

Differentiating Fakir And Miskin: Integrating Islamic Values Into Indonesia's Poverty Policy Reform

Okky Rizki Azizi ¹ , Ryan Anggria Pratama ^{2*} , Azhari Setiawan ³ , Azrul Asyikin ⁴ , Adhe Fadli Farhan ⁵ , M. Rizqi Azmi ⁶ 

^{1,2,3,4,5} Faculty of Social and Political Science, Universitas Maritim Raja Ali Haji, Indonesia

⁶ Faculty of Law, Universitas Islam Riau, Indonesia

* Corresponding Author: ryananggria@umrah.ac.id

Abstract: Indonesia's monetary poverty rate fell to 8.47 percent in March 2025, but the legal and administrative architecture still treats fakir and miskin as a combined category. This article examines how their differentiation, together with Islamic values, can inform poverty-policy reform and how that distinction can be translated into measurable governance. The study uses a qualitative comparative policy review of Law Number 13 of 2011, Indonesia's 2025 single-registry reforms, scholarly and policy literature, and five functionally selected comparative cases. Hybrid deductive-inductive content analysis maps evidence across conceptual clarity, targeting precision, intervention fit, and accountability. The findings define fakir as severe and compounded deprivation requiring guaranteed protection and case management, while miskin denotes insufficient but existing capability requiring empowerment, productive inclusion, and supported graduation. The framework translates 'adl, masalah, kafalah, and amanah into public indicators and proposes coordination between statutory social protection, the National Single Socioeconomic Data, and Islamic social-finance institutions. Its contribution is a differentiated poverty-governance model that connects culturally embedded categories to transparent definitions, dynamic classification, pathway-specific support, and auditable outcomes without treating the categories as fixed social identities.

Keywords : poverty governance; fakir; miskin; islamic values; legal reform; social protection; Indonesia.

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1. INTRODUCTION

Poverty policy is increasingly judged not only by how much public money is spent, but by whether support reaches the right household, through the right instrument, at the right time. Indonesia has made measurable progress: Statistics Indonesia reported that poverty fell to 8.47 percent, or 23.85 million people, in March 2025 (BPS Statistik Indonesia, 2025). That aggregate improvement is important, but it leaves a central governance question unresolved. Households below or close to the poverty line do not experience the same depth, duration, or causes of deprivation, and they do not necessarily require the same policy response.

The empirical problem appears in the relationship between law and administration. Law Number 13 of 2011 defines fakir miskin as one combined legal category and does not provide separate operational criteria for fakir and miskin. Indonesia's data infrastructure has since changed substantially. Presidential Instruction Number 4 of 2025 established the National Single Socioeconomic Data, or DTSEN, by integrating the socioeconomic registry, the former Integrated Social Welfare Data, and the database for accelerating the elimination of extreme poverty, with population matching and periodic updating (Ministry of National Development

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Planning, 2025). DTSEN can improve consistency and coverage, but an integrated database cannot by itself decide whether a household needs guaranteed protection, productive support, or both. The 2011 legal category and the 2025 data architecture therefore expose an empirical gap between identifying socioeconomic status and routing households to an intervention that fits their condition.

Poverty standards have evolved through several overlapping stages. Early policy practice centred on minimum income or consumption thresholds. Relative-deprivation scholarship then showed that poverty also restricts participation in ordinary social life (Townsend, 1979), while the Foster-Greer-Thorbecke measures made poverty depth and severity decomposable (Foster et al., 1984). Sen's capability approach shifted attention from resources alone to substantive freedoms (Sen, 1999). Multidimensional methods subsequently translated deprivations in health, education, housing, sanitation, nutrition, employment, and living standards into transparent identification and aggregation rules (Alkire & Foster, 2011; Alkire & Santos, 2014). This evolution did not make monetary measures obsolete; it showed why a single threshold is insufficient for diagnosis and policy design.

Debate has continued over dimensions, weights, cut-offs, survey comparability, and the overlap between monetary and non-monetary poverty. Recent evidence confirms that the choice of measure can change who is identified and which policy lever appears most relevant. Deyshappriya and Feeny (2025) compare income and multidimensional poverty within the same Sri Lankan households, while Cigdem-Bayram et al. (2025) and Naidoo and Smyth (2025) show why monetary poverty and material deprivation should be examined side by side. The current literature therefore favours a complementary approach: monetary measures remain essential for monitoring, while multidimensional and material-deprivation measures reveal capability deficits that income alone can miss.

A parallel literature moved from static poverty status to poverty dynamics, vulnerability, and targeting. Asset-based approaches distinguish structural poverty traps from temporary shortfalls, and vulnerability analysis examines the probability that shocks will push a household into deeper deprivation (Carter & Barrett, 2006; Chaudhuri et al., 2002; Dercon, 2002). Targeting studies then demonstrate that proxy-means tests, community information, and administrative rules involve trade-offs between statistical accuracy, legitimacy, cost, and manipulation (Alatas et al., 2012; Brown et al., 2018; Camacho & Conover, 2011; Hanna & Olken, 2018). The unresolved issue is no longer only inclusion error or exclusion error. A household may be correctly identified as poor and still be placed in an unsuitable programme. This article calls that problem pathway mismatch.

