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Integrating Waqf and Islamic Social Finance for Inclusive Development: Frameworks, Governance and Impact Evaluation

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ABSTRACT

The study additionally investigates the linkages between waqf and Islamic financial instruments, including zakat and microfinance, in promoting inclusive development. A systematic literature study and case studies from several nations (Malaysia, Indonesia, Turkey, Singapore, to be determined). This research has revealed the emergence of alternate models, such as cash waqf, as well as governance problems, including non-uniform guidelines and structured effect evaluation. The research findings reveal that cash waqf increases enterprises' income by 12% in Indonesia; yet, due to insufficient transparency, stakeholders lose their faith. The study suggests that the country must implement a cohesive regulatory framework, a waqf impact index, and digital platforms to enhance its efficiency. hence facilitating the achievement of the Sustainable Development Goals within the Islamic finance framework.

Keywords: waqf; Islamic Social finance; governance; sustainable development; inclusive economy;

INTRODUCTION

Context and Rationale

The Islamic social finance sector (ISF), encompassing waqf, zakat, sadaqah, infaq, and qardhul hasan, plays a crucial role in promoting equitable and inclusive economic development and poverty alleviation, both in Muslim-majority regions and worldwide (Ishak et al., 2024; Widiastuti et al., 2022). Islamic financial tools are founded on principles such as social justice, the prohibition of exploitation, and ethically guided investing, serving as an alternative to conventional financial institutions that are often ineffective in assisting the impoverished. (Çizakça, 2014). The World Bank (2022) reports that about 1.9 billion individuals reside in nations where Islamic finance prevails, demonstrating the capacity of these institutions to influence global inequality. Waqf, being a permanent and non-transferable asset, is well positioned to provide a sustained stream of public benefits, including financial assistance to the underprivileged for educational, medical, and infrastructural needs (Ghamallah et al., 2021). Waqfs were the primary support for public policy institutions, including hospitals, schools, and irrigation systems throughout the Ottoman Empire, thereby contributing to the restoration of socio-economic order in society (Çizakça, 2014). In contemporary society, the waqf has evolved from a conventional charitable entity into an investment instrument, exemplified by cash waqf and corporate waqf, serving as mechanisms for capital mobilization to support green growth (Lestari et al., 2023).

The revision of the waqf model within the larger Islamic social finance sector, encompassing zakat and Islamic microfinance, results in an interactive system adept at addressing both short-term and long-term requirements (Kettell, 2013). Zakat serves as an urgent kind of assistance, such as food and shelter, but waqf is intended to finance long-term infrastructural initiatives (Widiastuti et al., 2022). This connection aligns with the Sustainable Development Goals (SDGs), namely SDGs 1, 4, and 10, which focus on eradicating poverty, ensuring access to quality and equitable education, and attaining resource distribution equity globally (United Nations, 2023). The

UN's 2023 report stated that Islamic social finance is essential for combating inequality and aligning budgets with the Sustainable Development Goals (SDGs), with an annual potential of USD 1 trillion in support for the world impoverished population. The study determined that Islamic social finance will serve as a substantial source of funding for the Sustainable Development Goals, projecting an annual investment of USD 1 trillion.

Statement of the Problem

Nevertheless, the waqf sector encounters numerous problems, despite its considerable potential. Inconsistent regulatory regimes across jurisdictions impede the development of waqf initiatives. In Indonesia, the decentralized governance of waqf contributes to a lack of coordination, resulting in around 70% of waqf land being idle or underutilized (Sukmana, 2020). The second, nontrans parent management of the waqf undermines stakeholder trust, as fewer than 40% of waqf organizations in Southeast Asia publicly provide financial reports (Hassan et al., 2023). Third, the absence of a defined impact measurement technique impedes the ability to assess the effectiveness of waqf initiatives in achieving development outcomes such as poverty alleviation or literacy promotion (Lestari et al, 2023).

The absence of comprehension and societal acceptance of modern waqf models exacerbates these challenges. In numerous nations, waqf is presently seen solely as a religious endeavour rather than an investment instrument (Darusa et al., 2024). This has subsequently left the potential for utilizing waqf for inclusive development largely untapped. This paper addresses these gaps by examining integration models, governance challenges, and effect evaluation methodologies, proposing evidence-based solutions.

Objectives of the Research

This study seeks to analyse the integrated models of waqf with other instruments of Islamic social funding in the context of inclusive development.

1. Assess the governance issues and regulatory frameworks in waqf implementation across various nations.
2. Propose a standard for waqf impact evaluation and technical advancements to enhance waqf efficacy.
3. Propose policy alternatives to enhance the supportive contributions of Islamic finance to sustainable development.

Importance of the Research

This work contributes to the existing data by offering a comprehensive analysis of waqf integration with the ISF, a topic that has been insufficiently explored in prior research. It provides explicit guidance for policymakers, waqf administrators, and researchers in developing an effective governance framework and suitable impact measurement instruments. Furthermore, the research aligns with the global sustainable development goal, facilitating the attainment of the SDGs through Islamic social financing.

