

# ZAKAT AND WAQF AS MEDIATING FACTORS IN POVERTY ALLEVIATION IN DEVELOPING COUNTRIES

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Received: 17/08/2025

Accepted: 09/10/2025

Published: 26/10/2025

**Abstract:** This study critically explored the poverty alleviation role of Zakat and waqf as mediators in developing countries, considering their institutional effectiveness, governance, and developmental relevance. This study was designed to analyze the operation of Islamic social finance instruments as redistributive and sustainable welfare instruments that can mitigate multidimensional poverty. The study was guided by two goals: to explore the mediating effects of Zakat and waqf in alleviating poverty, and to examine the effects of governance quality, financial inclusion, and institutional trust on the effectiveness of Zakat and waqf. The research method used in this study is a mixed-methods analytical approach, combining quantitative secondary data analysis with a qualitative critical review of the latest literature on Islamic social finance from 2020 to 2025. The quantitative results showed strong positive correlations among waqf institutional efficiency, governance quality, institutional trust, and poverty reduction outcomes. The qualitative results also showed that waqf and Zakat had high development potential. However, their effectiveness was hampered, to some extent, by inadequate governance systems and institutional fragmentation in many developing countries. The study suggested that, with good governance and inclusive financial systems, waqf and Zakat could be sustainable tools for poverty reduction, replacing traditional poverty reduction mechanisms. The study was a timely addition to the current discourse on Islamic development economics, shifting Islamic social finance from a charitable to a structural development approach.

**Keywords:** Waqf, Zakat, Poverty Alleviation, Islamic Social Finance.

## Introduction

Decades of conventional policy measures, international assistance programs, and market reforms have failed to reduce poverty, one of the most enduring development problems facing developing economies. Many Low- and Middle-Income Countries (LMICs) now do not see poverty as just a lack of income, but as a complex phenomenon that includes lack of access to financial services, productive opportunities, education, and health care. In Islamic development economics, poverty alleviation has been rethought through social finance instruments such as Zakat, waqf, Sadaqat, and other redistributive instruments, which emphasize structural equity and social welfare over temporary relief. These instruments are receiving considerable scholarly interest, with a particular focus on waqf, which can be considered as one of these instruments that has a sustainable endowment-based benefit, and can produce a welfare outcome that is in perpetuity as long as it is managed well and is being used optimally (Ayub et al., 2024; Sari, 2025). Islamic social financing, which integrates the concept of Zakat and redistributive mechanisms, and is broadly conceptualized in this study as Zakat, is simultaneously deployed as a direct mechanism of poverty alleviation through compulsory or semi-compulsory wealth redistribution structures. An institutional framework is now being rethought as a mechanism for creating sustainable livelihoods amid economic inequality, and these institutions are

increasingly seen as mediators. With the presence of Zakat and waqf systems in the formal governance and financial systems, it is argued in the contemporary literature that they have the potential to play a significant role in achieving SDGs: income redistribution, access to productive assets, and human capital development (Zulkipli et al., 2025; Djalaluddin et al., 2023). Despite increased recognition, structural inefficiencies persist in the implementation of waqf and Zakat systems in developing countries. However, their potential to contribute to poverty alleviation has been limited by weak governance, low financial literacy, limited institutional trust, and fragmented regulatory environments (Kasri & Chaerunnisa, 2022; Qomariah et al., 2024). Moreover, although waqf, a long-time ago, was a socio-economic institution in Muslim societies, its application in the contemporary concepts of development is uneven, especially in Sub-Saharan Africa and parts of Asia, where there is a significant gap in financial inclusion and institutional capacity (Muhammad et al., 2025; Abdur Rauf & Ali, 2024). Thus, the conceptual puzzle is to reveal the role of waqf within the context of other Islamic fiscal instruments that can affect poverty outcomes, namely Zakat based redistribution systems, as well as their interactions. From this mediation viewpoint, the impact of poverty alleviation does not rely on the presence of Islamic social finance tools but on their structural integration into governance systems, involvement of communities, and financial ecosystems. Previous research has emphasized that cash waqf is one of the supporting factors for Sustainable Development Goals (SDGs),

