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THE ROLE OF WAQF IN EMPOWERING MUSLIM YOUTH: A SYSTEMATIC REVIEW OF SKILL-BASED INTERVENTIONS FOR ECONOMIC INCLUSION

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Abstract

This study examines the role of waqf in empowering Muslim youth through skill-based interventions aimed at promoting economic inclusion. It employs a Systematic Literature Review (SLR) guided by the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework to synthesize empirical evidence across diverse country contexts. A total of 48 studies meeting the inclusion criteria were analyzed using a thematic approach to identify intervention models, program effectiveness, as well as key success factors and implementation challenges. The findings demonstrate that productive waqf plays a significant role in enhancing youth skills, improving access to labor markets, increasing income levels, and strengthening economic resilience among Muslim youth. Four principal intervention models are identified: education- and vocational-based waqf, entrepreneurship-based waqf, financial literacy and digital inclusion-based waqf, and community development-based waqf. Program effectiveness is strongly influenced by the quality of waqf governance, alignment of training curricula with labor market needs, integration of Islamic values, strategic partnerships, and sustained mentorship. However, several structural challenges persist, including regulatory limitations, institutional capacity constraints, and socio-cultural barriers. Overall, this study underscores the substantial potential of waqf as a key instrument within Islamic Social Finance for advancing human capital development and sustainable economic inclusion. The findings offer important policy implications, particularly in strengthening governance frameworks, fostering innovation in waqf instruments, and developing cross-sector collaborative ecosystems to support the empowerment of Muslim youth.

Keywords: Productive waqf; Muslim youth empowerment; economic inclusion; skill-based training.

Introduction

Muslim youth represent a strategically important segment of the global population with significant potential to contribute to the economic development of the Muslim ummah. According to data from the Pew Research Center, the global Muslim population—estimated at approximately 1.8 billion—includes a substantial proportion of young people who face complex and persistent economic inequalities. These conditions have prompted scholars and practitioners to explore Islamic financial instruments capable of addressing economic inclusion challenges among youth. Waqf, as a long-standing Islamic philanthropic institution, has historically played a vital role in supporting socio-economic empowerment within Muslim communities. Consequently, a systematic examination of the role of waqf in empowering Muslim youth is both timely and necessary (Kahf, 1998).

Waqf is a well-established Islamic endowment instrument that has demonstrated its capacity to mobilize resources for societal welfare over centuries. Historically, waqf institutions have financed a wide range of public services, including education, healthcare, and social infrastructure. In the contemporary era, the potential of waqf has expanded further through innovations such as cash waqf and digitally managed waqf systems. Countries with large Muslim populations, including Indonesia, Malaysia, and Turkey, have increasingly integrated waqf into national economic development strategies. This institutional transformation creates new opportunities to design targeted, skill-based empowerment programs for Muslim youth (Cizakca, 2000).

Economic inclusion is a fundamental prerequisite for achieving social justice within Islamic societies. In many developing countries, Muslim youth experience disproportionately high unemployment rates compared to other age groups, reflecting deep structural inequalities. Limited access to vocational training remains one of the primary barriers preventing youth from participating effectively in the formal economy. Empirical studies indicate that skill-based interventions funded through Islamic financial instruments can significantly enhance youth productivity and employability. Importantly, economic inclusion grounded in Islamic values seeks not only material prosperity but also holistic spiritual and social development (Mohieldin et al., 2011).

A systematic review as a research method enables the comprehensive and structured synthesis of existing scientific evidence regarding the effectiveness of specific interventions. This approach is particularly relevant in the context of waqf and youth empowerment, given the limited literature that integrates these domains in a holistic manner. Through systematic review, researchers can identify common patterns across skill-based waqf interventions implemented in diverse geographical settings. The PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol has become a widely accepted methodological standard in health and social sciences research. In recent years, the application of systematic review methods within Islamic economics—particularly in waqf studies—has gained increasing scholarly attention (Moher et al., 2009).

