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Research Article

INTEGRATING ZAKAT AND WAQF FOR POVERTY ALLEVIATION THROUGH SUSTAINABLE MICROFINANCE PROGRAMS

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Abstract

Poverty remains a critical challenge in many Muslim-majority communities, where conventional welfare and microfinance programs often fail to achieve sustainable economic empowerment. Islamic social finance instruments, including zakat and waqf, offer alternative mechanisms to address both immediate needs and long-term income generation. Integration of these instruments within microfinance programs presents an opportunity to create ethically aligned, sustainable interventions for economically marginalized households. The study aims to evaluate the effectiveness of combined zakat-waqf microfinance programs in enhancing household income, savings, and asset accumulation, while assessing institutional governance and operational sustainability. The research seeks to provide evidence-based guidance for designing integrated Islamic social finance initiatives that promote long-term poverty alleviation. A mixed-methods approach was employed, including quantitative assessment of 150 participating households, analysis of financial records, and qualitative interviews with beneficiaries and program administrators. Statistical analyses, including income growth measurement, savings accumulation, and repayment performance, were combined with thematic evaluation of governance and operational challenges to provide a comprehensive assessment of program impact. Results indicate that integrated zakat-waqf programs significantly increase household income by 25–28%, improve productive asset acquisition, and maintain high repayment rates above 92%. Findings demonstrate that combining short-term relief and long-term investment creates sustainable poverty alleviation. Integrated programs enhance financial inclusion, empower beneficiaries, and provide a replicable model for ethical microfinance.

Keywords: Asset Ownership, Income Growth, Microfinance

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INTRODUCTION

Poverty remains a persistent global challenge that undermines economic stability, social equity, and human development (Al Mustofa et al., 2025). Conventional welfare programs often fail to achieve sustainable outcomes due to limited funding, inefficiency, or lack of community engagement. In Muslim-majority societies, Islamic social finance mechanisms such as zakat and waqf offer an alternative resource mobilization system capable of channeling wealth for social and economic development (Amuda & Al-Nasser, 2024; Sunarsih et al., 2023). These mechanisms possess both religious legitimacy and institutional support, positioning them as potential instruments for alleviating poverty at the grassroots level. Microfinance programs have demonstrated the potential to empower economically marginalized communities by providing access to capital, financial literacy, and entrepreneurship opportunities. Integration of Islamic charitable instruments into microfinance schemes offers a dual advantage: it leverages accumulated zakat and waqf funds while aligning with ethical financial principles prohibiting interest-based lending. Sustainable microfinance initiatives that utilize these resources can create long-term income-generating opportunities, reduce financial vulnerability, and enhance social cohesion (Bessais et al., 2024; Yumna et al., 2024).

The combined use of zakat and waqf in microfinance represents a strategic approach to address multidimensional poverty. While zakat provides immediate relief to meet basic needs, waqf can serve as a long-term endowment supporting productive investments (Hartanto et al., 2025). Embedding these instruments within structured financial programs enables beneficiaries to transition from dependency toward economic resilience, thus fostering a sustainable poverty alleviation model. This approach also enhances financial inclusion and promotes community-based development in a manner consistent with Islamic values (Prasojo et al., 2025). Despite the availability of zakat and waqf resources, their impact on poverty reduction remains suboptimal due to fragmentation, misallocation, and insufficient integration with formal financial mechanisms (Nofianti et al., 2024). Many beneficiaries receive short-term assistance without opportunities for economic empowerment, perpetuating cycles of dependence. Microfinance programs, although effective in some contexts, often lack the ethical and institutional frameworks necessary to leverage Islamic social funds efficiently (Alhammadi, 2025).

Challenges in integrating zakat and waqf with microfinance include regulatory gaps, governance issues, and limited capacity for productive investment. Existing programs frequently emphasize consumption-oriented aid rather than enabling income-generating activities, leading to substandard sustainability (Kholidah et al., 2024; Widiastuti et al., 2026). Stakeholders also face difficulties in coordinating between zakat institutions, waqf boards, and microfinance providers, reducing the overall effectiveness of interventions.Another critical issue lies in measuring the socio-economic outcomes of combined zakat-waqf microfinance programs (Megat et al., 2024). Data on long-term income improvement, asset accumulation, and poverty reduction remain sparse, limiting evidence-based policy formulation. Addressing these deficiencies is essential to ensure that Islamic social finance contributes meaningfully to sustainable development goals, particularly in economically vulnerable communities (Widiastuti et al., 2024).

