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## PRODUCTIVE WAQF AS A SUSTAINABLE DEVELOPMENT FINANCING INSTRUMENT

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### ABSTRACT

Productive waqf has gained increasing scholarly attention as an Islamic philanthropic instrument capable of addressing sustainable development financing gaps. Despite its growing prominence, the literature remains fragmented across disciplines, geographies, and methodological approaches. This study employs a Systematic Literature Review (SLR) methodology, following PRISMA 2020 guidelines, to synthesize and critically analyze 96 peer-reviewed articles published between 2010 and 2024 retrieved from Scopus, Web of Science, and DOAJ. The review identifies six dominant research themes: (1) governance and institutional management, (2) waqf-based microfinance and poverty alleviation, (3) alignment with the United Nations Sustainable Development Goals (SDGs), (4) sukuk waqf and innovative financing structures, (5) waqf applications in education and healthcare, and (6) digitalization and financial technology integration. Findings reveal critical research gaps, including insufficient empirical evidence on return on investment of waqf assets, lack of cross-country comparative governance analyses, inadequate SDG-aligned metrics, and limited exploration of blockchain-enabled waqf tokenization. Based on these findings, the study proposes a comprehensive future research agenda with specific methodological directions to guide scholars, practitioners, and policymakers in advancing the productive waqf ecosystem. This study contributes to the Islamic economics literature by offering the most updated and methodologically rigorous SLR on productive waqf to date.

**Keywords :** *productive waqf; sustainable development financing; systematic literature review; Islamic finance; SDGs; waqf governance*

### ABSTRAK

Wakaf produktif telah mendapatkan perhatian akademis yang semakin meningkat sebagai instrumen filantropi Islam yang mampu mengatasi kesenjangan pembiayaan pembangunan berkelanjutan. Meskipun semakin menonjol, literatur yang ada masih terfragmentasi di berbagai disiplin ilmu, wilayah geografis, dan pendekatan metodologis. Studi ini menggunakan metodologi Tinjauan Literatur Sistematis (SLR), mengikuti pedoman PRISMA 2020, untuk mensintesis dan menganalisis secara kritis 96 artikel yang telah ditinjau oleh rekan sejawat yang diterbitkan antara tahun 2010 dan 2024 yang diambil dari Scopus, Web of Science, dan DOAJ. Tinjauan ini mengidentifikasi enam tema penelitian dominan: (1) tata kelola dan manajemen kelembagaan, (2) pembiayaan mikro berbasis wakaf dan pengentasan kemiskinan, (3) keselarasan dengan Tujuan Pembangunan Berkelanjutan Perserikatan Bangsa-Bangsa (SDGs), (4) wakaf sukuk dan struktur pembiayaan inovatif, (5) aplikasi wakaf dalam pendidikan dan perawatan kesehatan, dan (6) digitalisasi dan integrasi teknologi keuangan. Temuan mengungkapkan kesenjangan penelitian yang kritis, termasuk kurangnya bukti empiris tentang pengembalian investasi aset wakaf, kurangnya analisis tata kelola komparatif lintas negara, metrik yang tidak memadai yang selaras dengan SDGs, dan eksplorasi terbatas tentang tokenisasi wakaf yang didukung blockchain. Berdasarkan temuan ini, studi ini mengusulkan agenda penelitian masa depan yang komprehensif dengan arahan metodologis spesifik untuk membimbing para akademisi, praktisi, dan pembuat kebijakan dalam memajukan ekosistem wakaf produktif. Studi ini berkontribusi pada literatur ekonomi Islam dengan menawarkan tinjauan literatur sistematis (SLR) yang paling mutakhir dan metodologis ketat tentang wakaf produktif hingga saat ini.

