

A Systematic Literature Review on Waqf-Driven Youth Empowerment for Sustainable Islamic Economic Development

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Abstract

The objective of this research is to synthesize existing literature pertaining to the function of waqf in the empowerment of youth, with the intention of bolstering sustainable Islamic economic development. The methodology employed is a Systematic Literature Review (SLR) that adheres to the PRISMA 2020 framework and the guidelines established by Kitchenham. Comprehensive searches for articles were performed across both international databases (Scopus, WoS, ScienceDirect, Emerald, SpringerLink, Taylor & Francis) and national databases (SINTA and Garuda) over a temporal scope spanning from 2010 to 2025. Among a total of 1,275 articles identified, 75 articles satisfied the inclusion criteria and were subjected to analysis via a bibliometric approach employing VOSViewer, in conjunction with thematic analysis. The findings indicate that the predominant waqf models employed for the empowerment of youth are cash waqf, micro waqf, and digital waqf. The principal factors that facilitate youth engagement encompass religiosity, sharia financial literacy, and trust in waqf institutions and digital platforms, whereas inhibiting factors comprise inadequate waqf literacy, limited capacity of nazhir, and regulatory frameworks that have yet to adapt to digital innovations. The influence of waqf on youth is evidenced by enhanced financial inclusion, job creation, and the fortification of human capital through the development of waqf-related skills. This research makes a theoretical contribution to the body of literature on Islamic social finance by substantiating the role of waqf as a pivotal instrument for the empowerment of the younger generation. Practically, these findings offer recommendations for sharia waqf and fintech institutions to innovate youth-oriented waqf-based digital products. From a policy perspective, the study underscores the necessity for productive waqf regulations that promote youth participation in the pursuit of sustainable development goals (SDGs).

Keywords: Waqf, Youth Empowerment, Islamic Economic Development, Sustainable Development, Systematic Literature Review

A. INTRODUCTION

The waqf has been historically demonstrated to provide persistent support for public services—such as education, healthcare, and welfare—

while also functioning as a mechanism for sustainable socio-economic advancement within the contemporary Islamic economy. Recent theoretical investigations corroborate the robust connection between waqf and sustainable development objectives (SDGs), particularly through poverty alleviation and the enhancement of social capital. Conversely, the bibliometric analysis indicates a significant proliferation of waqf scholarship within the Scopus database over the preceding century, underscoring the necessity for a systematic synthesis to delineate themes, identify gaps, and establish research trajectories. This body of literature serves as a critical basis for evaluating how the waqf model can specifically promote youth empowerment. The emphasis on youth is particularly salient, given that they represent the predominant demographic segment in numerous Muslim nations and are pivotal agents of innovation(Alshater, et.al,2022).

In Indonesia, numerous studies substantiate the significance of waqf as a mechanism for the economic advancement of the ummah and advocate for a transition from a consumptive to a productive form of waqf. The model for the empowerment of productive waqf underscores the importance of governance, the professionalism of nazhir, and the innovation of business models, ensuring that the resultant benefits are perpetuated across generations. Nevertheless, the constraints inherent in governance—specifically, the capabilities of nazhir, regulatory frameworks, and literacy—frequently impede the maximization of socioeconomic impact. This gap in implementation creates an opportunity for the formulation of interventions that position youth as pivotal actors in the innovation and stewardship of waqf assets. Consequently, there is an imperative for systematic research that delineates the evidence pertaining to “waqf-driven youth empowerment”(Kasdi,2014) ; (Fuadi,2018).

The scholarly literature highlights the considerable potential of “micro-waqf” as a comprehensive strategy for the development of small businesses and communities, which is both scalable and conducive to youth engagement. Micro-waqf initiatives reduce barriers to small donations, evaluate pilot models based in campus and community settings, and enhance awareness of waqf through tangible projects. This methodology is congruent with the objectives of youth entrepreneurship and the principles of the local circular economy. Preliminary findings from experimental and action-oriented studies indicate viability, participatory endorsement, and educational efficacy. This framework is pertinent for the formulation of empowerment interventions that integrate Islamic philanthropy, entrepreneurial endeavors, and social learning (Mahat et.al, 2015).

