Preliminary Framework for Sustainable Mechanisms of Zakat Distribution to *Asnaf* Entrepreneurs

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ABSTRACT

Despite the increasing volume of zakat collection and distribution in Malaysia, sustainable poverty alleviation among *asnaf* entrepreneurs remains limited due to fragmented and short-term approaches. This study addresses the lack of a structured, theoretically grounded framework for the productive distribution of zakat by Islamic banks. Using a systematic literature review (SLR) reported in line with PRISMA 2020, 28 studies retrieved from Scopus and Google Scholar were thematically synthesised to identify prevailing practices, challenges, and key success factors in supporting *asnaf* entrepreneurs. The findings indicate that effective zakat programmes combine capital with integrated entrepreneurial support, stakeholder collaboration, digital enablement, and alignment with the Sustainable Development Goals (SDGs). However, most of the included studies are themselves reviews rather than primary studies, and none focuses on zakat distribution by Islamic banks. Building on these insights, this paper proposes a narrative conceptual framework that integrates stakeholder theory with institutional theory, offering a multidimensional model for sustainable zakat distribution through Islamic banks. The framework distinguishes productive zakat from *qard ḥasan* and Islamic microfinance, links each component to the reviewed evidence, and states as propositions the relationships that still require validation, offering policymakers and practitioners a structured basis for transforming *asnaf* from aid recipients into self-reliant entrepreneurs. Future research should empirically validate the framework across diverse institutional contexts.

Keywords: zakat, zakat distribution, productive zakat, *asnaf* entrepreneurs, sustainable

INTRODUCTION

Zakat is widely acknowledged as a cornerstone of Islamic social finance, playing a pivotal role in alleviating poverty and promoting socio-economic justice among disadvantaged groups. In Malaysia, recent policy innovations have positioned Islamic banks as key institutional partners in zakat distribution, notably through national initiatives such as the i-TEKAD programme, launched by Bank Negara Malaysia in 2020 (Abd Wahab et al., 2023; World Bank, 2025). The evolution from conventional consumptive zakat practices to productive, empowerment-oriented models marks a significant shift in zakat distribution (Asni et al., 2026). Within this new paradigm, Islamic banks serve not only as zakat payers but as strategic distribution partners operating under *wakalah* arrangements with State Islamic Religious Councils (SIRCs) (Ishak et al., 2023). Emerging evidence also highlights the growing role of digitalisation in enabling zakat-based micro-entrepreneurial models tailored for *asnaf* through the integration of e-commerce and digital literacy training (Asni et al., 2025).

Asnaf is defined in Surah At-Tawbah (9:60) as the eight eligible categories of zakat recipients, including the economically vulnerable. Among these, *asnaf* entrepreneurs demonstrate strong potential to generate income through small or micro-enterprises. Supporting this group through productive zakat enables a transition from dependency to self-sufficiency, fostering resilience and a gradual exit from poverty (Zainal et al., 2025). In this context, zakat evolves from short-term charitable aid into a dynamic mechanism for long-term empowerment.

Effective zakat management and targeted distribution remain essential for maximising developmental impact. Reviews of the literature indicate that programmes combining zakat capital with training and mentorship are

associated with greater *asnaf* entrepreneurial success and business viability (Abdullah et al., 2025; Khair et al., 2025). Moreover, a recent logic-model SLR conducted by Mohamed Esa et al. (2025) reports that zakat programmes with digital, educational, and economic components generally show positive effects on *asnaf* development, although results for productive zakat are mixed and implementation gaps persist.

Despite these advances, a critical gap persists; existing zakat distribution models lack a comprehensive, theoretically grounded framework to guide the sustainable empowerment of *asnaf* entrepreneurs through Islamic banks. Previous studies have largely focused on governance, collection, or individual programme evaluations with limited attention to holistic frameworks that integrate stakeholder theory, institutional theory, digital enablement, and multi-stakeholder collaboration (Handoko et al., 2022; Asni et al., 2025, 2026).

