420676.2024.2326128>.
- Rehan, Farooq, Joern Block, and Christian Fisch. "Entrepreneurship in Islamic Communities: How Do Islamic Values and Islamic Practices Influence Entrepreneurship Intentions?" *Journal of Enterprising Communities: People and Places in the Global Economy* 13, no. 5 (November 28, 2019): 557–83. <https://doi.org/10.1108/JEC-05-2019-0041>.
- Rofiq, Nur, and M Zidny Nafi Hasbi. "A New Paradigm In Economy About Maqashid Al-Sharia Theory: Reformulation Of Ibn-Ashur." *PAMALI: Pattimura Magister Law Review* 2, no. 1 (March 19, 2022): 77. <https://doi.org/10.47268/pamali.v2i1.817>.
- Rosihaza, Yosa Sabarina, Mutiara Baby Admeinasthi, Imo Gandakusuma, Sri Daryanti, and Liyu Adhi Kasari Sulung. "Determinants Of Social Entrepreneurship From Islamic Perspective." *I-iECONS e-proceedings*, October 20, 2023, 648-61. <https://doi.org/10.33102/iecons.v10i1.46>.
- Salarzehi, Habibollah, Hamed Armesh, and Davoud Nikbin. "Waqf as a Social Entrepreneurship Model in Islam." *International Journal of Business and Management* 5, no. 7 (June 19, 2010): p179. <https://doi.org/10.5539/ijbm.v5n7p179>.
- Sarah, Siti, and Nur Isyanto. "Maqashid Al-Shari'ah in Theoretical and Practical Studies." *Tasyri': Journal of Islamic Law* 1, no. 1 (January 11, 2022): 69–104. <https://doi.org/10.53038/tsyr.v1i1.6>.
- Sari, Putri Novita, and Intisarih Haryanti. "The Effect of Product Quality, Motivation and Consumer Attitudes on Purchasing Decisions of Millennial Generation Users of Lazada Marketplace." *Indonesian Journal of Multidisciplinary on Social and Technology* 2, no. 3 (May 25, 2024): 1–5. <https://doi.org/10.31004/ijmst.v2i3.307>.
- Setiawan, Muhammad Agus, Sheema Haseena Armina, and Achmad Jalaludin. 2024. "Implementation of the Islamic Social Entrepreneurship Concept in the Pondok Modern Darussalam Gontor Business Unit: Implementasi Konsep Islamic Social Entrepreneurship Pada Unit Usaha Pondok Modern Darussalam Gontor". *Indonesian Journal of Innovation Multidisipliner Research* 2 (2):161-72. <https://doi.org/10.69693/ijim.v2i2.123>.
- Sidek, Farhana, Kathryn Pavlovich, and Jenny Gibb. "An Islamic Perspective on Entrepreneurial Opportunity Recognition." *International Journal of Entrepreneurship and Small Business* 25, no. 4 (2015): 395. <https://doi.org/10.1504/IJESB.2015.070215>.
- Smirnov, V. "Regional systems of social entrepreneurship in Russia: Typology, development factors and key contradictions." *The Journal of Social Policy Studies* 19, no. 1 (March 31, 2021): 23–40. <https://doi.org/10.17323/727-0634-2021-19-1-23-40>.
- Vargas-Hernández, José G., Mohammad Reza Noruzi, and Narges Sariolghalam. "An Exploration of the Affects of Islamic Culture on Entrepreneurial Behaviors in Muslim Countries." *Asian Social Science* 6, no. 5 (April 16, 2010): p120. <https://doi.org/10.5539/ass.v6n5p120>.
- Wolff, Brent, Frank Mahoney, Anna Leena Lohiniva, and Melissa Corkum. "Collecting and Analyzing Qualitative Data." In *The CDC Field Epidemiology Manual*, edited by Sonja A. Rasmussen and Richard A. Goodman, 1st ed., 213-28. Oxford University Press New York, 2019. <https://doi.org/10.1093/oso/9780190933692.003.0010>.

## The Typology of Islamic Social Entrepreneurship: Principles, and Characteristic ...

World Health Organization. "Islamic Health Services Report." WHO, 2022. Accessed on June 18, 2024.

Yaqin, Nasrullah Ainul, and Mu'tashim Billah. "Islamic Thought Response to the Problem of Poverty in Indonesia: Elaboration of Maqāṣidi Reasoning from Ḥifẓ an-Nafs to Ḥifẓ al-Māl." *Contextualita* 35, no. 02 (December 19, 2020): 121–42. <https://doi.org/10.30631/35.02.121-142>.

Yasmeen, Kausar. "Framework for Islamic Social Entrepreneurship." *Journal of Islamic Accounting and Business Research*, May 1, 2024. <https://doi.org/10.1108/JIABR-08-2023-0256>.