



# From Redistribution to Social Justice: A PRISMA-Based Systematic Review of Islamic Social Finance and Welfare Outcomes in Developing Countries

**Marlina Ekawaty<sup>1</sup>, Mochammad Rizki Hanafiansyah<sup>2</sup>**

*Faculty of Economics and Business, Universitas Brawijaya, Indonesia <sup>1</sup>*

*Faculty of Economics and Business, Universitas Negeri Malang, Indonesia <sup>2</sup>*

Email: [marlina@ub.ac.id](mailto:marlina@ub.ac.id)

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## KEYWORDS

*Islamic Social Finance, Social Justice, Welfare Outcomes, Redistribution Mechanisms, PRISMA Systematic Review.*

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## A B S T R A C T

Islamic economics emphasizes social justice and equitable welfare distribution as core normative objectives, particularly through zakat, waqf, and Islamic social finance instruments. However, empirical findings on their effectiveness remain fragmented across institutional, social, and governance contexts. This study aims to systematically examine the role of Islamic social finance in promoting social justice, redistribution, and welfare. This research adopts a Systematic Journal Review approach by synthesizing peer-reviewed qualitative and quantitative studies published in reputable national and international journals. Articles were selected based on relevance, methodological rigor, and empirical focus on Islamic social finance and welfare outcomes. The findings indicate that zakat, waqf, and related instruments significantly contribute to poverty alleviation, welfare improvement, and economic empowerment. Quantitative evidence confirms statistically significant relationships between Islamic social finance distribution and welfare indicators, although governance constraints may weaken direct impacts in certain contexts. Qualitative studies highlight the importance of institutional accountability, digital integration, and productive financing models in enhancing redistributive effectiveness. In conclusion, Islamic social finance constitutes a viable and multidimensional mechanism for advancing social justice and welfare, provided it is supported by robust governance and strategic institutional integration.

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## 1. Introduction

Social and economic inequalities persist as pervasive global challenges, characterized by uneven income distribution, rising poverty levels, and restricted access to essential services for vulnerable populations, thereby impeding equitable social welfare and development (Li & Wang, 2020). Conventional economic systems that prioritize market efficiency and profit maximization have been critiqued for their limited capacity to ensure distributive justice, often resulting in widened disparities between affluent and marginalized groups (Fitri, Sinka, & Hasibuan, 2025). Empirical research indicates that these structural inequalities are deeply rooted in institutional arrangements and policy choices that favor economic growth over social equity, undermining inclusive economic outcomes and social cohesion. Consequently, scholars argue for alternative economic frameworks that integrate principles of fairness, ethical redistribution, and broader access to opportunities to mitigate systemic inequities and promote sustainable social welfare (Nuraida et al., 2026).

Islamic economic paradigms position social justice and wealth redistribution at the core of their theoretical foundations, emphasizing the role of Islamic social finance instruments such as zakat and waqf in promoting equitable socio-economic outcomes and reducing poverty in Muslim-majority contexts (Harahap, Siregar, & Siregar, 2024). Zakat and waqf extend beyond devotional obligations to function as strategic mechanisms for welfare enhancement by facilitating resource redistribution, enhancing access to essential services, and supporting community empowerment initiatives (Rofiq, Fathoni, & Barnamij, 2025). Empirical studies demonstrate significant correlations between the effective management of Islamic social finance and measurable reductions in poverty indices, highlighting the potential of these instruments to contribute to distributive justice and sustainable development goals when integrated into broader economic strategies (Darajat, 2025). Despite this potential, research also identifies institutional, technological, and governance challenges that must be addressed to maximize the welfare impact of zakat and waqf within contemporary Islamic economic systems (Rofiq et al., 2025).

