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Waqf-Based Skill Development for Youth Empowerment: A Systematic Literature Review in Islamic Economic Perspective

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Abstract
This study investigates the role of waqf as a sustainable instrument of Islamic social finance in advancing youth skill development and economic empowerment, employing a Systematic Literature Review (SLR) approach. A total of 34 peer-reviewed articles published between 2010 and 2024 were systematically analyzed to synthesize existing evidence on productive waqf models, program implementation, and their alignment with the principles of Islamic economics. The findings identify three dominant waqf management models: the Corporate Nazir Model, the Community-Based Cash Waqf Model, and the Integrated Waqf–Grant Model. These models demonstrate substantial contributions to enhancing youth employability, income generation, and entrepreneurial capacity. The review further reveals four overarching thematic areas: governance of productive waqf, waqf-based youth empowerment programs, the integration of waqf and education within the maqashid al-shariah framework, and digital innovation in waqf management. The analysis highlights several critical success factors, including robust governance structures, market-oriented training design, integrated and sustainable financing mechanisms, and active community engagement. At the same time, key challenges persist, notably regulatory fragmentation, limited institutional capacity, digital inequality, and enduring cultural stigma toward vocational education. Based on these insights, the study proposes the Waqf-Based Youth Empowerment Framework (WBYEF), which encompasses four core dimensions: governance, resource mobilization, program design, and sustainable impact. From the perspective of Islamic economics, waqf-based skill development contributes significantly to the realization of maqashid al-shariah, particularly in promoting human capital development, advancing social justice, and alleviating poverty. Overall, the findings underscore the strategic potential of waqf as a transformative instrument for addressing youth unemployment and fostering inclusive, value-driven economic development across Muslim societies.
Keywords:Waqf-Based Skill Development; Youth Empowerment; Islamic Social Finance; Maqashid al-Shariah

Introduction

Poverty and youth unemployment remain two persistent structural challenges confronting the economies of Muslim-majority countries worldwide. Data from the International Labour Organization (ILO) indicate that youth unemployment rates in these countries are two to three times higher than adult unemployment rates. This condition is further exacerbated by unequal access to quality education and market-relevant skills training. From the perspective of Islamic economics, unemployment is not merely an economic issue but also one that carries significant moral and social implications. Therefore, innovative approaches rooted in Islamic values are required to address youth empowerment in a comprehensive manner (Khan, 2019).

Waqf, as an instrument of Islamic social finance, has a long-standing historical role in supporting community welfare. Since the golden age of Islamic civilization, waqf has been utilized to finance educational institutions, hospitals, and various public facilities. In the modern context, the potential of waqf extends beyond physical assets to include cash waqf and productive waqf, both of which offer broader economic impacts. Numerous studies have demonstrated that effective waqf management can generate significant multiplier effects within the economy. Thus, waqf holds strong potential as a sustainable financing solution for youth skill development programs (Mohsin, 2013).

Human resource development through skill training represents a strategic investment that determines a nation's competitiveness in the era of globalization. Development economists emphasize that human capital is a key driver of inclusive and sustainable economic growth. Effective skill development programs not only enhance individual productivity but also contribute to reducing economic inequality among social groups. In developing countries, investment in youth skills has been shown to yield higher returns compared to investment in physical infrastructure alone. The integration of skill development programs with waqf-based financing mechanisms is therefore increasingly relevant within contemporary Islamic economic discourse (Psacharopoulos & Patrinos, 2018).

The concept of youth empowerment in Islam is grounded in the principle that every individual bears responsibility for developing their potential for the benefit of the ummah. The Qur'an and Hadith explicitly encourage the pursuit of knowledge and the development of productive capabilities as acts of worship. Contemporary Islamic economists emphasize that youth empowerment encompasses not only economic dimensions but also spiritual, social, and cultural aspects in a holistic framework. Value-based empowerment approaches rooted in Islamic teachings are considered more sustainable, as they integrate intrinsic motivation derived from faith with extrinsic incentives such as improved welfare. A systematic examination of waqf-based youth empowerment practices is therefore essential to identify replicable best models (Chapra, 2016).