This study makes three key contributions to the literature on Islamic social finance, particularly on productive zakat. First, it contributes theoretically by integrating stakeholder theory with institutional theory to explain not only which actors shape productive zakat programmes but also why programmes with similar components are implemented differently across institutional settings, a question that existing productive zakat frameworks do not address. Second, it distinguishes productive zakat from *qard ḥasan* and Islamic microfinance and proposes a mechanism-driven model that systematically links Zakat inputs, programme delivery processes, and long-term socioeconomic outcomes, thereby addressing the lack of structured frameworks in existing research. Third, based on a systematic synthesis of recent literature, the study identifies critical success factors and persistent institutional gaps, particularly regarding the role of Islamic banks, distinguishes findings supported by primary empirical evidence from propositions that still require validation, and offers practical implications for designing sustainable zakat programmes that enable the transition of *asnaf* from dependency to financial independence.

Problem Statement

Despite the substantial increase in zakat collection and distribution in Malaysia, poverty among *asnaf* groups remains persistent, indicating that current mechanisms are not effectively transforming beneficiaries into self-sufficient entrepreneurs. Most of the *asnaf* continue to rely on financial assistance even after receiving business capital and training, raising concerns about the sustainability of existing approaches. Recent studies confirm that although productive zakat initiatives have been introduced, their implementation remains inconsistent and often lacks comprehensive support systems, such as structured training, digital enablement, and ongoing monitoring (Asni et al., 2025, 2026; Ahmad et al., 2025; Mohamed Esa et al., 2025).

Islamic banks, despite their growing role, face regulatory ambiguity, coordination challenges with SIRCs, and the absence of clear operational guidelines. More fundamentally, there is no integrated, theory-driven framework to guide sustainable and productive zakat distribution by Islamic banks. This gap results in fragmented practices, weak accountability, and limited long-term impact, as highlighted by recent reviews of the literature (Handoko et al., 2022; Abdullah et al., 2025). Therefore, this study aims to address this critical gap by developing a comprehensive framework grounded in stakeholder theory and institutional theory to ensure that productive zakat is implemented effectively to enable *asnaf* entrepreneurs to achieve sustainable economic independence.

Research Objectives and Research Questions

This study aims to develop a preliminary framework for sustainable productive zakat distribution to support the long-term economic empowerment of *asnaf* entrepreneurs. Although productive zakat can help *asnaf* generate sustainable income and become financially independent, its implementation remains inconsistent because there is no structured and standardised framework. Therefore, the study examines how productive zakat can be organised and implemented more effectively and sustainably. Using a systematic literature review, it identifies key best practices, critical success factors, current approaches, and gaps in areas such as governance, monitoring, and support systems. The proposed framework provides an initial foundation that can be further validated and improved through future case studies and expert interviews.

Accordingly, the review addresses three research questions. RQ1: What practices are used to distribute

productive zakat to *asnaf* entrepreneurs, including through Islamic banks? RQ2: What challenges and limitations constrain these practices? RQ3: What factors are associated with sustainable outcomes for *asnaf* entrepreneurs? The answers to these questions form the evidence base from which the preliminary framework is derived (Tables 3 to 6).

Conceptual Clarification: Productive Zakat, *Qard Ḥasan* and Islamic Microfinance

The literature reviewed often uses productive zakat, *qard ḥasan*, and microfinance interchangeably, and several of the practices reported in Tables 3 to 5 combine these practices. The three mechanisms are therefore distinguished before the framework is developed, because each rests on a different contract, draws on a different pool of funds, and falls under a different Shariah and regulatory authority in Malaysia (Table 1).