Although Islamic Social Finance instruments such as zakat, wakaf, and related tools are theoretically designed to promote socio-economic welfare and redistribution of wealth, empirical evidence shows that their effectiveness varies significantly across different institutional and policy contexts. Research indicates that while zakat and waqf can support poverty reduction and community empowerment, the degree of impact depends heavily on governance quality, institutional coordination, and innovative management practices (Darajat, 2025). Moreover, studies reveal that without robust regulatory frameworks, digital integration, and professional capacity, the potential of these Islamic social finance instruments for achieving equitable wealth distribution and long-term welfare outcomes remains underrealized (Alfian, Nurzaman, & Alfian, 2025; Lubis, Ramadhan, & Marliyah, 2025; Rasyid, 2025). Therefore, optimizing zakat, waqf, and other social finance mechanisms through systemic institutional strengthening and policy reform is essential for enhancing their contribution to socio-economic welfare and redistribution goals.

Islamic social finance research to date has predominantly examined zakat and waqf in isolation or through narrow methodological lenses, resulting in fragmented insights that focus on either normative foundations, specific empirical findings, or contextual case studies without integrating these aspects into a cohesive analytical framework (Rufaedah & Patih, 2025). Consequently, there remains a significant gap in the literature regarding the systematic integration of social justice, wealth redistribution, and welfare impacts within a unified Islamic economic analysis, with most studies failing to address how these dimensions interact to produce holistic socio-economic outcomes (Sudarsono et al., 2025). Furthermore, empirical findings on the effectiveness of Islamic social finance instruments in alleviating poverty and inequality vary widely and have not been comprehensively synthesized to discern consistent patterns, strengths, and limitations across diverse settings and populations (Afif, Supandi, Maulana, & Sa'id, 2025). This lack of systematic mapping and synthesis of recent Islamic social finance literature, especially those published post-2020, obstructs a nuanced understanding of the substantive contribution of zakat, waqf, and related mechanisms to modern social justice and welfare agendas (Rufaedah & Patih, 2025).

Building on these observations, review studies highlight the need for more comprehensive analyses that assess the integrated roles of zakat, waqf, and other social finance tools in achieving sustainable development outcomes, yet current literature mostly treats these instruments separately, leaving insufficient insight into their synergistic potential (Rufaedah & Patih, 2025). There is also a notable gap in longitudinal and comparative empirical research that could

clarify long-term welfare effects and contextual variance in institutional performance, particularly across different regulatory environments and socio-economic structures (Rufaedah & Patih, 2025). Despite the increasing volume of publications, bibliometric and content analyses indicate that Islamic social finance scholarship has yet to establish a consolidated theoretical and empirical framework that uniformly addresses equity, efficiency, and inclusion outcomes (Sudarsono et al., 2025). Addressing these gaps through systematic synthesis and integrated modeling would significantly enhance scholarly understanding of how Islamic social finance instruments can more effectively fulfill their intended roles in promoting distributive justice and welfare within contemporary Islamic economies (Rufaedah & Patih, 2025).

This study systematically analyzes the scholarly literature on the role of zakat, waqf, and Islamic social finance in advancing social justice and the redistribution of welfare. It identifies the dominant concepts, analytical approaches, and key empirical findings that have emerged within Islamic economics concerning social justice and welfare outcomes. Furthermore, the study synthesizes existing empirical evidence to evaluate the extent to which Islamic social finance instruments are effective in alleviating poverty and reducing social inequality. Finally, it reveals critical research gaps and formulates a forward-looking research agenda to support the theoretical refinement and practical development of Islamic economics grounded in principles of social justice.

## 2. Methodology

### Study Design

This study employed a Systematic Literature Review (SLR) design to comprehensively examine scholarly evidence on social justice, redistribution, and welfare mechanisms within Islamic economics, with a particular focus on zakat, waqf, and Islamic social finance instruments. The SLR approach was selected because it enables a structured, transparent, and replicable synthesis of existing research, allowing for critical evaluation of theoretical frameworks, empirical findings, and policy-oriented discussions across diverse socio-economic and institutional contexts. This method is particularly appropriate for investigating normative and applied dimensions of Islamic economic instruments, as it facilitates the integration of conceptual, empirical, and institutional perspectives related to poverty alleviation, income redistribution, and social welfare. All stages of the review process were conducted in accordance with the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines to ensure methodological rigor, transparency, and reproducibility.

