

ISLAMIC SOCIAL FINANCIAL INSTRUMENTS AND SUSTAINABLE COMMUNITY DEVELOPMENT: EVIDENCE SYNTHESIS ON COMMUNITY RESILIENCE

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ABSTRACT

This study investigates how Islamic Social Finance (ISF)—through zakat, waqf, and sadaqah—supports sustainable community development by strengthening economic, social, institutional, psychological, and environmental resilience. Using a PRISMA-guided systematic literature review and bibliometric analysis of 93 studies published between 2010 and 2025, the paper synthesizes fragmented scholarship to identify the mechanisms through which ISF enhances resilience. Findings show that zakat provides short-term stabilization and crisis relief, waqf enables long-term asset creation and public-goods provision, and sadaqah delivers flexible emergency support. Integrated ZISWAF models, particularly those inspired by Ascarya, emerge as the most effective structure for maximizing development outcomes when supported by strong governance, institutional coordination, and digital innovation. The study contributes (i) a consolidated evidence highlighting thematic fragmentation in ISF research; (ii) an integrated conceptual map linking ISF to resilience theory and the SDGs; and (iii) a multidimensional framework explaining how ISF instruments jointly foster community resilience. Policy recommendations include strengthening governance and regulatory coherence, accelerating digital transformation, adopting integrated ZISWAF delivery models, and expanding ISF applications in environmental sustainability and climate resilience.

Keywords: Islamic social finance, Zakat, Waqf, Sadaqah, Community resilience.

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I. INTRODUCTION

Islamic Social Finance (ISF), a societal finance system that promotes ethical and redistributive values based on Shariah, is an essential cornerstone of combating the enduring socio-economic differences, strengthening community welfare institutions, and strengthening social resilience. Based on centuries of tradition, techniques and instruments of ISF such as zakat, waqf and sadaqah have played an important role and have supported Muslim communities in creating social coherence and poverty reduction efforts during the past century. The institutionalization and modernization of these tools as strategic tools of sustainable development, financial inclusion and crisis recovery have reshaped and brought the instruments into line with the sustainable approaches in contemporary times. This renewed relevance is a product of the international pursuit of development models which are both socially rooted and economically sustainable – an urgency of the order under the new global uncertainties of severe shocks, deepening inequality, global warming, and pandemics (Rusydiana & Khalifah, 2024). Consequently, ISF has grown to be a topical theme in policy discourse, intellectual inquiry, and international development discussion.

1.1. Background and Rationale

The practical significance of ISF is evident in a variety of development fields when conventional financing systems do not suffice. Zakat is the mandatory transfer of wealth from the wealthy to eligible beneficiaries, ensuring that vulnerable households receive adequate support through ensuring minimum consumption, preventing asset depletion, and stabilizing incomes during economic downturns. Digital platforms, algorithm-based distribution, and open data systems in the current system have all provided further advantages for the efficiency, transparency, and reach. In Indonesia, Malaysia, and Nigeria, among many others, zakat institutions increasingly serve such roles in national social protection policies, whether it be for supporting microenterprises, livelihood schemes, health insurance contributions, or emergency relief (Billah et al., 2024; Masithoh et al., 2024). Waqf is a permanent endowment and in its capacity serves as a source of long-lasting capital to finance public goods including education, healthcare, agricultural development, social housing, and renewable energy.

In the past, waqf-supported institutions – schools, universities, hospitals, and water facilities – constituted the basic supports for socio-economic infrastructure in Muslim societies (Ascarya & Tanjung, 2021). Financial inclusion, social entrepreneurship, and green development have expanded its role to modern times as cash waqf, corporate waqf, and waqf-sukuk hybrids have begun to emerge. The fact that it is able to deliver secure, non-debt-based sources of financing means waqf is central towards long-term resilience and intergenerational equity (Rusydiana et al., 2022). Sadaqah is also a voluntary means to provide a speedy, flexible, and community-focused service in times of emergency. It underwrites basic welfare activities such as food relief, shelter provision, emergency healthcare, and psychosocial support particularly in areas with a high vulnerability to natural disasters, conflicts, or economic instability (Afifah et al., 2023). Sadaqah has a broad spectrum of informal

services, which in turn enables rapid mobilization and responses, and which are complementary to the structured functions of zakat and waqf.

Taken together, these three ISF instruments provide a multi-level welfare ecosystem that helps to respond to the various development needs from immediate consumption stabilization (zakat) to crisis relief (sadaqah) to long-term structural investment (waqf) (Ascarya, 2022). Such operational synergies further place ISF in the unique, value-based framework of sustainable development and community resilience within a context of under-resourced and/or crisis settings.

1.2. Academic Relevance and Research Gaps

Islamic social finance (ISF) has attracted much interest in the literature for the past ten years, which includes its application in poverty eradication, health-financing, social protection, microfinance, education and crisis response (Babakano et al., 2024). Notwithstanding, the literature is still scattered, primarily the literature on zakat, waqf and sadaqah is separated in most studies, rather than part of an integrated ISF context. This constrains the knowledge of the complementarities and institutional synergies that form ISF's developmental effect. A second restriction lies in regional concentration: the studies primarily focus on those from Indonesia, Malaysia, and Nigeria, while those originating from traditional ISF in regions of the world (e.g. Turkey, the Gulf states, and North Africa) have less research focus (Zawawi et al., 2023).

Conceptually, ISF research is also out of sync with wider theoretical constructs such as resilience literature, sustainable development and institutional economics. However very little research examines the extent to which ISF instruments collectively build upon economic, social, institutional, psychological, and environmental resilience (Elmahgop et al., 2025). The methodological challenges of this area include poorly designed studies and the lack of systematic reviews or bibliometric syntheses based on PRISMA, thereby making it difficult to track trends, gaps, and policy implications. Together the two issues uncover a discipline that is growing but theoretically underdeveloped and incoherent. Consequently, a literature based, theory driven, and methodologically-rigorous synthesis is essential to contribute to advancing scholarship on ISF and help facilitate its application to sustainable community development.

1.3. Objectives of the Study

In order to help address the above gaps, three main purposes are pursued by this study:

1. To map out the trends of ISF research publications, the structure of knowledge and influential authors, journals, thematic clusters covering 2010–2025 using bibliometric techniques.
2. To conduct a PRISMA-based systematic literature review (SLR) of 93 peer-reviewed articles to locate the empirical evidence on the developmental and resilience-building functions of zakat, waqf, and sadaqah.

3. To synthesize findings on how ISF supports economic, social, institutional, psychological, and environmental resilience and contributes to sustainable community development.

1.4. Contribution of the Study

This study is essential for academic investigation, institutional practices, and policy-making. To fill a conceptual gap, it provides the first fully integrated hybrid analysis of Islamic Social Finance (ISF), utilizing bibliometric mapping and a PRISMA-guided systematic review to aggregate an already scattered literature into thematic clusters and better academic comprehension. One of the important contributions is to construct a model connecting zakat, waqf, and sadaqah together with five dimensions of community resilience — economic, social, institutional, psychological, and environmental, filling a conceptual gap in ISF research for a long time.

Based on methodology the study improves the rigor by being transparent with search strategies, inclusion and exclusion criteria, systematic quality appraisal, and inter-rater reliability measures. It also indicates the bibliometric factors applied, thus ensuring complete reproducibility and overcoming methodological inconsistencies in the study that have hindered the total analysis in the previous ISF research. At the policy and practice level, the results provide a pragmatic basis for zakat organizations, waqf officials, Islamic financial institutions, and development-oriented NGOs who aim to make use of ISF for sustainable community development. The study identifies governance, regulatory, and technological issues — including digitalization, asset activation, transparency, and institutional coordination — that need to be dealt with to ensure the ISF's developmental effects are maximized, and its effectiveness is in harmony with national priorities and with the SDGs.