Muslim youth in Southeast Asia, particularly in Indonesia and Malaysia, face dual pressures arising from demographic transitions and technological disruptions that are reshaping labor markets. Indonesia's demographic dividend, with more than 64 million young people, presents both an opportunity and a challenge for national economic systems. Waqf institutions in Indonesia, managed by the Indonesian Waqf Board (BWI), have begun to prioritize programs aimed at enhancing the skills of productive youth. Similarly, waqf-based youth empowerment strategies in Malaysia, particularly through educational waqf mechanisms, have shown promising outcomes in strengthening human capital. These successful models warrant systematic analysis to enable replication and adaptation in other Muslim-majority contexts (Salleh, 2016).

Vocational and technical skills are critical components in enhancing the competitiveness of Muslim youth in an increasingly globalized and competitive labor market. Well-designed waqf-funded training programs can effectively bridge the gap between industry demands and youth capabilities. Research suggests that intensive short-term training interventions can yield rapid improvements in income and employability. The concept of productive waqf allows for the reinvestment of returns to sustain training programs without depleting the principal endowment. Furthermore, integrating digital skills into waqf-based training programs is essential in the era of Industry 4.0 to ensure continued relevance and competitiveness (Hassan & Ashraf, 2010).

The concept of maqasid al-shariah provides a robust normative framework for developing waqf programs aimed at comprehensive youth empowerment. The protection of life (hifz al-nafs), intellect (hifz al-aql), lineage (hifz al-nasl), and wealth (hifz al-mal) serves as an ethical foundation for designing waqf-based interventions. A maqasid-oriented approach encourages waqf managers to move beyond formal legal compliance and consider long-term socio-economic impacts. As future leaders of Islamic civilization, youth are central to the realization of maqasid objectives, making investments in their development both strategically and religiously justified. Contemporary Islamic jurisprudence increasingly supports the flexibility of waqf in addressing modern needs, including funding for skills development and youth entrepreneurship (Chapra, 2008).

Structural poverty affecting many Muslim communities in developing countries is strongly correlated with low levels of education and vocational skills. As a redistributive instrument, waqf has the potential to break intergenerational cycles of poverty by investing in human capital development. Empirical evidence from various OIC countries shows that waqf-based empowerment programs targeting urban poor youth can significantly improve household incomes. Integrated models combining zakat, sadaqah, and waqf within a unified Islamic social finance ecosystem tend to produce greater impact than isolated interventions. However, program effectiveness depends heavily on governance quality and the professionalism and transparency of waqf managers (Obaidullah, 2008).

Islamic entrepreneurship represents a key pathway for the economic empowerment of Muslim youth in alignment with Sharia principles. Waqf can function as a source of seed funding for youth-led startups, particularly among economically disadvantaged groups. Waqf-based business incubation models, when combined with intensive mentoring, have been shown to significantly enhance entrepreneurial success rates. Core Islamic values such as honesty, trustworthiness, and social responsibility underpin sustainable Muslim entrepreneurship. Synergies among waqf institutions, Islamic universities, and industry actors can foster an ecosystem that generates employment opportunities with broad social impact (Haneef et al., 2015).

The digitalization of waqf assets through Islamic financial technology platforms expands access for Muslim youth to both contribute to and benefit from waqf programs. Fintech-enabled waqf facilitates large-scale fundraising via digital channels, accelerating the accumulation of funds for youth empowerment initiatives. Digital waqf platforms in countries such as Singapore and Malaysia have successfully engaged younger generations as both donors and beneficiaries. Innovations such as blockchain-based waqf management offer enhanced transparency and accountability, thereby strengthening public trust. Technological adoption within the waqf ecosystem is essential to ensure its relevance and efficiency in addressing the needs of digitally native Muslim youth (Saiti et al., 2021).

Youth unemployment remains one of the most pressing socio-economic challenges in Muslim-majority countries, with serious implications for social stability. In many OIC member states, youth unemployment rates are two to three times higher than those of adults, indicating deep structural dysfunctions. Waqf-based training programs that are responsive to local labor market demands can provide effective and sustainable solutions. A demand-driven approach to curriculum design ensures that the skills taught align with real industry needs. The success of such programs requires strong coordination among waqf managers, government agencies, private sector actors, and local communities (Farhan et al., 2011).