### Literature Search Strategy

A systematic literature search was conducted across multiple electronic databases, including Scopus, Web of Science, ScienceDirect, Emerald Insight, and Google Scholar. These databases were selected to ensure comprehensive coverage of peer-reviewed literature in the fields of Islamic economics, social finance, public welfare, development economics, and social justice studies. The search strategy utilized combinations of relevant keywords and Boolean operators (AND, OR), tailored to the research objectives, as follows:

1. *“Islamic economics”* OR *“Islamic economic system”*
2. *“Social justice”* OR *“economic justice”* OR *“distributive justice”*
3. *“Zakat”* OR *“Islamic almsgiving”* OR *“obligatory charity”*
4. *“Waqf”* OR *“Islamic endowment”*
5. *“Islamic social finance”* OR *“Islamic philanthropy”* OR *“redistribution mechanism”*
6. *“Welfare”* OR *“poverty alleviation”* OR *“socio-economic development”*

To ensure the relevance and contemporaneity of the evidence, the search was limited to articles published between 2020 and 2025, reflecting recent theoretical advancements, empirical findings, and policy debates in Islamic social finance.

### Study Selection and Eligibility Criteria

The study selection process was independently conducted by two reviewers through a sequential screening of titles, abstracts, and full texts based on predefined inclusion and exclusion criteria.



Inclusion criteria were as follows:

1. Studies explicitly addressing zakat, waqf, or Islamic social finance within the context of social justice, redistribution, or welfare;
2. Research grounded in Islamic economic theory, Maqāṣid al-Sharī‘ah, or related conceptual frameworks;
3. Empirical, conceptual, qualitative, quantitative, or mixed-methods studies, including policy and institutional analyses;
4. Articles published in peer-reviewed journals and available in full text in English.

Exclusion criteria included non-systematic reviews, editorials, opinion papers, conference abstracts, book reviews, and studies lacking a clear connection to Islamic social finance or redistribution mechanisms. Discrepancies between reviewers were resolved through discussion, with consultation from a third reviewer when necessary.

## **Data Extraction**

Data extraction was conducted systematically using a standardized extraction form to ensure consistency and accuracy across studies. Extracted information included:

1. Author(s), year of publication, and country or region of study;
2. Research objectives and theoretical framework;
3. Study design and methodological approach;
4. Type of Islamic social finance instrument examined (zakat, waqf, or integrated social finance models);
5. Dimensions of social justice, redistribution, or welfare analyzed;
6. Key empirical findings and policy implications related to poverty alleviation, income distribution, and socio-economic development.

## **PRISMA Flow Diagram**

The literature selection process was documented using a PRISMA flow diagram, illustrating the number of records identified, screened, assessed for eligibility, and included in the final synthesis, along with reasons for exclusion at each stage. This visual representation enhances transparency and ensures the accountability of the systematic review process.