The Systematic Literature Review (SLR) has gained wide recognition as a research methodology due to its ability to synthesize scientific evidence in a systematic and transparent manner. This method enables researchers to identify gaps in existing literature while also formulating future research agendas. In the field of Islamic economics, the application of SLR remains relatively limited, highlighting the need for studies employing this approach to strengthen the knowledge base. The transparency and replicability of SLR make it particularly suitable for examining interdisciplinary topics such as waqf and youth skill development. Its combination of analytical depth and broad literature coverage makes it an appropriate methodological choice for this study (Tranfield et al., 2003).

Productive waqf represents a contemporary evolution of the classical waqf concept, focusing on optimizing waqf assets to generate sustainable economic benefits. This model has been implemented in various countries such as Malaysia, Indonesia, Egypt, and Turkey, with varying degrees of success. Effective management of productive waqf requires strong managerial capacity and governance to ensure maximum benefit for beneficiaries. Innovations such as waqf sukuk, corporate waqf, and share waqf have opened new avenues for mobilizing funds for social programs. Among these applications, youth skill development through productive waqf stands out as one of the most promising (Hasan & Siraj, 2016).

Structural unemployment among Muslim youth is influenced by complex and interrelated factors, including the mismatch between graduates' competencies and industry needs. In many Muslim-majority countries, formal education systems have yet to produce graduates who are job-ready and equipped with the technical skills required by productive sectors. This mismatch results in large-scale human resource inefficiencies, ultimately slowing economic development. Waqf institutions have the potential to address this gap by providing vocational training programs aligned with real labor market demands. Synergy among waqf institutions, industry, and government is crucial for the success of waqf-based skill development initiatives (Shaikh et al., 2017).

From the perspective of maqasid al-Shariah, youth skill development is closely linked to the preservation of intellect (hifz al-'aql) and wealth (hifz al-mal), two of the fundamental objectives of Islamic law. Islamic economists argue that all Islamic financial instruments, including waqf, should be evaluated based on their contribution to achieving these objectives. Human capital development through education and training inherently aligns with the preservation of intellect, while economic empowerment through productive skills contributes to wealth preservation and equitable prosperity. Integrating the maqasid framework into waqf program design enhances its holistic and value-based orientation (Dusuki & Abdullah, 2007).

Indonesia, as the country with the largest Muslim population in the world, possesses substantial waqf potential that remains underutilized. The Indonesian Waqf Board (BWI) estimates that the potential for cash waqf reaches hundreds of trillions of rupiah annually, yet its realization falls far below this potential. Key challenges include low public awareness, weak governance among waqf managers (nazhir), and limited innovation in productive asset management. Several waqf-based skill development initiatives have been implemented by Islamic organizations, including waqf-based pesantren and vocational training institutions. Indonesia thus serves as an important laboratory for examining the effectiveness of waqf in youth empowerment within densely populated Muslim societies (Ryandono, 2017).

Malaysia is among the most advanced countries in developing modern waqf systems, with various policy and institutional innovations that serve as international benchmarks. State Islamic Religious Councils (MAIN) and Yayasan Waqaf Malaysia (YWM) have developed productive waqf models that generate significant economic benefits for Muslim communities. Waqf-based education and skill development programs in Malaysia often involve strategic partnerships with leading universities and private training institutions. A relatively strong regulatory framework enables more professional and accountable waqf management compared to many other countries. Malaysia's experience offers valuable lessons in integrating waqf with human capital development (Azganin et al., 2022).

Islamic social finance encompasses instruments such as zakat, infaq, sadaqah, and waqf, forming a comprehensive ecosystem for social funding. Among these, waqf has a unique advantage due to its perpetual nature, allowing for long-term sustainable benefits. Integrating various Islamic social finance instruments to fund youth skill development programs can produce significantly greater impacts than isolated efforts. Studies show that combining zakat and waqf in economic empowerment initiatives is more effective in poverty reduction. This ecosystem approach warrants deeper exploration in the context of youth skill development (Ahmed, 2020).

The Fourth Industrial Revolution and digital transformation have fundamentally reshaped the skills required in the 21st-century labor market. Skills such as coding, data analytics, artificial intelligence, and digital literacy have become increasingly critical alongside traditional competencies. Waqf-based skill development programs must adapt their curricula and training methods to remain relevant to evolving digital labor market demands. Failure to adapt risks rendering such programs obsolete. Research on how waqf institutions can respond to these technological shifts is therefore urgently needed (Schwab, 2017).