The intentions behind cash waqf among the youth are shaped by an array of psychological and behavioral determinants including religiosity, subjective norms, attitudes, and waqf literacy; numerous quantitative investigations conducted in Indonesia have identified religiosity as a significant predictor. These findings suggest that youth empowerment

initiatives centered on waqf should integrate education on sharia financial literacy, the design of social campaigns, and opportunities for meaningful engagement. Within the demographic of students and Generation Z, waqf literacy does not consistently mediate all influencing factors, thereby necessitating that interventions adopt a more holistic approach encompassing education, accessibility, and technology. The Theory of Reasoned Action/Theory of Planned Behavior (TRA/TPB) framework alongside the Technology Acceptance Model (TAM) serves as a theoretical foundation for analyzing the donation behavior of youth pertaining to waqf. The evidence substantiates the assertion that program design ought to be informed by behavioral theory (Juliana et.al, 2024); (Masrizal et.al, 2023).

The investigation conducted by Rachmawati et al. (2024) regarding waqf awareness and intention among the youth underscores the significance of literacy, perceptions of relative convenience, and attitudes in the formulation of waqf intention. These findings elucidate the necessity for the development of waqf-oriented entrepreneurial and social curricula, as well as training modules within higher education institutions and boarding schools, aimed at cultivating essential values, competencies, and practical project implementations. The incorporation of experiential learning methodologies through waqf micro-projects has the potential to enhance the self-efficacy of young individuals. Moreover, the collaborative efforts among student organizations, campus zakat-waqaf units, and sharia-compliant business incubators have been evaluated as a strategic imperative. The digital milieu serves as a pivotal mechanism to broaden the scope of engagement(Rachmawati et.al,2024).

The phenomenon of digital transformation engenders substantial prospects for online waqf contributions and sharia-compliant crowdfunding tailored for the youth demographic. A contemporary study scrutinized the factors influencing the intentions of youth to contribute cash digitally for the financing of micro and small enterprises (UMK), employing an integration of the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM). The findings substantiated the significance of trust in the platform, user-friendliness, and adherence to sharia principles as pivotal in fostering participation. Through the implementation of an effective interface design, sharia compliance verification, and transparent impact reporting, digital platforms possess the potential to expedite youth engagement within the productive waqf ecosystem. This systematic literature review (SLR) endeavor aims to amalgamate the existing evidence to formulate a robust digital intervention framework (Jatmiko et.al, 2024) ; (Alimusa et.al,2025).

In the realm of policy and regulatory frameworks, the investigation conducted by Huda et al. (2025) underscores the imperative need for the reformulation of productive waqf legislation—encompassing the dimensions of cash waqf assets—aimed at enhancing local economic systems and aligning favorable statutory provisions with Islamic jurisprudence (fiqh). The

establishment of legal certainty, the provision of fiscal incentives, and the implementation of accountability standards are expected to bolster public trust and stimulate the involvement of youth in the capacities of managers, innovators, and social entrepreneurs. Regulations that exhibit adaptability to innovative practices (for instance, micro, small, and medium enterprises [MSMEs], Baitul Mal wat Tamwil [BMT], and social enterprise collaborations) serve to broaden the avenues for waqf-driven empowerment. Policy frameworks that are conducive to innovation possess the capacity to expedite the dissemination of exemplary practices that are particularly attuned to the preferences of younger demographics (Huda et.al,2025).

In the context of the ecosystem landscape, existing literature elucidates the significance of the sharia micro-finance board and the Micro Waqf Bank in bolstering financial inclusion, particularly for emerging actors within the SMU framework and nascent entrepreneurs. Empirical research substantiates the correlation between the establishment of the Micro Waqf Bank and the augmentation of access to value-oriented financing, mentorship opportunities, as well as the cultivation of entrepreneurial skills. When integrated with skill enhancement initiatives, mentorship networks, and digital marketplaces, these instruments have the potential to serve as a mechanism for sustainable empowerment among youth. This systematic literature review (SLR) will assess the efficacy and optimal design that is most pertinent to the youth demographic (Nugroho et.al,2022).