Research on social protection has also moved from benefit delivery towards systems that combine registration, assessment, payment, case management, grievance redress, and monitoring (Leite et al., 2017; Lindert et al., 2020). Cash-transfer research shows broad welfare gains, yet their size and durability depend on adequacy, conditionality, complementary services, and household constraints (Bastagli et al., 2019; Handa et al., 2018; Haushofer & Shapiro, 2016). More recent studies examine resilience, multidimensional distributional effects, and the transition from transfers to productive investment (Aggarwal et al., 2024; O'Connor, 2024; Robson et al., 2024). These findings support differentiated sequencing: minimum security must precede demanding activation, while households with productive capacity may benefit from skills, assets, finance, and employment services.

Religious approaches have developed on a more specialised track. Islamic jurisprudence has long distinguished al-fuqara and al-masakin as separate zakat-recipient categories, although schools of law differ on their precise ordering and thresholds (Khairi, 2022; Nurzansyah, 2021; Riyaldi, 2017). Over the past two decades, research has increasingly examined zakat impact, material and spiritual poverty, waqf, Islamic microfinance, and their relationship to the Sustainable Development Goals (Beik & Arsyianti, 2016; Kasri, 2016; Umar

et al., 2021). Recent work strengthens the empirical and institutional side of this agenda: Ma and Sukmana (2025) map the expansion of Islamic social-finance research, Shikur and Akkas (2024) analyse productive microfinance, and Mat Daud and Wahid (2025) examine how Malaysian zakat institutions support the poor and destitute. Even so, religious values remain peripheral to mainstream poverty measurement and social-registry design, while public-policy studies rarely translate the *fakir-miskin* distinction into universal, measurable, and contestable administrative rules.

This separation produces two related gaps. The theoretical gap is fragmentation: multidimensional poverty, targeting, delivery systems, and Islamic social ethics are usually discussed in parallel rather than as one governance chain. The empirical-practical gap is operational: Indonesia's law recognises the combined expression *fakir miskin*, and its new registry improves integrated identification, but neither establishes a validated rule for distinguishing severe incapacity from insufficient yet developable capability or for matching those conditions to different support pathways. Existing Islamic studies explain normative meaning, while existing policy studies explain targeting and delivery; few connect value, definition, data, intervention, and accountability in one testable framework.

If these gaps remain unexamined, the academic cost is a culturally relevant vocabulary that cannot be compared, measured, or falsified within poverty-governance research. The practical cost is equally important: semantic reform may leave programme behaviour unchanged; protection may be withheld from households unable to graduate; productive potential may be left in indefinite relief; and integrated data may improve eligibility decisions without improving intervention fit. The absence of explicit ethical and accountability rules may also allow a religious label to legitimise policy without changing indicators, financing, grievance procedures, or outcomes.

The research questions follow directly from these gaps. First, how can *fakir* and *miskin* be reinterpreted as distinct but non-stigmatising governance categories for contemporary Indonesia? Second, how can that distinction, together with Islamic values, be translated into measurable rules for targeting, intervention design, institutional coordination, and accountability? The article argues that reform should not merely separate two words. It should establish a dynamic policy chain linking definition, evidence, classification, support, reassessment, and public reporting.

The article contributes a differentiated poverty-governance framework and applies it to the reform of Law Number 13 of 2011. The next section sets out its theoretical foundations and analytical logic. The methodology then explains the documentary corpus, comparative-case criteria, coding procedure, and readiness scale. The results are organised around the two research questions, followed by a discussion of Islamic values, public and Islamic social-finance coordination, contributions, implementation risks, and limitations.

2. LITERATURE REVIEW

Differentiated Poverty Governance

Differentiated poverty governance starts from the capability proposition that equal treatment does not always require identical assistance. Poverty can involve low consumption, multiple deprivations, weak assets, dependency, exposure to shocks, or combinations of these conditions. A useful administrative category must therefore do more than describe disadvantage. It must identify a decision-relevant difference that can be observed with reasonable reliability, linked to a legitimate intervention, reviewed over time, and challenged when wrong. This requirement connects multidimensional measurement to public administration rather than treating measurement as an end in itself.

Three theoretical components are combined. Capability and multidimensional poverty theory identify the type and depth of deprivation (Alkire & Foster, 2011; Sen, 1999). Targeting theory identifies errors in deciding who qualifies and, in this article, adds pathway mismatch as an error in deciding what qualified households receive (Coady et al., 2004; Hanna & Olken, 2018). Delivery-systems theory explains how a category travels through outreach, registration, assessment, enrolment, payment, referral, case management, grievance redress, and monitoring (Lindert et al., 2020). Together they imply that the validity of *fakir* and *miskin* cannot be judged by textual definition alone. The distinction is valid only if it improves decisions without creating disproportionate stigma, burden, exclusion, or privacy risk.