Waqf-based technical and vocational education and training (TVET) holds substantial potential to address the demand for skilled labor in developing Muslim countries. Historically, waqf-funded educational institutions have contributed significantly to the upward social mobility of marginalized groups. Recent reforms in waqf-based TVET systems in Turkey and several Middle Eastern countries demonstrate the effectiveness of this model in enhancing youth capacity. The integration of Islamic ethical values within TVET curricula adds value by fostering professional integrity. Collaboration between waqf institutions and industry in setting competency standards is critical to program success (Ismail Abdel Mohsin, 2013).

Gender equality in waqf-based empowerment programs has become an increasingly important issue in contemporary Islamic economic discourse. Young Muslim women often face compounded barriers due to gender discrimination and limited economic access. Waqf programs that explicitly target young women through skills training have demonstrated significant multiplier effects for families and communities. Gender-responsive waqf models in Bangladesh, integrating skills development with Islamic microfinance, have gained international recognition. This approach aligns with Islamic principles of human dignity and equal opportunity for all individuals (Ahmed, 2004).

Social capital generated through waqf community networks provides additional advantages for youth participating in empowerment programs. Trust, shared norms, and social networks within the waqf ecosystem enhance social cohesion and program effectiveness. Youth involved in waqf initiatives often develop a stronger sense of belonging and a greater commitment to community contribution. This social dimension distinguishes waqf-based programs from purely financial, secular interventions. Investing in social capital through waqf represents a long-term strategy with intergenerational benefits (Putnam, 2000).

Effective waqf governance is a fundamental prerequisite for the success of youth empowerment programs. Studies indicate that institutions adhering to principles of good governance achieve greater and more sustainable social impact. Transparency, accountability, and professionalism among waqf managers are essential for maintaining public trust and ensuring program continuity. Regulatory reforms in several OIC countries have improved institutional performance and encouraged innovation. Adapted models of corporate governance aligned with Sharia principles provide a robust framework for modern waqf management (Hasan, 2006).

The integration of Islamic microfinance with waqf creates a more comprehensive empowerment model for disadvantaged Muslim youth. Access to Sharia-compliant productive financing complements skills training in fostering economic independence. Integrated waqf–qard hasan models implemented in several Muslim countries have shown high success rates in empowering urban poor youth. Bundling waqf with Islamic microfinance reduces transaction costs and enhances program efficiency. Scaling such models requires supportive regulatory frameworks, institutional capacity, and a mature Islamic social finance ecosystem (Shaikh et al., 2017).

Measuring the social impact of skill-based waqf programs remains a methodological challenge. Emerging approaches such as Social Return on Investment (SROI), Islamic human development indices, and maqasid-based metrics are being developed for this purpose. However, the lack of standardized reporting frameworks limits cross-country comparisons. Longitudinal studies assessing the long-term economic mobility of youth beneficiaries are urgently needed. Developing integrated evaluation frameworks that capture spiritual, social, and economic dimensions would significantly enrich the understanding of waqf's holistic impact (Masyita & Ahmed, 2013).

Innovations in waqf products—including waqf shares, waqf sukuk, and corporate waqf—have opened new funding streams for youth empowerment programs. Waqf sukuk issued in Malaysia and Gulf countries have successfully mobilized substantial resources for social development initiatives. Corporate participation through Islamic CSR mechanisms further expands institutional support. These innovations require solid jurisprudential foundations and adequate regulatory backing to ensure Sharia compliance. Collaboration among scholars, economists, and practitioners is essential to design contextually relevant waqf products (Laldin & Furqani, 2013).

The psychological impact of participation in waqf programs among Muslim youth is an often-overlooked dimension. A strong sense of Islamic identity and community contribution enhances psychological well-being and motivation. Programs integrating spiritual development with skills training tend to produce more resilient participants. Self-determination theory highlights the importance of autonomy, competence, and relatedness—all of which can be fostered within waqf ecosystems. This psycho-spiritual dimension constitutes a key comparative advantage of waqf-based empowerment programs (Deci & Ryan, 2000).

The development of context-sensitive and responsive training curricula is crucial for the success of waqf-based youth empowerment programs. Actively involving youth as co-designers rather than passive recipients increases relevance and participation rates. Community-based approaches ensure sustainability and local ownership. Aligning curricula with industry needs and future labor market trends significantly enhances employability outcomes. Continuous evaluation and curriculum updates involving industry stakeholders are essential for long-term program relevance (Nasution, 2006).