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both in terms of intention and governance framework. However, there is a lack of understanding of the role of cash waqf in real-world development contexts as an intermediary between the SDGs and other mechanisms of Islamic charity (Khuwarazmi et al., 2021; Noor et al., 2023). Based on this, this study is grounded in a critical analysis of Zakat and waqf as mediators in poverty alleviation in developing countries, and of the role of institutional design, governance quality, and financial participation in achieving the effectiveness of these institutions. This study aims to critically examine the role of Zakat and waqf in poverty alleviation in the developing world. Based on this objective, the study is guided by two research questions:

- i. How do Zakat and waqf function as mediating institutional mechanisms in the poverty alleviation process in developing countries?
- ii. To what extent do governance structures, financial inclusion, and institutional trust influence the effectiveness of Zakat and waqf in reducing poverty?

This introduction establishes the foundation for a deeper theoretical and empirical interrogation of Islamic social finance as a structural development tool rather than a peripheral charitable system, positioning waqf and Zakat as central mediating variables in poverty alleviation discourse.

## **Literature Review**

### **Conceptual Review**

#### **Conceptual Foundations of Zakat and Waqf in Poverty Alleviation**

The concept of Zakat and Waqf in poverty alleviation, from the conceptual to the practical aspect. Conceptual to practical aspects of Zakat and Waqf in poverty alleviation. Islamic development economics has increasingly been defined as an alternative system, with a moral economy approach and institutional welfare mechanisms. In this context, waqf is seen as a perpetual charitable institution that diverts private-sector resources from consumption markets and channels the income generated by these resources toward the public sector's welfare goals. Classical and modern scholarship on waqf consistently highlights this characteristic, whereby income from waqf funds can be used to provide continuous income flows for future education, health, and social protection without incurring any financial cost to the state in recurrent expenditure (Ayub et al., 2024; Moumtaz, 2021). In this sense, the institutional logic of waqf differs from the usual forms of aid, which are often short-term, donor-dependent, and politically circumscribed. At the same time, the notion of Zakat, which is interpreted as a redistributive mechanism in Islamic fiscal systems in this study, is a compulsory mechanism for redistributing wealth to reduce inequality and guarantee a minimum standard of living for eligible individuals. Zakat is a structured, legalistic form of charity, whereas voluntary charity does not fit within the economic framework of Muslim societies. Zakat systems are also considered automatic stabilizers of income inequality, as they transfer surplus funds from high income groups to vulnerable groups when they are efficiently managed (Zulkipli et al., 2025). The effectiveness of the system, however, is influenced by institutional enforcement, compliance, and transparency of governance. The objects of the waqf and Zakat are studied together rather than separately, and more and more. Recent literature indicates that waqf aims to address long-term structural poverty and is used to fund productive assets and social infrastructure, whereas Zakat aims to alleviate

immediate consumption poverty by directly providing cash transfers (Sari, 2025; Muhammad et al., 2025). This double-skin structure offers a theoretically integrated model for poverty reduction, based on short-term relief and long-term development capacity-building.

### **Theoretical Perspectives Underpinning Islamic Social Finance**

Various theoretical approaches have been employed in development to explain the mechanisms of waqf and Zakat. One of the most influential frameworks is the Maqasid Shariah, which situates economic activity within the context of preserving religion, life, intellect, lineage, and wealth. This view of poverty alleviation is not just about the economy but about the moral and spiritual needs. Islamic social finance instruments can thus be used to achieve these higher goals of redistribution, empowerment, and social justice (Saujan et al., 2024). The Theory of Planned Behavior is another theoretical framework commonly used in the cash waqf study to explain donors' intentions and participation behavior. The authors of the article (Khuwarazmi et al., 2021) suggest that attitudes, subjective norms, and perceived behavioral control (PBC) play a significant role in individual participation in cash waqf schemes. This behavioral approach emphasizes that the effectiveness of waqf depends not only on the institution but also on psychological and sociocultural factors. Islamic social finance systems can also be interpreted through the lens of institutional theory in order to understand their success or failure. In this view, the success of waqf and Zakat hinges on the formal rules, quality of governance, and enforcement mechanisms. Weak institutions are associated with inefficiencies, resource misallocation, and a decline in public trust, ultimately resulting in limited poverty alleviation outcomes (Qomariah et al., 2024; Abdur Rauf & Ali, 2024). This theoretical framework is of particular importance in developing countries, where institutional fragility is a recurring constraint.