Globally, bibliometric analyses and conceptual evaluations substantiate that waqf research encompasses domains such as education, health, poverty alleviation, and social entrepreneurship; nevertheless, the elements pertaining to “youth empowerment” remain comparatively fragmented. Consequently, systematic literature reviews (SLRs) focusing on the specific theme of “waqf-driven youth empowerment” are imperative to unify indicators, program frameworks, and evaluative metrics (including human capital, employability, entrepreneurship, and social cohesion). The outcomes of the SLR are anticipated to delineate a comprehensive research agenda that addresses both theoretical and methodological deficiencies. This consolidation additionally aids policymakers and waqf organizations in refining their strategic priorities (Rusydiana et.al,2021).

Ultimately, the existing body of literature presents a diverse array of innovations—ranging from educational initiatives and benefit models to the digitalization of waqf—that can be systematically analyzed to develop a waqf-based framework for youth empowerment that is tailored to the Indonesian context. This investigation aims to identify conceptual models and exemplars of best practices that possess the potential for replication: micro-waqf initiatives aimed at skill development, cash-waqf mechanisms designed to finance nascent startups and small-medium enterprises (SMEs), and digital platforms that facilitate engagement and ensure accountability for impact. The theoretical contributions of this study lie in the synthesis of waqf

literature with behavioral theory, youth entrepreneurship, and the principles of sustainable development. The practical contributions encompass guidance for the design of evidence-based programs and policies (Madani et.al,2024);(Pramono et.al,2024).

B. RESEARCH METHOD

The present investigation employs a Systematic Literature Review (SLR) methodology to discern, assess, and integrate scholarly findings pertaining to waqf and youth empowerment within the framework of sustainable Islamic economic advancement. The SLR was selected for its capacity to furnish a thorough mapping of trends, deficiencies, and academic contributions pertinent to the subject matter under examination. Literature searches are executed across Scopus and SINTA indexed international and national databases, encompassing: Scopus, Web of Science (WoS), ScienceDirect, Emerald, SpringerLink, Taylor & Francis, Garuda, DOAJ, and SINTA. Search Limitations: Year of publication: 2010—2025, Language: English & Indonesian, Document types: journal articles, scientific proceedings, academic books, Inclusion and Exclusion Criteria are :

a. Inclusion

- ✓ Articles that address the relationship between waqf and youth empowerment.
- ✓ Articles that link waqf with Islamic economic development or sustainability.
- ✓ Empirical articles (quantitative, qualitative, mixed-methods) in addition to conceptual works.

b. Exclusion

- ✓ Articles categorized as opinion pieces, editorials, or popular news.
- ✓ Articles that are not accessible in full-text format.
- ✓ Articles deemed irrelevant to youth empowerment and Islamic economic development.
- ✓ Literature selection is conducted following the PRISMA 2020 protocol:
- ✓ Identification: Gathers all articles from the database in accordance with specified keywords.

Screening: Eliminates duplicates and extraneous articles based on title and abstract evaluation. Eligibility: Reviews full-text documents to ensure adherence to the inclusion criteria. Inclusion: Articles fulfilling the criteria are incorporated into the conclusive analysis.

The analysis is executed through two methodologies: Bibliometrics: Utilizes VOSViewer to delineate trends in publications, predominant keywords, authors, nations, and pertinent journals. Thematic Analysis: Categorizes articles by thematic focus:

- ✓ Waqf models (cash waqf, micro waqf, digital waqf, waqf-based entrepreneurship).

- ✓ Youth empowerment strategies (waqf skills, startup financing, digital platforms).
- ✓ Impact on sustainable economic development (employment, inclusion, Sustainable Development Goals).

To uphold validity, the selection and coding of articles were conducted by two independent researchers. In instances of discrepancies, dialogues will ensue until a consensus is attained. Reliability is assessed through inter-rater reliability (Cohen's Kappa) in the coding procedure.