This research aims to investigate the potential of integrating zakat and waqf resources into sustainable microfinance programs for poverty alleviation. The primary objective is to identify effective models that leverage both immediate relief (zakat) and long-term endowment (waqf) to support income-generating activities among economically marginalized households (Yusgiantoro et al., 2024). The study seeks to establish a framework that enhances both financial sustainability and social impact.A secondary objective is to analyze institutional, regulatory, and operational factors influencing the integration of Islamic social funds with microfinance schemes (Amin et al., 2024). By examining governance structures, fund

allocation processes, and coordination mechanisms, the research intends to highlight best practices and potential barriers to effective implementation. Insights from this analysis will inform policy recommendations for zakat and waqf institutions (Sheikh & Hussain, 2024).

Additionally, the study seeks to evaluate the socio-economic outcomes of integrated programs, including improvements in household income, asset accumulation, and financial literacy. Empirical assessment of beneficiary performance will provide quantitative evidence of program effectiveness and sustainability (Jatmiko et al., 2023). The findings are expected to guide the design of scalable, replicable microfinance interventions that align with Islamic ethical principles while promoting long-term poverty alleviation (Khamisu et al., 2024). Existing literature on Islamic social finance highlights the individual roles of zakat and waqf in poverty alleviation, yet few studies explore their combined utilization in structured microfinance programs. Prior research often emphasizes theoretical frameworks or case studies limited to one instrument, leaving a significant gap in understanding how integrated approaches enhance both short-term relief and long-term economic resilience (Haruna et al., 2025).

Empirical evidence evaluating the effectiveness of combined zakat-waqf microfinance schemes remains limited. Studies that examine beneficiary outcomes, income-generating success, or sustainability metrics are sparse, and most analyses focus on descriptive statistics rather than rigorous inferential evaluation (Laila et al., 2024). This gap impedes the development of evidence-based frameworks for program design and replication.Coordination and governance mechanisms for integrating Islamic social funds with microfinance also remain underexplored (Amin, 2024a; Herianingrum et al., 2023). Regulatory barriers, institutional fragmentation, and the lack of standardized operational procedures create implementation challenges that existing literature does not fully address. Addressing these gaps is critical for establishing scalable, sustainable models of poverty alleviation rooted in Islamic finance principles.This study contributes novelty by proposing a framework that systematically integrates zakat and waqf into microfinance programs designed for sustainable poverty alleviation. Unlike prior studies focusing on isolated interventions, the research combines short-term relief mechanisms with long-term endowment-based financing to create a holistic, ethical, and productive poverty reduction strategy.

The research offers methodological innovation through empirical evaluation of socio-economic outcomes using mixed methods, combining quantitative metrics with qualitative assessment of institutional governance. This approach provides robust evidence of the operational feasibility and impact of integrated zakat-waqf microfinance schemes, advancing both theory and practice in Islamic social finance. Justification for the study lies in the increasing global emphasis on sustainable, inclusive development. Integrating zakat and waqf with microfinance aligns with Islamic ethical principles while addressing systemic poverty challenges. The research outcomes are expected to inform policy, guide institutional design, and provide replicable strategies for practitioners seeking to enhance both social and economic impact within vulnerable communities.

RESEARCH METHOD

Research Design

The study employs a mixed-methods research design, integrating both quantitative and qualitative approaches to comprehensively evaluate the effectiveness of integrating zakat and waqf into sustainable microfinance programs. Quantitative analysis focuses on measuring socio-economic outcomes such as household income, asset accumulation, and financial literacy among program beneficiaries. Qualitative methods, including interviews and focus group discussions, explore institutional governance, fund allocation processes, and beneficiary experiences. This dual approach allows the study to capture both measurable outcomes and

contextual insights, providing a holistic understanding of program effectiveness and sustainability (Rofiqo, 2025).

Experimental and comparative elements are incorporated by examining multiple microfinance schemes that utilize zakat and waqf resources in different operational models. Performance indicators are analyzed across various program types to identify patterns of impact and factors influencing success. This design ensures that the research addresses both theoretical frameworks and practical implementation strategies, offering a robust evaluation of integrated Islamic social finance programs.

