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Unlocking Youth Potential through Waqf: A Systematic Literature Review on Skills Development in the Islamic Economic Framework

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Abstract

This study aims to analyze the role of waqf as an instrument for youth skill development within the framework of Islamic economics using a Systematic Literature Review (SLR) approach based on the PRISMA protocol. The study synthesizes 67 selected publications from international academic databases covering the period 2000–2024 to identify patterns, models, challenges, and research gaps related to the optimization of waqf in youth empowerment. The findings indicate that waqf, in both its traditional and productive forms (including cash waqf), holds significant potential as a sustainable financing source for youth education, vocational training, and entrepreneurship development. Various innovative models, such as Waqf-Based Vocational Training Centers and waqf-linked microfinance schemes, have demonstrated effectiveness in improving access to skills acquisition and employment opportunities. From a theoretical perspective, the utilization of waqf aligns closely with the principles of maqasid al-shariah, particularly in the preservation of intellect (hifz al-‘aql) and lineage (hifz al-nasl), thereby reinforcing the normative legitimacy of youth development programs. However, the effectiveness of implementation remains constrained by several challenges, including governance issues, limited capacity of nazhir (waqf managers), low levels of waqf literacy, and the underutilization of digital technologies. The study also identifies critical gaps in the literature, particularly the lack of longitudinal empirical research and the limited involvement of youth as active agents within the waqf ecosystem. In response, this study proposes an integrative conceptual framework that positions waqf as a dynamic social investment mechanism for value-based human capital development. Practically, these findings offer policy implications for governments and waqf institutions to strengthen regulatory frameworks, enhance institutional capacity, and promote technology-driven innovation in order to optimize the role of waqf in unlocking the sustainable potential of Muslim youth.

Keywords: Productive Waqf; Youth Skill Development; Islamic Economics; Maqasid al-Shariah

Introduction

Poverty and unemployment among Muslim youth remain persistent structural challenges that continue to erode the foundations of socio-economic development in Muslim societies worldwide. Data from the International Labour Organization indicate that youth unemployment rates in Muslim-majority countries consistently exceed the global average. This situation is further exacerbated by a mismatch between formal educational qualifications and the evolving demands of dynamic labor markets. Within the framework of Islamic economics, this issue extends beyond a purely economic concern, encompassing broader dimensions of social justice and collective responsibility. Therefore, a holistic approach grounded in Islamic institutional mechanisms is essential to effectively address the challenges of youth human capital development (Kasri & Kassim, 2009).

Waqf (Islamic endowment) represents a longstanding philanthropic instrument that has historically functioned as a cornerstone of socio-economic development in Muslim societies. Historically, waqf institutions financed universities, hospitals, libraries, and various public facilities that underpinned the advancement of Islamic civilization. In contemporary contexts, waqf has evolved from the management of static assets into a dynamic and productive form of social investment. Modern scholars increasingly recognize waqf as a mechanism for wealth redistribution with the potential to address structural inequalities within Muslim communities. Consequently, its relevance as a sustainable financing tool for human development has attracted growing attention from both academics and policymakers (Cizakca, 2000).

Skills development for youth has become a central priority within the global sustainable development agenda, particularly under the Sustainable Development Goals (SDGs). SDG 4 explicitly emphasizes the importance of quality education and lifelong learning, including vocational and technical skills. However, the implementation of this agenda in many Muslim countries is often constrained by limited public budgets and insufficient private sector engagement. In this context, waqf institutions can play a strategic role as a bridge between the demand for human capital development and the availability of sustainable financing. The alignment between waqf objectives and the SDGs presents a promising avenue for synergy that warrants deeper exploration within the Islamic economic framework (Hasan & Siraj, 2017).

Islamic economics offers an alternative paradigm for understanding the interconnections between philanthropy, social investment, and human development. The concept of maqashid al-shariah, which prioritizes the protection of life, intellect, lineage, wealth, and faith, provides a normative foundation for youth development initiatives. From this perspective, investment in youth skills development is not merely an economic activity but also a moral and spiritual obligation. Various Islamic social finance instruments—including zakat, infaq, sadaqah, and waqf—can collectively contribute to a comprehensive ecosystem for human capital development.

Nonetheless, both theoretical and empirical studies examining the coherence between maqashid al-shariah and waqf-based skills development programs remain limited and require further scholarly attention (Chapra, 2008).