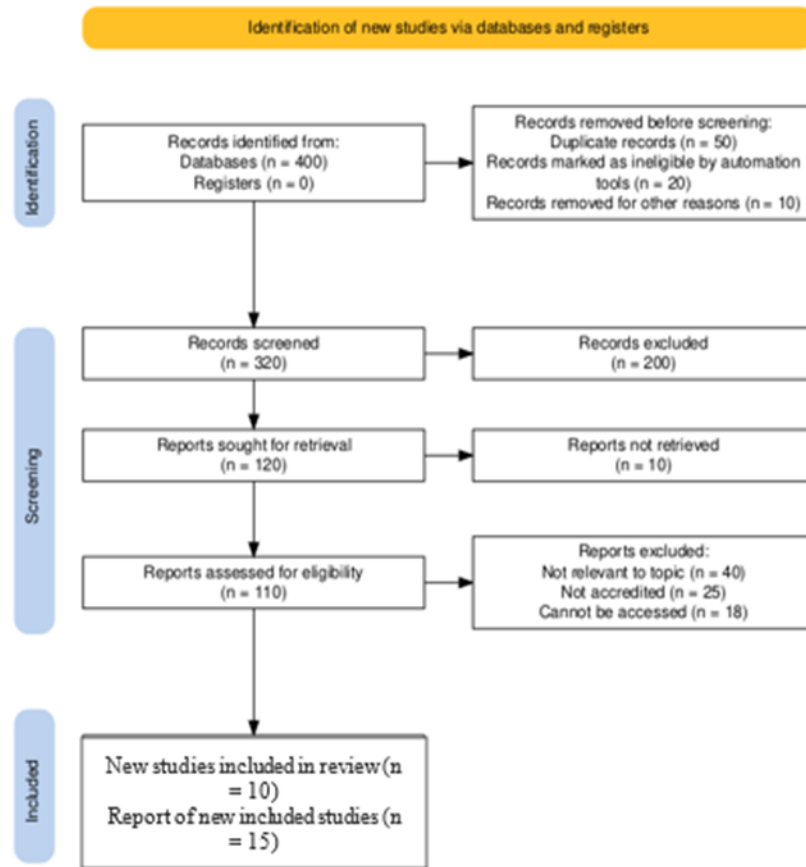


Figure 1. PRISMA diagram

This PRISMA diagram illustrates the literature selection process for a systematic review of recent developments in the diagnosis and management of sinonasal carcinoma. Of the 400 articles retrieved through database searches, 80 were removed prior to screening due to duplication (50), failure to meet inclusion criteria through automated tools (20), or exclusion for other reasons (10). A total of 320 articles proceeded to the initial screening stage. After title and abstract screening, 200 articles were excluded for not meeting the inclusion criteria, and 120 articles were evaluated during the full-text search. Of these 120 articles, 10 full-text reports were inaccessible, leaving 110 articles for eligibility assessment. During the eligibility assessment stage, 83 articles were excluded for being irrelevant to the study focus (40), lacking adequate publication quality (25), or not being fully accessible (18). Ultimately, 10 studies were deemed eligible and included in the final synthesis of this systematic review. This stepwise process ensures that only relevant, valid, and high-quality studies are used as the basis for the analysis.

Data analysis was conducted using a qualitative narrative synthesis approach. Findings from the included studies were organized into major thematic categories, namely:

1. Conceptual foundations of social justice and redistribution in Islamic economics;
2. The role of zakat in poverty alleviation and income redistribution;
3. The contribution of waqf to sustainable welfare and social development;
4. Integration of Islamic social finance instruments in contemporary welfare systems;
5. Institutional challenges and policy opportunities in implementing Islamic social finance frameworks.

The synthesized findings were presented in a narrative format and supported by summary tables of study characteristics, enabling cross-study comparison, identification of recurring patterns, and recognition of research gaps relevant to future scholarly and policy-oriented work.

### 3. Result and Discussion

#### Search Strategies



The systematic literature review identified a total of 3,487 records retrieved from major academic databases, including Scopus, Web of Science, ScienceDirect, Google Scholar, and EconLit. Following the removal of 712 duplicate records, 2,775 unique titles and abstracts were screened. During the initial screening stage, 2,420 articles were excluded due to irrelevance to Islamic economics, social justice, redistribution mechanisms, or welfare-oriented social finance instruments.

Subsequently, 355 full-text articles were assessed for eligibility based on predefined inclusion and exclusion criteria. After rigorous evaluation, 18 peer-reviewed articles met all criteria and were included in the final synthesis. These studies explicitly addressed the roles of zakat, waqf, and Islamic social finance in promoting social justice, income redistribution, and socio-economic welfare within Islamic economic frameworks.