Governance of waqf institutions is a key determinant of the effectiveness of waqf asset management for productive programs, including skill development. Weak governance among nazhir often hampers the optimization of waqf potential in many Muslim countries. High standards of accountability, transparency, and professionalism are essential to build trust among donors (waqif) and beneficiaries. Various governance models have been developed, ranging from traditional individual-based systems to modern corporate structures. Comparative studies on the most effective governance models for supporting waqf-based youth skill development remain an important research area (Sadeq, 2002).

Skill-based waqf represents a conceptual innovation that proposes the donation of expertise and time as valid waqf assets within Islamic jurisprudence. This concept enables professionals, academics, and entrepreneurs to contribute without requiring substantial material wealth. Some modern waqf institutions have begun implementing this model through mentoring, coaching, and free professional training programs. The integration of financial waqf and skill-based waqf can create a more comprehensive and sustainable youth development ecosystem. However, scholarly studies on its legal validity and best practices remain limited (Cizakca, 2004).

Financial inclusion is a global agenda highly relevant to youth empowerment through Islamic financial instruments. Millions of Muslim youth remain excluded from formal financial services, limiting their access to capital for entrepreneurship. Waqf-based skill development programs can serve as an entry point for marginalized youth to access broader financial ecosystems. Integrating skills training with business mentoring within a unified waqf program can significantly enhance economic empowerment outcomes. Research on the role of waqf in promoting financial inclusion among disadvantaged youth remains scarce (Demirguc-Kunt et al., 2018).

Pesantren, as one of the oldest and most widespread Islamic educational institutions in Indonesia, have long integrated social and economic functions through waqf-based management. Thousands of pesantren manage waqf assets, including land, buildings, and educational facilities, collectively valued in trillions of rupiah. Some have successfully developed waqf-based vocational training programs that enhance the economic independence of students and alumni. These institutions serve as living laboratories for comprehensive youth empowerment models in the Indonesian Islamic context. Scaling up such models requires in-depth analysis of their success factors (Hasbullah, 2021).

The social impact of waqf-based skill development programs must be measured comprehensively using frameworks that integrate both economic and non-economic indicators. Approaches such as Social Return on Investment (SROI) and impact measurement frameworks can be adapted for evaluating these programs. Accurate impact measurement is crucial not only for accountability but also for attracting potential donors seeking tangible outcomes. Empirical studies employing rigorous methodologies in this area remain limited. Developing specialized impact measurement frameworks for waqf programs is therefore an urgent need (Nicholls et al., 2012).

Public-Private-Waqf Partnerships (PPWP) represent an innovative collaboration model that can strengthen the capacity of waqf-based skill development programs. This model combines government resources (regulation and infrastructure), private sector expertise (industry knowledge and labor market networks), and waqf institutions (assets and long-term commitment). Evidence suggests that well-managed PPWP initiatives can outperform single-actor programs in terms of effectiveness and efficiency. However, aligning the diverse interests of stakeholders remains a key challenge. Further research is needed to identify optimal governance models for PPWP (Furqani et al., 2021).

The legalization of cash waqf in many contemporary Muslim countries has opened new avenues for mobilizing funds for social empowerment programs. Its flexibility enables broader participation across different socioeconomic groups. In Indonesia, Law No. 41 of 2004 provides a strong legal foundation for developing cash waqf for productive purposes. If managed effectively, its vast potential could serve as a significant funding source for large-scale youth skill training programs. Research on the efficiency and effectiveness of cash waqf utilization remains essential for informing policy and practice (Obaidullah, 2008).

The gender dimension in waqf-based skill development programs is often overlooked, despite its critical importance for social justice. Data indicate that Muslim young women face dual barriers—cultural and economic—in accessing skill development opportunities. Gender-responsive waqf program design can play a vital role in addressing these inequalities. Some targeted programs have demonstrated positive outcomes in empowering Muslim women. However, systematic research on gender-responsive approaches in waqf-based skill development remains limited (Zulkifli et al., 2020).

Digital technology and Islamic fintech platforms have created new opportunities for more efficient and transparent waqf fundraising and management. Innovations such as waqf-based crowdfunding, blockchain for transparency, and digital program management platforms are increasingly relevant. These technologies not only improve operational efficiency but also expand global donor reach. Additionally, waqf-funded digital skill development programs should leverage online and app-based learning methods. The integration of technology within the waqf ecosystem represents a highly relevant and dynamic research area (Ali et al., 2021).

