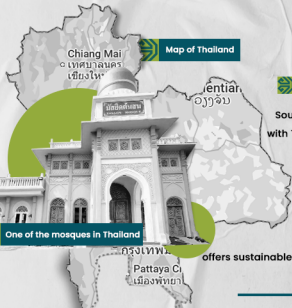


ISLAMIC SOCIAL FINANCE FOR REFUGEE LIVELIHOODS: EXPLORING THAILAND'S POLICY INNOVATION

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One of the mosques in Thailand

Southeast Asia is at the center of the global forced displacement crisis, with Thailand hosting a significant number of refugees despite not being a signatory to the 1951 Refugee Convention

The National Screening Mechanism (NSM) marks a milestone in Thailand's refugee governance but fails to address economic vulnerabilities

Islamic social finance, through mechanisms like zakat and waqf, offers sustainable solutions for addressing systemic challenges in refugee livelihoods.

INTRODUCTION

OBJECTIVES

Analyze the challenges in supporting refugee livelihoods under the NSM framework. **1**

Assess the potential of zakat and waqf in bridging gaps in refugee economic inclusion and empowerment. **2**

Propose actionable recommendations for integrating Islamic social finance into Thailand's refugee governance framework. **3**

MATERIALS AND METHODS

APPROACH

Qualitative, descriptive case study

DATA SOURCES

Policy documents, academic literature, and comparative analyses

FRAMEWORKS

Thematic and comparative methodologies to assess the viability of Islamic social finance mechanisms

RESULTS AND DISCUSSION

ECONOMIC SUPPORT THROUGH ZAKAT

- Immediate financial aid addressing basic needs like food and healthcare
- Potential for microcredit grants to promote self-reliance

Example

The UNHCR launched the Refugee Zakat Fund in 2019 to leverage Zakat and Sadaqah for refugee support, particularly in OIC countries, which account for about 50% of refugees (UNHCR, 2019). Since 2017, the fund has aided around 8 million refugees through cash or goods, ensuring compliance with Zakat regulations. Managed transparently in an interest-free account in Geneva, it focuses exclusively on humanitarian needs in crisis-affected nations.

SUSTAINABLE DEVELOPMENT THROUGH WAQF

- Long-term solutions like education and vocational training
- Promotes self-reliance and community resilience

Example

The IHH Humanitarian Relief Foundation improves global welfare through sustainable projects in education, healthcare, and infrastructure. It supports over 150,000 Syrian refugees in Container Cities with shelter, food, and education, including 43 schools and a university. Additionally, IHH provides monthly aid to over 10,000 orphans

(Azid et al., 2022).

INTEGRATION INTO NSM

- Addresses economic vulnerabilities while aligning with cultural and political imperatives
- Proposes collaborations with local Islamic institutions and international bodies like the Islamic Development Bank

CONCLUSIONS

Islamic social finance complements Thailand's NSM by providing immediate relief through zakat and long-term development via waqf

Offers a sustainable pathway to reduce dependency on external aid and foster resilience

A model for integrating faith-based mechanisms into refugee governance in Southeast Asia

KEYWORDS

Islamic finance, refugee livelihoods, zakat, waqf, Southeast Asia