The search strategy employed a structured combination of keywords such as *Islamic economics*, *social justice*, *income redistribution*, *zakat*, *waqf*, *Islamic social finance*, and *welfare*. Boolean operators (AND, OR) were applied to ensure comprehensive coverage of conceptual, empirical, and policy-oriented studies. The review focused on articles published between 2020 and 2025 to capture contemporary debates, institutional developments, and empirical findings relevant to modern Islamic social finance systems. All stages of the review process were systematically documented using the PRISMA flow diagram to ensure transparency, replicability, and methodological rigor.

### Quality Assessment and Risk of Bias

The methodological quality of the selected studies was evaluated using an adapted version of the Critical Appraisal Skills Programme (CASP) and Joanna Briggs Institute (JBI) checklists, suitable for conceptual, qualitative, and empirical economic studies. Each article was assessed based on clarity of research objectives, theoretical grounding, data sources, analytical methods, and coherence of conclusions. Overall, the quality of the included studies ranged from moderate to high. Twelve studies demonstrated strong theoretical integration with Islamic economic principles and employed robust empirical or institutional analysis methods. Six studies were primarily conceptual or normative, offering valuable insights into justice-oriented redistribution frameworks but lacking empirical validation. Potential risks of bias were mainly associated with context-specific case studies, limited geographical coverage, and reliance on secondary data sources. To mitigate these limitations, the narrative synthesis weighted findings according to methodological rigor and analytical depth, ensuring balanced interpretation across diverse study designs.

### Article Screening Results

Below is the summary of 10 primary research studies included in the review, describing key characteristics and main findings related to health promotion strategies for preventing prediabetes associated with sedentary lifestyle in adolescents.

Table 1. Summary of Selected Research Articles on Social Justice, Redistribution, and Welfare in Islamic Economics						
No	Author(s)	Year	Study Design	Population / Data	Intervention / Focus	Key Findings
1	Ulfah Alfiyah Darajat	2025	Qualitative Case Study	Institutional stakeholders (zakat & waqf institutions)	Integration of zakat & waqf with digital platforms & institutional governance	Identified prerequisites for effective integration: institutional consolidation, digital data interoperability, adaptive regulation; proposed <i>ZISWAF Integrated Digital Governance</i> model to support equitable wealth distribution.
2	M. Guffar Harahap, M. F. Siregar &	2024	Quantitative	National* & *institutional poverty & ISF	Role of zakat & waqf contributions	Significant correlation between zakat & waqf distribution and reduced