Waqf can serve as a mechanism for inclusive development; nevertheless, erratic laws, dishonesty, and ineffective evaluation methods impede its implementation. The governance discrepancies among countries, such as Indonesia and Turkey, impede the expansion of waqf programs due to opaque financial reporting that undermines stakeholder trust. This study aims to delineate integration approaches, evaluate governance challenges, and propose evidence-based recommendations.

LITERATURE REVIEW

Fundamentals of Islamic Social Finance

The principles of Islamic social finance are founded on justice, risk-sharing, and the prohibition of riba (interest) and gharar (speculation) according to Shariah (Çizakça, 2014). This functions as a perpetual waqf, wherein the principal is safeguarded and the returns are allocated for benefits (Ghamallah et al., 2021). It ensures the preservation of funds, which are exclusively retained without any diminutions. Five If lowered, د to 2, w, س =

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not general, in. Zakat is a mandatory kind of almsgiving aimed at alleviating poverty, whereas sadaqah and infaq are discretionary and adaptable contributions (Widiastuti et al., 2022). Qardhulhasan (interest-free loan) and Islamic microfinance support small enterprises in enhancing economic participation (Mahat et al., 2015).

Integration Models of Waqf and Islamic Social Finance

The integration model of Waqf and ISF offers two combinatory options. Integration of waqf with supplementary instruments It comprises a heterogeneous environment. A research by Lestari et al. (2023) demonstrated that cash waqf, in conjunction with Islamic microfinance in Indonesia, resulted in a 12% increase in revenue for small enterprises over a two-year period. In Malaysia, corporate waqf, exemplified by Johor Corporation, has generated over RM100 million yearly for social purpose initiatives (Razak and Amin, 2024). This concept demonstrates the collaboration between waqf and zakat to address both immediate and prolonged requirements (Widiastuti et al., 2022).

Governance of Waqf

Challenges in waqf management include fragmented regulations and a lack of openness. The Waqf assets, overseen by the Waqf Directorate in Turkey, exceed USD 10 billion; yet, 30% of these funds remain unutilized due to excessive bureaucracy (Hassan, Khan & Baydoun, 2023). The Indonesian Waqf Board reported that 25% of the 180,000 hectares of waqf land in Indonesia are utilized solely to their productive capacity (Sukmana, 2020). Nonetheless, Malaysia's centralized administrative structure has enhanced efficiencies by the use of digitization through systems such as Wakaf Selangor (Ishak et al., 2024).

Evaluation of Impact

Notwithstanding WAQF's potential, its impact evaluation remains unstandardized, with most institutions relying on qualitative metrics derived from narrative reports (Lestari et al., 2023). Widiastuti et al. (2022) created an effect evaluation approach utilizing Sustainable Development Goal indicators, including literacy rates and poverty reduction. However, the lack of quantitative evidence has resulted in limited utilization of this concept.

Research Deficiencies

Notwithstanding the advantageous attributes of waqf, there exists a paucity of research concerning harmonized regulatory frameworks, standardized effect assessment mechanisms, and the implications of emerging technologies like blockchain on waqf governance. This paper aims to address these deficiencies by offering empirical evidence and policy recommendations.

Author (Year)	Research Focus	Key Findings	Research Gaps
Ishak et al. (2024)	Waqf for sustainable agriculture	Success factors include technology investment	Lack of quantitative impact assessment
Lestari et al. (2023)	Cash Waqf in Indonesia	Increased income for small entrepreneurs	Lack of a standard regulatory framework
Widiastuti et al. (2022)	Islamic social financial integration model	Synergy between waqf and zakat increases impact	Need for standard impact assessment methodology
Hassan et al. (2023)	Digital transformation of waqf	Digital platforms increase transparency	Lack of research on blockchain

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Maulina et al. (2023)	Islamic social and commercial financial integration	Concept framework for integration	Further empirical studies are needed
Haneef et al. (2013)	Integration of waqf and microfinance	Poverty reduction in Malaysia	Scope is limited to a specific area

Table 1: Overview of Waqf and Islamic Social Finance Studies

METHODOLOGY

This chapter presents the methodological approach employed in examining the waqf integration process within the framework of other Islamic social finance tools aimed at inclusive development. This encompasses study design, data sources, analytical methodologies, and study restrictions to ensure accurate and justifiable results. The technique is designed to achieve the study objectives, specifically to analyse the integration model, evaluate governance issues, propose an effect assessment methodology, and provide policy recommendations.

Research Methodology

The study employed a mixed strategy, incorporating systematic literature reviews and multicounty case study analyses. A mixed methods strategy was used as it facilitates a comprehensive analysis of the literature and corroborates findings with empirical data from the field (Creswell & Plano Clark, 2018). This research aims to examine trends, models, and challenges in the integration of waqf with Islamic social finance by a thorough literature review, as well as to analyze the implementation of such integration across various jurisdictions through case studies.

Literary System

Systematic literature reviews are conducted according to the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) principles are adhered to in the systematic review of existing literature to guarantee transparency and thoroughness (Moher et al., 2009). The technique consists of four principal stages:

Identification: Conduct a search for pertinent articles in academic databases with search terms including "waqf," "Islamic social finance," "waqf governance," "impact assessment," and "sustainable development."