II. LITERATURE REVIEW

2.1. Historical Foundations of Islamic Social Finance

Islamic Social Finance traces its origins from the earliest days of the age of Islam during the time of Prophet Muhammad (PBUH), who instituted zakat and waqf as foundational means for social welfare (Rusydiana & Khalifah, 2024). One of the earliest known examples of waqf is a land endowment for the Prophet's Mosque in Medina, a sign of how people endowed assets to serve the community. Prominent companions institutionalized it when Umar ibn al-Khattab gave his land in Khaybar for perpetual charity upon the Prophet's instruction, thereby establishing that waqf assets are inalienable and would be used exclusively for public benefit (Iskandar et al., 2025). Similarly, Uthman ibn Affan's purchase and endowment of the public well of Rumah demonstrated waqf's role in equal access to basic services. As Islamic governance expanded under the Umayyad, Abbasid, Mamluk, Seljuk and Ottoman rule, Islamic social finance instruments became more fundamental to statecraft and public administration (Omer, 2024). Waqf, in particular, would develop into a powerful financial institution that paid for countless networks of mosques, schools, hospitals, libraries, water systems and urban infrastructure. In

the Ottoman period, waqf achieved unparalleled levels of institutionalization: it financed such monumental complexes as the Suleymaniye Mosque and public services with funds from a well-managed public fund (Iskandar et al., 2023).

Even today, Islamic social finance continues to adapt to contemporary economic systems with structured institutions and innovative models by Islamic social finance. Countries all over the Muslim world have significantly reformed zakat administration to make it professionalized, expanded the productive and cash waqf and embedded Islamic social finance into national development strategies and strategies for economic sectors (Iskandar et al., 2025). The contemporary digitalization of Islamic financial framework – hybrid instruments, including waqf–sukuk, waqf-based microfinance and digital zakat platforms – will take the reach of ISF into health, education, development of microenterprises and environmental protection in a wide range of financial aspects (Rizal & Pakkanna, 2023). Such developments are an indicator of the current relevance and flexibility of Islamic social finance as a tool for sustainable development and socio-economic sustainability.

2.1.1. Core Shariah Principles and Ethical Foundations

Islamic Social Finance operates within the normative framework of Shariah's objectives, which emphasize the protection of faith, life, intellect, lineage, wealth, and the environment. Zakat, waqf, and sadaqah are instruments of risk-sharing, redistribution, solidarity, and trusteeship (Rizal & Pakkanna, 2023). They are not seen as private assets but as wealth, a divinely entrusted asset given for the benefit of the community—an ethical proposition that has been replicated throughout the history and contemporary practices of Islamic Social Finance. The three core components of Islamic Social Finance each serve unique socio-economic roles within the overall framework of Shariah-based welfare (Ascarya et al., 2023). Zakat is a compulsory redistribution mechanism aimed at reducing poverty levels, stabilizing household welfare, and providing basic needs and resources to vulnerable people. Waqf provides funds to acquire public goods such as education, healthcare, and community infrastructure in a long-term and intergenerational manner, perpetually. Complementing these is sadaqah, or infaq, a voluntary giving mechanism that offers flexible and quickly actionable support—an essential service for emergencies and humanitarian crises (Ascarya, 2022). Together, these mechanisms constitute a multi-tiered and mutually supporting social welfare system: zakat fills short-term consumption gaps, sadaqah responds to immediate and unexpected contingencies, and waqf contributes to system building and the long-term resilience of the community.

2.1.2. Historical and Contemporary Roles of Zakat, Waqf, and Sadaqah

Zakat was historically institutionalized, being used as a fiscal and social stabilizing tool in the initial phases of Islamic governance that ensured wealth redistribution for the poor and indebted, travelers, and other eligible population (Iskandar et al., 2025). It functions as a poverty alleviator and the guarantor of the lowest levels of welfare has been at the heart of them over thousands of years. In this day and

age, zakat agencies have become much more integrated in terms of their functions, offering services encompassing cash transfers or consumption initiatives, productive zakat programs aimed at stimulating micro-business, health coverage, education, and disaster rescue. As digital infrastructure continues to gain traction, empirical research has demonstrated digital zakat management systems drive overall efficiency, transparency, and trust, greatly enhancing outreach processes and outcomes – and especially in Indonesia and Malaysia (Rizal & Pakkanna, 2023). It is an indication of how zakat has developed as a contemporary and data-driven social protection tool, which can be used to cater to local and social development. Waqf had been, however, historically a main engine for building general public infrastructure, supporting institutions and services for which social welfare is a priority.

Classical waqf endowments financed schools, universities, libraries, hospitals, water systems, social housing projects, and many community development centers were established and maintained to lower dependence on the state budget for short- and long-term public welfare (Ascarya & Tanjung, 2021). In the past few decades, there has been a paradigm shift in waqf development due to the development of new forms (the cash waqf, waqf-based microfinance, corporate waqf, and the waqf-sukuk structure). These developments broaden waqf financing to sectors such as green finance, health care, and social enterprise, providing pathways to development (Zawawi et al., 2023). Because of the permanence and the principles of capital preservation that waqf embodies, its dividends are not just short lived but last through the generations as a means of enabling structural resilience as well as sustainable community building in future generations.

Sadaqah which is voluntary gift-giving works both as an adaptable flexible philanthropic instrument and solution and in addressing needs in a community's emergency. It operates along a diverse spectrum of welfare activities such as humanitarian relief, food distribution, medical aid and temporary relief and the galvanization of community support (Afifah et al., 2023). Such informality and flexibility make it possible for communities to rapidly respond to crises thus sadaqah has particular importance in disaster affected areas, conflict areas or situations when the support systems from the institutions become very little in place. There is growing empirical evidence of its role in building social cohesion, enhancing collective agency, and in addressing social welfare unmet needs that are not immediately addressed by zakat or waqf. The two functions of sadaqah are to bind the society together and to strengthen the resilience of the society to shocks and uncertainties (Haji-Othman et al., 2025).

2.2. ISF and Sustainable Community Development

Islamic Social Finance (ISF) instruments contribute dynamically and positively to the Sustainable Development Goals (SDGs, notably those on SDG 1 on the eradication of poverty, SDG 3 on health and well-being, SDG 4 on quality education, SDG 8 on decent work and economic growth, SDG 10 on reducing inequalities, and SDG 11 on resilient communities) (Billah et al., 2024). Through

its redistributive function, zakat serves to stabilize household income and help to prevent the depletion of essential assets among vulnerable groups; thus, meeting the immediate welfare need and reinforcing the economic security mechanism.

Waqf as a permanent fund provides finance for educational establishments, health clinics and important community infrastructure, thus aiding in the development of the generations and building the institutional capacity. And sadaqah also strengthens emergency readiness and societal solidarity by offering flexible assistance in periods of disaster and addressing social and economic needs in which action for relief is essential. Once these devices work collectively under integrated approaches, such as ZISWAF, ISF becomes a holistic development tool to address immediate problems along with structural deficits, and long-term community sustainability (Muqorobin & Urrosyidin, 2023).

2.3. ISF and Community Resilience: Dimensions and Mechanisms

Increasing academic research emphasizes the role of Islamic Social Finance in several aspects of community resilience. According to the identification in this manuscript and bolstered by recent literature, resilience can be conceptualized in five interrelated dimensions: economic, social, institutional, environmental, and psychological (Hamzah & Yudiawan, 2023; Kamaruddin et al., 2024). The ISF instruments alleviate household vulnerability through livelihoods, microenterprise financing, and income diversification, fostering economic resilience. Waqf investment in agriculture, marketplaces, and vocational training further improves productivity and economic employment opportunities in the region and makes our economies more resilient to external shocks.