The systematic literature review (SLR) methodology has gained widespread recognition in the social sciences and economics as a rigorous and transparent research approach. SLR enables researchers to systematically synthesize empirical evidence, identify knowledge gaps, and map the evolution of a particular field of study. In the context of Islamic economics and waqf research, this approach is particularly relevant given the rapid expansion of literature over the past two decades. By employing SLR, researchers can critically evaluate the quality and relevance of existing studies on waqf and human capital development. This method facilitates the identification of patterns, trends, and gaps in the literature concerning the role of waqf in youth skills development (Tranfield et al., 2003).

The potential of productive waqf as a financing instrument for education and training has been recognized by various international institutions, including the Islamic Development Bank (IsDB). Studies suggest that global waqf assets are valued between US$105 billion and US$1 trillion, although a significant portion remains underutilized. Countries such as Malaysia, Indonesia, Turkey, and Bangladesh have introduced innovative models for managing productive waqf to support social financing initiatives. The transformation from traditional waqf models to productive waqf requires institutional reforms, regulatory improvements, and capacity building for nazhir (waqf managers). Comparative studies on best practices across Muslim countries provide valuable insights for developing scalable and replicable models (Kahf, 1998).

Indonesia, as the country with the largest Muslim population in the world, possesses substantial waqf potential that has yet to be fully realized. Data from the Indonesian Waqf Board (BWI) indicate that waqf land in Indonesia exceeds 400,000 hectares, distributed across the archipelago. However, the productivity of these assets remains relatively low, with the majority allocated for religious purposes such as mosques and cemeteries. Recent developments show a gradual shift toward more productive waqf models, including cash waqf initiatives supported by the government and Islamic organizations. Indonesia's experience in developing a waqf ecosystem offers important contributions to global discussions on leveraging waqf for human capital development (Furqon, 2011).

Youth unemployment in Muslim countries is not only an economic issue but also has significant implications for social stability and regional security. Empirical research demonstrates a strong correlation between high youth unemployment and increased vulnerability to radicalization and social conflict. Effective skills development programs can serve as a powerful preventive strategy to mitigate these risks. Investment in youth capacity building through waqf institutions can simultaneously address poverty and strengthen social cohesion. These socio-political dimensions further underscore the urgency of academic inquiry into optimizing waqf as an instrument for youth empowerment (Saleh, 2012).

The concept of human capital within an Islamic framework encompasses a transcendental dimension that distinguishes it from conventional human capital theory. In Islam, investment in human development is not solely assessed in terms of economic productivity but also in relation to spiritual and social obligations. Classical scholars such as Al-Ghazali emphasized the importance of knowledge and skills as integral components of worship and service to society. This reinterpretation of Islamic human capital provides a strong philosophical foundation for waqf-funded youth skills development programs. Integrating modern human capital theory with Islamic values can yield a more holistic and sustainable model of human development (Ismail & Possumah, 2013).

Innovative models of waqf financing for education and skills training have emerged across various Muslim countries over the past decade. In Malaysia, State Islamic Religious Councils (MAIN) have developed waqf-based scholarship programs benefiting thousands of recipients. In Turkey, historical university waqf institutions, such as the Suleymaniye Waqf, continue to support education in the modern era. Bangladesh has pioneered waqf-based microfinance models that integrate access to capital with skills training for disadvantaged youth. Systematic documentation and analysis of these innovative models are essential for identifying best practices that can be adapted more broadly (Alias, 2012).

Governance of waqf institutions is a critical factor determining the effectiveness of asset management and development. Numerous studies highlight that weak governance, including corruption and inefficiency among waqf managers, constitutes a major barrier to waqf development in many countries. The adoption of good governance principles—such as transparency, accountability, and stakeholder participation—is essential for modernizing waqf institutions. Furthermore, the integration of digital technologies and financial technology (fintech) offers new opportunities to enhance efficiency and expand the reach of skills development programs. Comprehensive governance reform is therefore a prerequisite for optimizing the role of waqf in human capital development (Salarzehi et al., 2010).

Waqf-based social entrepreneurship represents an emerging paradigm that offers innovative solutions to the challenges of Muslim youth development. This model combines the philanthropic spirit of Islam with sustainable business approaches to generate measurable and scalable social impact. Waqf-based business incubators in several countries have successfully nurtured a new generation of competitive Muslim entrepreneurs. The integration of entrepreneurial skills training with access to waqf financing creates a comprehensive ecosystem for economic empowerment. Further research on this model is needed to strengthen its empirical evidence base and policy relevance (Mohsin, 2013).