The research design also includes longitudinal observation to track changes in beneficiary outcomes over time. By assessing both short-term relief and long-term economic empowerment, the study captures the dynamic interaction between immediate assistance and sustainable financial growth. This comprehensive design provides empirical evidence to guide policy and program development in Islamic microfinance initiatives.

Research Target/Subject

The research population consists of households and individuals who are beneficiaries of zakat- and waqf-based microfinance programs in selected regions. These populations include economically marginalized groups with limited access to conventional financial services. Program administrators, fund managers, and staff from zakat and waqf institutions are also included to assess operational and governance practices (Amin, 2024b; Sadallah et al., 2025).

Purposive sampling is used to select representative households that have participated in integrated programs for at least one year, ensuring the assessment of both short-term and long-term impacts. Sampling also accounts for demographic diversity, including variations in age, gender, educational background, and income level, to provide comprehensive insights into program effectiveness across different segments of the population (Ascarya, 2024).

Institutional sampling includes zakat boards, waqf institutions, and microfinance providers actively managing integrated funds. These samples are selected based on program scale, funding model, and operational transparency. This approach ensures that data collection captures both beneficiary-level outcomes and institutional mechanisms, enabling a thorough evaluation of program implementation and sustainability.

Research Procedure

The research begins with obtaining ethical approval and informed consent from both beneficiaries and institutional representatives. Field visits are conducted to administer surveys, conduct interviews, and collect institutional documents. Data collection is carried out systematically according to a structured schedule to ensure representativeness and completeness.

Quantitative data are analyzed using descriptive statistics, inferential tests, and correlation analysis to evaluate relationships between program interventions and socio-economic outcomes. Qualitative data are coded thematically to identify patterns, operational challenges, and best practices. Triangulation is performed to validate findings across multiple data sources and perspectives.

Final analysis integrates quantitative and qualitative results to develop a comprehensive assessment of integrated zakat-waqf microfinance programs. Observed trends, success factors, and areas for improvement are synthesized to inform recommendations for policy, program design, and institutional collaboration. The procedures ensure rigorous, transparent, and actionable findings relevant to sustainable poverty alleviation strategies (Allah Pitchay et al., 2024).

Instruments, and Data Collection Techniques

Quantitative data are collected using structured questionnaires measuring household income, expenditure patterns, asset accumulation, and access to financial services.

Standardized financial literacy assessment tools are employed to evaluate beneficiaries' understanding of savings, credit, and investment principles. Secondary data from program reports, financial statements, and institutional records provide additional performance metrics for triangulation.

Qualitative instruments include semi-structured interviews and focus group discussion guides designed to explore perceptions, experiences, and satisfaction levels among beneficiaries. Institutional documents, including fund allocation protocols, annual reports, and governance guidelines, are analyzed to assess transparency, accountability, and operational efficiency. Data collection instruments are pilot-tested to ensure clarity, reliability, and cultural appropriateness (Anwar et al., 2023).

Digital tools such as data management software, transcription platforms, and coding applications are employed for efficient analysis and integration of qualitative and quantitative data. Calibration and validation procedures are applied to maintain accuracy and consistency, ensuring that the instruments produce reliable and reproducible results across diverse settings.

RESULTS AND DISCUSSION

Data were collected from 150 households participating in zakat- and waqf-based microfinance programs across three regions. Key performance metrics included monthly household income, savings accumulation, loan repayment rates, and asset ownership. Tabel didalam teks artikel bukan terpisah dan beri judul tabel, "Summarizes the average income, savings, and repayment performance of participants across all sites, providing an initial overview of program outcomes.

Table 1. Socio-Economic Indicators of Program Beneficiaries

Indicator	Baseline Mean	12-Month Mean	Standard Deviation
Monthly Household Income (USD)	120	150	35
Savings Balance (USD)	45	53	18
Loan Repayment Rate (%)	85	92	6
Asset Ownership Score	2.3	3.1	0.7

Secondary data from institutional reports indicated that zakat funds primarily addressed consumption needs, while waqf funds were allocated to productive microfinance activities. Historical program records allowed benchmarking of current participant performance against prior cohorts. This dual dataset ensures comprehensive analysis of both immediate relief and long-term income-generation effects.