We conducted a screening of publications based on the selection criteria outlined in Section 3.2.

Inclusion: Evaluate the complete article to ascertain its relevance to the study's aims.

Criteria for Qualification: Articles that meet the inclusion requirements for theme analysis.

Analysis of Case Study

The case study investigation encompassed four countries: Malaysia, Indonesia, Turkey, and Singapore, selected based on the following criteria:

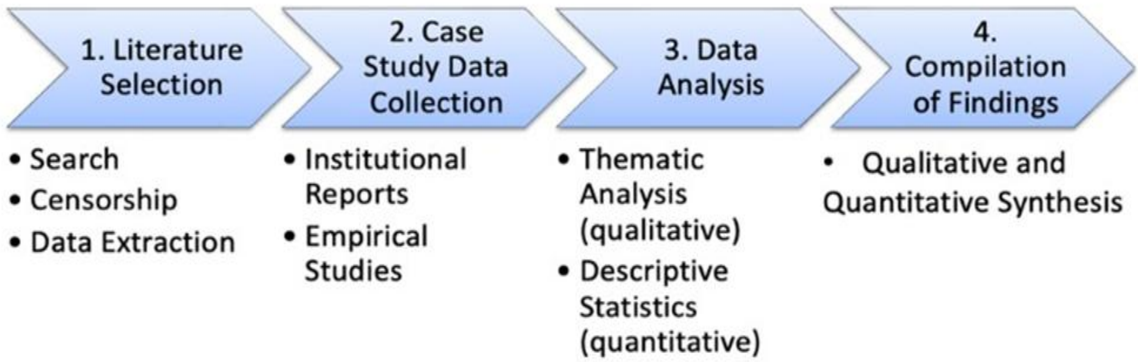
Governance pluralism: Malaysia operates as a unitary state, Indonesia functions as a federal state, Turkey is a unitary state with Ottoman historical traits, and Singapore exhibits pluralism under the Islamic Religious Council of Singapore (MUIS).

Institutional innovation varies by country: Malaysia features cash waqf, Indonesia provides corporate waqf, Turkey offers waqf investment, and Singapore presents micro waqf.

Accessibility of data: The country possesses a substantial quantity of studies and research for analysis (e.g., Sukmana, 2020; Razak & Amin, 2024).

This case study facilitates cross-case comparison, identifies specific best practices, addresses governance difficulties, and explores innovation prospects. This strategy aligns with the findings of Widiastuti et al. (2022), which emphasize the importance of enabling multi-country analysis to develop and execute a robust governance framework.

Figure 1: Methodological Process Flowchart This figure illustrates the research process via a flowchart like follows:



Sources of Data: Literature selection from databases and subsequent screening.

Case Analytic Data Collection: Acquire data from institutional records and scholarly research.

Conduct an examination of the data utilizing theme analysis for qualitative assessment and descriptive statistics for quantitative evaluation.

Consolidation of Results: Instructions for Convergence Integration of findings to address the review's objectives.

Data Sources

Data Sources and Selection Methodology

This study employed a multi-sourced methodology for data collecting to ensure variety and validity, alongside rigorous selection criteria to mitigate biases and uphold academic integrity. The sample was derived from academic databases, policy and institutional papers, and quantitative empirical investigations, as illustrated below.

Scholarly Databases

The pertinent literature was retrieved from the Scopus, Web of Science, and Google Scholar databases. A total of 250 publications were first identified using systematic searches employing key terms such as: ‘waqf’, ‘Islamic social finance’, ‘governance’, ‘impact assessment’, and ‘sustainable development’. Following the screening process, 85 articles were chosen based on the subsequent criteria:

1. Issued from 2014 to 2025 to be aligned with contemporary developments.
2. Published in Scopus-indexed or other peerreviewed academic journals to guarantee the validity of reports.
3. Is directly relevant to waqf, Islamic social finance, governance, impact assessment, or sustainable development.
4. I have excluded works that just examine religious issues without addressing economics or development to ensure relevance to my study subject.

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Reports on Policy and Institutions

It was augmented by official reports from reputable organisations, including the World Bank (2022), the Islamic Development Bank (2023), and entities specialising in waqf, such as the Department of Waqf, Zakat, and Hajj (JAWHAR) in Malaysia and the Indonesian Waqf Board. These reports provided substantial insights on the utilisation of waqf assets and effect metrics, including the enhancement of income for impoverished entrepreneurs (Lestari et al., 2023). Institutional information was corroborated with academic sources to ensure accuracy and comprehensiveness.

Quantitative Empirical Evidence

Quantitative evidence was taken from observational articles to substantiate the quantifiable findings. Sukmana (2020) indicated that 70% of land waqf assets in Indonesia are either dormant or inadequately exploited, whereas RM500 million was stated as the contribution from cash waqf activities in Malaysia (Razak and Amin 2024). It was selected based on rigorous methodological criteria and was directly pertinent to the study's focus on economic impact.