The framework also treats poverty status as dynamic. A household may move between severe deprivation, partial capability, and greater security as health, employment, dependency, assets, prices, or shocks change (Sugiharti et al., 2023). Classification must therefore be time-bound and revisable. Graduation is an outcome to be supported, not an administrative quota (Sabates-Wheeler et al., 2021), and it is inappropriate where age, disability, care obligations, or other constraints prevent a viable livelihood. Conversely, protection and empowerment may overlap: a *miskin* household may still need temporary consumption support, while a *fakir* household may benefit from capability-building where feasible. Differentiation guides the dominant pathway; it does not prohibit combined assistance.

Islamic Normative Foundations

The Qur'an lists *al-fuqara* and *al-masakin* separately among eligible recipients of *zakat* (Qur'an 9:60), which establishes distinct moral attention without supplying a universal administrative threshold. Juristic traditions differ over which condition is more severe and how sufficiency should be assessed. The Indonesian policy formulation should therefore avoid presenting one contested jurisprudential hierarchy as an immutable social identity. This article follows the common Indonesian-Shafi'i orientation that *fakir* denotes deeper deprivation than *miskin*, but uses the distinction functionally: severity, capability, and intervention need must be established through transparent public criteria and periodic evidence.

A hadith describing the *miskin* as a person whose insufficiency may remain unnoticed because he does not ask publicly for help is especially relevant to governance (Sahih al-Bukhari, Hadith 1479; Sahih Muslim, Hadith 1039). It shifts attention from visible supplication to proactive identification, dignified outreach, and protection against exclusion. Four Islamic values further inform the framework. *'Adl* requires proportionate treatment and protection against arbitrary classification. *Maslahah* directs policy towards demonstrable welfare rather than symbolic terminology. *Kafalah* expresses collective responsibility for a minimum standard of life. *Amanah* requires accurate data, lawful use of funds, privacy, auditability, and accessible correction when the state or a social-finance institution makes an error.

Maqasid al-shari'ah provides an additional bridge from values to indicators. Preserving life supports food security, health care, shelter, and protection from destitution. Preserving intellect and family capability supports education, child development, and care. Preserving wealth does not mean protecting assets only after prosperity is achieved; for poor households it also means preventing distress sales, enabling productive assets, and reducing exploitative debt. These principles must enter a universal public framework in ways that protect all citizens regardless of religion. Islamic values supply an ethical rationale and institutional resources; eligibility for statutory social protection remains a matter of equal citizenship and law.

Analytical Framework

Figure 1 presents the analytical sequence. The inputs are legal definitions, monetary and multidimensional evidence, DTSEN and local verification, and the resources of public and Islamic social-finance institutions. These inputs support a dynamic classification: *fakir*

indicates severe and compounded deprivation with no viable capability base for meeting minimum needs, while miskin indicates inadequate but existing income, labour capacity, assets, or productive potential. Classification then routes households towards a dominant pathway. The fakir pathway prioritises guaranteed protection, basic services, and case management. The miskin pathway combines adequate protection with skills, employment, productive assets, microenterprise support, and carefully monitored graduation.

The model is evaluated through four dimensions. Conceptual clarity asks whether the categories, boundary, combination rule, and reassessment rule are explicit. Targeting precision asks whether the data and verification process identify both poverty status and the appropriate pathway while protecting privacy and enabling appeals. Intervention fit asks whether the sequence and intensity of support correspond to household constraints. Accountability asks whether institutions report adequacy, misclassification, grievance resolution, welfare change, and transitions by category and region. Feedback from these outcomes returns to assessment, so a classification can be corrected rather than becoming permanent.

The framework yields four analytical expectations. A clearer category should improve pathway assignment only when its indicators are observable and administratively feasible. Better integrated data should improve decisions only when it is combined with local verification, correction, and privacy safeguards. Differentiated programmes should improve fit only when minimum protection is preserved and combined support remains possible. Islamic values should affect governance only when they are traceable in definitions, targeting rules, interventions, financing, and accountability indicators. Figure 1 therefore distinguishes substantive integration from the use of religious vocabulary as a label.