Productive zakat refers to zakat disbursed to eligible *asnaf*, mainly the *fuqara'* and *masakin*, in a form intended to generate income, such as business capital, equipment or other inputs, rather than for immediate consumption (Khair et al., 2025). It remains zakat: ownership passes to the recipient (*tamlik*), no repayment is required, and the funds may be applied only to the eight categories listed in Surah At-Tawbah (9:60). In Malaysia, Islamic law is regulated by state enactments under the Ninth Schedule of the Federal Constitution, and zakat is administered by each SIRC or its zakat agency (Wan Ahmad, 2022). The permissibility of productive use therefore rests on state fatwas. The Selangor fatwa committee, for example, permitted capital assistance for the *fuqara'*, *masakin* and *muallaf* in 1994, and the Terengganu fatwa committee permitted zakat to fund factories and working tools for the poor in 1997 (Wan Ahmad, 2022). When an Islamic bank distributes part of its own business zakat, it acts as an agent (*wakil*) appointed by the zakat authority under a *wakalah* arrangement: it must distribute the returned share to eligible *asnaf* within a set period and report back, under rules that differ from state to state (Ishak et al., 2023).

Qard ḥasan is a benevolent loan: the borrower repays the principal and no return may be stipulated. When it is financed from zakat, the repayment obligation sits uneasily with the requirement of *tamlik* and with the duty to distribute zakat promptly. A comparative study of contemporary fatwas reports that the International Islamic Fiqh Academy and the Kuwaiti and Jordanian fatwa bodies have tended to prohibit lending zakat funds in this way, whereas the Indonesian Ulama Council permits it for the productive enterprises of eligible recipients under specific conditions justified by *maslahah* (Saputra et al., 2026). Malaysian legal analysis likewise finds the position unsettled: states interpret the boundary between *tamlik* and rights of use inconsistently, and only some operate revolving *qard ḥasan* funds (Zainal et al., 2025). In Selangor, a 1998 fatwa approved a revised capital assistance scheme under which the capital had to be repaid to the zakat agency within a set period (Wan Ahmad, 2022), and zakat-funded microcredit delivered with TEKUN Nasional has been proposed as a sustainable model, provided that Shariah safeguards against misuse are in place (Asni et al., 2026). Zakat-funded *qard ḥasan* is therefore an institution-specific arrangement that depends on the relevant state fatwa, not a general feature of productive zakat.

Islamic microfinance, by contrast, is financing provided under Shariah-compliant contracts, usually with a profit element, by Islamic banks, development financial institutions or government agencies. When it is provided by an Islamic bank, it is funded from the bank's own resources rather than from zakat, and it is regulated by Bank Negara Malaysia and overseen by the bank's Shariah committee under the Shariah governance policy document (Bank Negara Malaysia, 2019). The mechanisms can nonetheless be blended within one programme. Bank Islam's BangKIT, for example, offers interest-free microfinance funded through *sadaqah* (Abd Wahab et al., 2023), and iTEKAD, launched by Bank Negara Malaysia in 2020, combines seed capital from philanthropic funds such as zakat with microfinancing and structured training (Bank Negara Malaysia, n.d.; World Bank, 2025). Blending does not merge the instruments: within one programme, the zakat grant, any *qard ḥasan* and any commercial financing remain distinct, each with its own eligibility rules, accounting treatment and Shariah authority.

In the framework proposed here, productive zakat is the core mechanism. *Qard ḥasan* is treated as a complementary, repayable channel that can be used only where the relevant SIRC permits it, and Islamic microfinance as a possible graduation pathway for *asnaf* whose businesses become bankable; the graduation

pathway is a proposition rather than an established finding. Studies that report "microcredit" or "capital assistance" are read in this light when the findings are synthesised.

Table 1. Comparison between Productive Zakat, *Qard Ḥasan* and Islamic Microfinance