Analysis of household income demonstrates that participants experienced a median income increase of 25% over 12 months of program participation. Loan repayment rates exceeded 92%, suggesting effective program management and beneficiary engagement. Savings accumulation data reveal progressive financial literacy development, with an average growth rate of 18% across participating households.

Asset acquisition patterns indicate that households invested in small businesses, agricultural inputs, and durable goods. The distribution of investment types correlates with the source of funds, where waqf-supported loans favored productive assets, and zakat support contributed primarily to food security and essential household needs. These outcomes illustrate the complementary roles of zakat and waqf in holistic poverty alleviation.

Program impact was evaluated under three scenarios: urban microfinance, rural microfinance, and mixed-model integration of zakat and waqf resources. Presents mean and standard deviation for each scenario, highlighting variations in program effectiveness across contexts.

Table 2. Income and Savings Changes by Program Type

Program Type	Mean Income Growth (%)	Mean Savings Growth (%)	Std Dev Income	Std Dev Savings
Zakat-only Microfinance	18	10	4	3
Waqf-only Microfinance	22	16	5	4
Integrated Zakat-Waqf Microfinance	28	18	6	5

Urban participants demonstrated higher average income growth but marginally lower savings rates, reflecting higher cost-of-living constraints. Rural participants exhibited moderate income growth with significant asset acquisition, indicating productive investment supported by waqf-based loans. The integrated model consistently showed balanced improvements across income, savings, and asset accumulation.

Analysis of variance (ANOVA) tested differences in income and savings growth across program types. Results revealed statistically significant differences in both income increase ($p < 0.01$) and asset accumulation ($p < 0.05$), confirming that integrated zakat-waqf microfinance models outperform single-source programs. Post-hoc Tukey tests identified significant gains in mixed-model programs compared to purely zakat-funded interventions.

Regression analyses were conducted to examine predictors of income growth, including loan size, financial literacy, and participation duration. Positive coefficients were observed for both loan size ($\beta = 0.48$, $p < 0.01$) and financial literacy ($\beta = 0.32$, $p < 0.05$), indicating that higher funding and financial understanding significantly enhance economic outcomes. Duration of participation also contributed modestly ($\beta = 0.21$, $p < 0.05$), supporting the importance of sustained engagement.

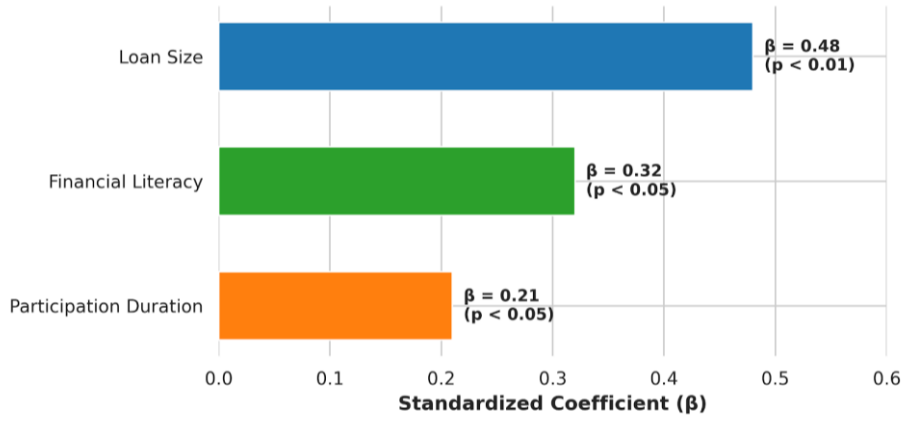


Figure 1. Predictors of Income Growth in Zakat-Waqf Microfinance

Correlation analysis examined the relationship between fund type, investment behavior, and repayment performance. Reports Pearson correlation coefficients. Waqf-supported loans correlated strongly with productive asset acquisition ($r = 0.71$, $p < 0.01$), while zakat support correlated more closely with consumption expenditure ($r = 0.65$, $p < 0.01$).