Social resilience is enhanced by the trust networks, solidarity norms, and collective action encouraged through zakat, waqf, and sadaqah – in which coordinated actions in times of crisis and community cooperation are required (Ascarya & Tanjung, 2021). These tools are intended to reinforce shared accountability and social solidarity – the bedrock of a social fabric that is not easily broken. Meanwhile, institutional resilience arises through better governance practices relevant to that of managing contemporary ISFs. Digitalization of zakat administration and e-waqf platforms improve transparency, accountability, and operational efficiency, which bolsters the trust of the local community in religious and financial institutions (Elmahgop et al., 2025). Afforestation programs, investments in renewable energy, irrigation systems, climate adaptation, and other waqf-funded initiatives encourage environmental resilience that contribute to ecological sustainability and reduce community exposure to environmental risks (Judijanto et al., 2025).

Finally, psychological resilience is improved with ISF programs that foster a sense of belonging, empowerment, and agency among the community. Local or community-owned waqf facilities and zakat-funded training or empowerment programs give not just material support, but also social comfort and motivation, hence strengthening a collective to recover from adversity (Kamaruddin et al., 2024). Despite the wide applicability of ISF at the scale of the five realms, the majority of the available studies are not systematic in terms of identifying resilience and

in assessing these dimensions in an organized fashion or doing so systematically. This gap highlights the necessity of a cohesive conceptual approach, which the current study seeks to bridge with an integrated resilience-based framework.

2.4. Ascarya's Integrated Models of Islamic Social Finance

Ascarya has contributed a significant part in shaping Islamic Social Finance (ISF) scholarship by merging social and commercial Islamic finance and achieving sustainable development outcomes. His 2024 thesis is to construct models of waqf-inspired Islamic microfinance — how waqf assets can be combined with microfinance mechanisms, such as building up livelihoods, healthcare, and education, while also strengthening resilience of households and communities through sustainable income generation. In further support of this, Ascarya et al. (2023) identify waqf-based Islamic financial institutions based on governance, asset structures, and operational frameworks, highlighting the diversity of Islamic institutions and informing strategies to develop these based on a waqf approach.

Additionally, Ascarya & Suharto (2021) offer integrated models of zakat, waqf, and sadaqah, in conjunction with commercial Islamic financial instruments (like microfinance, murabaha, qard hasan) to achieve significant SDG targets such as poverty alleviation and enhancing the provision of health services. Ascarya & Tanjung (2021) further build on this work by demonstrating healthcare-awqaf frameworks that shift waqf for support to hospitals and health institutions in order to prove that waqf can provide sustenance to long-term welfare provision. Together, these frameworks emphasize the multidimensional and synergistic potential of ISF, including the need for institutional coherence and coordination. They directly help this study as they outline the links and pathways by which ISF instruments can be integrated for resilience building, sustainable community development, and beyond.

2.5. Conceptual Framework

This study develops a conceptual framework to analyze how Islamic Social Finance (ISF)—through its core instruments of zakat, waqf, and sadaqah—fosters sustainable community development. All three instruments serve different purposes: zakat provides immediate redistribution and income support; waqf supports long-term social and economic infrastructure; and sadaqah offers flexible, rapid-response assistance (Ascarya, 2022). These form the two sides of a single financing system that can handle immediate needs and structural development needs together. These ISF instruments interact with a set of five important dimensions of community resilience: economic, social, institutional, psychological, and environmental. ISF mechanisms support communities to develop the capacity to withstand, adapt to, and recover from a variety of shocks through income stabilization, strengthened social networks, improved governance transparency, enhanced community agency, and environmental stewardship.

Reinforcing these pathways of resilience will have a direct impact on achievement of foundational sustainable development goals, such as poverty alleviation, improving health and education, reducing inequalities, and creating

resilient community infrastructure. This framework is enhanced to deepen these linkages, building on Ascarya’s integrated ISF models, which highlight the alignment between social and commercial Islamic finance in the pursuit of broader development objectives (Ascarya, 2026). The successful deployment of such a system requires supportive governance practices, including regulatory coherence, accountability mechanisms, digital platforms, and active community participation. Together, the framework depicts how ISF can serve as a coherent, institutionally grounded enabler of sustainable and resilient community development.

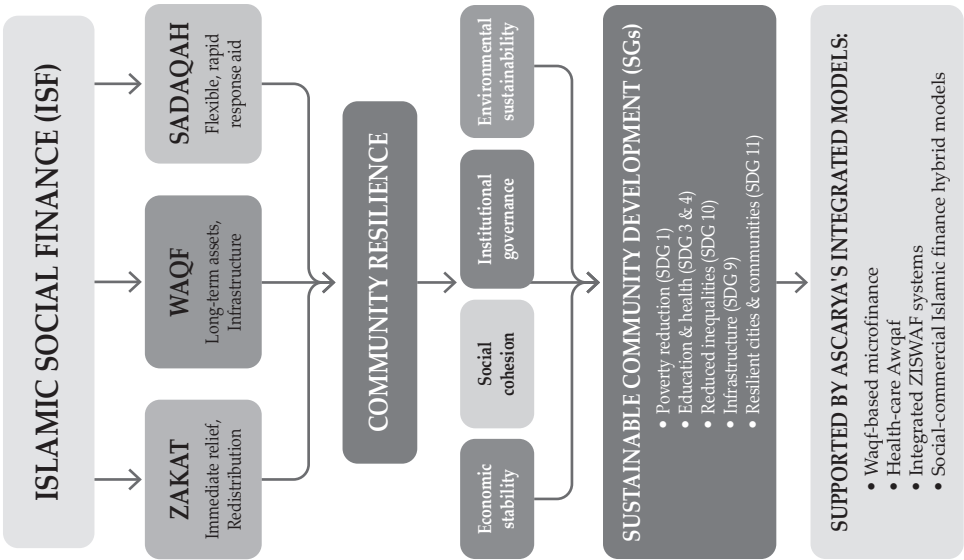


Figure 1.
Integrated Model of Islamic Social Finance (ISF) Pathways to Community Resilience and Sustainable Development

III. METHODOLOGY

3.1. Research Design

The study uses a two-tier methodological approach, specifically the bibliometric analysis and PRISMA-guided systematic literature review (SLR). The bibliometric element illustrates the distribution of publications, the key authors, top journals, leading countries, and core theme clusters in Islamic Social Finance (ISF) literature. This quantitative overview offers a clear outline of the structured history of evolution from 2010 to 2025 in the field. In parallel to this, we conduct a systematic literature review based on PRISMA 2020 to understand the developmental and resilience-building role of zakat, waqf, and sadaqah. The SLR synthesizes empirical evidence from studies to show the roles these tools play in poverty alleviation, social welfare, and multidimensional community resilience. Combining these two methodological approaches allows the study to connect descriptive scholarly mapping with substantive analytical exploration. While bibliometric analysis sheds light on the intellectual landscape and research patterns of ISF scholarship, the

SLR provides intricate evidence concerning ISF instruments and their effect on community development. Therefore, both offer a comprehensive and methodologically robust overview of the subject.

3.2. Data Sources and Search Strategy

Featuring in-depth coverage of the Islamic Social Finance (ISF) literature, the research conducted here utilizes five interdisciplinary and domain-specific academic databases: Scopus, Web of Science (WoS), Google Scholar, Emerald Insight, and JSTOR. The search strategy utilizes Boolean operators to identify the intersection between ISF instruments and development-oriented outcomes. The primary search string combines key terms related to Islamic Social Finance; “Islamic Social Finance,” “ISF,” “zakat,” “waqf,” and “sadaqah”—with terms representing sustainable development and resilience, including “poverty alleviation,” “healthcare,” “education,” “community resilience,” and the specific resilience dimensions of economic, social, and institutional resilience. The exact search sting used was:

“(ISF OR “Islamic Social Finance” OR zakat OR waqf OR sadaqah) AND (“community resilience” OR “poverty alleviation” OR “healthcare” OR “education” OR “sustainable development” OR SDG)”

Utilizing this strategy ensures the obtained literature reflects both thematic breadth and conceptual relevance. The period for all database searches is August to October 2025, covering publications from 2010 to 2025, a period marked by substantial academic growth in ISF research following the global financial crisis and the adoption of the Sustainable Development Goals (SDGs). The initial search yields a total of 1,400 records across the five databases, forming the foundation for subsequent screening, de-duplication, and systematic review procedures.