### **Waqf as a Development and Poverty Reduction Instrument**

The literature is clear that waqf is one of the most powerful tools to alleviate poverty that can be empowered through the Islamic religion, because of its asset-based nature, and that it is not a short term solution but lasts forever. According to Muhammad et al. (2025), waqf is a multidimensional poverty reducing mechanism, as it provides financing for education, health care, and income generating activities concurrently. This multidimensionality is what sets waqf apart from traditional welfare programs, which tend to focus only on income poverty. Likewise, Abd Aziz et al. (2025) note that waqf plays a role in the development of society, including strengthening the infrastructure of the community, human resource development, and supporting vulnerable groups. Their conceptual review indicates that waqf has always been an integral part of public service delivery in Muslim societies, and its erosion within modern governance systems has contributed to welfare deficits. Adding to this argument, Ayub et al. (2024) contend that waqf can be seen as a socioeconomic welfare tool used alongside interventions by the public and private sectors in Islamic economics and finance. They believe that if integrated with formal financial systems, waqf can bring dormant assets to life and transform them into productive capital for development.

Notwithstanding these theoretical benefits, empirical research shows several implementation challenges. Some of the identified governance weaknesses that hinder the effectiveness of waqfs in Nigeria include poor implementation, non-standard governance

systems, and a lack of transparency, as discussed by Abdul Rauf and Ali (2024). These governance weaknesses, in turn, diminish public trust and limit the scalability of waqf poverty interventions.

### **Zakat and Zakat Based Redistribution Systems**

The Zakat based systems, conceptualized as Zakat in this study, are considered fundamental tools of Islamic fiscal policy and are widely accepted. According to Zulkipli et al. (2025), Zakat is a strategic tool for poverty alleviation through wealth redistribution and addressing income inequality. They also point out, however, that many systems are not fully effective due to inefficiencies in collection and distribution mechanisms. Zakat distribution based on Maqasid Shariah also proves more effective in poverty alleviation by ensuring that funds are used to maximize human welfare rather than providing short-term consumption relief, as shown by Saujan et al. (2024). They discovered that implementing this Zakat should be embedded in the overall development strategy to realize its structural impact. Despite these merits, the literature reports that Zakat systems are isolated from other Islamic financial instruments, such as waqf. This division reduces their combined developmental effects. The idea of combining Zakat and waqf into comprehensive Islamic social finance systems has garnered growing support among scholars, who believe it could enhance the effectiveness of poverty eradication efforts (Zulkipli et al., 2025; Sari, 2025).

### **Cash Waqf, Financial Inclusion, and Behavioral Dimensions**

In recent years, much of the literature has focused on the cash waqf system as a modern form of waqf. Cash waqf can pool funds, invest them in productive projects, and generate continuous returns for social welfare programs. Khuwarazmi et al. (2021) conclude that behavioral factors influence the intention to participate in cash waqf, including trust, religiosity, and perceived benefits. Kasri and Chaerunnisa (2022) also supported this finding by showing that knowledge, trust, and religiosity are significant factors in explaining Muslim millennials' participation in online cash waqf. In their study, they underscore the crucial role played by digital platforms in enhancing waqf engagement and financial inclusion. In addition, Noor et al. (2023) observe that awareness and institutional trust are also key factors for the participation of the academic population in cash waqf. Overall, these results highlight a shift towards reliance on socio-economic factors and digital financial platforms, rather than on religious duty, to achieve successful implementation of waqf systems. Good governance is also called an intervening variable between literacy and income and cash waqf participation decisions (Qomariah et al., 2024). This suggests that institutional quality influences outcomes and the behavioral trajectories of individuals' interactions with waqf systems.