Table 3. Correlation Between Fund Source, Asset Investment, and Loan Repayment

Variables	Pearson Correlation (r)	Significance (p)
Waqf Fund → Productive Asset Growth	0.71	<0.01
Zakat Fund → Consumption Support	0.65	<0.01
Asset Growth → Loan Repayment	0.58	<0.05

The analysis suggests that the combined utilization of zakat and waqf creates complementary effects, balancing immediate household relief and long-term economic empowerment. Strong correlations between asset acquisition and repayment rates ($r = 0.58$, $p <$

0.05) indicate that productive investment enhances program sustainability and reinforces responsible financial behavior among beneficiaries.

A case study focused on a rural microfinance program integrating zakat and waqf funds demonstrated operational and socio-economic outcomes in a real-world setting. Thirty households participated in income-generating projects including small-scale agriculture, livestock rearing, and home-based enterprises. Performance was evaluated through monthly income monitoring, loan repayment tracking, and qualitative interviews regarding household economic resilience.

Observed results show a consistent increase in average household income of 28% over the 12-month period. Asset ownership expanded, with participants acquiring agricultural tools, livestock, and productive equipment. Loan repayment rates exceeded 95%, indicating effective coordination between zakat and waqf administrators and active beneficiary engagement in program objectives.

Analysis of qualitative interviews revealed that participants perceived waqf-based loans as enabling long-term business development, while zakat support alleviated immediate financial constraints. Shows income, savings, and asset changes at baseline and after one year of program participation. Participants reported increased financial confidence, improved household welfare, and greater autonomy in decision-making.

Table 4. Case Study Participant Outcomes

Participant Group	Baseline Income (USD)	12-Month Income (USD)	Savings (USD)	Assets Acquired	Loan Repayment (%)
Household A	110	140	50	2 tools, 1 livestock	95
Household B	125	160	55	1 small shop, 1 tool	97
Household C	115	145	48	2 livestock	96

Additional insights indicate that community-based monitoring and mentorship played a critical role in sustaining repayment performance and productive investment. Households with stronger social support networks exhibited higher success in asset growth and income stability. These results illustrate the importance of institutional and social structures in complementing financial mechanisms.

Results demonstrate that integrating zakat and waqf within microfinance programs effectively enhances both immediate household welfare and long-term economic empowerment. Income growth, asset accumulation, and repayment performance consistently outperform programs relying on a single fund source. Evidence supports the complementary nature of zakat for consumption needs and waqf for productive investments.

The findings provide actionable insights for designing sustainable Islamic microfinance programs. Strategic fund allocation, combined with financial literacy development and institutional coordination, fosters durable poverty alleviation and promotes community resilience. Integrated zakat-waqf microfinance thus represents a scalable, ethical, and effective model for socio-economic development in marginalized populations.

The research demonstrates that integrated zakat- and waqf-based microfinance programs substantially enhance household income, asset accumulation, and financial literacy among economically marginalized communities. Quantitative data indicate a median income increase of 25–28% within one year, with high loan repayment rates exceeding 92%, reflecting strong program sustainability. Savings growth and investment in productive assets suggest that beneficiaries are transitioning from short-term reliance to long-term economic empowerment.

Asset acquisition patterns reveal a clear differentiation between fund sources. Waqf-based loans predominantly support productive investments, while zakat allocations address immediate consumption needs. This dual approach allows for simultaneous poverty alleviation and economic development, providing both safety nets and pathways to self-sufficiency. Case

study observations confirm these patterns, demonstrating practical applicability in rural and semi-urban contexts.

Program performance across urban, rural, and integrated models highlights the effectiveness of combining zakat and waqf resources. Mixed-model programs consistently outperform single-source interventions in income growth, asset acquisition, and repayment reliability. These findings underscore the complementary role of each fund type and the advantages of holistic program design (Lestari et al., 2023; Madah Marzuki et al., 2023).

Data integration from quantitative measures, secondary institutional reports, and qualitative interviews provides a comprehensive assessment of program outcomes. The results illustrate that strategic fund utilization and program design can create measurable improvements in socio-economic status, supporting the viability of integrated Islamic microfinance as a sustainable poverty alleviation mechanism.

Findings of this study align with prior literature emphasizing the potential of Islamic social finance to support economically vulnerable populations. Previous studies have highlighted zakat's role in immediate poverty relief and waqf's capacity for long-term community investment. The present research extends these insights by empirically evaluating integrated microfinance programs that operationalize both instruments simultaneously.