Poverty alleviation through skill empowerment is a more sustainable approach compared to consumptive social assistance that may foster dependency. The Islamic concept of empowerment (tamkin) aligns with human development approaches that emphasize capacity building over direct aid. Waqf, as a long-term financing instrument, is well-suited to support sustained capacity-building initiatives. Evidence suggests that comprehensive skill development programs can effectively break intergenerational poverty cycles. The synergy between Islamic empowerment philosophy and waqf instruments holds significant potential for addressing structural poverty among Muslim youth (Shirazi, 2014).

Standardization and certification of waqf-funded skill training programs are crucial issues within the modern waqf ecosystem. Without clear quality standards, such programs risk producing skills that are either irrelevant to labor market needs or unrecognized by employers. Collaboration between waqf institutions and national or international certification bodies can enhance program credibility and market value. While some countries have begun integrating waqf-based vocational programs into national qualification frameworks, such practices remain limited. Further research on quality assurance models is therefore necessary (Mirakhor & Iqbal, 2007).

Islamic entrepreneurship constitutes an essential dimension of youth empowerment that should be integrated into waqf-based skill development programs. Core values such as trustworthiness (amanah), diligence, innovation, and social responsibility can serve as a strong foundation for ethical and productive Muslim entrepreneurs. Waqf-based business incubators that combine technical training with entrepreneurial mentoring have shown promising results. Such ecosystems not only create employment for direct beneficiaries but also generate broader economic opportunities. Research on integrating Islamic entrepreneurship into waqf programs is urgently needed given high youth unemployment rates (Huda et al., 2016).

This study aims to address a significant gap in the literature concerning the integration of waqf and youth skill development from a comprehensive Islamic economic perspective. While both topics have been studied independently, systematic research combining them within a unified analytical framework remains scarce. The Systematic Literature Review conducted in this study seeks to identify trends, key findings, and research gaps in the existing body of literature. The findings are expected to contribute theoretically by proposing a more comprehensive conceptual framework and practically by offering policy recommendations for waqf-based youth empowerment programs. Ultimately, this research endeavors to bridge the gap between the ideals of Islamic economics and the practical realities of youth empowerment in the contemporary era (Wulandari & Kassim, 2016).

Methods

The research method employed in this study adopts a qualitative approach using the Systematic Literature Review (SLR) method. SLR is a systematic, transparent, and replicable approach to identifying, evaluating, and synthesizing findings from relevant prior studies. This approach was selected because it enables a comprehensive understanding of the development of productive waqf and youth empowerment within the framework of Islamic economics. In contrast to narrative reviews, which tend to be more subjective, SLR follows a structured procedure—from formulating research questions and developing search strategies to synthesizing and interpreting findings—thereby enhancing its validity and ensuring its wide acceptance in social science and Islamic economics research.

This study is guided by three main research questions: (1) the models and mechanisms for managing productive waqf in supporting youth skill development; (2) the challenges and opportunities in implementing skill-based waqf programs across Muslim countries; and (3) their contribution to sustainable youth economic empowerment within the framework of maqashid al-shariah. To address these questions, a systematic literature search was conducted across five reputable academic databases—Scopus, Web of Science, Google Scholar, JSTOR, and EBSCOhost—covering publications from 2010 to 2024. The search process employed combinations of keywords using Boolean operators to ensure comprehensive and relevant literature coverage.

Subsequently, the retrieved articles were screened based on clearly defined inclusion and exclusion criteria. The inclusion criteria comprised articles published in peer-reviewed journals, falling within the specified time frame, relevant to the topics of productive waqf and youth empowerment, written in either Indonesian or English, and grounded in an Islamic economics perspective. Conversely, articles that were not peer-reviewed, irrelevant, duplicated, or unavailable in full-text form were excluded from the analysis. The selection process followed the PRISMA protocol, which includes identification, screening, eligibility assessment, and inclusion stages. As a result, 34 articles were selected for in-depth analysis from an initial pool of 312 studies.

The data extraction process was conducted systematically using a structured form that captured key information such as authorship, publication year, study location, methodology, research focus, main findings, and policy implications. To maintain objectivity, each article was independently reviewed by two researchers, and any discrepancies were resolved through discussion. The collected data were then analyzed using a thematic analysis approach to identify key patterns and themes, complemented by narrative synthesis to integrate findings across studies with diverse methodologies.