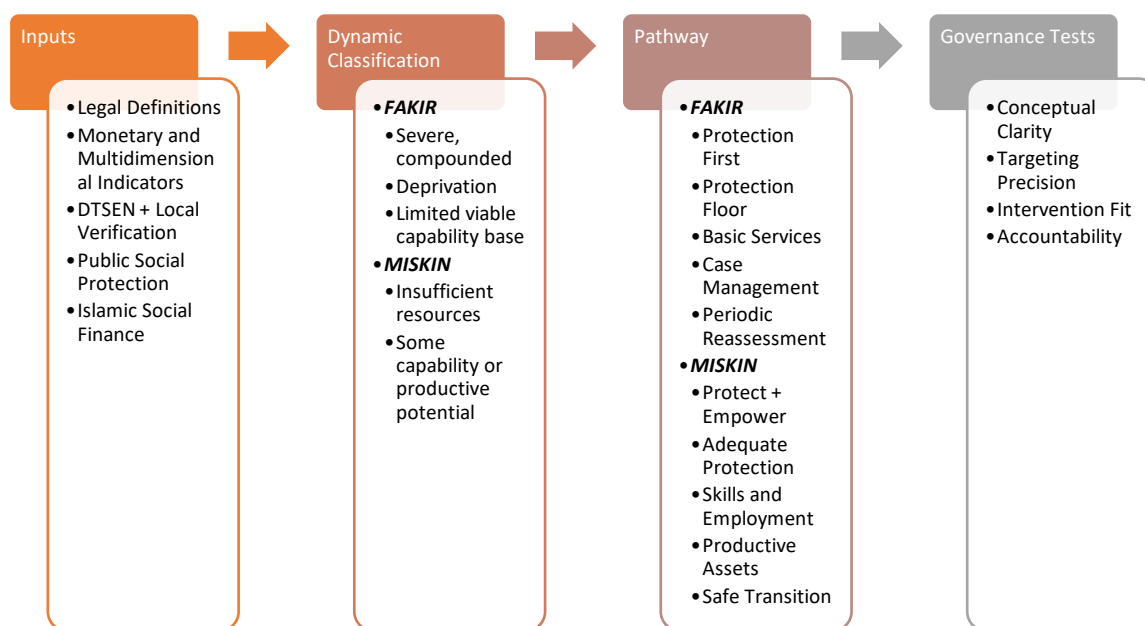


Figure 1. Differentiated Poverty Governance Model

Source: Authors' analytical framework, 2026.

3. METHODOLOGY

Research Design and Documentary Corpus

This study uses a qualitative comparative policy review because the research problem concerns legal meaning, category design, institutional routing, and accountability rather than causal estimation from household microdata. Indonesia is the primary case, and Law Number 13 of 2011 is the central regulatory object. The review was updated through 31 December 2025

to incorporate the creation of DTSEN and recent scholarship. The final corpus contains 69 source items listed in the references, including peer-reviewed studies, foundational books and working papers, official statistics, legal and regulatory texts, institutional reports, and official descriptions of the five comparator programmes.

The search and update used combinations of the terms poverty measurement, monetary poverty, multidimensional poverty, material deprivation, vulnerability, targeting, social registry, social-protection delivery, productive inclusion, fakir, miskin, zakat, waqf, maqasid, and Islamic social finance. Foundational sources were retained when they established a concept used in the framework. The 2024-2025 update prioritised peer-reviewed international journals and primary official documents. Sources were included when they defined a construct, supplied evidence about classification or intervention, described an institutional mechanism, or specified a current Indonesian rule. The review is purposive and theory-led, not a systematic review claiming exhaustive coverage.

Comparative Case Selection and Functional Equivalence

The five cases were selected purposively to maximise functional relevance rather than to rank national welfare systems. Four criteria governed selection: a mechanism had to illuminate at least one dimension of the framework; reliable programme documentation had to be available; the set had to include both institutionally proximate and contrasting systems; and each case had to offer a bounded lesson that did not depend on assuming full national equivalence. Malaysia was selected for socio-Islamic proximity, zakat institutions, and the e-Kasih poverty database. The United States and Canada were selected for mature categorical child-benefit designs that adjust assistance to household composition. Japan and South Korea were selected as East Asian cases combining minimum-income protection, case administration, and, especially in Korea, work or self-support services.

Functional equivalence is deliberately narrow. Malaysia is not treated as institutionally identical to Indonesia, and the United States, Canada, Japan, and South Korea are not treated as socioeconomic peers. The comparison asks whether a mechanism performs a comparable function: integrated identification, adjustment for household needs, protection of a minimum living standard, or linkage between income support and productive services. It does not compare benefit generosity, estimate programme effects, or recommend copying a foreign model. This bounded design addresses the risk of cherry-picking by making both the reason for selection and the limit of transfer explicit.

Content Analysis and Codebook

The document was the sampling unit, a meaning-bearing passage was the primary coding unit, and the programme or legal-institutional arrangement was the comparative unit. A meaning-bearing passage was defined as a statutory provision, sentence, or paragraph containing a complete claim about definition, eligibility, data, intervention, Islamic value, institutional responsibility, or accountability. Coding used a hybrid approach. The seven parent categories in Table 1 were specified deductively from the analytical framework; subcodes were added inductively when recurring mechanisms, such as local verification, combined support, supported graduation, or privacy safeguards, appeared in the documents.

Coding was conducted manually in a structured extraction matrix rather than with computer-assisted qualitative-data-analysis software. Each record contained the source, passage, code, policy level, population, intervention function, reported outcome, and an interpretive note. Ambiguous passages were multi-coded when they contained more than one complete function; they were not forced into a mutually exclusive category. Where a text used poor, destitute, fakir, miskin, or ultra-poor without an operational definition, the original label was retained and no equivalence was presumed. Overlapping evidence was resolved by

separating poverty status, pathway, and outcome. Because a formal inter-coder reliability statistic was not calculated, ambiguous passages were interpreted conservatively and this limitation is reported below.