Table 1.
Data Search

Database	Initial Hits	Final Included Articles
Scopus	360	22
Web of Science	310	19
Google Scholar	340	18
Emerald Insight	220	17
JSTOR	170	17
Totals	1,400	93

3.3. De-duplication and Screening Procedures

The screening method was conducted in a structured, multi-stage process and aligned with PRISMA 2020 guidelines. The first step comprises extensive de-duplication of records from the five databases. Duplicates were removed through title matching, DOI comparison, and manual visual inspection. This process reduced the initial pool from 1,400 records to 1,045 unique articles. Following stage two, title and abstract screening was carried out independently by two reviewers according to pre-specified criteria for inclusion and exclusion. This

method ensured retention of only items that are strongly related to Islamic Social Finance and sustainable community development.

After all of this screening, 356 articles were classified as suitable for full-text assessment. Stage three involved full-text screening (interrogating for thematic relevance, methodological rigor, and congruence with the study's objectives). The factors measured referred to are clarity of research design, substantive discussion of zakat, waqf, or sadaqah, and contribution to at least one aspect of community resilience or sustainable development. At the last stage, studies that were unable to adhere to the criteria were excluded, and a total of 93 peer-reviewed articles are included in the final synthesis. These articles constitute the empirical source for thematic analyses and subsequent bibliometric mapping analyses.

3.4. Inclusion and Exclusion Criteria (Condensed)

The study provides clear inclusion and exclusion criteria to determine focus and quality. Articles are eligible if they investigate zakat, waqf, or sadaqah, address at least one area of sustainable community development or resilience, were published in peer-reviewed journals between 2010 and 2025, are written in English, and provide empirical, conceptual, or theoretical insights into Islamic Social Finance. Papers are excluded for lack of substantial analysis (comments or opinion pieces), are not peer-reviewed, do not investigate ISF instruments, and exclusively focus on commercial instruments, such as sukuk or Islamic banking. Duplicate records and articles with missing full texts are also removed. These criteria ensure data quality and thematically driven research.

3.5. Quality Appraisal and Risk of Bias Assessment

A systematic quality appraisal approach is used to appraise all eligible studies. CASP checklists are used to assess qualitative research, MMAT for mixed-methods studies, and establish QUANT appraisal criteria for quantitative research. All articles are graded on their clarity of goals/objectives, methodological rigor, validity and reliability of findings, coherence of argumentation, and transparency of data reporting. The final synthesis excludes studies that do not meet the minimum quality threshold. Multiple safeguards are taken to mitigate potential biases. Selection bias is reduced through searches in multiple databases, and screening bias is minimized with independent dual-reviewer screening. The inclusion of independent coding and cross-verification also limits any confirmation bias. The review also recognizes some publication bias, namely, the overrepresentation of studies from Southeast Asia.

3.6. Inter-Rater Reliability

To keep up consistency (in order to decrease reviewer bias) two trained reviewers independently conducted screening and data extraction. The inter-rater reliability is examined using Cohen's Kappa, providing values $\kappa = 0.84$ for title and abstract screening and $\kappa = 0.80$ for full-text screening. Values for both of the findings are above the conventional threshold for strong agreement which indicates good

consistency between the reviewers. Discrepancies during screening or data extraction are resolved by discussion, and consensus resolution increases the methodological rigor of the review.

3.7. Data Extraction Process

Data are extracted on a coding sheet, according to a standardized coding sheet which is designed to capture all relevant information systematically and consistently. The included papers are identified using bibliographic details and country context, as well as the specific ISF instrument(s) examined, their methodological approach employed and resilience dimensions addressed. While this review is not prospectively registered; all procedures strictly follow PRISMA 2020 guidelines to ensure transparency and reproducibility. Finally, key empirical findings and any stated policy implications are included for downstream thematic synthesis. Both reviewers independently verified all extracted data to ensure accuracy and completeness.

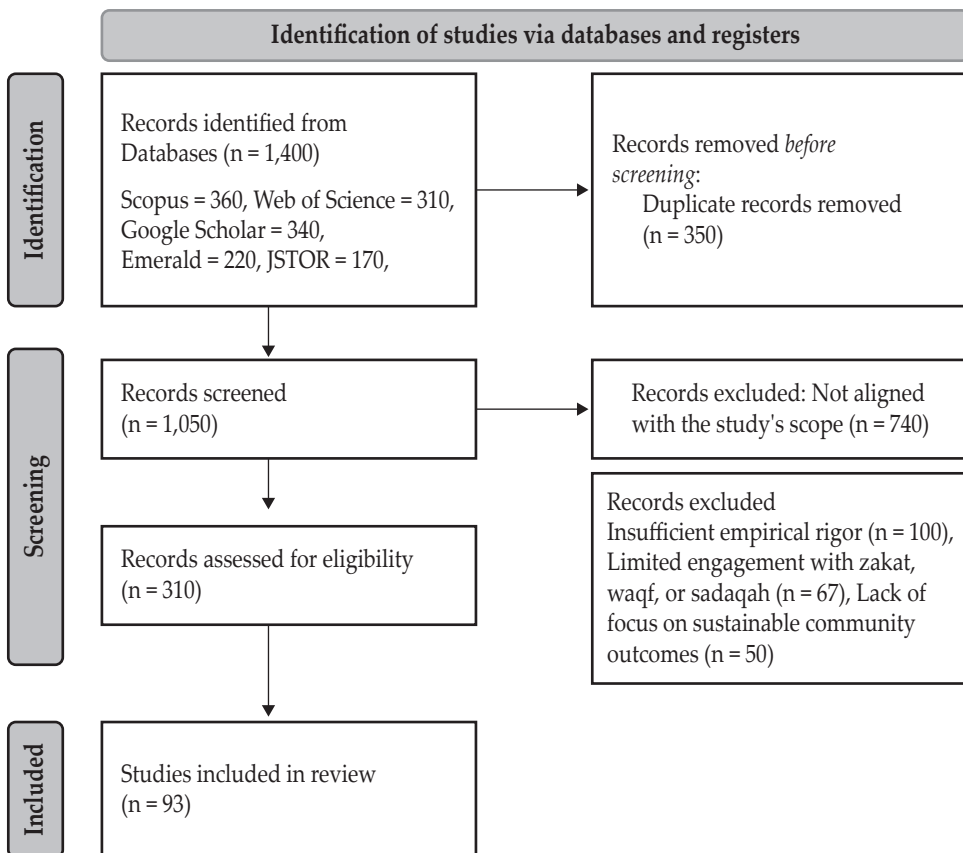


Figure 2.
PRISMA 2020 Flow Diagram for New Systematic Reviews Which Included Searches of Databases Only

3.8. Bibliometric Analysis Procedures

The bibliometric analysis is performed using VOSviewer (version 1.6.x) for co-occurrence as well as network analyses. Following predefined parameters: a full counting method is applied, a minimum keyword occurrence threshold of five is set, and association strength normalization is used to determine similarity across items. Four types of networks—keyword co-occurrence, author co-authorship, country collaboration, and citation networks—are analyzed to give a full overview of the intellectual structure within ISF research. Prior to analysis, extensive data cleaning includes disambiguation of author names (e.g., “A. Rahman” vs. “Abdul Rahman”) and the standardization of thematic keywords such as “waqf,” “awqaf,” and “waqf endowment.” Non-thematic or overly generic keywords are excluded to ensure better clarity and interpretability of the network visualizations.