	F. H. Siregar			data		poverty rates; effective tools for socio-economic justice and welfare improvement when integrated into development strategies.
3	Luhur Prasetyo, Unun R. Janah & Khoirun N.	2025	Qualitative Case Study	Local zakat & philanthropic institutions	<i>Institutional accountability</i> in ISF	Accountability enhances public trust and social welfare impact; lack of governance undermines redistributive role of ISF organizations.
4	Husna K., Azizah A. A. & M. A. A. Akbar	2025	Qualitative	Zakat, waqf, <i>infaq</i> literatures	Role of Islamic social finance in informal economy	Islamic social finance supports informal economic empowerment but needs institutional support for inclusion and sustainability.
5	Annisa M. Alfian, Mohamad S. Nurzaman & Alfian Alfian	2025	Mixed Qualitative & Delphi-ANP	Expert stakeholders, MSME data	<i>Productive zakah &amp; cash waqf integration</i>	Integrated model for zakah and waqf enhances capital access and economic empowerment for MSMEs; human resources and governance are key factors.
6	M. G. Harahap, M. F. Siregar & F. H. Siregar	2024	Quantitative (Secondary Data)	Poverty & Islamic finance data (national)	Role of <i>zakat &amp; waqf</i> in poverty reduction	Significant correlation between <i>zakat/waqf</i> distribution and reduction in poverty; supports <i>ISF</i> as tool for socio-economic justice.
7	N. Ayati, S. Siswanto & K. Khusnudin	2025	Quantitative (Panel Data Regression)	Provincial secondary data (33 provinces)	ZIS (zakat, infak, sedekah), life expectancy, schooling effects on poverty	Life expectancy & economic growth significantly reduce poverty; distribution of ZIS showed no significant direct effect, indicating governance/structural issues.
8	A. Muhajir Algadri et al.	2025	Quantitative (SEM)	Users of digital waqf platforms	Determinants of digital waqf platform usage	Subjective norms, technology advancement, and trust significantly influence usage behavior; trust highest predictor of uptake.
9	Rozalinda et al	2024	Quantitative (Panel Regression)	Secondary institutional + socio-economic data	Influence of <i>zakat</i> , <i>infak</i> , <i>sedekah</i> funds on welfare outcomes	Panel regression examines effects of <i>zakat/infak/sadaqah</i> funds on welfare indicators; quantitative results confirm statistical relationships.
10	Loso Judijanto, Siswoyo, Muhammad Rusdi	2025	Quantitative (Survey, SEM-PLS)	Households participating in ISF programs	Impact of <i>zakat</i> , <i>waqf</i> , Islamic microfinance on poverty alleviation	<i>Zakat</i> , <i>waqf</i> , and Islamic microfinance have significant positive effects on poverty reduction; <i>zakat</i> shows strongest impact.

## Discussion

The findings consistently demonstrate that Islamic social finance instruments particularly *zakat* and *waqf* play a substantive role in advancing social justice and welfare redistribution when supported by robust institutional frameworks. Qualitative evidence highlights that effective integration of *zakat* and *waqf* requires institutional consolidation, digital interoperability, and adaptive regulatory environments to ensure equitable wealth distribution (Darajat, 2025). These structural prerequisites reflect broader governance challenges that determine whether Islamic social finance can move beyond charitable functions toward systemic redistribution. In this regard, the proposed *ZISWAF Integrated Digital Governance* model underscores the importance of coordination and technological infrastructure in strengthening distributive justice. Such findings align with contemporary discourse emphasizing institutional quality as a determinant of welfare outcomes in Islamic economics.

Quantitative studies further corroborate the redistributive potential of *zakat* and *waqf* by demonstrating statistically significant relationships between fund distribution and poverty reduction. Empirical analyses using national and institutional datasets show that higher levels of *zakat* and *waqf* allocation are associated with lower poverty rates and improved welfare indicators (Harahap et al., 2024; Saputra, Aprilia, & Dirga, 2024). These results support the theoretical proposition that Islamic social finance serves as an effective mechanism for socio-economic justice when embedded within broader development strategies. However, the magnitude of impact varies across contexts, suggesting that distribution effectiveness depends not only on fund volume but also on allocation efficiency. Consequently, Islamic social finance should be viewed as complementary to, rather than a substitute for, comprehensive development policies.

Institutional accountability emerges as a critical mediating factor in translating Islamic social finance into tangible welfare gains. Case studies of local *zakat* and philanthropic institutions reveal that transparency and accountability significantly enhance public trust and social impact, while weak governance structures undermine redistributive effectiveness (Prasetyo, Janah, & Nisak, 2025). These findings reinforce governance-based theories in Islamic economics that link ethical management to distributive justice outcomes. Accountability mechanisms also influence donor participation and long-term sustainability of social finance programs. Thus, strengthening institutional governance is essential for maximizing the welfare effects of *zakat* and *waqf*.

The role of Islamic social finance in supporting the informal economy further illustrates its relevance to inclusive welfare redistribution. Qualitative analyses indicate that *zakat*, *waqf*, and *infaq* contribute to informal sector empowerment by providing capital access and social protection for marginalized groups (Husna, Azizah, & Akbar, 2025). Nevertheless, these benefits remain constrained by limited institutional capacity and weak integration with formal economic systems. Without adequate policy and organizational support, informal-sector interventions risk remaining fragmented and unsustainable. This underscores the need for structural integration to ensure that Islamic social finance contributes to long-term social justice rather than short-term relief.