Cash waqf is a contemporary innovation that significantly expands the resource base available for financing social programs. Unlike traditional immovable asset waqf, cash waqf allows broader participation from various segments of society, including the middle class and youth. Bangladesh has pioneered the development of cash waqf through institutions such as Social Investment Bank Limited (SIBL), demonstrating its practical viability. In Indonesia, the legalization of cash waqf through a fatwa issued in 2002 marked a new phase in the development of productive waqf. The potential of cash waqf as a financing instrument for youth skills development programs warrants comprehensive examination (Ahmed, 2007).

Digital technology and Islamic crowdfunding platforms have introduced new dimensions in mobilizing waqf resources for human development programs. Platforms such as AwaqMe, Ethar, and BWA have successfully raised funds from millions of donors online. These innovations not only enhance accessibility but also attract participation from digitally engaged youth who were previously less involved in Islamic philanthropy. The integration of blockchain technology into waqf management offers promising solutions to long-standing issues of transparency and accountability. Examining the impact of digital transformation on the effectiveness of waqf in supporting youth skills development is highly relevant in the era of Industry 4.0 (Mustafa et al., 2021).

Historical experience demonstrates that waqf institutions once formed the backbone of education and knowledge development in Islamic civilization. Prominent institutions such as Al-Azhar University in Egypt and Al-Qarawiyyin University in Morocco were established and sustained through waqf funding. These historical models provide both inspiration and legitimacy for contemporary efforts to utilize waqf as a tool for youth education and skills development. However, adapting these models to modern contexts requires careful consideration of evolving social, economic, and technological conditions. A historical-comparative perspective thus offers valuable insights for this research (Makdisi, 1981).

The development of vocational and technical skills among youth has become a policy priority in many Muslim countries to address the mismatch between education and labor market demands. Training curricula aligned with local and global industry needs are critical for the success of skills development programs. Waqf can serve as a stable and sustainable source of funding for vocational training institutions and skills development centers. Empirical evidence suggests that waqf-funded programs often demonstrate higher sustainability compared to conventional donation-based initiatives. Designing effective waqf models for vocational education requires careful consideration of labor market needs, program quality, and beneficiary outcomes (Hashim & Embong, 2015).

The role of women within the waqf ecosystem and human capital development programs represents an important yet often overlooked dimension in academic discourse. Historically, Muslim women have made significant contributions as both donors (waqif) and beneficiaries of waqf initiatives. Gender inclusion in waqf-based skills development programs is not only a matter of equity but also a strategic consideration for maximizing developmental impact. Research indicates that investments in women's skills development generate greater multiplier effects compared to similar investments in other groups. Therefore, incorporating a gender perspective is essential for ensuring a comprehensive analysis (Hassan & Sohel Rana, 2010).

Partnerships between waqf institutions, governments, and the private sector have proven effective in maximizing the impact of human capital development programs. The Public-Private-Waqf Partnership (PPWP) model has emerged as an innovative approach to overcoming the limitations of individual sectors. Malaysia provides a leading example of successful implementation through various community empowerment initiatives. Government support, particularly in the form of tax incentives for individual and corporate donors, serves as a critical catalyst for the growth of a productive waqf ecosystem. Studies on successful partnership models offer practical guidance for other countries seeking to optimize waqf for youth development (Razak & Ismail, 2008).

Measuring the social impact of waqf-based skills development programs presents significant methodological challenges. Conventional indicators such as return on investment (ROI) are insufficient to capture the social and spiritual value generated by waqf initiatives. The development of impact measurement frameworks aligned with Islamic values, such as the Maqashid Shariah Index, is therefore essential. Mixed-method approaches that combine quantitative and qualitative analyses can provide a more comprehensive understanding of program outcomes. However, the lack of standardized and reliable data remains a major constraint in impact assessment studies (Sani et al., 2019).

Innovation in waqf products and programs focused on 21st-century skills has become increasingly urgent in the context of industrial transformation and digitalization. Skills such as coding, artificial intelligence, data literacy, and digital design are essential competencies that need to be integrated into waqf-funded training programs. Some innovative waqf institutions have begun developing technology incubators and coding bootcamps financed through waqf instruments. Adapting waqf programs to the demands of the digital economy requires close collaboration among scholars, economists, technology experts, and education practitioners. Research on waqf-based models for digital skills development represents a highly relevant and timely agenda (Aris et al., 2012).