3.9. Ethical Considerations

This study relies exclusively on secondary scholarly sources and does not involve human participants or primary data collection. As such, it poses no direct ethical risks. All materials analyzed are already publicly available, and appropriate citation practices are followed throughout to ensure academic integrity and respect for intellectual property.

IV. RESEARCH RESULTS

4.1. Bibliometric Results

4.1.1. Publication Trends (2010–2025)

Over the past fifteen years, publication output in Islamic Social Finance has been gradually rising in relation to increasing scholarly interest in the governance of zakat institutions, the management and revitalization of waqf assets, the role of Islamic philanthropy in welfare provision, and the wider promise of ISF as a means to strengthen the resilience of communities.

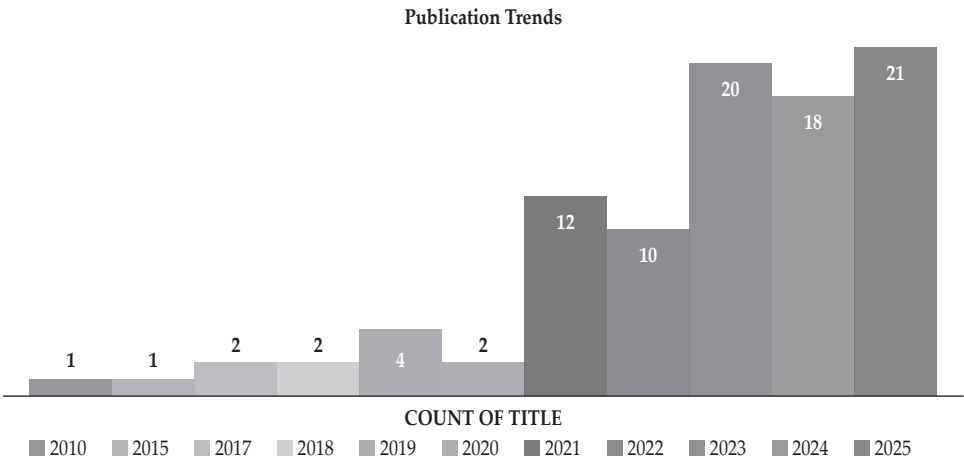


Figure 3.
Growth of Publications Over Time

There is notable rise in publications from 2017 onward. This increase is consistent with a number of global and regional developments, such as the revival of post-financial crisis interest in alternative economic systems, solidification of zakat and waqf structures in Southeast Asia, and the absorption of ISF tools in national interventions towards the Sustainable Development Goals. The rapid digitalization of ISF platforms during the COVID-19 pandemic has resulted in increased enthusiasm for academic development, by emphasizing the flexibility and policy significance of these tools in emergencies. Together, these patterns indicate that ISF has developed into a mature and methodologically diverse discipline of growing significance in the scholarly and practical domain (Rusydiana et al., 2025).

4.1.2. Most Influential Articles and Authors

The widely cited Islamic Social Finance (ISF) literature highlights the diverse development roles of zakat, waqf and sadaqah. Works such as *“Application of Waqf for Social and Development Finance”* and Ascarya’s *“The Role of Islamic Social Finance during the Covid-19 Pandemic in Indonesia’s Economic Recovery”* (each with 121 citations) underscore waqf’s developmental ability and the crisis resilient capability of ISF respectively. Razak’s *“analysis of zakat and waqf as tools for alleviating poverty”* (95 citations) underscores redistributive impact, and broader reviews including *“Islamic Social Finance: A Literature Review and Future Research Directions”* (83 citations) and *“Role of Zakat in Sustainable Development Goals”* (56 citations) build a stronger theoretical and practical basis. Crisis-focused and conceptual studies including *“The Potential of Islamic Social Finance to Alleviate Poverty in the Era of COVID-19”* (56 citations) and *“Mapping Waqf Research”* (55 citations) reveal ISF responsiveness as well as research structure. Regional publications such as *“Wakaf as an Instrument of Islamic Economic Development,”* *“Utilisation of Zakāh and Waqf Fund in Micro-Takāful Models in Malaysia”* (54 citations each) and *“Waqf and its Role in Socio-Economic Development”* (52 citations) also attest to waqf’s continued socio-economic significance.

Table 2.
Key Articles

Title	Authors	Citation in publications
<i>“Application of waqf for social and development finance”</i>	Salman Ahmed Shaikh, A. Ismail, M. H. M. Shafiai	121
<i>“The role of Islamic Social Finance during Covid-19 pandemic in Indonesia’s economic recovery”</i>	A. Ascarya	121
<i>“Zakat and waqf as instrument of Islamic wealth in poverty alleviation and redistribution”</i>	Shaikh Hamzah Abdul Razak	95
<i>“Islamic Social Finance: a literature review and future research directions”</i>	L. Kuanova, R. Sagiyevea, Nasim S. Shirazi	83
<i>“Role of Zakat in Sustainable Development Goals”</i>	Salman Ahmed Shaikh, A. Ismail	56

Table 2.
Key Articles (Continued)

Title	Authors	Citation in publications
<i>"The potential of Islamic Social Finance to alleviate poverty in the era of COVID-19: the moderating effect of ethical orientation"</i>	Umar Habibu Umar, Abubakar Jamilu Baita, H. Haron, Sadanu Hamza Kabiru Kabiru	56
<i>"Mapping waqf research: a thirty-year bibliometric analysis"</i>	Burhan Uluyol, Silvana Secinaro, D. Calandra, Federico Lanzalonga	55
<i>"Wakaf sebagai Instrumen Ekonomi Pembangunan Islam"</i>	Nasrul Fahmi Zaki Fuadi	54
<i>"Utilization of zakāh and waqf fund in micro-takāful models in Malaysia: an exploratory study"</i>	S. Mikail, Muhammad Ali Jinnah Ahmad, S. Adekunle	54
<i>"Waqf and its Role In Socio-Economic Development"</i>	Mazrul Shahir Md. Zuki	52

4.1.3. Country Collaboration Patterns

The co-authorship analysis of the country indicates a strong geographical tendency in the distribution of the Islamic Social Finance research. Indonesia and Malaysia are significant contributors, evidence of their strong institutional commitment to zakat and waqf reform and active Islamic economics research communities. There are moderate amounts of academic work from countries including Nigeria, Pakistan, Turkey, and several Gulf states whose interest in ISF is increasing, though less systematically developed. In contrast, cross-regional collaboration, especially between African and Middle Eastern institutions, seems relatively limited. Bibliometric evidence shows, therefore, a significant focus on Southeast Asia with limited engagement from the rest of the regions with long-established ISF traditions.

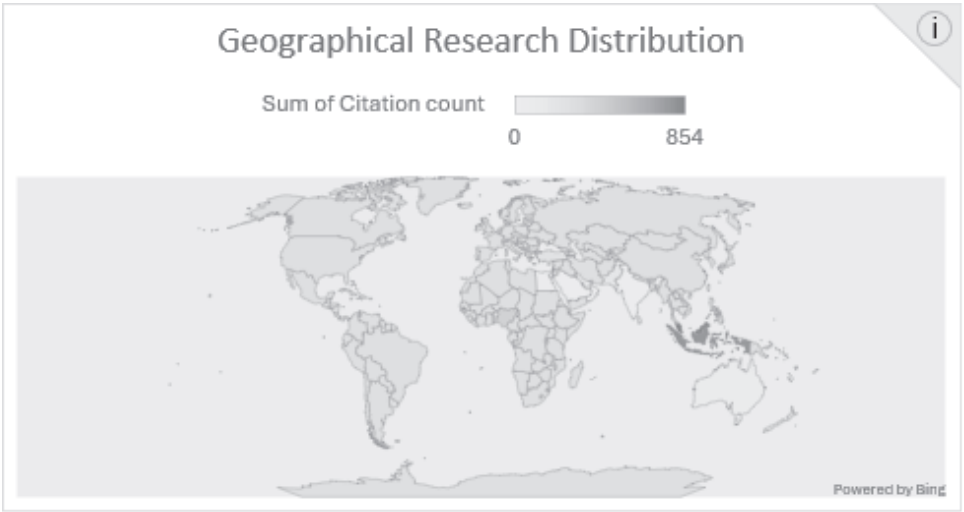


Figure 4.
Country Collaboration Patterns

4.1.4. Collaboration Networks among Researchers and Institutions

4.1.4.1 Term Co-occurrence: Mapping Conceptual Focus Areas

The VOSviewer term co-occurrence map illustrates the major thematic clusters in ISF and sustainable community development research, generated using full counting, an association-strength normalization method, and a minimum keyword occurrence threshold of five, consistent with bibliometric standards. Prior to the analysis, author names were manually disambiguated (e.g., consolidating variations such as “A. Rahman” and “Abdul Rahman”) to ensure accuracy in the network structure.