Table 1. Content-Analysis Codebook

Code	Operational definition	Coding and decision rule
Definition and severity	Text defining poverty depth, basic-needs failure, or the fakir-miskin boundary	Code when the passage provides a threshold, hierarchy, or severity cue; do not infer a boundary from a programme name alone
Capability and vulnerability	Assets, labour capacity, dependency, human capital, risk, or shock exposure	Allow simultaneous codes because current consumption and future resilience can diverge
Targeting and data	Eligibility, registry, verification, updating, interoperability, privacy, or appeals	Distinguish poverty-status error from pathway-placement error
Intervention pathway	Protection, care, empowerment, employment, productive inclusion, or graduation	Code the intended function and safeguards, not merely the benefit label
Islamic normative value	Fakir/miskin interpretation, 'adl, maslahah, kafalah, amanah, or maqasid	Code only where a source states or clearly operationalises the value
Institutional coordination	Roles of government, local authorities, social workers, BAZNAS/LAZ, or programme providers	Code referral, financing, data-sharing, and responsibility separately
Accountability and outcomes	Coverage, adequacy, welfare change, transition, audit, grievance, or public reporting	Separate outputs from outcomes and record the population and time horizon

Source: Authors' coding protocol.

Comparative Mapping, Readiness Scoring, and Trustworthiness

The analysis proceeded in four stages. First, passages were coded to establish how fakir and miskin were defined, combined, or left unspecified. Second, coded mechanisms were mapped across the five comparator cases by function and transfer boundary. Third, findings were organised into the four governance dimensions. Fourth, Indonesia's differentiated-policy readiness was assessed on an ordinal scale: 0 means absent; 1 means recognised only in normative or combined language; 2 means operationalised in programme rules but not fully connected to data and accountability; and 3 means operationalised through definitions, data procedures, intervention rules, safeguards, and measurable outcomes.

The readiness score evaluates the fakir-miskin distinction, not the overall quality of Indonesia's social-protection system. DTSEN may represent substantial progress in integrated data even while the differentiated category remains at score 1. The scale is diagnostic and unweighted; it does not measure poverty impacts or permit causal ranking. Trustworthiness was strengthened through triangulation among legal text, current registry rules, poverty theory, programme evidence, and comparator documents. An explicit codebook, case-selection rationale, transfer limits, and quoted legal meanings provide an audit trail for the interpretation.

4. RESULTS

Reinterpreting Fakir and Miskin as Governance Categories

The first research question concerns the contemporary meaning of fakir and miskin. The review supports a distinction based on severity, capability, and intervention need rather than a single income cut-off. Fakir describes severe and compounded deprivation in which a household lacks a stable income base, productive assets, or a viable capacity to secure minimum living standards without sustained protection. Typical indicators include acute food insecurity, homelessness or unsafe shelter, severe disability, frail-age dependency, absence of a caregiver, and chronic exclusion from basic services. Miskin describes a household with some income, labour capacity, or assets whose resources remain inadequate or unstable.

Typical indicators include insecure work, low productivity, indebtedness, weak human capital, and high exposure to shocks.

The distinction is administrative, dynamic, and rebuttable. It does not assign moral worth, assume that every household fits one pathway exclusively, or permit support to be withdrawn merely because productive potential exists. Severity can intensify after illness, disaster, job loss, or care dependency, while a household receiving protection may later develop capability. The operational boundary must therefore be verified locally, reviewed periodically, and open to appeal.

Table 2. Operational Distinction between Fakir and Miskin

Dimension	Fakir	Miskin	Policy implication
Core condition	Severe and compounded deprivation; no stable income or viable capability base	Income, labour capacity, or assets exist but remain insufficient for sustainable basic needs	Use separate but revisable administrative pathways
Dominant risk	Hunger, homelessness, disability or age dependency, food insecurity, and chronic exclusion	Low productivity, insecure work, debt, temporary shocks, and weak human capital	Risk profiles determine the mix and sequence of support
Primary intervention	Minimum income or food support, health access, shelter, social care, and case management	Skills, employment services, productive assets, microenterprise support, and supported graduation	Protection for fakir; empowerment with safeguards for miskin
Primary indicator	Minimum-needs coverage, service continuity, case resolution, and survival security	Income stability, employment transition, business survival, and human-capital outcomes	Evaluate each pathway with category-appropriate outcomes
Islamic-public value	Kafalah and preservation of life require a guaranteed minimum	Maslahah and preservation of capability support productive inclusion	'Adl requires proportionate treatment; amanah governs both pathways
Dynamic rule	Reassess when capability, dependency, or shock exposure changes	Reassess progress without coercive or premature exit	Categories are administrative and temporary, not fixed social identities

Source: Authors' synthesis of poverty, Islamic-social, and social-protection literature.