Stringency in Data Selection

The data selection was conducted rigorously to mitigate bias. Articles and reports were rigorously evaluated for quality and relevance to the research objectives. Institutional reports underwent crossvalidation to enhance validity. This methodical methodology ensured that the dataset was comprehensive, dependable, and aligned with the study's purpose of examining waqf integration within Islamic social finance frameworks.

Methods of Analysis

Analysis of quantitative and qualitative data the study utilised two primary data analysis methods: descriptive statistical analysis for quantitative data and theme analysis for qualitative data. This method facilitates a comprehensive analysis of themes and patterns and is corroborated by empirical evidence.

Thematic Analysis

Thematic analysis, as outlined by Braun and Clarke (2006), was employed to extract themes from the literature and case study data. This procedure entails:

Initial Coding: Analysis of papers and reports featuring the terms "integration models," "governance challenges," and "impact assessment."

Theme Development: Organising code into categories, such as "cash waqf innovation" and "financial transparency".

Themes must be explicitly connected to the research objectives and grounded in the facts.

Reporting: Arrange topics in accordance with the narrative for Chapter 4 (Results and Discussion).

The theme "governance challenges" emerged from the lack of openness in Indonesia (Sukmana, 2020) and the pervasive bureaucracy in Turkey (Hassan et al., 2023). These subjects are subsequently compared across nations to identify optimal approaches. 3.3.2 Statistical Analysis Illustrative

Descriptive statistics are employed to analyse quantitative data, elucidating trends and metrics of impact. The metrics being evaluated include:

In 2023, 65% of waqf assets in Malaysia are productive, whereas in Indonesia, the figure is 30% (Razak & Amin, 2024; Sukmana, 2020).

The income of small entrepreneurs has increased. The integration of cash waqf with microfinance in Malaysia increased the average income of small entrepreneurs by 15% following three years of operation (Lestari et al., 2023).

Waqf-based education programs result in an 8% increase in literacy rates in rural parts of Indonesia (Widiastuti et al.).

This analysis is conducted using software, such as Microsoft Excel, to produce tables and graphs, for instance, GRAPH 1: Trends of Utilising Waqf Assets in the subsequent chapter.

Triangulation

To improve generalisability, triangulation is employed by combining academic literature with institutional reports and a case study. The low transparency outcomes in Indonesia were corroborated by the Indonesian Waqf Agency (2004) and Sukmana (2020). The triangulation of data enhances the robustness and reliability of the outcomes.

Limitations of the Study

This study has some flaws that warrant acknowledgement:

Reliance on Secondary Data: Research investigations rely on existing papers, reports, and empirical research that may not fully encompass local nuances. Primary data, such as interviews with endowment managers, can augment the analytical depth.

Absence of Standard Data: International quantitative data lacks standardisation, making direct comparisons challenging. The impact in Malaysia is more nuanced than that in Turkey (Hassan et al., 2023).

Geographical Scope: The analysis was limited to four nations and may not be representative of the whole diversity of waqf practices worldwide, particularly in the Middle East and Africa.

Temporal constraints: The latest data is limited to a publishing date of 2025, failing to capture the most current advancements in waqf innovation.

There are constraints regarding the reliability of the results; nevertheless, we have addressed these by meticulously selecting and triangulating the materials. These limitations may be mitigated in future research through the collecting and analysis of original data from more sites.

Ethical Considerations in Research

The research complies with ethical inquiry norms, including citation accuracy and plagiarism prevention. All relevant sources are cited in APA format, and institutional data is acquired and utilised with the institution's consent from public sources. This study did not utilise any sensitive or personal data.

RESULTS AND DISCUSSION

This chapter examines the research findings about the integration of waqf with other Islamic social financial instruments, the challenges of waqf governance, the effects of waqf management, and technical advancements in waqf management. The conclusions are supported by a case study analysis focussing on Malaysia, Indonesia, Turkey, and Singapore, as well as an evidence-based systematic literature review utilising the most current sources in the field. We aim to thoroughly address enquiries on effective integration models, governance difficulties, impact assessment frameworks, and technology-assisted solutions.

Waqf Integration Framework

The integration of waqf with Islamic social financial mechanisms such as zakat, sadaqah, infaq, qardhulhasan, and Islamic microfinancing has demonstrated significant potential to reduce inequities. Modern waqf forms, such as cash waqf and corporate waqf, have enhanced involvement and economic contributions, particularly in Malaysia and Indonesia.

Monetary Waqf

Cash waqf refers to the act of an endower allocating funds, with the endowment based on capital rather than

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profits, for any permissible purpose. The model is appealing due to its simplicity and accessibility, facilitating

minor contributions and promoting inclusivity. The waqf share plan provided by the Selangor Waqf Corporation in Malaysia has been utilised to finance many social initiatives. In the instance of the cash-based waqf fund in Malaysia, the Grand Puteri Hotel in Terengganu not only offers employment opportunities for individuals in need but also positively influences the local tourism sector by promoting local enterprises like as handicrafts (Utusan Malaysia, 2013). The hotel, reportedly employing 650 staff, contributes to local incomes through tourism and small enterprises.