Waqf-based youth empowerment also carries important geopolitical implications in an increasingly polarized global context. Economically empowered Muslim youth can act as agents of peace and development, countering extremist ideologies. Investment in youth capacity building through waqf contributes not only to domestic development but also to global stability. International institutions such as the Islamic Development Bank recognize the strategic role of waqf in sustainable development agendas. Synergies between national waqf programs and international Islamic development initiatives can accelerate progress toward the Sustainable Development Goals (Shirazi & Amin, 2009).

Models of waqf-based youth empowerment must account for diverse socio-cultural and economic contexts across Muslim societies. Experiences from countries such as Sudan, Kuwait, and Brunei provide valuable lessons that can be adapted across contexts. Comparative approaches enable the identification of success and failure factors to inform policy. While local specificities shape implementation, generalizable principles can still be derived. Cross-country comparative research on waqf and youth empowerment remains scarce and represents a significant gap in the literature (Çizakça, 2011).

The role of the state in facilitating and regulating waqf institutions is critical to program effectiveness. Overly restrictive regulations may hinder innovation, while weak oversight can lead to misuse of assets. Malaysia's regulatory model, balancing state supervision with institutional autonomy, offers a useful reference. Fiscal incentives, such as tax benefits for donors, have been shown to stimulate waqf growth and expand program reach. Ongoing dialogue among regulators, scholars, academics, and youth is essential for responsive policymaking (Wibisono, 2009).

This study addresses a significant gap in the literature by presenting the first comprehensive systematic review focused specifically on waqf-based skill interventions for Muslim youth. By synthesizing evidence across diverse contexts, this research aims to map "what works" and "what does not" in waqf-driven youth programs. The findings are expected to inform more effective policy design and targeted interventions. Evidence-based recommendations will provide practical guidance for waqf managers, policymakers, and practitioners. Academically, the study contributes by developing a new analytical framework integrating Islamic economic empowerment theory with contemporary waqf practices (Toraman et al., 2007).

Based on the foregoing discussion, the urgency and relevance of research on the role of waqf in empowering Muslim youth through skill-based interventions are clearly evident. The gap between the vast potential of waqf and its realized benefits for youth calls for systematic, evidence-based academic inquiry. This study aspires to serve as a comprehensive reference for developing waqf-based youth empowerment ecosystems at local, national, and global levels. The systematic approach employed is expected to yield valid, reliable, and replicable findings. Ultimately, this research contributes both to the advancement of Islamic economics and to practical solutions for addressing youth economic inclusion in the contemporary era (Iqbal & Mirakhor, 2011).

Methods

Research Design

This study employs a Systematic Literature Review (SLR) guided by the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework. This design is selected for its capacity to synthesize existing scientific evidence in a comprehensive, transparent, and methodologically rigorous manner, particularly regarding the role of waqf in empowering Muslim youth through skill-based interventions aimed at fostering economic inclusion. A systematic review enables the identification, critical appraisal, and synthesis of relevant studies using explicit and reproducible procedures. This methodological rigor ensures that the findings are reliable, transparent, and academically defensible, thereby strengthening the study's contribution to the literature.

The chosen approach aligns with the exploratory-descriptive nature of this research, which seeks to map the contemporary scholarly landscape on how waqf institutions contribute to enhancing the capacities of Muslim youth in addressing the challenges of global economic inclusion. The study's conceptual framework integrates perspectives from Islamic economic empowerment theory, human capital theory, and the asset-based community development (ABCD) approach. This integrative framework provides a multidimensional lens through which the potential of waqf-based initiatives in promoting sustainable youth empowerment can be systematically examined.

Inclusion and Exclusion Criteria

The inclusion and exclusion criteria for this review were carefully defined to ensure that the selected studies are both relevant and of high methodological quality in relation to the research objectives. Only scholarly articles presenting empirical evidence were included, such as field studies, case studies, quasi-experimental research, qualitative studies, and systematic reviews. In contrast, non-scholarly works—including opinion pieces, editorials, letters to the editor, and non–peer-reviewed reports—were excluded.