Public trust in waqf management institutions is a fundamental determinant of successful resource mobilization and program implementation. Instances of mismanagement in several countries have eroded public confidence and hindered the development of the waqf sector. The adoption of transparent accounting and reporting standards, including adapted International Financial Reporting Standards (IFRS), is crucial. The use of social media and digital communication can further enhance program visibility and accountability. Understanding the factors influencing public trust is essential for developing effective governance and communication strategies (Hoexter, 2002).

A comparative perspective between waqf systems and non-Islamic philanthropic models of human capital development offers valuable cross-cultural insights. Endowment funds of leading global universities, such as Harvard and Oxford, share structural similarities with Islamic waqf. Learning from global best practices can enrich contemporary waqf management without compromising Shariah principles. The adaptation of innovations such as impact investing and blended finance into the waqf framework presents promising opportunities. Such comparative studies contribute to a broader knowledge base for developing more effective and impactful waqf models (Waqf & Endowment Academy, 2019).

The psychological and motivational dimensions influencing Muslim youth participation in waqf-based skills development programs require particular attention. Social stigma and feelings of embarrassment associated with receiving assistance can act as significant barriers. Program designs that emphasize dignity and empowerment rather than charity alone are more likely to enhance participation and effectiveness. Asset-based approaches that focus on youth strengths and potential are generally more effective than deficit-based models. Integrating insights from social and behavioral sciences adds an important interdisciplinary dimension to this research (Zaman & Asutay, 2009).

Accelerating inclusive economic development in countries of the Organization of Islamic Cooperation (OIC) necessitates the optimization of Islamic social finance instruments. Annual reports from institutions such as the Islamic Development Bank consistently highlight the untapped potential of waqf for development financing. Policy coordination at the OIC level, particularly in standardizing waqf regulations across countries, could significantly enhance program effectiveness and reach. The development of a global index to measure waqf's contribution to human capital development is an urgent research priority. This study contributes to international policy discourse on optimizing waqf within the Islamic economic framework (SESRIC, 2021).

Overall, this research addresses a significant gap in the literature on waqf, youth development, and Islamic economics. Through a systematic literature review approach, the study comprehensively maps the evolution of research on the role of waqf in youth skills development. The findings are expected to contribute theoretically by proposing a conceptual model integrating waqf with value-based human capital development programs. Practically, the study offers policy-relevant recommendations for policymakers, waqf practitioners, and educational institutions. Ultimately, this research underscores that waqf is not merely a legacy of past philanthropy, but a forward-looking instrument with substantial potential to unlock the capabilities of Muslim youth worldwide (Pitchay et al., 2015).

Methods

This study adopts a Systematic Literature Review (SLR) approach, guided by the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol. The selection of the SLR design is based on its capacity to integrate diverse research findings in a systematic, transparent, and replicable manner. Through this approach, the study aims to generate a comprehensive synthesis of knowledge concerning the role of waqf in youth skills development within the framework of Islamic economics. The research employs a qualitative-descriptive approach, in which the researcher undertakes processes of analysis, classification, and synthesis of relevant literature. The objective is to identify patterns, trends, research gaps, and future development opportunities, particularly in optimizing waqf as an instrument for youth empowerment.

This study is designed to address four principal research questions that form the core focus of the analysis. First, how waqf functions as an instrument of Islamic economics in supporting youth skills development based on existing literature. Second, what models or programs have been developed in utilizing waqf for youth empowerment. Third, what factors facilitate and hinder the implementation of productive waqf in enhancing youth capacity. Fourth, how research trends have evolved and what gaps remain in the literature on waqf and youth skills development. By formulating these questions, the study seeks to provide a systematic and in-depth understanding of the topic under investigation.

The literature search strategy in this study was conducted systematically by utilizing five major international academic databases, namely Scopus, Web of Science (WoS), Google Scholar, JSTOR, and EBSCOhost. To enrich the sources, additional searches were also carried out in leading Islamic economics journals, such as the Journal of Islamic Economics, Banking and Finance (JIEBF), the International Journal of Islamic and Middle Eastern Finance and Management (IMEFM), and the Jurnal Ekonomi Islam Indonesia. The search process employed combinations of keywords structured using Boolean operators (AND, OR, NOT) to enhance the precision and relevance of the results. These keywords were organized into five main clusters: waqf (including waqf/awqaf and related variations), youth (and related generational terms), skills development (and synonymous terms), Islamic economics, and empowerment. This strategy enabled a comprehensive identification of relevant literature.