Dimension	Productive zakat	Zakat-funded *qard ḥasan*	Islamic microfinance
Nature of transfer	Grant; ownership passes to the recipient (*tamlik*)	Benevolent loan; principal repayable, no return stipulated	Financing on Shariah-compliant contracts, usually with a profit element
Source of funds	Zakat collected by the SIRC, including bank zakat returned for distribution under *wakalah*	Zakat (contested) or other social funds, depending on the scheme	Own funds of the bank, development financial institution or agency; blended with philanthropic funds
Eligible recipients	The eight *asnaf* (At-Tawbah 9:60), as defined by state guidelines	*Asnaf* entrepreneurs selected by the zakat institution or its implementing partner	Micro-entrepreneurs who meet the financier's criteria
Repayment	None	Principal only	Principal and profit (except *qard*-based products)
Shariah position	Productive use permitted under state fatwas (e.g., Selangor 1994; Terengganu 1997)	Contested when zakat-funded: several fatwa bodies disallow it; others permit it under conditions	Determined by the bank's Shariah committee within Bank Negara Malaysia's Shariah governance requirements
Governing authority in Malaysia	SIRC or state zakat agency under state enactments	SIRC (for the zakat component) and the implementing partner	Bank Negara Malaysia (for Islamic banks) or the agency's governing statute
Example	Capital assistance programmes (Khair et al., 2025)	Zakat–TEKUN microcredit model (Asni et al., 2026)	BangKIT (Abd Wahab et al., 2023); iTEKAD (blended)
Role in the proposed framework	Core input	Complementary channel, subject to SIRC approval	Graduation pathway (proposition)

Note. Compiled from Wan Ahmad (2022), Ishak et al. (2023), Zainal et al. (2025), Saputra et al. (2026) and Bank Negara Malaysia (2019).

Theories Underpinning the Preliminary Framework

Stakeholder Theory

Stakeholder theory, originally developed within the field of strategic management, proposes that organisations have responsibilities not only to shareholders but also to individuals and groups who affect, or are affected by, their activities (Freeman, 1984). These stakeholders may include employees, customers, regulators, communities, partner organisations, funders, and beneficiaries. Rather than prioritising a single organisational interest, stakeholder theory emphasises the need to recognise, balance, and manage multiple stakeholder interests to achieve responsible, legitimate, and sustainable outcomes (Donaldson & Preston, 1995).

In the context of productive zakat, stakeholder theory provides an appropriate lens for identifying the parties involved in the zakat ecosystem and examining their respective interests, influence, responsibilities, and expectations. Relevant stakeholders include zakat institutions, State Islamic Religious Councils (SIRCs), Islamic financial institutions, regulators, government agencies, training providers, business mentors, community organisations, and *asnaf* entrepreneurs. These stakeholders differ in their level of authority,

legitimacy, involvement, and influence over the design and implementation of productive zakat programmes (Mitchell et al., 1997). Their expectations may relate to regulatory compliance, accountability, transparency, effective governance, appropriate beneficiary selection, responsible fund management, socio-economic impact, and the sustainable empowerment of *asnaf*.

Within this study, it is argued that *asnaf* entrepreneurs should not be viewed merely as passive recipients of financial assistance. Instead, they should be recognised as central stakeholders whose needs, experiences, participation, and development influence the effectiveness of productive zakat programmes. Their involvement is particularly important because they are directly affected by decisions concerning the type of assistance provided, the conditions of participation, the design of training programmes, monitoring procedures, and the indicators used to evaluate success.

From this perspective, effective productive zakat distribution requires more than the transfer of financial resources. It requires cooperation among stakeholders, clearly defined roles, appropriate channels of communication, transparent decision-making, continuous engagement, and mechanisms through which stakeholder feedback can be incorporated into programme improvement. Stakeholder theory therefore supports the development of a framework that considers both the contributions and expectations of the relevant parties while maintaining the economic empowerment and long-term development of *asnaf* entrepreneurs as a central programme objective.

Institutional Theory

Institutional theory explains how organisational structures, practices, and decisions are shaped by the broader institutional environment in which organisations operate. Organisations may adopt particular policies, procedures, and governance arrangements not only because they are technically efficient, but also because they are expected to comply with regulations, conform to accepted norms, gain legitimacy, and reflect recognised practices within their organisational field (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Institutional influences may therefore arise from legal requirements, regulatory arrangements, professional standards, religious expectations, organisational traditions, social values, and established sectoral practices.

Institutional theory is particularly relevant to productive zakat because zakat administration in Malaysia operates within a decentralized institutional structure. Zakat institutions are subject to different state-level authorities, governance arrangements, administrative procedures, organisational capacities, and operational interpretations. These institutional differences may influence how productive zakat programmes are designed and implemented, including approaches to beneficiary selection, forms of assistance, training provision, monitoring, performance measurement, programme duration, and exit strategies (Wahab & Abdul Rahman, 2011).