The Indonesian Waqf Board (BWI) has effectively promoted cash waqf finance for educational and healthcare institutions in Indonesia. A study by Lestari et al. (2023) indicates that the integration of cash waqf and Islamic microfinance has augmented the revenue of small enterprises by 12% over two years in the community. This signifies that monetary waqf serves to finance social welfare and to enhance economic development.

Corporate Waqf

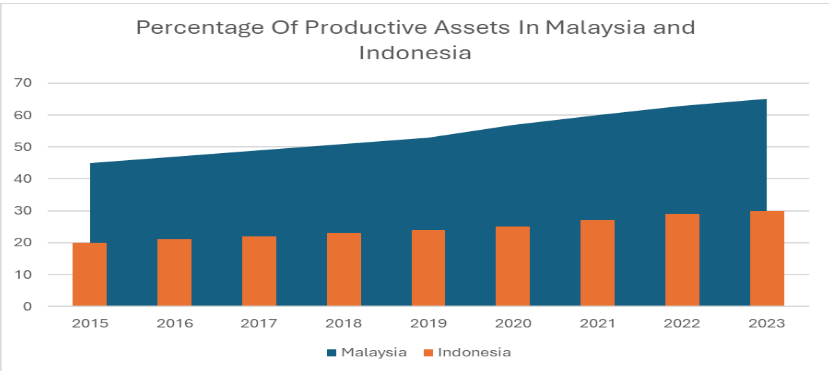
Corporate waqf involves the donation of assets, stock, or other resources to waqf by a business organisation through corporate social responsibility (CSR**).** Johor Corporation in Malaysia generates over RM100 million annually for hemodialysis centers and supermarkets for the underprivileged, benefiting over 5,000 individuals (Razak & Amin, 2024).

This concept leverages the company's financial resources and corporate management expertise to enhance the administration of waqf assets. In Malaysia, Johor Corporation has created a corporate waqf, with a portion of its revenues allocated to charitable initiatives, including haemodialysis facilities and supermarkets for the underprivileged (e-wakafjohor). As of 2023, the institution reports that the project has benefited over 5,000 people in Johor.

In Indonesia, corporate contributions have been allocated for the construction of schools and healthcare facilities. For example, Dompet Dhuafa, a nongovernmental organisation, integrates corporate waqf with zakat to facilitate education, potentially enhancing the literacy rate by 8% in marginalised regions, according to Widiastuti et al.

Integration with Additional Islamic Social Financial Instruments

The integration of waqf with zakat, sadaqah, and Islamic microfinance constitutes a whole financial ecology. Zakat addresses immediate necessities such as food aid and housing, whereas waqf underpins long-term endeavours such education and healthcare. In Malaysia, waqf funds are utilised as collateral for Islamic microfinance loans to mitigate risk and promote entrepreneurship among the impoverished. According to the conclusions of a study by Razak and Amin (2024), this effort can increase the average monthly income by 15% for every 10,000 small entrepreneurs over a period of three years.



Graph 1: Dynamics of the use of waqf assets (2015-2023)

Diagram 1 illustrates the rise in the percentage of productive waqf assets from 4% to 7% in Malaysia and from 0.2% to 0.7% in Indonesia, based on data from Sukmana (2020) and Razak & Amin (2024). In Malaysia, productive assets increased from 45% in 2015 to 65% in 2023, while in Indonesia, they rose from 20% to 30%.

Challenges in Governance

Waqf management faces numerous obstacles that restrict the effectiveness and scalability of waqf-based enterprises. The primary issues include the fragmented regulatory landscape, inadequate transparency, and the inconsistent managerial capabilities across different countries.

Asymmetrical regulations

The regulations governing endowments vary significantly among nations, resulting in diversity in management decisions. In Indonesia, this decentralised strategy has led to a lack of regional synchronisation, with around 70% of land waqf remaining underutilised due to a heterogeneous process (Sukmana, 2020). Conversely, Malaysia employs a centralised model wherein JAWHAR assumes a pivotal role, hence maintaining uniform standards; nonetheless, it encounters challenges regarding cross-state applications. The General Waqf Directorate (VGM) in Turkey possesses assets over USD 10 billion; yet, one-third of these assets are unproductive, yielding no returns to the bureaucracy (Hassan et al., 2023). Singapore, which employs a hybrid model that assigns oversight of Islamic activities to the Islamic Religious Council of Singapore (MUIS), has minor issues attributable to its very tiny Muslim community.

Country	Governance Model	Key Challenges	Innovation
Malaysia	Centered, JAWHAR	Financial transparency	Cash waqf, digital platform
Indonesia	Decentralized	Lack of coordination	Corporate waqf
Turkey	Centered, VGM	Idle assets	Waqf investment
Singapore	Hybrid, MUIS	Small-scale	Micro waqf

Table 2: Comparison Between Waqf Governance Models

(Source: Modified from "Challenge of Waqf on Social Economy Welfare of Muslim Community", 2025)

Transparency and Responsibility

The lack of transparency in waqf management affects the trust of stakeholders in waqf practices. In Indonesia, merely 25% of waqf institutions disseminated a financial report, resulting in challenges in assessing the performance of these organisations (Sukmana, 2020). In Malaysia, despite JAWHAR providing financial reporting advice, insufficient human resources remain the primary impediment to its implementation. Public perception suggests that Turkey persists in utilising waqf along religious lines, while Singapore, despite improved transparency, struggles to transcend the limitations imposed by its size.