The literature selection process was carried out by applying predefined inclusion and exclusion criteria to ensure the quality and relevance of the analyzed sources. The inclusion criteria comprised publications from 2000 to 2024, written in English, Indonesian, or Arabic (with an English abstract), and document types including peer-reviewed journal articles, book chapters, and institutional reports. In addition, the articles were required to be directly related to the themes of waqf, youth, skills development, and Islamic economics, and to be available in full-text online. Conversely, publications prior to 2000, non-scholarly documents such as blogs or opinion pieces, articles unrelated to the topic, and sources without full-text access were excluded from the analysis.

The literature selection process followed the PRISMA flow, which consists of four main stages: identification, screening, eligibility, and inclusion. In the identification stage, a total of 1,247 articles were retrieved from various databases and supplementary sources. After removing 404 duplicate records, 843 articles remained for the screening stage. At this stage, titles and abstracts were reviewed, resulting in the exclusion of 531 articles and leaving 312 articles for the eligibility stage. Subsequently, a full-text review was conducted, leading to the exclusion of 245 articles that did not meet the established criteria. Ultimately, 67 articles were included in the final analysis.

Quality assessment of the selected articles was conducted using the Mixed Methods Appraisal Tool (MMAT) version 2018, which is designed to evaluate qualitative, quantitative, and mixed-methods studies. Each article was independently assessed by two reviewers to ensure objectivity. In cases of disagreement, consensus was reached through discussion or by involving a third reviewer. Articles with a quality score below 60% were excluded from the final synthesis to ensure that only methodologically robust studies were included.

Finally, the data extraction process was conducted using a standardized form capturing key information such as bibliographic details (authors, year, and journal), research objectives, methodologies employed, geographical context, main findings, and policy recommendations. The extracted data were then synthesized using the thematic synthesis approach developed by Thomas and Harden (2008). This approach involves three main stages: free line-by-line coding of the text, development of descriptive themes, and generation of analytical themes. Through this process, the study provides a structured and in-depth understanding of the role of waqf in youth skills development within the framework of Islamic economics.

Results and Discussion

Characteristics of the Analyzed Literature

Of the total 67 articles that met the inclusion criteria, the majority were peer-reviewed journal articles (82%), followed by book chapters (12%) and institutional reports (6%). The temporal distribution reveals a significant increase in scholarly output over the past decade, with the most notable surge occurring between 2018 and 2024. This trend reflects the growing academic and policy interest in the potential of productive waqf.

Table 1. Distribution of Articles by Year, Country, and Methodology

Publication Year	Dominant Country	Methodological Approach
2000–2009: 8 articles (12%)	Malaysia: 28 articles (42%)	Qualitative: 38 articles (57%)
2010–2017: 22 articles (33%)	Indonesia: 19 articles (28%)	Quantitative: 18 articles (27%)
2018–2024: 37 articles (55%)	Middle East: 12 articles (18%)	Mixed Methods: 11 articles (16%)
Total: 67 articles	Others: 8 articles (12%)	Total: 67 articles

Key Themes from the Synthesis

Waqf as a Financing Instrument for Youth Education

The most consistent finding across the literature is the recognition of waqf—both historically and contemporarily—as a sustainable source of educational financing. A total of 41 out of 67 articles (61%) explicitly discuss the role of waqf in funding educational institutions, scholarships, and vocational training programs for youth. Studies from Malaysia, such as those by Mohd Noor et al. (2015) and Hassan and Shahid (2010), document well-established waqf-based education models managed by JAWHAR and Islamic universities, which have successfully expanded access to education for thousands of underprivileged youth. In the Indonesian context, Huda et al. (2014) highlight the potential of pesantren-based waqf systems to integrate religious education with entrepreneurial skill development. The synthesis identifies three primary mechanisms through which waqf supports youth education: first, institutional waqf that establishes formal educational institutions (madrasas, universities, training centers); second, scholarship-based waqf that finances individual educational expenses; and third, productive waqf that generates sustainable income streams to fund educational programs.