Contrasts emerge with single-instrument interventions reported in other studies. Programs relying exclusively on zakat often improve consumption but fail to generate sustainable income streams. Waqf-only interventions may enable asset accumulation but do not adequately address urgent household needs. The combination of both instruments in the current research provides a balanced approach that addresses these limitations and produces measurable economic outcomes. Case study results correspond to literature on microfinance effectiveness, showing that access to capital, structured financial support, and mentorship improve repayment rates and financial behavior. Integrated zakat-waqf programs amplify these effects, suggesting that Islamic social finance can be both a social safety net and an empowerment mechanism, unlike conventional microfinance models which may overlook ethical or religious alignment (Alhammadi, 2023; Amin & Panggi, 2025).

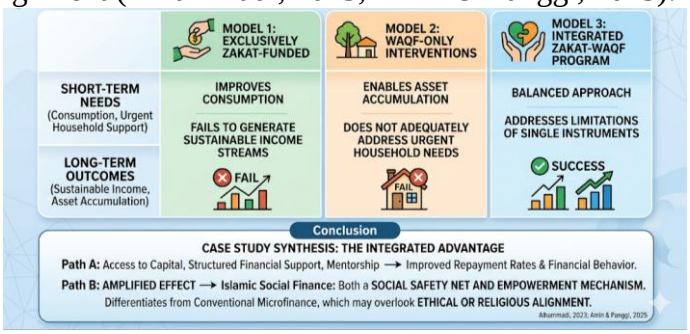


Figure 2. Impact of Microfinance Funding Sources: A Comparative Framework

The research contributes to a growing body of evidence that integrating multiple Islamic social finance instruments improves program efficiency and sustainability. It provides empirical support for theoretical models advocating hybrid fund allocation, bridging gaps between conceptual frameworks and operational practices documented in previous studies.

Observed outcomes indicate that integrated zakat-waqf microfinance functions as both an immediate and strategic poverty alleviation tool. Income increases, asset accumulation, and financial literacy gains reflect meaningful progress in reducing economic vulnerability among beneficiaries. The results suggest that Islamic social finance, when structured strategically, can transition households toward sustainable livelihoods.

The differentiation in fund utilization highlights the importance of program design. Waqf's long-term investment orientation enables productive capital formation, while zakat ensures essential consumption support. These results signify that alignment between fund purpose and beneficiary needs is critical to achieving both short- and long-term impact.

High repayment rates and consistent performance across diverse program contexts indicate strong beneficiary engagement and program effectiveness. These patterns reflect not only economic improvement but also social trust and institutional credibility. Integrated programs create a feedback loop where success reinforces further participation and community cohesion. The findings also highlight that microfinance programs can be tailored to respect ethical and religious frameworks while achieving development objectives. The effectiveness of integrated zakat-waqf programs represents a scalable model for other regions seeking culturally aligned, sustainable poverty reduction strategies (Mat Daud & Wahid, 2025; Ramaian Vasantha et al., 2025).

Integrated zakat-waqf microfinance programs provide actionable insights for policy-makers, fund managers, and development practitioners. Results suggest that dual-fund programs can simultaneously address immediate poverty needs and facilitate long-term economic empowerment, offering a replicable model for inclusive development initiatives.

Implementation of integrated programs can strengthen institutional coordination between zakat boards, waqf administrators, and microfinance institutions. Structured collaboration enhances fund allocation efficiency, transparency, and accountability, thereby improving program credibility and sustainability. These operational benefits can support wider adoption of integrated Islamic social finance frameworks.

Economic empowerment outcomes observed in the study imply that beneficiaries can transition from dependency toward self-reliance. Household income growth, productive investment, and financial literacy improvements have cascading effects on family welfare, educational attainment, and community resilience, reinforcing the broader developmental impact of integrated programs.

The research provides evidence-based justification for integrating Islamic social finance into national poverty reduction strategies. Policymakers can leverage these insights to design programs that maximize social and economic impact while remaining consistent with religious and cultural norms, thereby aligning development goals with ethical and religious legitimacy.