Administrative Competence

The absence of proficient management is a pervasive issue across the nation. In both Indonesia and Egypt, waqfs are inadequately staffed, leading to ineffective asset management. Evidence indicates the emergence of 'best practice' in Malaysia, Malta, and Turkey through investments in professional development; nevertheless, further efforts are necessary to achieve uniformity in best practices throughout the spectrum.

Evaluation of Impact

Assessment of Wakf Impact assessments of wakf initiatives are essential to demonstrate efficacy and secure more investment; yet, a standardised methodology is lacking.

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Existing Practices

Waqf entities generally employ qualitative reporting or anecdotal evidence to demonstrate their impact. In Karnataka, India, waqf serves as a beneficial institution for society, contributing to various purposes, including education and health. However, waqf in Karnataka has not fully leveraged its potential in measuring and reporting its impacts to stakeholders ("Social Impact Measurement of Waqf", 2023). In Malaysia, certain organisations, such as Kumpulan Wakaf An-Nur Berhad, disclose impact metrics, including the number of beneficiaries; nevertheless, these indicators do not align with global standards, particularly the Sustainable Development Goals (SDGs).

Absence of Standardisation

Absence of a standardised impact measurement instrument Additionally, consult Note 5 in Case 2, page 26. A standardised waqf impact measurement instrument is absent, resulting in non-comparable outcomes across various waqf projects. Widiastuti et al. (2022) published a framework to assess impact using SDG indicators such as poverty alleviation and literacy enhancement, however quantitative data is still limited. In Indonesia, hardly 20% of waqf organisations provide quantitative impact statistics, complicating the assessment of efficacy (Sukmana, 2020).

Suggested Framework

This research recommends the establishment of a Waqf Impact Index (WII) to allow for a systematic assessment of the socio-economic benefits generated by waqf institutions in comparison with their KPIs. The proposed Key Performance Indicators (KPIs) are:

Reduction in poverty: 12% increase in income of recipients (Lestari et al. 2023).

Access to Education: 8% increase in literacy in Indonesia (Widiastuti et al., 2022).

Labor: Creation of 650 Jobs from waqf-funded projects such as Grand Puteri Hotel (Utusan Malaysia, 2013).

Asset Redistribution: In Malaysia, 65% of waqf assets are in use (Razak & Amin, 2024).

The WII will be tested through pilot projects, including a cash waqf project in Selangor, Malaysia. These efforts will use data triangulation and third-party audits to ensure that Sunil becomes transparent and reliable in impact assessment.

This paradigm is expected to establish an organized and systematic approach for evaluating the performance of waqf institutions. This is in accordance with the recommendation of Widiastuti et al. (2022) in measuring Sustainable Development Goals (SDGs) through Islamic social finance and reinforce the potential of waqf for promoting equality and sustainability.

Technological Advancement

Disruptive technologies, such as digital platforms and blockchain, have improved the efficiency and transparency in waqf management, addressed governance challenges, and attracted additional contributors.

Digital Platform

Indeed, internet payouts facilitate the tracking of donation utilisation, hence enhancing donor trust. Comparable financial platforms for contributing to waqf and monitoring waqf projects in Malaysia include the Selangor Waqf platform. The waqf collection has allegedly risen by 20% since the platform's inception in 2020 (Razak & Amin, 2024). In Indonesia, platforms like Dompet Dhuafa facilitate crowdfunding for waqf funds to assist social projects, like as community kitchens for impoverished individuals (pitchIN).

Blockchain Technology

Blockchain serves as a solution for transparency by permanently and immutably recording waqf transactions. The Malaysian government is partnering with IT experts to adopt waqf and integrate AI and blockchain technology, aiming to reduce transaction costs by up to 20% and bolster contributor confidence (New Straits Times, 2019). Platforms such as Wakaf Hasanah are utilising blockchain to ensure transparency in grant disbursement.

Crowdfunding and Financial Technology

FinTech facilitates the collection of cash waqf using mobile applications and online payment systems. In Malaysia, online waqf collection is facilitated by platforms like MyEG, enabling individuals to contribute waqf continuously and transparently. This technique has resulted in increased involvement among young individuals, with approximately 30% of waqf contributors in Malaysia being under 35 years old in 2023 (Hassan et al., 2023).

Final Assessment

The findings suggest that integrating cash and corporate waqf models with other Islamic social finance instruments could enhance developmental outcomes. However, issues related to governance, such as inadequate regulation and insufficient transparency, must be addressed by integrated management policies and specialised operations. Standard impact metrics, such as the Waqf Impact Index, facilitate the enhancement of trust and efficacy. Finally, technical breakthroughs in digital platforms and blockchain offer feasible alternatives to enhance waqf's transparency and efficiency, thereby fulfilling its potential in inclusive development.