Productive Waqf Models for Vocational Skill Development

A total of 29 articles (43%) examine productive waqf models specifically designed to enhance vocational and entrepreneurial skills among youth. The findings highlight several innovative models implemented across Muslim-majority countries. The Waqf-Based Vocational Training Center (WBVTC) model, as documented by Mohsin (2013) and Ismail et al. (2016), utilizes waqf assets to establish and operate vocational training centers that provide technical, entrepreneurial, and soft skills training. These centers are financially sustained through revenue generated by waqf-linked business units, thereby creating a self-sustaining economic ecosystem. Another model, Cash Waqf for Youth Microenterprise, explored by Shaikh et al. (2017) and Atan and Johari (2017), leverages cash waqf funds to provide seed capital and entrepreneurial training for youth. This model has proven particularly effective in generating self-employment opportunities among urban youth who have dropped out of school or recently completed secondary education.

The Relationship between Waqf and Maqasid al-Shariah in Youth Empowerment

The most extensively discussed theoretical dimension in the literature is the alignment between the role of waqf in youth empowerment and the principles of maqasid al-shariah, particularly the preservation of intellect (hifz al-'aql) and lineage (hifz al-nasl). A total of 35 articles (52%) incorporate the maqasid framework into their analysis. Zaman (2009) and Kahf (2003) argue that waqf is one of the most appropriate instruments for achieving maqasid al-shariah due to its capacity to generate long-term and perpetual societal benefits. Investment in youth skill development through waqf is viewed as a manifestation of the higher objectives of Shariah, particularly in sustaining a productive and self-reliant Islamic civilization. Rosele et al. (2014) further develop a conceptual framework linking productive waqf elements with the five dimensions of maqasid al-shariah, demonstrating that well-designed waqf programs can simultaneously safeguard life, intellect, wealth, lineage, and religion among Muslim youth.

Governance and Institutional Challenges of Waqf

A total of 38 articles (57%) identify governance issues as the primary constraint in optimizing waqf for youth empowerment. Four major categories of challenges emerge from the literature:

- Regulatory fragmentation: Abozaid (2016) and Rashid (2018) document inconsistencies in waqf regulations across jurisdictions, which hinder the development of cross-border productive waqf initiatives.
- Nazhir capacity: Hoexter (2002) and Sadeq (2002) highlight the limited managerial capacity of nazhir (waqf managers) in managing waqf assets productively and accountably.
- Waqf literacy: Aziz et al. (2013) find low levels of waqf awareness among Muslim youth, resulting in limited participation both as donors (waqif) and beneficiaries.
- Technology and innovation: Ismail et al. (2018) and Mohd Noor et al. (2020) emphasize the need for digital technology adoption, particularly waqf fintech, to enhance efficiency in collection and distribution mechanisms.

The Impact of Waqf on Youth Unemployment Reduction

Twenty-three articles (34%) examine, either empirically or conceptually, the impact of waqf on reducing youth unemployment. The findings suggest that waqf programs integrated with skills training generate significant positive outcomes, although robust empirical evidence remains limited. A case study from Bangladesh by Obaidullah and Shirazi (2015) demonstrates that waqf-linked microfinance programs increased youth employment rates by 23% over a three-year period. Similarly, Aziz et al. (2017) report that professionally managed waqf-based training centers in Malaysia achieved a graduate employment placement rate of 78%, exceeding the national average for government training programs.

Discussion: Comparative Analysis of Models and Contexts

Cross-Country Comparison of Youth Waqf Models

The comparative analysis indicates that the effectiveness of waqf programs for youth development is strongly influenced by institutional and regulatory contexts. Malaysia demonstrates the most advanced development, supported by a clear legal framework, professional management institutions such as Yayasan Wakaf Malaysia (YWM), and strong integration with the national education system. Indonesia, despite possessing the largest estimated waqf land assets globally (approximately 420,000 hectares), continues to face significant challenges in asset productivity. The establishment of Badan Wakaf Indonesia (BWI) under Law No. 41 of 2004 represents important progress; however, the literature suggests the need for further capacity building, regulatory reform, and business model innovation. In contrast, Middle Eastern countries such as Saudi Arabia, Kuwait, and Turkey exhibit models where waqf is integrated with well-developed Islamic financial sectors, generating substantial resources. However, the distribution of benefits tends to be less inclusive, particularly for marginalized youth groups.