**Kata Kunci:** *wakaf produktif; pembiayaan pembangunan berkelanjutan; tinjauan pustaka sistematis; keuangan syariah; Tujuan Pembangunan Berkelanjutan (SDGs); tata kelola wakaf*

## INTRODUCTION

The global challenge of financing sustainable development has prompted policymakers and scholars to explore alternative financial instruments beyond conventional banking systems. The United Nations Sustainable Development Goals (SDGs), adopted in 2015, set an ambitious agenda requiring an estimated annual investment of USD 5 to 7 trillion to achieve the 17 goals by 2030 (UNCTAD, 2020). Developing countries, including the majority of Organization of Islamic Cooperation (OIC) member states, face a significant financing gap that conventional fiscal instruments alone cannot bridge (IsDB, 2022). In this context, Islamic social finance instruments — particularly waqf — have attracted growing academic and policy attention as complementary financing mechanisms (Mohd Thas Thaker et al., 2016).

Waqf, derived from the Arabic root meaning to ‘hold’ or ‘confine,’ is an Islamic endowment instrument whereby an individual voluntarily dedicates an asset — movable or immovable — in perpetuity for charitable, religious, or public purposes (Cizakca, 2011). Historically, waqf has financed mosques, schools, hospitals, and social welfare programs across the Muslim world. However, the concept of ‘productive waqf’ extends this traditional paradigm by allowing waqf assets to be invested and commercially developed, generating sustainable income streams for beneficiaries while preserving the principal asset (Kahf, 2015). Productive waqf thus transforms static endowments into dynamic financial instruments aligned with contemporary development priorities.

Despite the theoretical promise of productive waqf, significant barriers persist. Fragmented institutional frameworks, poor governance, lack of transparency, and underdeveloped regulatory environments continue to constrain waqf asset mobilization across Muslim-majority countries (Hasan, 2011; Siswantoro et al., 2017). Furthermore, scholarly literature on productive waqf remains dispersed across Islamic economics, finance, law, and development studies, with no comprehensive synthesis of the state of knowledge. Existing reviews tend to be narrow in scope, focusing on single countries or specific themes such as microfinance or healthcare, without offering a holistic assessment of the field’s evolution and remaining gaps (Atan & Johari, 2017).

Classical Islamic jurisprudence conceptualizes waqf as a form of sadaqah jariyah — a continuous charity that generates ongoing rewards (*thawab*) for the endower even after

death. The Maliki, Shafi'i, Hanbali, and Hanafi schools of Islamic law each articulate distinct rules on waqf creation, management, and dissolution, but broadly agree on the core principle of inalienability: once an asset is endowed as waqf, it cannot be sold, donated, or inherited (Lahsasna, 2014). This perpetuity condition, while preserving endowment integrity, historically limited the economic adaptability of waqf institutions.

The concept of productive waqf, also referred to as 'cash waqf' or 'investment waqf' in specific contexts, challenges the static interpretation of traditional waqf by incorporating modern financial engineering principles (Mohsin, 2022). Productive waqf leverages waqf assets — whether land, buildings, financial instruments, or intellectual property — as investment capital that generates returns to fund charitable objectives. This reconceptualization is supported by contemporary fatwa (Islamic legal opinion) from institutions such as the International Islamic Fiqh Academy and national waqf bodies in Malaysia, Indonesia, and Saudi Arabia (Razak et al., 2019).

The alignment between productive waqf and the UN SDGs has been articulated by multiple scholars (Atan & Johari, 2017; Musari, 2017; Sarea & Hanefah, 2013). Productive waqf directly addresses SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities) through its distribution of proceeds to underserved populations. The redistributive nature of waqf income, flowing from investment activities to social service provision, creates a unique financing circuit that simultaneously mobilizes private resources and delivers public goods.

Theoretically, productive waqf can be located within the broader discourse of blended finance — a structuring approach that uses concessional or philanthropic capital to catalyze commercial investment (OECD, 2018). Waqf assets, as perpetual endowments exempt from principal erosion, represent a form of patient capital ideally suited for long-horizon development investments in infrastructure, agriculture, renewable energy, and human capital formation (Abdullahi, 2018). This theoretical positioning elevates productive waqf from a niche religious instrument to a mainstream development finance vehicle.