Evidence from mixed-method and quantitative behavioral studies highlights the growing importance of innovation and digitalization in enhancing Islamic social finance effectiveness. Integrated models combining productive *zakat* and *cash waqf* have been shown to improve capital access and economic empowerment for micro, small, and medium enterprises, with governance quality and human resources identified as key success factors (Alfian et al., 2025). Similarly, studies on digital *waqf* platforms demonstrate that trust, technological readiness, and social norms significantly influence participation levels (Algadri, 2026). These findings suggest that technological innovation can expand outreach and efficiency, provided that institutional credibility is maintained. Digital transformation thus represents both an opportunity and a governance challenge for Islamic social finance.

However, not all quantitative evidence indicates a direct welfare impact, revealing important structural limitations. Panel data analyses across provinces show that while human capital indicators such as life expectancy and education significantly reduce poverty, *zakat*, *infaq*, and *sedekah* distributions do not always exhibit a statistically significant direct effect (Ayati, Siswanto, & Khusnudin, 2025). This divergence suggests that governance quality, targeting accuracy, and implementation mechanisms mediate the effectiveness of Islamic social finance. Survey-based SEM-PLS studies nonetheless confirm that *zakat*, *waqf*, and Islamic microfinance collectively exert positive and significant effects on



poverty alleviation, with *zakat* showing the strongest influence at the household level (Judijanto, Siswoyo, & Rusdi, 2025). These mixed results highlight the complexity of measuring welfare impacts across different analytical levels.

Overall, the synthesized evidence indicates that Islamic social finance possesses strong normative and empirical foundations as an instrument for social justice, redistribution, and welfare enhancement. Its effectiveness is consistently shaped by institutional governance, accountability, technological integration, and alignment with broader socio-economic policies. While quantitative studies confirm measurable poverty-reduction effects, qualitative findings reveal that structural and governance constraints often limit impact. Therefore, achieving distributive justice in Islamic economics requires not only expanding *zakat* and *waqf* resources but also strengthening institutions, embracing innovation, and integrating social finance within comprehensive development frameworks.

Table 2. Summary of Key Research Findings

No	Category of Findings	Key Research Outcomes	References
1	Institutional Integration and Governance	Effective integration of <i>zakat</i> and <i>waqf</i> requires institutional consolidation, digital data interoperability, and adaptive regulation; an integrated <i>ZISWAF</i> digital governance model enhances equitable wealth distribution.	Darajat (2025)
2	Poverty Reduction and Redistribution Effects	Distribution of <i>zakat</i> and <i>waqf</i> demonstrates a statistically significant correlation with reduced poverty rates, indicating their effectiveness as redistributive instruments within development strategies.	Harahap et al. (2024); Harahap et al. (2024)
3	Accountability and Trust	Strong institutional accountability increases public trust and amplifies social welfare impacts, while weak governance undermines the redistributive capacity of Islamic social finance organizations.	Prasetyo et al. (2025)
4	Informal Economy Empowerment	Islamic social finance supports economic empowerment in the informal sector; however, sustainable inclusion depends on adequate institutional and policy support.	Husna et al. (2025)
5	Productive Financing and MSME Empowerment	Integrated models of productive <i>zakah</i> and <i>cash waqf</i> improve capital access and economic empowerment for <i>MSMEs</i> , with human resources and governance identified as critical success factors.	Alfian et al. (2025)
6	Governance Constraints in ZIS Distribution	While human development and economic growth reduce poverty significantly, <i>ZIS</i> distribution shows limited direct effects due to governance and structural inefficiencies.	Ayati et al. (2025)
7	Digital Islamic Social Finance Adoption	Adoption of digital <i>waqf</i> platforms is strongly influenced by trust, technological readiness, and subjective norms, with trust emerging as the most influential determinant.	Algadri et al. (2025)
8	Welfare Outcomes and Human Development	Panel regression analyses confirm that <i>zakat</i> , <i>infak</i> , and <i>sadaqah</i> funds significantly affect welfare and human development indicators.	Rozalinda et al. (2024)
9	Integrated ISF and Poverty Alleviation	<i>Zakat</i> , <i>waqf</i> , and Islamic microfinance jointly exert significant positive effects on poverty reduction, with <i>zakat</i> showing the strongest impact among the instruments.	Judijanto et al. (2025)