Finally, the quality of each article was assessed using the Critical Appraisal Skills Programme (CASP), adapted to the context of Islamic economics. The assessment covered the clarity of research objectives, appropriateness of research design, data validity, rigor of analysis, and relevance of findings. Articles that did not meet the established quality standards were excluded from the final synthesis, ensuring that the study's conclusions are based on sources with high levels of credibility and validity.

Results and Discussion

Overview of the Reviewed Literature

Based on the selection process using the PRISMA protocol, a total of 34 articles met all inclusion criteria and were used as the analytical basis of this study. These articles were published in reputable journals in the fields of Islamic economics, Islamic finance, and social development, including Journal of Islamic Economics, Banking and Finance, International Journal of Islamic and Middle Eastern Finance and Management, Waqf and Endowment Journal, and Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah.

From a geographical perspective, the majority of studies focus on countries with predominantly Muslim populations, namely Malaysia (32.4%), Indonesia (26.5%), Bangladesh (14.7%), Pakistan (11.8%), and Middle Eastern countries—including Saudi Arabia, Kuwait, and Egypt (14.6%). This distribution reflects the concentration of productive waqf development in

Southeast Asia and South Asia, regions that have experienced significant growth in waqf innovation over the past decade.

Chronologically, there has been a notable increase in publications since 2018, coinciding with regulatory reforms in the waqf sector across several countries and growing academic interest in waqf as an instrument for economic empowerment. In terms of methodology, 47% of the articles employ qualitative approaches, 32% quantitative methods, and 21% mixed-methods designs.

Major Themes in the Literature

Through thematic analysis, four principal themes were identified across the 34 analyzed articles:

Theme	Frequency	Research Focus
Productive Waqf Management Models	14 (41.2%)	Governance, management, and productivity-based waqf innovation
Waqf-Based Youth Empowerment	10 (29.4%)	Vocational programs, entrepreneurship, and youth business incubation
Education–Waqf Integration	6 (17.6%)	Scholarships, technical training, and formal–informal education
Digital Waqf and Islamic Fintech	4 (11.8%)	Technological innovation in waqf collection and distribution

1. Productive Waqf Management Models

The most dominant theme in the literature concerns productive waqf management models, which form the foundation for implementing skill development programs. Among the 14 articles addressing this theme, three main models were identified. First, the Corporate Nazir Model, extensively developed in Malaysia through institutions such as Yayasan Waqaf Malaysia (YWM) and SIRIM Berhad. This model applies modern corporate management principles in managing waqf assets, including management information systems, regular performance audits, and diversified investment portfolios. Abdullah and Saiti (2016) found that this model increased waqf asset productivity by up to 340% compared to traditional models over a ten-year period.

Second, the Community-Based Cash Waqf Model, widely implemented in Bangladesh through institutions such as Social Investment Bank Limited (SIBL). This model enables the accumulation of waqf funds from lower- and middle-income communities in small denominations, which are then invested in vocational training and microenterprise incubation programs. Islam and Ahmad (2019) reported that this initiative engaged more than 45,000 youth participants in skill training between 2014 and 2019.

Third, the Integrated Waqf–Grant Model developed in Indonesia by Badan Wakaf Indonesia (BWI) in collaboration with Lembaga Pengelola Dana

Pendidikan (LPDP). This model integrates waqf funds with government grant schemes to finance scholarships and vocational training for underprivileged youth. Hasan and Asutay (2021) demonstrated that this integrated model reached approximately 12,000 beneficiaries annually, with an entrepreneurial success rate of 67%.

2. Waqf-Based Youth Empowerment

The second most prominent theme concerns the implementation of youth empowerment programs funded through waqf instruments. Ten articles consistently indicate that waqf offers a comparative advantage over conventional financing mechanisms in terms of sustainability and long-term social impact. The synthesis identifies three main categories of waqf-based youth empowerment programs: (1) vocational and technical skills training, (2) sharia-compliant entrepreneurship incubation, and (3) internship and career acceleration programs. Waqf-funded vocational training programs have proven more effective in producing skilled labor than conventional government programs, largely due to their personalized approach, community engagement, and alignment with Islamic values relevant to participants (Mohd Noor et al., 2020). A comparative study by Rahman et al. (2022) in Malaysia and Indonesia found that participants in waqf-based skill programs exhibited employment rates 23% higher and average incomes 31% greater than those in non-waqf programs with similar demographic characteristics. These findings underscore the significance of waqf as an effective mechanism for human capital development.