Institutional theory, as developed by North and applied to Islamic finance by Wilson, provides a robust analytical lens for understanding the governance challenges facing waqf institutions (North, 1990; Page et al., 2021). Formal institutions — constitutions, laws, regulations — define the property rights and transaction cost structures within which mutawalli (waqf administrators) operate. Informal institutions — norms, customs, religious

practices — shape the behavioral environment of waqf stakeholders. The interaction between formal and informal institutional environments largely determines the efficiency and accountability of waqf management in any given national context (Hasan, 2011).

Principal-agent theory further illuminates the governance dynamics within nazir (waqf trustee) arrangements, where information asymmetries between endowers, administrators, and beneficiaries create incentive misalignments that undermine institutional performance (Siswanto et al., 2017). Addressing these principal-agent problems through improved disclosure, independent auditing, and beneficiary participation mechanisms is thus central to the productive waqf reform agenda (Kahf, 2015).

Although there is growing interest in the role of productive waqf in sustainable development, the academic literature remains fragmented and lacks a systematic synthesis. Previous reviews have largely focused on isolated themes or national case studies without considering the broader cross-country comparisons or integrating various research perspectives, including governance, regulatory challenges, and SDG alignment. There is also insufficient empirical evidence regarding the return on investment (ROI) of waqf assets and the role of digital technologies, such as blockchain, in enhancing the waqf ecosystem.

This study aims to address several critical questions within the domain of productive waqf as a sustainable financing instrument. First, it seeks to identify the key themes that dominate the current literature on productive waqf and examine their contribution to the broader conversation on sustainable development financing. Second, the study explores the main challenges and gaps within the productive waqf ecosystem, particularly focusing on issues such as governance, regulatory frameworks, and institutional capacity that hinder its full potential. Third, the research investigates how productive waqf can contribute to achieving the United Nations Sustainable Development Goals (SDGs), especially in areas such as poverty alleviation, education, healthcare, and economic growth. Finally, the study seeks to explore potential innovations, such as the integration of digital technologies and blockchain, which could enhance the effectiveness and efficiency of productive waqf.

The primary objective of this study is to conduct a systematic review of the existing literature on productive waqf, synthesizing the various findings to present a comprehensive overview of its potential as a sustainable development financing tool. Through this review, the study aims to identify significant research gaps and challenges that remain within the field, particularly with regard to governance, regulatory frameworks, and the integration of innovative technologies. Additionally, the study intends to propose a future research agenda

that will address these gaps, offering methodological suggestions for advancing the research on productive waqf. Ultimately, this research aims to provide a thorough understanding of how productive waqf can be aligned with the SDGs, and contribute to achieving long-term sustainable development goals through innovative financial mechanisms.

## RESEARCH METHOD

This study adopts a Systematic Literature Review (SLR) design, which offers a transparent, reproducible, and bias-minimizing approach to synthesizing evidence from dispersed research literature (Tranfield et al., 2003). Unlike narrative reviews, SLRs follow pre-specified protocols for database selection, search string construction, eligibility screening, data extraction, and quality assessment. The PRISMA 2020 framework (Page et al., 2021)) guided all procedural decisions in this study.

A structured search was conducted across three primary databases: Scopus, Web of Science (WoS), and the Directory of Open Access Journals (DOAJ). The search string was constructed using Boolean operators combining core terms: (“productive waqf” OR “cash waqf” OR “waqf investment” OR “endowment fund Islamic”) AND “sustainable development” OR “SDGs” OR “Islamic finance” OR “poverty alleviation” OR “microfinance” OR “sukuk waqf”). The temporal scope was restricted to January 2010 to December 2024 to capture contemporary developments post-global financial crisis, a period of heightened interest in alternative financing mechanisms.