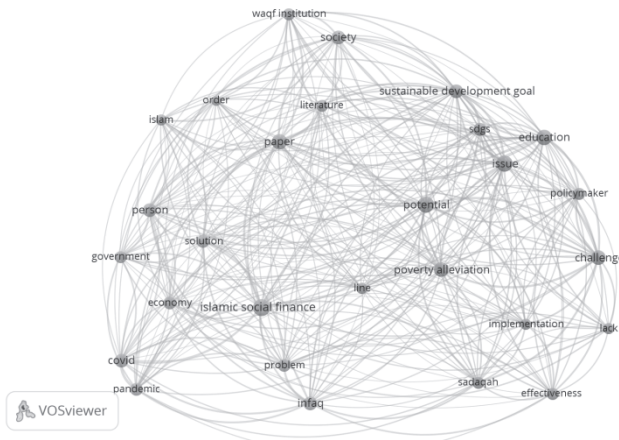


Figure 5.
Term Co-occurrence: Mapping Conceptual Focus Areas

The green cluster associates ISF elements, in this case zakat and infaq, with concepts such as economy, solution, and government, highlighting their key role in economic resilience, especially during crises such as COVID-19. The blue cluster focuses on social actors and institutions—waqf institutions, society, and literature—indicating attention to societal structures and theoretical foundations. The red cluster represents the themes of sustainable development such as the SDGs, education, policymakers, and implementation challenges (Wojnarowska & Ingraio, 2024), highlighting concerns about effectiveness, poverty alleviation, and policy impact. Cumulatively, these linked clusters illustrate the interdisciplinary aspect of ISF-related studies, and to what extent social finance mechanisms, institutional features, and development goals cohere in shaping academic debates and how local capacities are operationalized in practice for community resilience.

4.1.4.2 Keyword Co-occurrence Clusters

The VOSviewer keyword analysis, generated using full counting, association-strength normalization, and a minimum keyword occurrence threshold of five (with author names manually disambiguated), reveals four major thematic clusters in the ISF literature.

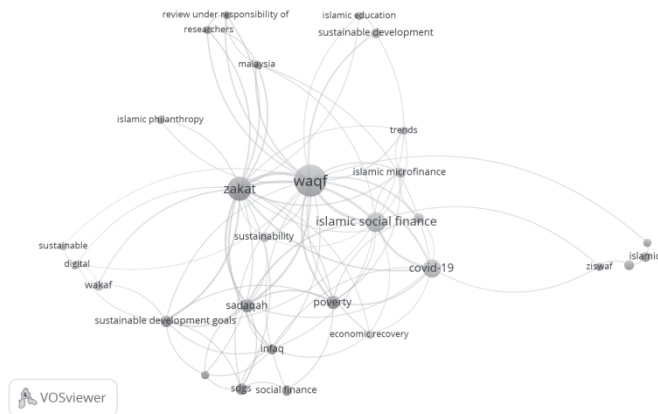


Figure 6.
Keyword Co-occurrence: Research Themes and Emerging Priorities

The first centers on zakat and poverty alleviation, with terms such as zakat, poverty reduction, and financial inclusion, reflecting research on income stabilization and productive zakat initiatives. The second cluster focuses on waqf and sustainable development, represented by waqf, endowment, and education, highlighting waqf’s role in financing long-term infrastructure and public services. A third cluster captures Islamic philanthropy and social welfare, including sadaqah, charity, and social solidarity, pointing to work on humanitarian relief, crisis response, and community cohesion. The fourth cluster concerns governance, fintech, and institutional resilience, with keywords such as governance, accountability, and digital zakat, signaling strong attention to institutional capacity and digital transformation. Together, these clusters show converging themes around poverty reduction, public goods provision, philanthropy, and governance—core elements supporting resilience-building across communities.

4.1.4.3 Co-authorship: Research Collaboration Networks

The co-authorship network map—built from VOSviewer with full counting, association-strength normalization, a minimum of five co-authorship links, and manual author-name disambiguation—shows two major cooperation clusters of ISF studies. The red cluster is anchored by *Muhammad, Adamu Abubakar* — teaming with *Ardo, Adam Muhammad; Hussaini, Hamza Abubakar; Aliyu, Shafaat Ahmad; and Tafida, Adama Lawal*, illustrating solid collaborations around the principles of resilience, zakat distribution, and community wellness. The green cluster that *Ahmad, Muhammad Hamma-Adama* led with *Yakub, Abubakar Aliyu and Mikail, Usman Jibril* connects Islamic finance with broader sustainability and development issues. *Muhammad, Adamu Abubakar* does indeed act as an intellectual link between the clusters, facilitating cross-topic exchange.

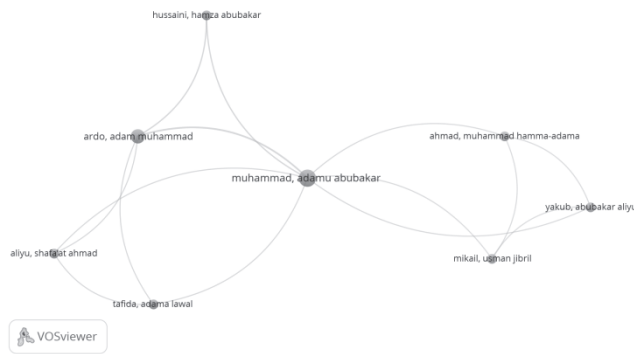


Figure 7.
Co-authorship: Research Collaboration Networks

While these regional partnerships are strong, limited cross-continental collaborations are found in the network between Asia, the Middle East, Africa and Western-based institutions. The further expansion of such alliances would enrich comparative insights and consolidate worldwide knowledge of what role zakat, waqf and sadaqah plays in sustainable community resilience.

4.2. Thematic Content Analysis (SLR Findings)

The examination of the 93 studies included in the systematic review identifies five major themes, each describing one of the dimensions of community resilience and sustainable development. They describe how zakat, waqf, and sadaqah function as complementary instruments to strengthen the economic, social, institutional, psychological, and environmental systems within communities.

Theme 1: ISF for Economic Empowerment and Poverty Reduction

The first theme emphasizes the important role of Islamic Social Finance in enhancing economic resilience. Zakat, waqf, and sadaqah collectively support income stabilization and livelihood development, through which incomes increase and livelihood vulnerability decreases as well. Successful zakat programmes – including microenterprise financing, vocational training, and asset-based support – enhance the income sources and alleviate poverty risks of the recipients (Ascarya & Tanjung, 2021; Busari & Salaudeen, 2024). Waqf-funded initiatives in agriculture, marketplace development, and microfinance both serve to bolster local economic structures and to foster sustainable livelihoods (Mohamed & Shafiai, 2021). Sadaqah is a flexible complement, offering short-term consumption smoothing during shocks or periods of economic distress. This is especially clear in Indonesia and Malaysia and indicative of the high level of ISF institutionalization that we have seen in these countries.