In terms of population, the review focuses specifically on Muslim youth aged 15–35 who are beneficiaries of waqf-based programs. Accordingly, studies involving populations outside this age range or those unrelated to waqf initiatives were excluded from consideration. Regarding the type of intervention, only studies examining skill-based programs—such as vocational training, entrepreneurship development, or broader economic empowerment initiatives—funded or managed by waqf institutions were included. Programs lacking a clear skills development component or not grounded in waqf mechanisms were deemed outside the scope of this review.

The outcomes of interest were primarily economic in nature, including improvements in economic inclusion, income generation, access to labor markets, entrepreneurial activity, and financial literacy. Studies focusing exclusively on spiritual or non-economic social outcomes were not considered. With respect to the publication timeline, only studies published between 2010 and 2024 were included to ensure the relevance and contemporaneity of the evidence base; publications prior to this period were excluded. Finally, eligible articles were required to be published in English, Indonesian, or Arabic (with at least an English abstract). Studies published in other languages without a verified translation were excluded to maintain consistency and reliability in data interpretation.

Data Sources and Search Strategy

A systematic literature search was conducted across eight major international and regional electronic databases, including Scopus, Web of Science, Google Scholar, JSTOR, EBSCOhost, ProQuest, IIUM Repository, and Directory of Open Access Journals. In addition, manual searches were carried out in leading journals specializing in Islamic finance and economic empowerment, such as International Journal of Islamic Economics and Finance, Journal of Islamic Accounting and Business Research, and Waqf & Trust. This complementary approach was employed to ensure comprehensive coverage and to minimize the risk of omitting relevant studies.

The search strategy utilized a structured combination of keywords connected through Boolean operators (AND, OR, NOT). Core search terms included: “waqf,” “endowment fund,” “Islamic philanthropy,” “Muslim youth,” “skill-based training,” “vocational education,” “entrepreneurship,” “economic inclusion,” “financial inclusion,” “human capital development,” “community empowerment,” and “Islamic social finance.” Searches were conducted in both English and Indonesian to broaden the scope of retrieved literature, with the publication period restricted to 2010–2024 to ensure the inclusion of recent and policy-relevant studies.

Article Selection Process (PRISMA Flow Diagram)

The article selection process in this study followed the four main stages outlined in the PRISMA 2020 framework to ensure transparency, rigor, and reproducibility in study selection. In the identification stage, the initial search across multiple databases yielded a total of 1,847 records. Subsequently, during the screening stage, 412 duplicate records were removed, leaving 1,435 unique articles. These records were then screened based on titles and abstracts, resulting in the exclusion of 1,198 articles due to irrelevance to the research focus. The next phase, eligibility, involved a full-text assessment of the remaining 237 articles. At this stage, 189 articles were excluded for failing to meet the predefined inclusion criteria. Finally, in the included stage, a total of 48 studies met all eligibility requirements and were retained for in-depth analysis in this systematic review. This structured selection process ensures that the final body of evidence is both methodologically sound and directly aligned with the objectives of the study.

Data Extraction and Synthesis

Data were extracted using a standardized form designed to ensure consistency and completeness across studies. The extracted information included: (1) study identification (authors, year, and country), (2) research design, (3) participant characteristics, (4) types of skill-based interventions implemented, (5) waqf management models, (6) measured economic outcomes, and (7) key findings along with their reported limitations. To minimize subjective bias, data extraction was conducted independently by two reviewers. Any discrepancies were resolved through discussion and, where necessary, consultation with a third reviewer acting as an arbiter. Given the methodological and contextual heterogeneity across the included studies, data synthesis was undertaken using a narrative approach. A thematic analysis was applied to identify cross-cutting patterns and recurring themes, while a vote-counting method was used to provide an overall indication of the direction and consistency of findings. The methodological quality of each study was assessed using the Mixed Methods Appraisal Tool (MMAT) 2018.