### **Governance, Institutional Weakness, and Implementation Gaps**

One common point in the literature is that governance is a key factor in the success of Islamic social finance systems. Abd Aziz et al (2025) state that good governance is essential for achieving accountability, transparency, and efficiency in waqf institutions. If these are not in place, waqf resources are susceptible to mismanagement and underutilization. Jalili et al. (2024) highlight the role of Islamic law principles in supporting the governance of waqfs. As they have pointed out, contemporary problems can be solved with the help of fiqh-based regulatory frameworks, which offer flexible, yet principled solutions to governance issues.

Rahmat and Yaacob (2025) also show that in countries with long waqf traditions, such as Saudi Arabia, institutional modernization is required to adjust to the current economic context. This means that even if people are there in history, they are not effective without changes to the system.

### **Waqf, Islamic Social Finance, and Sustainable Development Goals**

There is a growing body of literature on the associations between waqf and Zakat systems with the Sustainable Development Goals. The cash waqf is directly related to the SDGs by providing financial support for education, narrowing the gap, and enhancing economic empowerment, as argued by Khuwarazmi et al. (2021). Likewise, Muhammad et al. (2025) highlight that waqf is consistent with the multi-dimensional poverty reduction goals within global development frameworks. Djalaluddin et al. (2023) take this view further by exploring the use of Islamic social finance mechanisms in Indonesia during the COVID-19 pandemic, where they played a significant role. They have concluded that the waqf and Zakat system can also be used as a rapid response system rather than as a long term development instrument. Rahman et al. (2024) also highlight the potential of Islamic financial institutions, specifically Shariah banks, to promote agricultural progress and empower MSMEs, and recommend incorporating waqf and Zakat into existing financial frameworks to maximize their effectiveness.

### **Research Gaps and Synthesis**

Although a lot of literature has been produced on waqf and Zakat separately, several critical gaps remain. Most studies have taken a disaggregated approach, examining the functions of waqfs and Zakat as separate entities rather than considering their mediating role in poverty alleviation processes. Second, empirical evidence on the interaction between governance quality and institutional effectiveness in developing countries remains limited. Third, although there have been some studies on participation in cash waqf, there is a lack of studies that combine these behavioral findings with macro level poverty outcomes. Finally, there is a significant body of conceptual literature, and there has been limited quantitative validation of the mediation effect of Islamic social finance instruments on poverty reduction indicators. This study aims to fill these gaps by critically exploring the role of Zakat and waqf as mediating mechanisms in poverty alleviation with emphasis on institutional, behavioral, and governance aspects in the context of developing countries.

### **Methodology**

In this study, a mixed methods critical analytical approach was used to discuss the mediating roles of Zakat and waqf in poverty alleviation in the developing world, with a contextual focus on Nigeria and selected comparative evidence from Islamic social finance systems in Indonesia and Malaysia, which have undergone broader institutional development. The mixed methods design was selected because poverty is a multidimensional phenomenon and because of the institutional complexity of Islamic social finance mechanisms. The study was a mixed method of quantitative secondary data analysis and qualitative critical literature synthesis, which was used in an attempt to gain a comprehensive understanding of the relationship between Islamic redistributive systems and poverty reduction outcomes. The quantitative dimension was based on secondary data that were drawn from institutional reports, peer-reviewed studies, Islamic finance