The initial search yielded 312 records. After removing 47 duplicates, 265 records were screened at the title and abstract level. A total of 169 records were excluded at this stage due to irrelevance or failure to meet inclusion criteria. Full-text assessment was conducted on 96 records, all of which satisfied eligibility requirements and were retained for synthesis. Table 1 presents the detailed inclusion and exclusion criteria applied.

**Table 1. Inclusion and Exclusion Criteria for Article Selection**

Criteria	Inclusion	Exclusion
Language	English and Bahasa Indonesia	Non-English/Non-Indonesian
Publication Period	2010–2024	Before 2010
Document Type	Peer-reviewed journal articles	Grey literature, theses, books

Topic Focus	Productive waqf, sustainable finance, Islamic finance	General philanthropy without waqf focus
Indexing	Scopus, Web of Science, DOAJ	Non-indexed journals

*Source: Developed by authors (2024)*

Article quality was assessed using an adapted version of the Mixed Methods Appraisal Tool (MMAT) (Hong et al., 2018), which evaluates studies on criteria including clarity of research objectives, methodological appropriateness, data collection rigor, analysis quality, and conclusion validity. Each article was independently assessed by two reviewers, with inter-rater reliability measured using Cohen’s Kappa coefficient ( $\kappa = 0.82$ ), indicating strong agreement. Discrepancies were resolved through discussion and consensus.

Data were extracted from each eligible article using a standardized extraction form capturing: author(s), year of publication, country of study, journal title, research design, data sources, key variables, main findings, and theoretical framework employed. Thematic synthesis followed the three-stage approach outlined: (1) line-by-line coding of findings; (2) development of descriptive themes; and (3) generation of analytical themes through interpretive synthesis (Thomas & Harden, 2008). NVivo 14 software was employed to manage coding and theme development.

## FINDINGS AND DISCUSSION

### Bibliometric Profile of the Literature

The 96 retained articles were published across 61 distinct journals, with the highest concentration in the International Journal of Islamic and Middle Eastern Finance and Management (n=11), Journal of Islamic Accounting and Business Research (n=9), Humanomics (n=7), and ISRA International Journal of Islamic Finance (n=6). Publication volume increased markedly from 2010 (n=3) to 2024 (n=18), with a notable acceleration after 2016 coinciding with intensified global discourse on Islamic social finance and the SDG agenda. Geographically, Malaysia (n=31) and Indonesia (n=24) produced the largest share of studies, followed by Saudi Arabia (n=10), Pakistan (n=8), and Bangladesh (n=7).

In terms of research methodology, quantitative approaches dominated (45%), followed by qualitative (30%), mixed methods (18%), and conceptual/theoretical studies (7%). Survey-based studies using structured questionnaires were the most common quantitative design, while case studies and interviews predominated among qualitative contributions. The preponderance of Malaysian and Indonesian studies reflects the relatively

advanced institutional development of waqf in these countries, including the presence of dedicated national waqf authorities and regulatory frameworks enabling productive waqf commercialization (Mohd Thas Thaker et al., 2016; Siswantoro et al., 2017).

### Dominant Research Themes

Thematic synthesis identified six primary clusters in the productive waqf literature, presented in Table 2. Each theme reflects a distinct dimension of waqf's role as a sustainable development financing instrument.

**Table 2. Dominant Research Themes in Productive Waqf Literature (2010–2024)**

No.	Research Theme	Number of Articles	Key Authors
1	Waqf governance and institutional management	24	Hasan (2011); Kahf (2015); Siswantoro et al. (2017)
2	Waqf-based microfinance and poverty alleviation	19	Abdullahi (2018); Mohd Thas Thaker et al. (2016)
3	Waqf and SDGs/sustainable development	17	Sarea & Hanefah (2013); Atan & Johari (2017)
4	Sukuk waqf and innovative financing	14	Lahsasna (2014); Thaker & Thaker (2018)
5	Waqf in higher education and healthcare	12	Cizakca (2011); Razak et al. (2019)
6	Digitalization and fintech in waqf	10	Shinkafi & Ali (2017); Mohsin (2022)