Theme 2: ISF for Education, Health, and Human Development

The second theme illustrates the role of ISF – particularly waqf – in providing resources for human development, particularly focusing on educational and

health investments. Waqf-funded hospitals, clinics, and medical programs also improve health coverage in the community, while cash waqf is critical in providing scholarships, building schools, and teacher training (Ascarya & Tanjung, 2021; Iskandar et al., 2023). Zakat helps in terms of healthcare insurance, medical costs, and educational expenses for low-income households. These initiatives together help SDG 3 (Health) and SDG 4 (Education), whilst enhancing psychological resilience through increased opportunities and enhanced well-being (Masithoh et al., 2024; Rusydiana et al., 2023; Rusydiana & Khalifah, 2024).

Theme 3: ISF and COVID-19 Crisis Response

The third theme is the inclusion of ISF in crisis response, particularly during the COVID-19 pandemic, natural disasters, and conflict-induced displacement. The Sadaqah and emergency zakat were mobilised quickly for immediate relief—to provide food aid, cash transfers, medical supplies, and temporary housing (Hamzah & Yudiawan, 2023; Purwanto et al., 2021; Rizal & Pakkanna, 2023). Such interventions alleviated immediate suffering and built social resilience through collective action and community solidarity. Moreover, community-driven assistance provided emotional reassurance and psychological resilience to the stress and uncertainty of crises. This theme also reinforces the unique comparative advantage that ISF offers in emergency and humanitarian contexts (Hamzah & Yudiawan, 2023).

Theme 4: Governance, Accountability, and Institutional Resilience

The fourth theme highlights the centrality of institutional governance in building successful ISF systems. These trends appear in recent works such as digital zakat (e-zakat), blockchain-enabled waqf management, and enhanced transparency and accountability frameworks (Daud et al., 2025). This has created an atmosphere that enhances the public's confidence and encourages greater participation in ISF activities. Yet there remain challenges in regulatory harmonization and institutional coordination across agencies. Institutional resilience, specifically ISF institutions' ability to operate in a credible and efficient manner in the broader development environment, is directly impacted by stronger governance structures.

Theme 5: ISF, Sustainability, and Environmental Resilience

Fifth and emerging theme focuses on the growing role of ISF, especially waqf, in environmental resilience. Recent studies emphasize the contribution of waqf to renewable energy projects (such as solar and green waqf), environmental restoration initiatives, sustainable agricultural practices, and water management infrastructure (Mohamed & Shafiai, 2021; Othman et al., 2022; Rahmayati & Badawi, 2024). Such interventions help protect ecosystems, support climate adaptation, and ensure long-term environmental sustainability. While still a developing field, this theme reflects a growing recognition of ISF's potential role in ecological stewardship and sustainable development.

Collectively, these five themes represent the multi-faceted developmental possibilities of Islamic Social Finance. Through various modalities – economic empowerment, service provision, crisis response, institutional capacity

building, and environmental stewardship – ISF instruments contribute to communities’ resilience enhancement and to achieving sustainable development results. Results support the conceptual framework developed earlier and the integrative role of ISF in reinforcing societies in various domains of resilience.

4.3. Cross-Country Variations and Heterogeneity

The findings highlight the vast divergences in the development, institutionalization and implementation of Islamic Social Finance between countries. ISF systems in Malaysia and Indonesia also have solid institutional structures, have strong digitalization initiatives and are offering a wide variety of zakat, waqf, and sadaqah programs (Ascarya, 2026; Sarib et al., 2024). These are countries with integrated governance and regulatory frameworks conducive to new and emerging ideas. In Nigeria, growth has been notable in the zakat sector as collection and distribution systems are developing, while waqf governance is relatively weak and less formalized. Despite the strong historical legacy of waqf institutions in the region, the Middle East and Turkey have a surprisingly limited body of contemporary empirical research, which indicates a discrepancy between historical practices and the present-day literature (Omer, 2024; Priantina et al., 2025). Such differences stem from differences in regulatory environments, institutional maturity, technological adoption, and cultural norms. They also highlight the contextual nature of ISF implementation on its own and underline the need for cross-regional comparative research and understanding how diverse models of governance influence the effectiveness of ISF instruments across different regions.

4.4. Synthesis and Implications

Jointly, the bibliometric and thematic analyses provide evidence about how Islamic Social Finance contributes to the resilience of communities in being multidimensional. The results reveal the effectiveness of governance quality, transparency, and digital innovation on the performance and credibility of ISF institutions. To be clear, while the global applicability of the findings is limited because the reports are region-focused (center-setting in Southeast Asia in particular), there is evidence to suggest a need for expanded global engagement in this research domain. This evidence also reveals that integrated ZISWAF systems—especially systems associated with Ascarya’s models—have the power to create more integrated and meaningful social finance ecosystems (Ascarya, 2026; Ascarya et al., 2023). These integrated frameworks amalgamate the benefits of zakat, waqf and sadaqah with supporting governance and institutional processes to create a systematic framework to scale up the role of ISF in sustainable development (Afifah et al., 2023). Most importantly, the findings fall within the conceptual framework presented in Section 2.5, thereby supporting its validity and relevance in practice. The bibliometric analysis lays out the intellectual terrain and development of research in Islamic Social Finance while it synthesizes themes to show how ISF supports economic, social, institutional, psychological and environmental

resilience. The results, however, give a sound empirical underpinning to the remainder of the argument and the following policy recommendations.

V. DISCUSSION

The aim of the study is to investigate Islamic Social Finance (ISF)—with respect to zakat, waqf, and sadaqah—and its implications for sustainable community development and multidimensional resilience. The synthesis of bibliometric mapping and a PRISMA-guided systematic review provides a structural summary and a more in-depth synthesis of empirical evidence. The following discussion embeds the results within the wider theoretical discussions, discusses the consequences of variation across countries, and provides thoughts on the capability of integrated ISF systems to achieve development and resilience objectives.

5.1. ISF as a Multidimensional Mechanism for Community Resilience

The thematic synthesis indicates that ISF offers support for five interrelated dimensions of community resilience: economic, social, institutional, psychological, and environmental. This corroborates the proposition of the concept presented in Section 2.5 where the three ISF tools function via complementary pathways. Economically, we find evidence that productive zakat, waqf microfinance and livelihood-support programs reduce vulnerability, contribute to income stability, and strengthen local economic structures (Afifah et al., 2023). This echoes resilience theory's focus on adaptive capacity—the ability of households and communities to create means and capabilities to endure and recover from shocks. At an organizational level ISF promotes a sense of collective solidarity and cohesion (concepts that are consistent with social capital theories especially in times of crises). Sadaqah's quick mobilization capability and zakat's targeted assistance, in turn strengthen trust and community connectivity, underpinning the absorptive aspect of resilience (Sarib et al., 2024).

The institutional developments on the digital platforms, governance reforms and transparency are enhancing the credibility and capacity of ISF institutions. The institutional resilience theory emphasizes that viable, trusted institutional capabilities are crucial for sustained community stability and this relationship is supported by the Malaysian and Indonesian experience in particular (Rizal & Pakkanna, 2023). Psychologically empowering programs financed by zakat and waqf foster agency, dignity, and hope among recipients. These results are consistent with Sen's Capability Approach, which sees development as a process of extending the freedom and capabilities of individuals. Environmentally, these emergent waqf-based sustainability projects—solar energy waqf, reforestation, sustainable agriculture—illustrate how ISF can address social welfare issues in the short, as well as those relating to more permanent ecological conservation. It is an echo of the increased compatibility of ISF with sustainable development goals (Ascarya & Suharto, 2021; Billah, 2021; Masithoh et al., 2024). Collectively, these results reinforce ISF as a robust mechanism for multidimensional development rather than a simple charitable instrument.