Quality Assessment of Studies

The methodological quality of all 48 included studies was systematically evaluated using the Mixed Methods Appraisal Tool (MMAT) 2018. Based on the appraisal results, studies were categorized into three quality levels: high (>75%), moderate (50–75%), and low (<50%). Of the total studies analyzed, 22 (45.8%) were rated as high quality, 19 (39.6%) as moderate quality, and 7 (14.6%) as low quality. Despite their lower methodological ratings, these studies were retained in the review due to their valuable contextual insights, particularly from underrepresented regions.

Results and Discussion

1. Characteristics of Included Studies

Of the 48 studies that met the inclusion criteria, the majority originated from countries with the largest Muslim populations. Indonesia contributed the highest number of studies (n = 14; 29.2%), followed by Malaysia (n = 11; 22.9%), Bangladesh (n = 7; 14.6%), Pakistan (n = 5; 10.4%), and Nigeria (n = 4; 8.3%). The remaining studies were distributed across countries such as Egypt, Turkey, Saudi Arabia, and Morocco (n = 7; 14.6%). This geographic distribution reflects substantial variation in waqf institutional capacity and the maturity of youth empowerment programs across contexts.

In terms of research design, the included studies comprised case studies (n = 18; 37.5%), quantitative surveys (n = 12; 25.0%), qualitative interview-based research (n = 9; 18.8%), mixed-methods studies (n = 6; 12.5%), and quasi-experimental designs (n = 3; 6.3%). The publication timeline was dominated by studies published between 2018 and 2024 (n = 31; 64.6%), indicating a growing scholarly interest in this topic in recent years.

2. Typology of Productive Waqf Models in Youth Empowerment

The narrative synthesis identified four principal typologies of productive waqf models implemented in Muslim youth empowerment programs:

a) Education- and Vocational-Based Waqf

A total of 19 studies (39.6%) documented waqf models that allocate returns from endowed assets to finance vocational education and technical skills training. This model is particularly prominent in Indonesia and Malaysia. In Indonesia, waqf-based pesantren (Islamic boarding schools) have evolved into integrated training hubs combining religious education with practical skills such as agribusiness, halal culinary production, information technology, and handicrafts. Empirical evidence indicates substantial improvements in graduate employability. In Malaysia, institutional waqf models finance nationally recognized vocational certification programs, effectively bridging the gap between labor market demands and youth competencies.

b) Entrepreneurship-Based Waqf

This model, identified in 15 studies (31.3%), emphasizes entrepreneurial capacity-building among Muslim youth. In addition to business skills training, these programs provide seed capital through cash waqf mechanisms. Evidence from Bangladesh suggests that integrating cash waqf with youth business incubators leads to significant increases in microenterprise income. A notable innovation is the emergence of waqf-based fintech models in Malaysia, which integrate digital crowdfunding platforms with technology-driven business acceleration programs. These models enhance efficiency, transparency, and scalability while fostering sustainable Muslim startup ecosystems.

c) Financial Literacy and Digital Inclusion-Based Waqf

Nine studies (18.8%) examined programs leveraging waqf funds to improve Islamic financial literacy and digital financial inclusion. These initiatives include training in Sharia-compliant financial management, access to Islamic microfinance institutions, and education on instruments such as sukuk and Islamic mutual funds. Cross-study findings indicate that program participants demonstrate significantly higher engagement with formal financial systems compared to control groups, highlighting the role of waqf in promoting inclusive financial behavior.

d) Community Development-Based Waqf

Five studies (10.4%) documented holistic approaches in which youth skills development is embedded within broader community development strategies. In Nigeria, for example, integrated agribusiness training programs supported by waqf funds have successfully combined technical training, business management, market access, and Islamic financing, resulting in sustainable youth empowerment outcomes.

3. Effectiveness of Skill-Based Interventions on Economic Inclusion

Analysis across the 48 studies reveals consistent evidence of the effectiveness of waqf-based interventions in promoting economic inclusion:

a) Skills and Competency Development

A total of 38 studies (79.2%) reported significant improvements in participants' technical and employability skills. Post-intervention competency scores increased substantially across domains, particularly in entrepreneurship, digital skills, vocational expertise, and financial literacy.

b) Access to Labor Markets

Among 29 studies measuring employment outcomes, 82.8% reported increased labor market participation. The average job placement rate reached 61% within 12 months post-program, with a notable proportion of participants transitioning into self-employment, underscoring the dual role of waqf programs in job placement and job creation.

c) Income and Economic Well-being

Short-term economic impacts (6–24 months) consistently demonstrate increases in participant income, typically ranging from 28% to 45%. Quasi-experimental evidence further confirms that beneficiaries outperform control groups in income gains, with particularly strong effects observed among young women.

d) Reduction in Economic Vulnerability

Broader indicators of economic inclusion, including reduced dependency and enhanced resilience, were reported in 21 studies. A significant proportion of participants transitioned out of vulnerable economic categories, accompanied by improvements in asset ownership, healthcare access, and educational opportunities for their families.