CONCLUSIONS

Conclusions: Recommendations

This chapter has elucidated the principal findings of research about the integration of waqf with other Islamic social financial tools such as zakat, sadaqah, infaq, qardhulhasan, and Islamic microfinance to achieve equitable development and sustainable economic growth. This paper, based on a systematic literature review and case analyses of waqf in Malaysia, Turkey, Indonesia, and Singapore, delineates the potential of waqf, the challenges of governance, the need for a uniform mechanism and standardised impact assessment measures, and the transformative role of technological innovation in certain successful waqf models. This section presents various policy and research measures designed to optimise waqf's contributions to socio-economic development in accordance with the SDGs.

Conclusion

The study asserts that the integration of waqf with other Islamic social finance instruments possesses considerable potential for fostering inclusive and sustainable development. Innovative concepts such as cash waqf and corporate waqf have demonstrated efficacy in resource mobilisation and financing social initiatives. In Malaysia, cash waqf had amassed approximately RM 500 million through university waqf models by 2023, subsidising higher education and educational facilities (Razak & Amin, 2024). In Indonesia, the integration of cash waqf and Islamic microfinance has augmented small entrepreneurs' income by 12% over two years, demonstrating the potential impact of waqf on economic growth in decentralised areas (Lestari et al., 2023). Additionally, corporate waqf is exemplified by the Johor Corporation in Malaysia, which generates annual revenues exceeding RM100 million, allocated for social initiatives such as haemodialysis centres and supermarkets for the underprivileged, benefiting over 5,000 individuals (Razak & Amin, 2024).

The influence of waqf is diminished by certain governance issues. The disjointed laws across regions impede the expansion of waqf proliferation. The disjointed execution in Indonesia results in inadequate coordination, leaving around 70% (nearly 180,000 hectares) of waqf land idle or underutilised (Sukmana, 2020). In Turkey, the waqf assets held by the General Waqf Directorate (VGM) are valued at over USD 10 billion, although 30% remain unproductive due to bureaucratic constraints (Hassan et al., 2023). In Malaysia, the departmentalised approach governed by the Department of Waqf, Zakat and Hajj (JAWHAR) is more efficient; yet, financial

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transparency is problematic, with merely 40% of waqf institutions in Southeast Asia openly disclosing financial data (Hassan et al., 2023). Singapore's hybrid MUIS model has enhanced transparency; nonetheless, it is deficient in scale.

A further issue confronting waqf impact assessment is the lack of a standardised methodology. Most endowment

institutions rely on qualitative reports rather than quantitative data, focussing on the number of individuals assisted or impacted. For example, Indonesia reports quantitative impact data for only 20% of its waqf, suggesting that these institutions may struggle to demonstrate overall organisational performance (Sukmana, 2020). In Malaysia, institutions such as The Kumpulan Wakaf An-Nur Berhad first produced measurements about the number of aided students; however, they do not adhere to global criteria for Sustainable Development Goals (Widiastuti et al., 2022). The lack of standardisation has constrained cross-project comparison and diminished stakeholder confidence.

Technological improvements offer a potential solution to these difficulties. Certain digital platforms, such as Wakaf Selangor in Malaysia, have augmented waqf contributions by 20% since 2020, facilitated by online venues that enable donations and financial oversight (Razak & Amin, 2024). The utilisation of technology, exemplified by the Wakaf Hasanah platform, has resulted in a 20% reduction in transaction costs by ensuring transactions are recorded permanently, irreversibly, and transparently (Hassan et al., 2023). FinTech waqf initiatives have garnered significant interest from young individuals, with 30% of waqf contributors being under 35 years old in 2023 (Hassan et al., 2023). Participants in the MyEG app in Malaysia primarily seek profit. This advancement has the capacity to mitigate the problem of opacity in waqf, hence enhancing its potential for socioeconomic growth.

In conclusion, the research contends that waqf can significantly enhance inclusive development; nevertheless, it is imperative to address certain governance, regulatory, and impact assessment problems to fully realise this potential. The value of waqf assets in India is USD 14.22 billion, whereas Islamic social finance has the potential to contribute up to USD 1 trillion year to the Sustainable Development Goals globally, indicating a clear opportunity for substantial effect (World Bank, 2022; United Nations, 2023). However, unless these difficulties are collectively addressed, the potential of waqf will remain

Suggestions

Suggestions The study's conclusion provided recommendations to augment the role of Islamic waqf and social finance in fostering inclusive development. These recommendations pertain to legislation and governance matters, effect evaluation, technological advancement, and additional research.

Policy and Legislative Framework

For the better and sustainable management of waqf, governments should consider formulating a national waqf policy, taking into consideration the JAWHAR model in Malaysia, which takes a comprehensive and coordinated approach in the management of waqf. This would need to be contextualized with local realities, for example, Indonesia's decentralised political system and governance.

Internationally, creation of an International Waqf Council under the aegis of the Organisation of Islamic Cooperation (OIC) is suggested. This council would be instrumental in standardizing waqf laws across member countries, sharing best practices and encouraging global governance standards in waqf administration. It might even tackle ongoing issues with unclear land titling in Indonesia, for example, as well as bureaucratic inefficiencies in Turkey by working to support simplified registration processes and the introduction of digital systems.