Table 2 answers the first research question by converting a contested semantic distinction into a cautious decision rule. Fakir triggers a protection-first presumption because a capability base is absent or severely constrained. Miskin triggers a protection-plus-empowerment presumption because some capability exists but cannot yet secure adequate living standards. The categories can be combined where conditions overlap. Success is consequently measured differently: continuity and adequacy of essential support for fakir, and safe, welfare-enhancing transition for miskin.

Translating Differentiation into Measurable Governance

The second research question asks how differentiation can become measurable. Four governance dimensions emerge from the coding. Conceptual clarity requires definitions, thresholds, evidence rules, a combination rule, and a reassessment rule. Targeting precision requires DTSEN variables, local verification, an explanation of classification, privacy protection, and a correction mechanism. Intervention fit requires minimum packages and sequencing rules. Accountability requires reporting not only expenditure and beneficiary numbers, but also adequacy, pathway placement, grievance outcomes, and welfare change.

Table 3 shows why a legal amendment should not stop at two definitions. DTSEN can provide a stronger evidence base because it integrates several national data sources and is intended for periodic updating. The proposed reform adds a decision layer rather than a separate beneficiary database. Transparent variables on deprivation severity, dependency, work capability, assets, child vulnerability, and shock exposure would support an initial pathway recommendation. Local verification would test context, a reasoned notice would explain the decision, and an appeal would correct error. The importance of context-sensitive verification

is also reflected in Indonesia's socioeconomic registration experience, where perceptions of welfare and the registration process vary according to socioeconomic, geographical, livelihood, and other local characteristics (Wahyono et al., 2024). Data minimisation and role-based access are necessary because a more detailed classification can also increase privacy and stigma risks.

Table 3. Measurable Governance Matrix for Legal Reform

Governance dimension	Current challenge	Measurable adjustment	Illustrative indicator
Conceptual clarity	The law combines fakir and miskin and does not define a pathway rule	Define categories by deprivation severity, capability, and intervention need	Definitions and review rules adopted in law and derivative regulations
Targeting precision	DTSEN improves data integration but does not itself create the legal distinction	Add transparent variables, local verification, correction, and time-bound category tags	Misclassification rate, update frequency, appeal resolution, and privacy compliance
Intervention fit	Eligibility may not determine the type or sequence of support	Link each category to a minimum package while allowing combined support	Share receiving category-appropriate services and continuity of essential support
Accountability	Reporting emphasises expenditure and beneficiary counts	Report outcomes by category, region, and pathway; publish audit and grievance results	Coverage accuracy, case completion, transition quality, and welfare improvement

Source: Authors' synthesis of the legal review and analytical framework.

Comparative Functional Lessons for Policy Design

The comparative mapping identifies mechanisms rather than national models. Malaysia offers the closest socio-Islamic comparison and shows why a poverty registry and zakat institutions can be analysed together, while recent Malaysian evidence also distinguishes the sustainability needs of poor and destitute recipients (Mat Daud & Wahid, 2025). The United States and Canada show how child-related benefits respond to household composition. Japan foregrounds a minimum-living standard and case administration. South Korea shows how livelihood protection can coexist with self-support and employment services. None uses the same legal categories as Indonesia, which is precisely why functional equivalence must be stated instead of assumed.

Table 4. Comparative Case Selection and Functionally Equivalent Lessons

Case and selection rationale	Functionally comparable mechanism	Transfer boundary for Indonesia
Malaysia: socio-Islamic proximity, zakat institutions, and e-Kasih	Links a poverty registry with programmes and distinguishes poor and hardcore-poor needs	Institutional proximity is useful, but Indonesia requires its own legal thresholds and national-local coordination
United States: mature categorical tax-benefit design	Child Tax Credit adjusts support to household composition and tax status	A tax credit is not equivalent to Indonesian social assistance; only the needs-based design principle is transferable
Canada: income-tested monthly child benefit	Regular adjustment to income and number or age of children	Administrative and fiscal capacity differ; the lesson concerns predictable, composition-sensitive benefits
Japan: minimum-living protection with case administration	Rights-based subsistence floor, means assessment, and casework	Japan's labour market and municipal capacity are not direct comparators; the protection function is
South Korea: East Asian productivist welfare model	Income support combined with self-support and employment services	Activation must not be imposed on households lacking work capacity or minimum security

Source: Authors' mapping of official programme documents and Mat Daud and Wahid (2025).

Three lessons travel across the cases. First, integrated information is useful when it supports a decision and a correction process, not merely a list. Second, benefit design should recognise household composition, disability, age, care obligations, and work capacity. Third, protection and activation must be sequenced. These are design principles rather than

programme replicas. Indonesia's decentralisation, geographic diversity, legal system, fiscal structure, and Islamic social-finance institutions require adaptation and local testing.

Diagnosing Indonesia's Readiness for Differentiated Governance

The final result is a readiness diagnosis. The current differentiated framework is scored 1 on each dimension because the object being scored is the operational separation of fakir and miskin. The combined category has legal recognition, but separate definitions, pathway rules, category-specific packages, and outcome indicators are not institutionalised. This assessment does not imply that Indonesia lacks targeting systems or programmes. The establishment of DTSEN is major administrative progress; it is classified as enabling infrastructure that has not yet been linked to the distinction examined here.