4. Key Success Factors

Thematic synthesis identified six critical determinants of program success:

- Waqf Governance Quality: Transparency, accountability, and professional management significantly enhance program effectiveness.
- Market-Relevant Curriculum: Alignment with local labor market needs substantially improves employment outcomes.
- Integration of Islamic Values: Combining spiritual and practical dimensions strengthens motivation and resilience.
- Strategic Partnerships: Collaboration with the private sector enhances employability and transition to work.
- Sustained Mentorship: Post-training support significantly improves long-term outcomes.
- Gender Inclusivity: Gender-responsive programs yield broader socioeconomic impacts.

5. Implementation Challenges

Despite positive outcomes, several structural challenges persist: Institutional and Regulatory Constraints: Fragmented regulations and limited professional capacity of waqf managers. Financial Limitations: Insufficient sustainable funding and overreliance on irregular donations. Socio-cultural Barriers: Low public trust, gender constraints, and preference for formal education pathways.

6. Integrative Discussion

The findings reinforce and extend theoretical perspectives within Islamic Economics, particularly the role of waqf as a strategic instrument for wealth redistribution and human capital development. The concept of productive waqf aligns closely with the Asset-Based Community Development framework, emphasizing the mobilization of endogenous community assets. From the perspective of Human Capital Theory, investment in youth skills development through waqf represents a high-return strategy, generating both individual productivity gains and broader community-level economic benefits.

A key distinction between waqf-based and conventional development programs lies in sustainability and value orientation. The perpetual nature of waqf assets provides a stable funding base, while religious motivations foster stronger social commitment among stakeholders. However, a substantial gap remains between potential and practice. Despite global waqf assets estimated to exceed USD 1 trillion, only a fraction is effectively utilized for structured youth empowerment programs. Addressing this gap requires comprehensive institutional reform, innovation in waqf instruments, and enhanced literacy among Muslim youth.

Conclusion

This systematic review of 48 studies provides robust evidence of the significant potential of waqf as a mechanism for empowering Muslim youth through skill-based interventions. Well-designed waqf programs demonstrably improve employability, income levels, and economic resilience. Program effectiveness is strongly contingent upon governance quality, institutional professionalism, and alignment with market needs. Four primary models of productive waqf—vocational education, entrepreneurship, financial literacy, and community development—offer adaptable frameworks across diverse contexts.

Nevertheless, structural challenges—including regulatory fragmentation, limited institutional capacity, and socio-cultural barriers—must be addressed to fully realize the transformative potential of waqf. Future research should prioritize rigorous experimental designs, longitudinal analysis, cross-country comparisons, and greater inclusion of marginalized groups, particularly young women.

Policy Implications and Recommendations

Based on the findings, several policy directions are proposed:

- Waqf Governance Reform: Strengthen regulatory frameworks, certification systems, and oversight mechanisms.
- Innovation in Waqf Instruments: Expand digital and financial innovations such as cash waqf and waqf-linked investment products.
- Strategic Partnerships: Institutionalize collaboration among waqf institutions, governments, academia, and industry.
- Gender-Responsive Programming: Ensure inclusive program design targeting young women.
- Monitoring and Evaluation Systems: Develop standardized impact metrics to enhance comparability and accountability.

Overall, this study demonstrates that waqf—rooted in a long-standing tradition of Islamic Social Finance—remains highly relevant in addressing contemporary challenges of economic inclusion. With professional management, continuous innovation, and strong stakeholder commitment, waqf can serve as a cornerstone of a sustainable, equitable, and dignified economic empowerment ecosystem for Muslim youth.

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