In order to avoid a fractured approach the same legal framework should be established and standardized in all jurisdictions. Policy harmonization and capacity development can also be augment to policy and regulation through regional cooperation among OIC members. Consistent with Hassan et al. (2023), the OIC could also instigate the adoption of uniform waqf reporting standards to create transparency, accountability, and credibility on waqf documentation across the world.

Leadership and Management

There is significant necessity for the professionalisation of waqf management to enhance efficiency and foster stakeholder confidence. Training and certification programs for Waqf managers could be established, for instance, in collaboration with universities or a professional organisation such as the Institute of Islamic Banking and Finance Malaysia (IBFIM). The curriculum must encompass financial management, ethical investing, and digital technologies. Moreover, waqf institutions must to implement standardised financial reporting and conduct frequent audits to improve transparency. An example is Singapore's MUIS reporting model, which includes a full annual report for other countries to emulate (Razak & Amin, 2024). Standard corporate management practices, prevalent in private company, might also be implemented to enhance accountability and efficiency.

Evaluation of Impact

The lack of standardisation in the impact assessment approach becomes a barrier to the effectiveness of waqf. Ibnu Manik (2019) proposes the necessity of creating the Waqf Impact Index, which should include key performance indicators (KPIs) such as poverty alleviation (SDG 1), educational access (SDG 4), and job creation.

This index may be created from instruments like the Social Return on Investment (SROI), which assesses the social and economic worth of investments (Widiastuti et al., 2022). Waqf agencies ought to be motivated to collect and disseminate quantifiable impact statistics, encompassing recipients served, income growth, literacy rates, and similar metrics. Waqf-based education programs in Indonesia have increased rural literacy by 8% (consistent reporting is necessary for comparative analysis) (Lestari et al., 2023).

Technological Innovation

Digital technologies such as online platforms and blockchain could improve transparency and efficiency in waqf administration. Government and waqf institutions could invest in digital platforms, such as Wakaf Selangor, which has augmented online donations by 20% (Razak & Amin, 2024). The implementation of blockchain technology, exemplified by Wakaf Hasanah, ensures permanent transaction recording, hence reducing fraud and enhancing donors' confidence. Furthermore, they can be utilised for FinTech applications like MyEG in Malaysia to facilitate the continuous collection of waqf, hence incentivising youth contributors. Collaborating with technology firms to enhance AI's capability in analysing waqf data will facilitate the identification of optimal investment opportunities (Hassan et al., 2023).

Future Research

Further investigation is necessary to elucidate Islamic waqf and social finance in more depth. Longitudinal study may examine the enduring impacts of waqf projects, such as the influence of waqf-based education on social mobility. Cross-regional and cross-national studies that can elucidate an optimal governance model by comparing Malaysia's centralised system with Indonesia's decentralised framework. Moreover, exploring the potential of FinTech and AI in waqf management could enhance scalability and transparency. The Islamic Development Bank (2023) has proposed the establishment of an international database of Waqf assets, which might facilitate research and policy formulation.

Stakeholder Collaboration

The government should partner with waqf institutions, donors, and beneficiaries to optimise the potential of waqf. Joint ventures are regarded as a means to enhance the efficiency and scalability of project management, as exemplified by Johor Corporation. Moreover, awareness programs should be implemented to promote waqf as a viable investment vehicle, rather than solely as a religious practice. This may attract additional donors, especially young individuals, aligning with the 30% growth in participation rates among participants under 35 years old in Malaysia (Hassan et al., 2023).

Table 3—quieries to Enhance the Effectiveness waqf

Category	Suggestion	Implementation Examples
Policies and Regulations	Coordinating the regulatory framework through the International Waqf Council	JAWHAR Malaysia Model
Governance	Implement professional training and standard financial reporting	MUIS Singapore annual reporting
Impact Assessment	Developing a Waqf Impact Index based on SDG metrics	Adaptation of SROI
Technological Innovation	Integrating digital platforms and blockchain	Selangor Waqf, Hasanah Waqf
Research	Conduct longitudinal and cross-country comparative studies	IDB global database
Collaboration	Fostering public-private partnerships and awareness campaigns	Johor Corporation Initiative

Implications and Final Observations

Islamic waqf and social finance can significantly enhance inclusive development, especially in relation to attaining Sustainable Development Goals such as poverty alleviation and education. Waqf assets in India are estimated at USD 14.22 billion, with a potential worldwide contribution of USD 1 trillion year, presenting a substantial possibility for socio-economic impact (World Bank, 2022; United Nations, 2023). The realisation of these potential hinges on coordinated efforts to address governance, regulatory, and impact assessment challenges. Implementing measures such as regulatory integrity, professionalisation of management, establishment of the Waqf Impact Index, and technology transfer can fully actualise the potential of waqf institutions to contribute to sustainable development. Provided those endowments, such as a chair, get advantages from research pilots, collaboration among stakeholders, and the broader faculty, they will remain relevant and beneficial in the dynamic realm of global finance.

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