5.2. Divergent National Trajectories and Institutional Pathways

A fundamental conclusion derived from the bibliometric and thematic analyses is that there is variation in relation to institutionalization and operationalization of ISF across countries. Malaysia and Indonesia have developed the most sophisticated systems with strong regulatory frameworks, digitized zakat and waqf platforms, and diversified programmatic portfolios (Othman et al., 2022). These are examples of cases where institutional maturity and state-supported governance enhance the developmental impact of ISF. On the other hand, in Nigeria, zakat mobilization is substantial but waqf structures are still limited and relatively underdeveloped (Muhammad et al., 2024). At the same time, Turkey and Middle Eastern countries, countries rich in traditional waqf practices, have few contemporary empirical studies at the moment, showing that there is a discrepancy between the historical practice of endowments and modern evidence generation. These differences emphasize an important theoretical concept: ISF effectiveness is heavily influenced by local governance structures, legal frameworks, and cultural norms. ISF is not a uniform system but a context-sensitive ecosystem whose outcomes depend on institutional capacity and regulatory clarity. This confirms that heterogeneity should be acknowledged rather than generalized.

5.3. Alignment with Ascarya's Integrated ISF Models

The results substantiate Ascarya's notion that integrated ZISWAF systems – uniting zakat, waqf, and sadaqah with commercial Islamic finance instruments – have a broader developmental impact than fragmented models (Ascarya, 2026). The results show that as a whole, each of the Islamic Social Finance instruments has a supporting role: zakat facilitating short-term consumption and emergency relief, waqf providing long-term asset development, sadaqah providing flexible and quick support, and commercial Islamic finance enhancing overall financing capability and sustainability. They collectively build an integrated system connected to the SDGs and resilience theory by showing that communities benefit most when ISF instruments implement the principles in an aligned, holistic manner (Ascarya & Suharto, 2021; Ascarya & Tanjung, 2021; Rusydiana et al., 2022, 2023). This study thus enhances theory by demonstrating empirically how the convergence of social and commercial Islamic finance promotes transformative resilience, allowing communities to adapt not simply to manage, but also to progress.

5.4. The Role of Governance and Digital Transformation

Digital innovation stands at the heart of institutional resilience and organizational effectiveness as a fundamental force. Studies on e-zakat platforms, blockchain-based waqf management, and AI-assisted beneficiary profiling have demonstrated that technology improves transparency, reduces leakages, increases trust, and improves service delivery. Governance frameworks similarly play a decisive role. Jurisdictions with clear regulations, strong supervisory bodies, and standardized reporting—for example, Malaysia's JAWHAR, Indonesia's BAZNAS/BAWI, and their associated state laws—demonstrate higher collection efficiency, stronger

public confidence, and broader developmental reach (Afifah et al., 2023). These findings underscore the argument that good governance is not an auxiliary feature but a foundational determinant of ISF's developmental impact.

5.5. Gaps, Limitations, and Emerging Opportunities

Despite the explosive growth of Islamic Social Finance scholarship, there remain several important aspects that this field suffers from. The research remains heavily focuses in Southeast Asia, where geographic representation is imbalanced and its results suffer from a generalizability limitation. Comparative studies conducted across regions are few and empirical work of waqf activation outside Asia is notably lacking. Likewise, although sustainability with ISF's possible contributions is well-known, research on environmental resilience is still in its early stages. Methodological rigour is also extremely heterogeneous between studies in the fields of research design, measurement and/or reporting. These holes present promising avenues for exploration by more informed scholars of future studies. It is hoped that scholars will also undertake further larger cross-national comparative studies with a view to determining how institutional, cultural and regulatory settings shape the overall success of an ISF. Experimental and longitudinal analysis would add weight to causal claims of effects of ISF, and institutional ethnographies could provide enhanced understanding on governance practices of zakat and waqf institutions. Integrating ISF into climate adaptation and environmental sustainability strategies is emerging as a potential avenue along with the design and testing of hybrid ZISWAF-microfinance models intended to enhance resilience. Moreover, the penetration of ISF into new fields like green energy, disaster preparedness, and digital financial inclusion is a signal for innovative policy-relevant research with potential to solve global development challenges.

VI. CONCLUSION AND POLICY RECOMMENDATIONS

6.1. Conclusion

This paper studied the role of Islamic Social Finance in sustainable community development and multi-dimensional resilience in zakat, waqf and sadaqah. Combining the PRISMA-supported literature review methodology and bibliometric analysis into the study, it represents both a structural literature review and a systematic integration of literature and evidence into a synthesis of real-world applications. The study findings indicate that ISF forms a holistic, multi-tiered development strategy to enhance the level of resilience in the five principal dimensions of resilience, namely Economic, Social, Institutional, Psychological and Environmental. The evidence indicates that zakat provides immediate assistance by stabilizing consumption and mitigating crisis effects; waqf makes possible investment in education, health, infrastructure, and sustainability; sadaqah promotes flexibility and rapid response in times of emergencies; and commercial Islamic finance strengthens system-wide sustainability by providing managed finance. The combined instruments collectively serve like a combined ecosystem that is compatible

with SDGs and resilience theory that strongly validate the conceptual structure presented in the current study and provide support for the integrative models advocated by Ascarya. Also, the bibliometric analysis demonstrates that the ISF is developing, although the ISF research is largely dominated by Southeast Asia. National differences in institutional maturity, governance systems, and technology implementation in ISF systems lead to differing impacts, indicating a need to develop context-specific policies. In addition, limitations in comparative research, environmental sustainability, and waqf activation and other comparative research beyond Asia serve as opportunities for future study. On the whole, the research highlights that Islamic Social Finance is more than just a philanthropic and social development system; it is a strategic development mechanism to strengthen national social protection frameworks, support the SDGs and promote community strength, rather than a philanthropy tool based on generosity and benevolence, for the national social protection in a time of fast changing global realities.

6.2. Policy Recommendations

6.2.1. Strengthen Governance, Regulation, and Institutional Coordination

Effective ISF systems require clear regulation, standards-based compliance, and strong institutional mandates. Governments should enhance governance through zakat and waqf harmonization, SDG-aligned national ISF strategies, and improved monitoring with transparent reporting, digital tools, and audits. Collaboration among key stakeholders is essential to build public trust, improve collection efficiency, and ensure effective distribution.

6.2.2. Accelerate Digital Transformation of ISF Institutions

Digitalization is vital for expanding outreach, reducing costs, and improving accountability. Zakat and e-waqf platforms using AI for beneficiary targeting and blockchain for transparent asset management enhance efficiency. Interoperable systems linked to national payment gateways and social databases further improve accountability, crisis response, and engagement of younger donors.

6.2.3. Promote Integrated ZISWAF Models for Holistic Development

Building on Ascarya's integrated models, policymakers should develop a unified ISF ecosystem linking zakat, waqf, and sadaqah. Connecting ZISWAF with microfinance and Islamic banking can support community hubs and joint financing for education, healthcare, renewable energy, and social housing, generating more sustainable and transformative development outcomes than fragmented approaches.

6.2.4. Expand ISF's Role in Climate Adaptation and Environmental Resilience

Sustainability is a neglected yet promising area of ISF. Governments and waqf institutions should promote green waqf for renewable energy, reforestation,

and climate adaptation, while zakat can support disaster preparedness, climate resilience training, emergency response, and sustainable farming to strengthen food security and resilience in vulnerable regions.

6.2.5. Enhance Accountability, Transparency, and Public Engagement

Donor confidence is essential for ISF sustainability. This requires real-time disclosure of collections and distributions, standardized accounting and reporting, independent audits, and public awareness campaigns highlighting impact. Greater transparency boosts participation and strengthens overall development outcomes.

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