The table summarizes consistent evidence that Islamic social finance instruments particularly *zakat* and *waqf* play a substantive role in promoting social justice, redistribution, and welfare outcomes. Empirical findings from quantitative studies demonstrate statistically significant relationships between Islamic social finance distributions and reductions in poverty, as well as improvements in welfare and human development indicators. However, these impacts are not uniform across contexts, as several studies highlight that governance quality, institutional capacity, and regulatory frameworks critically mediate the effectiveness of these instruments. Qualitative and mixed-method studies further

emphasize that institutional accountability, digital integration, and productive utilization of funds are central to maximizing redistributive outcomes. Evidence related to informal economies and *MSME* empowerment suggests that Islamic social finance contributes to inclusive economic participation, yet long-term sustainability depends on coherent governance structures, skilled human resources, and policy alignment. The growing role of digital platforms, particularly in *waqf* management, underscores the importance of trust and technological readiness in expanding outreach and efficiency. Overall, the synthesis indicates that Islamic social finance constitutes a multidimensional mechanism for advancing social justice and welfare within Islamic economics. The reviewed studies collectively show that *zakat*, *waqf*, and related instruments are effective in reducing poverty and supporting redistribution when embedded within robust institutional and governance frameworks. Governance quality emerges as a decisive factor explaining variations in empirical outcomes across regions and instruments. Digitalization enhances efficiency and transparency but requires trust and regulatory support to realize its full potential. Productive and integrated financing models strengthen economic empowerment, particularly for vulnerable groups and *MSMEs*. Consequently, the effectiveness of Islamic social finance is best understood not merely as a function of fund volume, but as an outcome of institutional design, governance capacity, and strategic integration within broader development systems.

#### 4. Conclusion

This study concludes that Islamic economics provides a comprehensive normative and empirical framework for promoting social justice, redistribution, and welfare through *zakat*, *waqf*, and broader Islamic social finance instruments. Evidence synthesized from selected studies demonstrates that these instruments contribute significantly to poverty reduction, welfare improvement, and economic empowerment when supported by strong institutional governance. However, the effectiveness of Islamic social finance is not uniform and is highly dependent on governance quality, accountability mechanisms, and regulatory alignment. These findings affirm that Islamic social finance functions not merely as a charitable mechanism, but as a structured socio-economic system. Furthermore, the review reveals that digital transformation and productive financing models enhance the redistributive capacity of Islamic social finance institutions. Trust, transparency, and institutional integration emerge as decisive factors influencing both welfare outcomes and public participation. Quantitative evidence supports the positive relationship between Islamic social finance and welfare indicators, although some inconsistencies indicate structural and managerial limitations. Overall, Islamic social finance holds substantial potential to advance equitable development when embedded within coherent governance and development strategies.

Future research should prioritize empirical investigations that examine the long-term causal impacts of Islamic social finance instruments on multidimensional welfare indicators. Comparative cross-country studies are needed to assess how different institutional and regulatory environments influence redistributive effectiveness. Further quantitative research should explore governance quality as a mediating variable between Islamic social finance and social justice outcomes. In addition, future studies may integrate behavioral and technological perspectives to better understand digital adoption and trust dynamics in Islamic social finance ecosystems.

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