Table 5. Diagnostic Scoring of Differentiated Policy Readiness

Readiness dimension	Current differentiated framework	Target condition	Reason for improvement
Conceptual clarity	1 - normative combined mention	3 - operational definition and review rule	Separate, non-stigmatising criteria make categories usable
Targeting precision	1 - no fakir-miskin pathway classification	3 - DTSEN variables, local verification, correction, and safeguards	Classification can match need while reducing new exclusion risks
Intervention fit	1 - general programme mandates	3 - pathway-specific minimum packages with combined support	Instruments follow deprivation type and household capability
Accountability	1 - programme and coverage reporting	3 - outcomes, appeals, privacy, and audit indicators by category	Performance becomes transparent and contestable

Source: Authors' document-based readiness assessment.

A target score of 3 represents administrative usability, not policy perfection. It requires operational definitions in law and derivative regulations; DTSEN variables and local verification; a minimum package and combination rule; periodic reassessment; and public indicators for classification accuracy, appeals, privacy, service continuity, and welfare outcomes. The model does not treat score 3 as proof that poverty has fallen. It indicates that the legal-institutional architecture is sufficiently specified to be implemented, audited, and evaluated.

5. DISCUSSION

Islamic Values as Operational Governance Principles

The results clarify how religious values can enter public policy without remaining a decorative label. The separate Qur'anic naming of al-fuqara and al-masakin supports attention to heterogeneous need, but the policy content comes from observable deprivation and accountable rules. 'Adl is operationalised when households facing materially different constraints receive proportionate support and when classification can be contested. Maslahah is operationalised when programme success is judged by minimum-needs security, capability improvement, and avoidance of harm rather than by distribution volume alone. Kafalah appears in an enforceable protection floor, while amanah appears in accurate data, lawful financing, privacy, audit, and grievance redress.

This translation also explains why the framework is compatible with universal public administration. Statutory benefits should not depend on the recipient's religion, and the state should not use theological status as a proxy for citizenship rights. Islamic concepts contribute ethical reasoning and a locally meaningful vocabulary; the administrative criteria remain transparent, evidence-based, and equally available. Jurisprudential disagreement is handled through a functional rule and public deliberation rather than being concealed. That approach is

more faithful to the review evidence than claiming that one classical definition can be copied directly into a modern registry.

The distinction also refines *maqasid*-oriented poverty policy. For households classified as *fakir*, preservation of life requires reliable food, shelter, health care, income security, and protection from abandonment. For households classified as *miskin*, preservation of wealth and capability supports debt protection, skills, productive assets, employment, and enterprise continuity. Preservation of intellect and family capability cuts across both pathways through education, child support, and care services. The resulting indicators make it possible to test whether values have changed policy design.

Coordinating Statutory Protection and Islamic Social Finance

Zakat, *infaq*, *sadaqah*, and *waqf* can complement the differentiated model, but they should not substitute for the state's legal obligation to protect citizens. Zakat is restricted to eligible recipient categories and can support urgent consumption, health, shelter, debt relief, or productive assistance within applicable rules. *Infaq* and *sadaqah* permit more flexible short-term support. *Waqf* can finance durable services and productive assets, including clinics, housing, education, and livelihood infrastructure. Islamic microfinance may support viable enterprises, but it is inappropriate as a default response to severe incapacity or unmanageable debt. Recent studies reinforce the value of linking Islamic finance to empowerment and measurable welfare rather than distribution volume alone (Ma & Sukmana, 2025; Mat Daud & Wahid, 2025; Shikur & Akkas, 2024; Widiastuti et al., 2022).

Integration with DTSEN should mean governed coordination, not unrestricted data exchange or the commingling of funds. A workable arrangement would use consent or another lawful basis, minimum necessary data, role-based access, auditable referrals, and a shared outcome vocabulary. Government agencies could identify unmet needs and make referrals; BAZNAS and authorised zakat institutions could verify eligibility under their mandates and report aggregate service outcomes; local governments and social workers could coordinate cases and prevent duplication. Funding streams would remain legally separate. Households would retain access to statutory programmes even if they are not eligible for, or do not wish to receive, faith-based support.

Theoretical Contributions

The first theoretical contribution is to connect four bodies of scholarship that are commonly separated: multidimensional poverty, poverty dynamics and targeting, delivery systems, and Islamic social ethics. The framework does not simply add religious terminology to an existing index. It shows the sequence through which a culturally embedded category becomes a governance claim: normative meaning must be translated into an observable definition, a dynamic classification, an intervention pathway, and an accountability test.

The second contribution is the concept of pathway mismatch. Inclusion and exclusion errors ask whether a household is wrongly inside or outside a programme. Pathway mismatch asks whether a correctly included household receives the wrong type, sequence, or intensity of support. This concept helps explain why better registries may improve eligibility without resolving intervention fit. It also clarifies the value of the *fakir-miskin* distinction: its contribution is not another label but a decision about the dominant constraint and appropriate response.