C. RESULTS AND DISCUSSIONS

RESULTS

A comprehensive literature review resulted in the identification of 1,275 scholarly articles across multiple databases, including Scopus, Web of Science, ScienceDirect, Emerald, SpringerLink, Taylor & Francis, along with SINTA and Garuda. Following the elimination of duplicate entries, totaling 310 articles, a selection of 965 articles was maintained based on their titles and abstracts. During the subsequent screening process, 710 articles were deemed irrelevant and therefore excluded. Ultimately, a total of 255 articles were examined in full text, leading to the selection of 75 articles that met the predefined inclusion criteria for further analysis.

The graphical representation of the selection process adhering to the PRISMA 2020 guidelines indicates that the preponderance of screened articles originated from Scopus (65%), succeeded by SINTA (25%), with the remaining articles sourced from Web of Science and other databases (10%).

The findings derived from a bibliometric analysis conducted with VOSViewer indicate a substantial escalation in the research trends pertaining to waqf and youth empowerment since the year 2015, culminating in a remarkable peak during the years 2021 to 2023, which correlates with the heightened focus on the Sustainable Development Goals (SDGs). The most frequently occurring keywords identified within this research domain encompass “cash waqf,” “micro waqf,” “digital waqf,” “youth empowerment,” “Islamic finance,” and “sustainable development.”

With respect to contributions by country, Indonesia has emerged as the leading contributor to the volume of publications, accounting for 42%, followed by Malaysia at 35%; conversely, nations such as Pakistan, Turkey, and Nigeria have exhibited comparatively lower contributions. This observation implies that the discourse surrounding waqf as a mechanism for youth empowerment holds greater significance within the Southeast Asian context.

The academic journals that have yielded the highest number of publications on this subject matter include the Journal of Islamic Accounting and Business Research (Scopus Q2), the International Journal of Islamic and Middle Eastern Finance and Management (Scopus Q1), as well as several

SINTA 2 journals, notably the Journal of Sharia Economics and the Journal of Islamic Waqf and Philanthropy.

Thematic Analysis

Theme 1: The Waqf Model for Youth Empowerment

The findings of the investigation reveal three predominant frameworks within the research:

- ✓ Cash Waqf → functions as a financial resource for young individuals initiating small enterprises grounded in Sharia principles.
- ✓ Micro Waqf → operates as a mechanism for financial inclusion, facilitating access to capital for youth who lack affordability for conventional banking services.
- ✓ Digital Waqf → capitalizes on crowdfunding and digital platforms, which exhibit a significant demand among millennials and Generation Z.

Theme 2: Supporting and Inhibitory Factors

Several principal factors that facilitate youth involvement in waqf encompass:

- ✓ Religiosity and Islamic values → serve as the paramount incentives for youth participation in waqf.
- ✓ Sharia financial literacy → an increase in comprehension correlates with enhanced youth engagement.
- ✓ Trust in nazhir institutions and digital platforms → the transparency of financial disclosures fosters greater participation.

Conversely, the inhibitory factors consist of:

- ✓ Insufficient literacy regarding waqf among the younger demographic,
- ✓ A deficit in professionalism and accountability within nazhir entities,
- ✓ Regulatory frameworks that do not adequately endorse waqf digital innovation.

Theme 3: Impact on Sustainable Islamic Economic Development

Numerous scholarly articles underscore the pivotal role of waqf in fostering sustainable development through the empowerment of youth across three fundamental dimensions:

- ✓ Economic Inclusion → The waqf mechanism facilitates access to financial resources and entrepreneurial opportunities for the youth demographic.
- ✓ Job Creation → Financial waqf and micro waqf initiatives bolster the establishment of startups and support micro, small, and medium enterprises (MSMEs) operated by young individuals.
- ✓ Strengthening Human Capital → The concept of waqf skills underscores the importance of investing in the educational, training, and developmental capacities of the youth population.

The findings of the systematic literature review indicate that the integration model of waqf with youth entrepreneurship exerts a substantial influence on the alleviation of poverty, the reduction of unemployment rates, and the enhancement of self-reliance within the Islamic economic framework.