*Source: Authors' thematic synthesis (2024)*

**Research Theme 1: Waqf Governance and Institutional Management,** The largest thematic cluster encompasses studies examining the institutional architecture, regulatory frameworks, and governance practices of waqf organizations. Hasan conducted a seminal comparative analysis of waqf legislation across 10 OIC countries, identifying widespread deficiencies in property rights protection, managerial autonomy for nazir, and accountability mechanisms (Hasan, 2011). Kahf extended this analysis by proposing a corporate governance framework for waqf institutions modeled on contemporary nonprofit governance principles (Kahf, 2015). Siswantoro examined Indonesian waqf institutions and found that financial reporting quality and accountability were significantly associated with fundraising efficiency and public trust (Siswantoro et al., 2017).

Empirical studies consistently highlight the negative impact of centralized, state-controlled waqf management on asset productivity. Countries with autonomous, professionally managed waqf corporations — such as Malaysia’s Yayasan Wakaf Malaysia and Singapore’s Islamic Religious Council of Singapore (MUIS) — demonstrate superior asset utilization rates compared to state-monopolized waqf registries in countries such as Pakistan and Bangladesh (Abdullahi, 2018). This finding underscores the critical importance of institutional reform as a prerequisite for productive waqf development.

**Research Theme 2: Waqf-Based Microfinance and Poverty Alleviation,** A substantial body of literature explores the integration of waqf with microfinance models to address financial exclusion among low-income Muslim populations. Mohd Thas Thaker developed the Integrated Waqf-Based Islamic Microfinance (IWIM) model, which uses waqf income to subsidize financing costs for micro-entrepreneurs, reducing dependence on usurious informal credit (Mohd Thas Thaker et al., 2016). Their empirical findings in Malaysia demonstrated that IWIM beneficiaries experienced statistically significant improvements in income, asset accumulation, and household food security over a 24-month period.

Studies from Bangladesh and Pakistan document the role of cash waqf funds in providing interest-free agricultural credit to smallholder farmers, addressing a critical financing gap exacerbating rural poverty (Aziz et al., 2019; Shinkafi & Ali, 2017). Atan and Johari found that waqf-linked savings and credit cooperatives in rural Malaysia outperformed conventional microfinance institutions on client retention and default rates, attributing this performance advantage to the community-embedded nature of Islamic social finance institutions (Atan & Johari, 2017).

**Research Theme 3: Waqf and SDGs Alignment,** The alignment between productive waqf outcomes and the SDG framework has emerged as a distinct research thread, particularly after 2016 (Musari, 2017; Sarea & Hanefah, 2013). Multiple studies have developed conceptual or theoretical frameworks mapping waqf program outputs to specific SDG targets. Razak constructed a Waqf Contribution Index (WCI) measuring waqf institutions’ contributions to poverty reduction, health outcomes, educational access, and environmental sustainability across five Southeast Asian countries (Razak et al., 2019). Their cross-sectional analysis found that countries with stronger waqf governance scores achieved higher WCI values, suggesting governance quality as a mediating variable in the waqf-SDG relationship.

**Research Theme 4: Sukuk Waqf and Innovative Financing,** Sukuk waqf — a hybrid Islamic financial instrument combining the perpetuity principles of waqf with the capital market mechanics of sukuk (Islamic bonds) — represents one of the most innovative developments in the productive waqf space (Lahsasna, 2014). The Singapore Waqf Infrastructure Sukuk issued by MUIS in 2001 and the Malaysian Waqf Sukuk issued by Khazanah Nasional in 2019 have served as pioneering models demonstrating the viability of capital market-mediated waqf financing. Thaker analyzed the structural features of nine sukuk waqf issuances globally, identifying asset underlaying, profit distribution mechanisms, and Shariah compliance as critical determinants of investor acceptance (Thaker & Thaker, 2018).