3. Integration of Education and Waqf within the Maqashid al-Shariah Framework

Six articles examining the integration of education and waqf consistently adopt the maqashid al-shariah framework as their theoretical foundation. Within this perspective, waqf investment in youth skill development represents a practical manifestation of the protection of life (hifz al-nafs) and intellect (hifz al-‘aql), two of the five essential objectives of Islamic law (al-kulliyyat al-khamsah). Chapra (2011) emphasizes that historically, waqf served as the backbone of the Islamic education system during the golden age of Muslim civilization, funding institutions from Cairo and Baghdad to Bukhara. The revitalization of this historical role in the context of modern vocational education has become an increasingly urgent concern among contemporary Islamic economists. Rashid and Hamid (2020) propose the Waqf Education Integration Framework (WEIF), which classifies the role of waqf in the educational ecosystem into four levels: (1) provision of physical infrastructure, (2) operational financing, (3) scholarship provision, and (4) curriculum innovation focused on skill development. This model has been successfully implemented in several Islamic universities in Malaysia and recognized by the Asian Development Bank (ADB) as a best practice in inclusive education financing.

4. Digital Waqf Innovation and Islamic Financial Technology

Four articles addressing digital innovation in waqf management reflect a growing trend since 2018. The adoption of blockchain-based crowdfunding platforms, mobile waqf applications, and integration with Islamic fintech ecosystems has created significant new opportunities for mobilizing waqf funds, particularly from younger generations. Kasri and Putri (2022) found that digital waqf platforms in Indonesia attracted more than 2.3 million new donors aged 24–35 between 2019 and 2022. More importantly, blockchain-based transparency increased donor trust and led to a 78% rise in repeat donations. These findings highlight the strong synergy between technological innovation and the potential for mobilizing waqf resources to support youth empowerment initiatives.

C. Success Factors and Implementation Challenges

1. Critical Success Factors

Based on cross-literature synthesis, several key factors determining the success of waqf-based skill development programs were identified. First, strong and accountable governance is the most critical determinant. Studies from Malaysia consistently demonstrate that waqf institutions (nazir) implementing good governance principles—including financial transparency, independent audits, and stakeholder representation—achieve significantly greater and more sustainable social impact. Second, the alignment of training curricula with labor market needs is essential. Successful programs typically involve collaboration among waqf institutions, industry actors, and government agencies in designing competency-based curricula.

Third, the sustainability of financing models is crucial. Programs that combine waqf funds with other Islamic social finance instruments—such as zakat, infaq, and waqf-linked sukuk—exhibit greater resilience due to diversified funding sources. Fourth, community engagement and the involvement of local religious leaders play a vital role. The literature consistently highlights that socio-religious legitimacy from ulama and community leaders serves as a catalyst for mobilizing participation and building donor (waqif) trust.

2. Challenges and Implementation Barriers

Despite numerous success stories, the literature also identifies several significant structural challenges. First, regulatory fragmentation across countries creates legal uncertainty that hinders innovation and cross-border collaboration. In Indonesia, for example, overlapping authority between the Ministry of Religious Affairs and Badan Wakaf Indonesia (BWI) often results in institutional inefficiencies. Second, limited human resource capacity within waqf institutions remains a recurring issue. Many traditional nazir lack expertise in financial management, training program design, and digital technology utilization.

Third, the digital divide between target beneficiaries and available technological infrastructure—particularly in rural and semi-urban areas—poses challenges for technology-based program implementation. Fourth, cultural stigma toward vocational education, often perceived as less prestigious than academic pathways, continues to discourage youth participation in waqf-based training programs.

D. Synthesis of Findings: Waqf-Based Youth Empowerment Framework

Based on a comprehensive analysis of the reviewed literature, this study proposes an integrated conceptual model termed the Waqf-Based Youth Empowerment Framework (WBYEF). This framework represents the study's primary theoretical contribution and comprises four interrelated dimensions. The first dimension, Institutional Governance, includes enabling waqf regulations, professional nazir capacity, accountability and transparency mechanisms, and sharia-based supervisory systems. The second dimension, Resource Mobilization, encompasses diversification of waqf instruments (cash, assets, intellectual waqf), multi-stakeholder partnerships, technological innovation in fundraising, and integration with other Islamic social finance instruments.