DISCUSSIONS

The findings of this literature review substantiate the assertion that waqf constitutes a pivotal mechanism for the empowerment of youth while concurrently fostering sustainable economic development within an Islamic framework. Cash waqf and micro waqf are demonstrating efficacy as viable financing sources, whereas digital waqf addresses the participatory requirements of younger demographics who are more adept in technological contexts. Nevertheless, there remain significant deficiencies in the existing research landscape:

- ✓ There exists a paucity of empirical investigations that quantitatively assess the direct influence of waqf on youth employment metrics.
- ✓ There is an insufficient integration of waqf with social enterprise initiatives and youth startup paradigms.
- ✓ There have been limited scholarly inquiries that quantitatively correlate youth waqf with the Sustainable Development Goals (SDGs).

Consequently, forthcoming research is necessitated to establish a hybrid framework that interlinks waqf, digital platforms, and youth entrepreneurship, augmented by technology-driven accountability mechanisms (such as blockchain and smart contracts) to enhance trust and participation among the younger generation.

D. CONCLUSION

The findings indicate that waqf plays a pivotal role in the empowerment of youth and the advancement of sustainable Islamic economic development. The preeminent waqf models identified are cash waqf, micro waqf, and digital waqf, which have demonstrated efficacy in enhancing financial inclusion, fostering job creation, and bolstering youth human capital.

The primary facilitating factors for youth engagement in waqf initiatives encompass the significance of religiosity, financial literacy in accordance with sharia principles, confidence in waqf institutions, and the integration of digital technologies. Conversely, the impediments to participation comprise insufficient waqf literacy, constrained capacity of nazhir, and regulatory frameworks that do not adequately promote digital innovation.

From a theoretical perspective, these findings reinforce the status of waqf as a crucial instrument within the paradigm of Islamic social finance, contributing directly to the Sustainable Development Goals (SDGs) through the empowerment of the youth demographic. Nevertheless, there remain deficiencies in empirical research, especially regarding the quantifiable effects of waqf on youth employment and entrepreneurial endeavors.

Recommendations for Scholars are : (1) Subsequent investigations must endeavor to construct quantitative empirical models that accurately assess the influence of waqf on various youth development metrics, including rates of unemployment, levels of self-employment engagement, and degrees of

financial literacy. (2) There exists an urgent necessity for interdisciplinary inquiries that amalgamate Islamic economics, digital technology, and social entrepreneurship to reinforce the theoretical underpinnings of “Waqf-Driven Youth Empowerment.”(3) Scholars are encouraged to enhance the volume of experimental and longitudinal studies aimed at evaluating the enduring sustainability of waqf’s impact on youth.

Recommendations for Practitioners and Sharia Fintech Institutions are : (1) Sharia waqf and fintech entities must endeavor to create a digital waqf platform characterized by transparency, user-friendliness, and accessibility for the younger demographic, incorporating real-time reporting systems to foster trust.(2) The sharia finance sector has the potential to innovate by developing products such as waqf-centric startup incubators, waqf-based vocational training programs, and waqf crowdfunding initiatives to bolster youth micro, small, and medium enterprises (MSMEs).(3) Practitioners should engage in collaborative efforts with academic institutions, boarding schools, and youth organizations to enhance waqf literacy while simultaneously integrating it into the entrepreneurial ecosystem.

Recommendations for Policymakers are : (1) The government ought to devise a productive fiscal and regulatory framework for waqf that fortifies the role of youth as emerging leaders, innovators, and beneficiaries.(2) There is a critical need for specific regulations governing digital waqf and micro waqf, which should include mechanisms for donor protection and standards for financial accountability in accordance with sharia principles.(3) The government, in conjunction with the Indonesian Waqf Agency (BWI) and the Financial Services Authority (OJK), can initiate the “Youth Waqf Entrepreneurship” program as an integral component of the national strategy for a sharia-based economy, aligning with the Sustainable Development Goals (SDGs) for 2030.

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