The third contribution is a value-to-indicator bridge. Islamic values are often discussed at a high normative level, while governance research demands observable rules. Mapping 'adl, *maslahah*, *kafalah*, and *amanah* onto classification, adequacy, protection, privacy, appeals, and outcomes makes the normative claim open to empirical evaluation. The framework is

potentially relevant beyond Indonesia where legal or social categories conceal differences in severity and capability, although the specific labels and jurisprudential context are not universally transferable.

Practical Implications and Implementation Risks

Practically, reform requires a chain of legal and administrative changes. The law should define both categories and their dynamic relationship. Derivative regulations should specify minimum indicators, evidence standards, combined-support rules, reassessment intervals, and appeal procedures. DTSEN should support classification without creating a public label or a permanently visible identity. Programme rules and budgets should distinguish protection, care, empowerment, and transition while allowing joint financing where needs overlap. Public reporting should show adequacy, service continuity, pathway placement, appeals, and welfare outcomes by region without exposing personal data.

Several risks remain. Differentiation may stigmatise households if *fakir* is treated as a fixed identity. More variables may create administrative burden and algorithmic opacity. Data that are accurate at one point may become obsolete after a shock. Local verification can improve context but also introduce discretion or patronage. Graduation targets can become coercive, and coordination with Islamic social finance can blur legal responsibility or exclude non-Muslims if poorly designed. These risks require time-limited classifications, plain-language notices, privacy and security controls, community-informed but reviewable verification, independent appeals, case-management capacity, and evaluation of unintended effects.

The comparative cases reinforce restraint. Their value lies in specific functions, not their national prestige. Malaysia demonstrates institutional proximity but not a ready-made Indonesian threshold. North American child benefits show composition-sensitive design, not a template for tax administration. Japan and South Korea show protection and activation, but their administrative capacity and labour markets differ. A pilot in diverse Indonesian districts is therefore preferable to immediate nationwide categorical assignment.

6. CONCLUSION

This article finds that *fakir* and *miskin* can be reinterpreted as distinct, dynamic governance categories. *Fakir* denotes severe and compounded deprivation requiring a protection-first pathway, while *miskin* denotes inadequate but existing capability requiring protection plus empowerment and supported transition. The distinction must remain rebuttable and open to combined support. It should never become a permanent social identity or a basis for unequal citizenship.

The measurable reform model links legal definitions to DTSEN, local verification, pathway-specific minimum packages, periodic reassessment, and public accountability. Islamic values become substantive when *'adl* shapes proportionate treatment, *maslahah* shapes welfare outcomes, *kafalah* secures a minimum floor, and *amanah* governs data, funds, audit, and correction. Zakat, *infaq*, *sadaqah*, *waqf*, and Islamic microfinance can complement this architecture through governed referral and outcome coordination, while statutory protection and the legal separation of funds remain intact.

The theoretical contribution is differentiated poverty governance: an integration of multidimensional deprivation, targeting, delivery systems, and Islamic social ethics. The concept of pathway mismatch extends targeting analysis from who receives support to whether the support fits the household's dominant constraint. The practical contribution is a legal-institutional roadmap and a four-dimensional readiness tool covering conceptual clarity, targeting precision, intervention fit, and accountability.

The study is limited by its document-based, purposive design. It does not estimate the prevalence of fakir and miskin, validate thresholds with household data, measure programme effects, or establish causal superiority over the combined category. Future research should test alternative definitions with SUSENAS, DTSEN, and local administrative data; examine sensitivity to thresholds and household composition; and study transitions after illness, disability, disaster, or employment change. Participatory work should assess dignity, stigma, and the acceptability of category labels among beneficiaries and frontline workers. Pilot studies should compare classification accuracy and pathway fit across provinces, audit privacy and algorithmic bias, and evaluate whether coordinated public and Islamic social-finance support improves welfare without coercive graduation or duplication. These tests are necessary before the proposed categories are used for high-stakes national decisions.

Author Contribution

Conceptualisation, O.R.A., R.A.P., A.S., A.A., and A.F.F.; methodology, R.A.P. and A.S.; formal analysis, O.R.A., R.A.P., and A.S.; investigation and data curation, A.S., A.A., and A.F.F. and M.R.A.; writing - original draft preparation, O.R.A. and R.A.P.; writing - review and editing, R.A.P., A.S., A.A., and A.F.F.; project administration, R.A.P. All authors have read and agreed to the published version of the manuscript.

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Data Availability Statement

All data supporting the findings of this study are derived from publicly available legal documents, official statistics, and published academic literature.

Declaration of Generative AI and AI-Assisted Technologies

During revision, the authors used OpenAI's ChatGPT to support language editing. AI output was not treated as evidence or cited as a source. The authors checked the cited sources, assessed the analytical claims, reviewed the final wording, and accept full responsibility for the content.

Conflict of Interest Declaration

The authors declare no conflict of interest.

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