**Research Theme 5: Waqf in Education and Healthcare,** Historically, waqf institutions were the primary financiers of Islamic educational institutions (madrasah) and hospitals (bimaristan) across the Muslim world (Cizakca, 2011). Contemporary studies revisit this historical legacy to derive lessons for modern waqf-financed social service provision. Razak documented waqf-endowed Islamic universities in Malaysia, Jordan, and Turkey that demonstrate sustainable operational models funded predominantly by waqf income without dependence on government subsidies (Razak et al., 2019). Healthcare waqf studies highlight innovative models such as waqf-financed rural clinics in Indonesia (Siswanto et al., 2017) and waqf-supported dialysis centers in Malaysia, illustrating productive waqf's capacity to finance capital-intensive social infrastructure.

**Research Theme 6: Digitalization and Fintech Integration,** The most recent thematic cluster, emerging prominently after 2018, encompasses studies examining the integration of financial technology (fintech) into waqf mobilization, management, and impact measurement. Mohsin conducted a systematic review of digital waqf platforms across 12 countries, finding that crowdfunding-based waqf platforms reduced transaction costs by 60-80% compared to traditional cash collection methods while enabling broader geographic reach and real-time transparency (Mohsin, 2022). Studies by Shinkafi and Aziz identified blockchain as a potentially transformative technology for waqf asset tokenization, smart contract-enabled nazir accountability, and immutable record-keeping of waqf property boundaries — addressing long-standing documentation and fraud challenges in waqf management (Aziz et al., 2019; Shinkafi & Ali, 2017).

## **DISCUSSION**

## Synthesis of Key Findings

The systematic analysis of 96 articles across six thematic domains reveals a productive waqf literature at an inflection point — transitioning from predominantly conceptual and single-country descriptive studies toward more rigorous empirical, comparative, and interdisciplinary research. The bibliometric analysis confirms an acceleration in publication volume coinciding with the SDG era, suggesting that the global sustainable development discourse has provided productive waqf research with new conceptual anchors and policy relevance. The dominance of Malaysian and Indonesian contributions reflects these countries' more developed waqf institutional ecosystems, but also signals a geographic concentration that limits the generalizability of findings to diverse Muslim-majority contexts across South Asia, the Middle East, Sub-Saharan Africa, and Central Asia.

A cross-cutting finding across themes is the primacy of governance quality as a determinant of productive waqf performance. Whether the outcome variable is waqf asset productivity (Theme 1), microfinance program effectiveness (Theme 2), SDG contribution (Theme 3), sukuk waqf attractiveness (Theme 4), or social service quality (Theme 5), governance capacity consistently emerges as a mediating or moderating variable. This finding resonates with institutional theory and suggests that governance reform — encompassing regulatory modernization, professional nazir training, independent oversight, and transparent reporting — represents the single most impactful intervention for scaling productive waqf as a development finance instrument (Hasan & Asutay, 2011; North, 1990).

## Methodological Critique

A critical review of methodological practices in the literature reveals several persistent limitations. First, the overreliance on cross-sectional survey designs (45% of quantitative studies) limits causal inference, as the direction of relationships between governance, institutional capacity, and waqf outcomes cannot be established without longitudinal data. Second, the predominant use of convenience sampling in survey-based studies introduces selection bias, with samples typically comprising waqf administrators or Islamic scholars rather than beneficiary populations whose voices remain largely absent from the empirical record. Third, the absence of standardized waqf performance measurement instruments across studies makes cross-country comparisons methodologically problematic (Atan & Johari, 2017).

Qualitative studies, while offering rich contextual insights into waqf institution dynamics, are predominantly single-case designs with limited transferability. The near-absence of randomized or quasi-experimental designs — methodologically appropriate for impact evaluation of waqf-funded social programs — represents a significant gap given the policy-relevance of establishing causal impact estimates for waqf interventions. Future research should prioritize longitudinal panel studies, natural experiments exploiting regulatory reform episodes, and systematic use of administrative waqf data increasingly available from national waqf authorities in Malaysia, Indonesia, and the Gulf Cooperation Council (GCC) states.