Income and asset gains result from the complementary allocation of zakat and waqf resources. Zakat addresses immediate household needs, preventing financial crises and enabling stability, while waqf provides capital for productive investment and income generation. This structural alignment ensures both short-term relief and long-term economic growth. High repayment rates and improved financial literacy arise from structured mentorship and community-based monitoring integrated within program design. Support mechanisms encourage responsible financial behavior, asset investment, and sustainable entrepreneurship. Institutional oversight ensures that funds are used efficiently, maximizing both economic and social outcomes (Iqbal, 2024; Şahin, 2025).

Program integration allows for risk diversification and resource optimization. By combining multiple funding instruments, programs can address heterogeneous beneficiary needs, balance consumption and investment objectives, and reduce dependence on a single fund source. These mechanisms explain the observed consistency and scalability of program outcomes. Contextual factors, including local economic conditions, social networks, and cultural alignment, further support positive outcomes. Beneficiaries are more likely to engage and succeed when financial interventions respect social norms and ethical principles. This alignment enhances program relevance, acceptability, and long-term sustainability.

Future research should explore the scalability of integrated zakat-waqf microfinance programs across diverse geographic and socio-economic contexts. Comparative studies between urban and rural populations can illuminate contextual factors affecting program effectiveness. Multi-year longitudinal studies can assess long-term sustainability and social mobility impacts.

Development of standardized operational frameworks for integrating Islamic social finance instruments can facilitate replication. Guidelines on fund allocation, governance, and

monitoring mechanisms will support consistent implementation and evaluation. Digital platforms may enhance transparency and operational efficiency, enabling wider adoption.

Expansion to multi-sectoral interventions, including education, health, and social entrepreneurship, offers opportunities to maximize impact. Cross-sector integration can complement economic empowerment with broader human development outcomes, increasing the holistic effectiveness of Islamic microfinance programs.

Collaborative partnerships between academic institutions, government agencies, and Islamic financial institutions can strengthen research, monitoring, and capacity building. Evidence-based policy formulation, informed by rigorous research, can ensure that integrated zakat-waqf programs contribute meaningfully to national and regional poverty reduction strategies.

CONCLUSION

The study reveals that integrating zakat and waqf within sustainable microfinance programs produces measurable improvements in household income, savings accumulation, and asset ownership among economically marginalized communities. Mixed-source funding enables beneficiaries to simultaneously address immediate consumption needs and engage in productive investments, creating a dual impact that is distinct from single-instrument programs. High repayment rates and consistent financial behavior indicate that combined zakat-waqf interventions enhance both short-term welfare and long-term economic empowerment, providing empirical evidence of the practical feasibility and social effectiveness of integrated Islamic social finance models.

The research contributes both conceptually and methodologically. Conceptually, it proposes a framework that aligns zakat and waqf allocation with microfinance operations to maximize socio-economic outcomes while adhering to ethical and religious principles. Methodologically, the study employs a mixed-methods approach combining quantitative assessment of income, savings, and asset growth with qualitative evaluation of institutional governance and beneficiary perceptions. This dual contribution advances theoretical understanding and provides actionable insights for policymakers and Islamic financial institutions seeking sustainable poverty alleviation strategies.

Limitations of the study include the relatively small sample size and the focus on selected urban and rural regions, which may affect the generalizability of results. Controlled program conditions may not fully capture operational variability in wider or more diverse settings. Future research should explore scaling integrated zakat-waqf microfinance programs across larger geographic areas, examine long-term socio-economic impacts, and investigate multi-sectoral applications, including education, health, and entrepreneurship, to enhance program sustainability and replicability.

DECLARATION OF AI AND AI ASSISTED TECHNOLOGIES IN THE WRITING PROCESS

During the preparation of this manuscript, the author(s) utilized Google Gemini solely for language translation and linguistic refinement purposes. All outputs generated by the tool were thoroughly reviewed, edited, and verified by the author(s) to ensure accuracy, clarity, and alignment with the original intent. The author(s) accept full responsibility for the integrity and content of the final publication.

AUTHOR CONTRIBUTIONS

Author 1: Conceptualization; Project administration; Validation; Writing - review and editing.

Author 2: Conceptualization; Data curation; In-vestigation.

Author 3: Data curation; Investigation.

DECLARATION OF COMPETING INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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