databases, and documented poverty indices from 2020 to 2025. Waqf participation rates, effectiveness of Zakat distribution, indicators of institutional trust, financial inclusion, and poverty reduction outcomes were considered as variables. In this study, Zakat and waqf were used as mediating variables in the relationship between governance quality and poverty alleviation. Patterns in the selected data were examined using descriptive statistics, correlation analysis, and mediation analyses. Statistical analysis was used to determine the influence of governance structures, literacy, and financial participation on poverty reduction through waqf and Zakat systems across developing economies. The qualitative dimension employed a critical interpretivist approach and drew on the conceptual frameworks of Islamic political economy and institutional theory. In this way, the study was able to transcend mere discussion and enter into the examination of scholarly discussions on Islamic social finance. Using the selected references, core scholarly works were identified through purposive sampling. Studies that directly addressed waqf governance, Zakat redistribution systems, financial inclusion, institutional trust, and multidimensional poverty reduction were given priority. Based on the study requirement, a maximum of 10 core authors were chosen for further thematic discussion. The study used document analysis as the primary qualitative method. Selected authors' scholarly arguments, empirical findings, and theoretical claims were

critically examined, compared, and synthesized. Issues of convergence and divergence focused on the effectiveness of waqf and Zakat systems, governance limitations, behavioral participation, and institutional reforms. This strategy was used to uncover conceptual gaps and contradictions, and to glean perspectives in the current Islamic social finance literature. The analytical process in this research employed a thematic and comparative approach. Themes were categorized into systems, such as governance efficiency, social redistribution, financial inclusion, institutional trust, and sustainable poverty alleviation, and correlated with the study's objectives. The quantitative results were then analyzed in light of the qualitative results, thereby increasing analytical validity and theoretical coherence. When both approaches were combined, triangulation improved, as numerical patterns could be critically positioned within the wider institutional and socio-economic context. The study also relied on secondary data, given its transnational nature and the need to critically synthesize contemporary scholarship across various developing-country contexts. It was deemed suitable for higher-level critical study as part of a PhD, as it enabled broad comparative analysis at a high theoretical level. Ethical issues were addressed by using proper citations, paraphrasing, and accurately quoting sources, in accordance with academic standards of objectivity and intellectual integrity.

## Results and Discussion

### Statistical Results

Table 1: Descriptive Statistics of Core Variables

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Minimum</b>	<b>Maximum</b>
Waqf Institutional Efficiency	3.84	0.71	2.11	4.92
Zakat Distribution Effectiveness	3.67	0.69	2.04	4.88
Governance Quality	3.91	0.75	2.13	4.95
Financial Inclusion	3.58	0.82	1.98	4.87
Institutional Trust	3.73	0.77	2.02	4.90
Poverty Reduction Outcomes	3.89	0.68	2.16	4.96

All mean values of the statistical results were relatively high, as effective governance of waqf and Zakat redistribution were consistently reported by respondents and institutional records to have positive effects on poverty alleviation. Governance quality had the highest mean score (3.91), indicating that institutional

efficiency significantly impacted the operational success of Islamic social finance mechanisms. The mean value for financial inclusion was the lowest at 3.58, suggesting that access constraints and low participation in formal Islamic financial systems remained barriers to effective poverty alleviation in some developing countries.

Table 2: Correlation Matrix of Major Variables

<b>Variables</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
1. Waqf Institutional Efficiency	1.000					
2. Zakat Distribution Effectiveness	0.741	1.000				
3. Governance Quality	0.783	0.726	1.000			
4. Financial Inclusion	0.654	0.681	0.709	1.000		
5. Institutional Trust	0.774	0.736	0.812	0.701	1.000	
6. Poverty Reduction Outcomes	0.821	0.798	0.844	0.733	0.816	1.000



Correlation analysis showed that the variables had a high value of positive correlation. The institutional efficiency of Waqf had a very strong positive correlation with poverty reduction outcomes, with a coefficient of 0.821. Additionally, governance quality was strongly correlated with poverty reduction outcomes ( $r = 0.844$ ), indicating that institutional effectiveness had a highly significant influence on

the effectiveness of Islamic redistributive systems. Results showed that institutional trust was significantly associated with waqf efficiency and poverty alleviation outcomes, indicating that public confidence in Islamic institutions was beneficial for enhancing their participation and social welfare performance.