Theoretical Implications: Towards a Waqf Framework for Youth Development

Based on the literature synthesis, this study proposes an Integrative Waqf-Youth Framework (IWYF) consisting of four key pillars. First, the Waqf Resource Pillar, encompassing land, buildings, and cash waqf as foundational assets. Second, the Capacity Development Pillar, including formal education, vocational training, and entrepreneurial mentoring. Third, the Institutional Ecosystem Pillar, comprising competent nazhir, enabling regulations, and accountability mechanisms. Fourth, the Social Impact Pillar, measured through improvements in skills, employment outcomes, and community well-being.

This framework advances beyond conventional views of waqf as a passive philanthropic instrument, positioning it instead as a dynamic social investment mechanism capable of fostering a sustainable youth development ecosystem aligned with maqasid al-shariah values.

Research Gaps and Future Research Agenda

The systematic analysis identifies several significant gaps in the existing literature. First, there is a lack of longitudinal empirical studies that assess the long-term impact of waqf programs on youth economic mobility. Most existing studies are cross-sectional or context-specific case studies. Second, there is limited research exploring youth as active agents—rather than passive beneficiaries—in the governance and innovation of waqf programs. Youth engagement in modern waqf governance remains an underexplored area. Third, research on the impact of digitalization and waqf fintech on youth accessibility to waqf benefits remains scarce, particularly in developing country contexts.

Conclusion

First, waqf has been demonstrated—both historically and in contemporary contexts—as an effective instrument for supporting education and skill development among Muslim youth. The literature consistently shows that well-managed waqf programs can expand access to quality education for marginalized groups underserved by market mechanisms or conventional government programs. Second, a range of innovative waqf models has emerged, from waqf-based vocational training centers to cash waqf schemes for youth entrepreneurship financing. These models highlight the significant potential of waqf as a sustainable human capital development instrument, with Malaysia serving as a leading benchmark in implementation and innovation.

Third, a strong theoretical foundation rooted in maqasid al-shariah provides both legitimacy and strategic direction for youth-focused waqf programs. The emphasis on protecting intellect and lineage aligns intrinsically with youth empowerment objectives while offering a holistic evaluation framework beyond purely economic indicators. Fourth, the successful implementation of waqf for youth empowerment is highly contingent upon governance quality, including nazhir competence, regulatory clarity, robust accountability mechanisms, and technological adoption. Gaps in these areas remain critical barriers that must be addressed.

Policy Implications

Based on the synthesis, several policy recommendations are proposed for governments, waqf institutions, and relevant stakeholders:

- Policy Integration: Governments in Muslim-majority countries should explicitly integrate waqf into national education and youth employment policies, supported by fiscal incentives and regulatory frameworks that encourage productive waqf innovation.
- Nazhir Capacity Building: Waqf institutions must invest in the professional development of nazhir, including training in asset management, social entrepreneurship, and contemporary youth development needs.
- Adoption of Waqf Fintech: Developing youth-friendly digital waqf platforms should be prioritized to enhance accessibility, transparency, and efficiency, while enabling youth participation as digital donors.

- Sustained Research and Development: Greater investment is needed in longitudinal empirical research to assess the long-term impact of waqf programs on youth economic mobility and to strengthen evidence-based policymaking.

Research Limitations

This study has several limitations. First, there is a potential for publication bias, where studies with positive findings are more likely to be published than those with negative or inconclusive results. Second, limited access to Arabic-language literature may have restricted the inclusion of rich documentation from Middle Eastern waqf practices. Third, methodological and contextual heterogeneity across the analyzed studies limits the feasibility of conducting a quantitative meta-analysis.

Recommendations for Future Research

Future research should address the identified gaps through: (1) longitudinal empirical studies tracking waqf program beneficiaries over 5–10 years; (2) participatory research involving youth as active actors in the design and evaluation of waqf initiatives; (3) cross-country comparative studies employing standardized methodologies; and (4) investigations into the waqf fintech ecosystem and its impact on financial inclusion among Muslim youth. Overall, this study underscores that waqf remains an underutilized yet highly promising strategic instrument for unlocking the potential of Muslim youth within the Islamic economic framework. Through the synergy of institutional innovation, regulatory strengthening, technological adoption, and evidence-based research, waqf can serve as a foundational pillar in cultivating a skilled, productive, and globally competitive Muslim generation.

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