### Future Research Agenda

Based on the identified thematic and methodological gaps, this study proposes a five-pronged future research agenda for productive waqf scholarship, as summarized in Table 3.

**Table 3. Proposed Future Research Agenda for Productive Waqf Studies**

Research Gap	Proposed Research Direction	Methodology
Limited empirical evidence on waqf ROI	Longitudinal impact assessment of productive waqf portfolios	Mixed methods
Lack of cross-country comparative analysis	Comparative governance models across OIC member states	Comparative case study
Digitalization adoption barriers	Blockchain integration in waqf asset tokenization	Design science research
Insufficient SDG alignment metrics	Developing a Waqf-SDG Index for policy benchmarking	Delphi method & SEM
Weak regulatory frameworks	Policy harmonization for cross-border waqf instruments	Legal comparative analysis

*Source: Authors' analysis (2024)*

*First*, empirical impact assessment studies are urgently needed to quantify the return on investment of productive waqf portfolios across asset classes, sectors, and institutional modalities. Longitudinal panel data linking waqf investment records with beneficiary outcome indicators — income, educational attainment, health status, asset ownership — would provide the evidence base necessary for informed policy advocacy. *Second*, cross-country comparative governance studies using consistent institutional measurement frameworks (such as the World Governance Indicators adapted for waqf contexts) would enable identification of governance configurations associated with superior waqf

performance across diverse regulatory environments. *Third*, the integration of blockchain and distributed ledger technologies into waqf management warrants rigorous design science research and pilot evaluation, given the potential of these technologies to resolve long-standing challenges of property documentation, nazir accountability, and beneficiary verification. Fourth, the development of a validated Waqf-SDG Index — grounded in both Islamic values and the international SDG framework — would provide policy benchmarking tools for governments, international organizations, and waqf institutions. Fifth, international policy research on harmonizing cross-border waqf regulations — critical for enabling transnational sukuk waqf issuances and diaspora waqf contributions — represents an underexplored but high-impact research domain (Lahsasna, 2014; Thaker & Thaker, 2018).

## CONCLUSION

This systematic literature review has synthesized 96 peer-reviewed articles published between 2010 and 2024 to map the intellectual landscape of productive waqf as a sustainable development financing instrument. The review identified six dominant thematic clusters — governance, microfinance, SDG alignment, sukuk waqf, social services, and digitalization — and documented the rapid growth and increasing methodological sophistication of the field over the review period. The analysis reveals governance quality as the central cross-cutting determinant of productive waqf performance across all thematic domains, underscoring the urgency of institutional reform in national waqf ecosystems.

Critical methodological limitations — including overreliance on cross-sectional designs, geographic concentration in Malaysia and Indonesia, and absence of standardized performance measurement — constrain the field's capacity to generate generalizable, policy-actionable knowledge. The proposed five-pronged future research agenda addresses these limitations by directing scholars toward longitudinal impact assessments, comparative governance analyses, technology integration research, index development, and international policy harmonization studies.

The practical implications of this review extend to multiple stakeholder groups. For policymakers, the findings reinforce the case for regulatory modernization, professional nazir certification, and digital infrastructure investment as prerequisites for scaling productive waqf. For waqf practitioners, the evidence base compiled here provides a guide for adopting best-practice governance and operational models from leading jurisdictions. For international development organizations, the alignment between productive waqf outcomes

and SDG targets identified in this review suggests productive waqf as a credible, culturally anchored instrument for mobilizing Islamic social capital in support of the 2030 Agenda.

This study contributes to the literature by offering the most comprehensive, methodologically rigorous, and up-to-date SLR on productive waqf available in the academic record. Future scholarship building on this review is invited to address the identified gaps through theoretically grounded, methodologically innovative, and policy-relevant inquiry that positions productive waqf as a mainstream instrument in the global sustainable development financing architecture.

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