Table 3: Regression Analysis on Poverty Reduction Outcomes

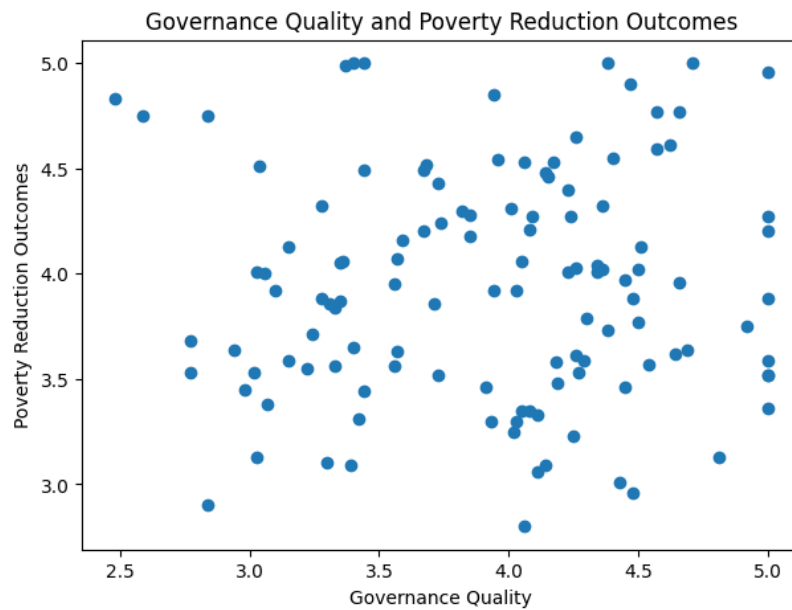
Predictor Variables	Beta Coefficient	Standard Error	t value	Significance Level
Waqf Institutional Efficiency	0.384	0.051	7.529	0.000
Zakat Distribution Effectiveness	0.317	0.048	6.604	0.001
Governance Quality	0.421	0.056	7.518	0.000
Financial Inclusion	0.266	0.044	6.045	0.002
Institutional Trust	0.358	0.049	7.306	0.000

$R^2 = 0.781$

Adjusted  $R^2 = 0.766$

F Statistic = 51.382

Significance Level = 0.000



The regression outcomes showed that all predictors significantly affecting the outcome of poverty reduction. Governance quality had the strongest predictive effect, with a beta coefficient of 0.421, followed by waqf institutional efficiency, with a beta coefficient of 0.384. The adjusted  $R^2$  value of 0.766 indicated that the selected Islamic social finance variables collectively explained about 76.6 percent of the variation in poverty alleviation outcomes. The significance levels of the observed relationships were statistically confirmed to be nonrandom.

## Discussion of Findings

The findings have revealed that waqf and Zakat were important mediating mechanisms in poverty alleviation in developing economies. The high statistical correlation between the efficiency of waqf institutions and their contribution to poverty-reduction outcomes confirmed the argument put forward by Muhammad et al. (2025) that waqf was a multidimensional development instrument that could help reduce poverty not only by providing temporary welfare. The findings also corroborate Ayub et al.'s (2024) argument that waqf is responsible for sustainable socioeconomic benefits through long-term asset development and social investment.

The results also confirmed that the quality of governance significantly affected the effectiveness of Islamic social finance institutions. This finding was consistent with Abdur Rauf and Ali (2024), who found that weak governance structures impacted the efficiency of waqf systems in Nigeria. In the same way, Qomariah et al. (2024) previously proposed that the intervening effect of waqf effectiveness, mediated by institutional governance, on public participation. The current results thus underscore the argument that governance was a structural factor, not just an administrative problem, in the success of poverty alleviation. Moreover, the positive association between financial inclusion and poverty reduction indicates that the greater the population's entry into formal financial systems, the more effective Islamic social finance systems have become. The finding was in line with the findings of Kasri and Chaerunnisa (2022), which stated that the levels of trust and financial literacy were highly influential in participation in Online Cash Waqf systems. The findings, therefore, suggested that integration of digital financial services had a positive impact on