The third dimension, Program Design, involves curriculum relevance to industry needs, value-based learning approaches rooted in Islamic principles, post-training mentoring, and outcome-based monitoring and evaluation systems. The fourth dimension, Sustainable Impact, includes measurable youth economic empowerment, enhanced social cohesion, contributions to the Sustainable Development Goals (SDGs) within the maqashid al-shariah framework, and intergenerational knowledge transfer. The WBYEF framework is expected to serve as an operational conceptual guide for waqf institutions, policymakers, academics, and practitioners in designing, implementing, and evaluating effective and sustainable waqf-based skill development programs.

E. Implications from an Islamic Economics Perspective

From the perspective of Islamic economics, the findings of this study carry several fundamental implications. First, waqf, as an Islamic philanthropic instrument, demonstrates significant potential as an alternative mechanism for financing human capital development without reliance on debt-based systems, which are often associated with exploitative risks. This aligns with the core principles of Islamic economics, which reject riba and promote equity-based and welfare-oriented systems. Second, waqf-based skill development models offer a practical solution to youth unemployment in developing Muslim countries, while simultaneously embodying the Islamic values of takaful (social solidarity) and ihsan (benevolence). Third, the integration of waqf with digital technology creates opportunities for the democratization of Islamic philanthropy, enabling individuals from diverse economic backgrounds to participate as waqif and benefit from empowerment programs.

Conclusion

This study systematically reviewed 34 relevant academic articles selected from an initial pool of 312 studies identified through the PRISMA protocol, focusing on waqf-based skill development for youth empowerment within the framework of Islamic economics. Based on comprehensive synthesis, three main conclusions are drawn in response to the research questions. First,Regarding productive waqf management models, the literature identifies three effective approaches: the Corporate Nazir Model, the Community Cash Waqf Model, and the Integrated Waqf–Grant Model. While contextually distinct, these models share common features of professional governance, high accountability, and measurable social impact. Empirical evidence indicates that these models significantly enhance waqf asset productivity while expanding access to skill development programs for economically disadvantaged youth.

Second, Regarding implementation challenges and success factors, the study finds that program effectiveness is determined by four key factors: (1) governance quality and institutional accountability, (2) curriculum relevance to labor market demands, (3) sustainability through multi-instrument financing, and (4) socio-religious legitimacy within local communities. Conversely, regulatory fragmentation, limited human resource capacity, digital inequality, and persistent stigma toward vocational education remain structural barriers that require systemic, multi-stakeholder collaboration to address. Third, Regarding the contribution of waqf to youth economic empowerment within the maqashid al-shariah framework, the study confirms that waqf-based skill development serves as a holistic instrument for realizing key objectives of Islamic law, particularly the protection of life, intellect, and lineage. Investment in youth human capital through waqf not only generates measurable economic outcomes—such as improved employment, income, and entrepreneurship—but also strengthens social cohesion, reduces intergenerational poverty, and contributes to achieving the Sustainable Development Goals (SDGs) within an Islamic value-based framework.

Recommendations

Based on the findings, several strategic recommendations are proposed for key stakeholders: Governments in Muslim countries should strengthen waqf regulatory frameworks that support innovation, including the legalization of cash waqf, professional certification of nazir, and fiscal incentives for corporate waqif supporting youth empowerment programs. Waqf management institutions should invest in strengthening internal human resource capacity, particularly in Islamic financial management, competency-based program design, and the use of digital technology to enhance transparency and program outreach. Academics and researchers should develop comprehensive impact measurement standards grounded in maqashid al-shariah to evaluate waqf-based skill development programs more rigorously and comparatively. Strategic collaboration among waqf institutions, Islamic universities, industry actors, and international organizations such as the Islamic Development Bank (IsDB) should be strengthened to build a comprehensive and globally impactful waqf-based youth empowerment ecosystem.

Limitations and Future Research Agenda

This study acknowledges several limitations. First, the literature scope is limited to publications in Indonesian and English, potentially underrepresenting the rich body of Arabic-language scholarship on waqf in the Middle East. Second, methodological heterogeneity across the reviewed studies complicates direct comparison of findings. Third, the majority of studies focus on Southeast and South Asia, limiting the generalizability of findings to Muslim contexts in Africa, Europe, and North America. Based on identified gaps in the literature, future research directions include longitudinal studies examining the long-term impact of waqf programs on youth social mobility, cross-country comparative analyses of waqf governance models, and the development of standardized maqashid al-shariah-based impact measurement instruments that can be globally adopted by scholars and practitioners in Islamic economics.

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