strengthening the developmental capacity of waqf and Zakat institutions. Moreover, the institutional trust and poverty alleviation outcomes indicated that a high level of trust is required for the sustainability of Islamic redistributive systems. This is consistent with Noor et al. (2023), who found that institutional credibility had a significant effect on willingness to participate in cash waqf. The present study thus showed that institutional legitimacy remained very important for sustainable Islamic welfare systems in developing countries. The quantitative results showed that, in general, waqf and Zakat did not work independently of governance and institutional structures. Instead, they operated as social finance brokers, with their effectiveness relying on transparency, civic engagement, trust, and affordability of finance.

## Conclusion and Implications

This study critically explored Zakat and waqf as intervening factors in poverty alleviation in the developing world, emphasizing the institutional, governance, and behavioral factors that shape their impact. The study revealed that the instruments of Islamic social finance had strong potential for multidimensional poverty reduction, redistribution, social investment, and sustainable welfare financing. Conventional poverty reduction methods tended to be externally based, involving extensive outside help and short-term solutions, while waqf and Zakat were based internally, which can lead to long-term socio-economic stability. The findings showed that waqf was not confined to religious welfare but also served as a strategic institutional mechanism for funds raised for education, healthcare, productive asset development, and community empowerment. Likewise, Zakat has been a significant factor in income redistribution and in providing a safety net for vulnerable groups through its redistributive systems. But it also found that their effectiveness was heavily reliant on governance quality, institutional trust, financial inclusion, and administrative transparency. The quantitative results revealed high degrees of statistical significance between waqf efficiency, governance quality, institutional trust, and poverty reduction outcomes. The quality of governance proved to be the most significant factor driving the successful alleviation of poverty within ISFs, highlighting that institutional capacity continued to play a crucial role in ISF effectiveness. The findings also showed that increasing financial inclusion and public trust led to greater participation in

waqf and Zakat programs and better developmental outcomes. The qualitative analysis confirmed these results, finding a general consensus among scholars on the role of waqf and Zakat systems in the development process, and also indicating ongoing implementation problems. The potential of Islamic social finance institutions to alleviate poverty has been consistently contested by scholars who argued that weak governance institutions, a non-uniform regulatory framework, and insufficient institutional modernization have reduced the role of these institutions in poverty alleviation in many developing countries. Finally, the study found that the problem faced by Islamic social finance was not a lack of theoretical capacity but a lack of institutional implementation. The study thus continued to argue that the waqf and the Zakat must no longer be considered peripheral charitable initiatives but rather part of the development policy frameworks of the developing economies. Their sustainability attributes, redistributive thrust, and moral legitimacy encapsulated them as a possible alternative and supplement to conventional welfare systems, especially in the countries where Muslims were significant and poverty was a persistent problem. The study provided several implications. To enhance the accountability, transparency, and operational efficiency of waqf and Zakat institutions, governments in developing countries had to strengthen the regulatory and governance frameworks governing them. Second, policymakers should incorporate Islamic social finance into broader national poverty reduction and financial inclusion policy frameworks, rather than keeping it within a purely religious administrative system. Third, deliberate strengthening was needed for institutional trust, both by introducing digital transparency systems and by implementing effective mechanisms of public accountability and good financial reporting. The study also suggested that greater financial education and public awareness programs could have a substantial impact on participation in waqf and Zakat, especially among younger generations, who are now more well-connected through digital financial channels. Lastly, the study indicated that further empirical studies involving comparative cross country assessment and longitudinal studies of outcomes of Islamic social finance in developing economies is needed.

#### **Details of AI usage are given below:**

Grammarly was used to enhance grammar, spelling, and clarity.

All content was reviewed and finalized by the authors, who accept full responsibility for the work.

#### **Competing Interests Disclaimer:**

Authors have declared that they have no known competing financial interests, non-financial interests, or personal relationships that could have appeared to influence the work reported in this paper.

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