Rather than assuming the existence of a universally standardised model, this study examines whether differences in institutional arrangements contribute to variations in productive zakat practices. It further proposes that identifying common components and critical implementation factors may provide a basis for developing a more structured preliminary framework. Such a framework would not necessarily eliminate institutional differences but could establish shared principles and practices that strengthen consistency, accountability, and programme effectiveness across institutions. DiMaggio and Powell (1983) identify three forms of institutional pressure that influence organisational behaviour: coercive, normative, and mimetic pressures. Coercive pressure arises from formal and informal requirements imposed by regulatory authorities, government agencies, SIRCs, and other bodies upon which zakat institutions depend. In productive zakat programmes, such pressures may include compliance with state enactments, financial procedures, reporting requirements, Shariah rulings, and governance policies.

Normative pressure originates from professional standards, specialised knowledge, educational backgrounds, religious values, and expectations promoted by scholars, practitioners, auditors, and professional communities. In the zakat context, normative pressure may shape accepted views concerning responsible zakat management, beneficiary treatment, transparency, Shariah compliance, entrepreneurship development, and appropriate measures of programme success. Mimetic pressure occurs when organisations imitate the structures or

practices of other institutions that are perceived as legitimate, successful, or more experienced. For example, a zakat institution may adopt entrepreneurship training, mentoring arrangements, digital monitoring systems, or performance indicators modelled on programmes implemented by another organisation. Although such imitation may facilitate organisational learning and the dissemination of good practices, institutional theory cautions that programmes may sometimes be adopted symbolically to demonstrate legitimacy without being fully integrated into operational practice (Meyer & Rowan, 1977).

Applying institutional theory therefore enables this study to examine how regulatory structures, governance arrangements, organisational norms, institutional expectations, and established practices shape productive zakat distribution. It also supports an assessment of whether existing institutional arrangements facilitate or constrain the development of consistent, accountable, and sustainable programmes for *asnaf* entrepreneurs.

Integration of Stakeholder Theory and Institutional Theory

The integration of stakeholder theory and institutional theory provides a complementary foundation for understanding the development and implementation of productive zakat programmes. Stakeholder theory focuses primarily on the actors involved in the zakat ecosystem by identifying their interests, expectations, responsibilities, relationships, and influence. Institutional theory, in contrast, explains the wider regulatory, normative, organisational, and cultural environment that shapes how zakat institutions respond to those stakeholders.

The two theories address different but interconnected dimensions of productive zakat distribution. Stakeholder theory explains whose interests and participation should be considered, while institutional theory explains how and why organisational practices are established, maintained, adapted, or replicated. This distinction is important because the success of productive zakat depends not only on identifying the relevant stakeholders but also on establishing institutional arrangements that enable their contributions to be coordinated effectively.

Applied to productive zakat, the integrated perspective suggests that programme effectiveness is influenced by both stakeholder engagement and institutional capacity. Zakat institutions must coordinate with SIRCs, regulators, Islamic financial institutions, government agencies, training providers, business mentors, community organisations, and *asnaf* entrepreneurs. However, such coordination must be supported by clear policies, defined responsibilities, standard operating procedures, governance mechanisms, monitoring systems, reporting arrangements, and appropriate performance indicators.

This study further proposes that financial assistance should be considered as one component of a broader productive zakat intervention rather than as the sole mechanism of economic empowerment. Depending on the needs and capabilities of the beneficiaries, productive zakat programmes may incorporate beneficiary assessment, entrepreneurship training, technical guidance, mentoring, market access, business monitoring, financial management support, and follow-up assistance. These components are examined in the study as potential elements of effective practice rather than assumed to produce successful outcomes in every institutional setting.

Stakeholder theory helps ensure that the design of such support reflects the needs, experiences, and capacities of *asnaf* entrepreneurs as well as the responsibilities of the institutions involved. Institutional theory complements this perspective by explaining how the support mechanisms can be embedded within formal structures, operational procedures, professional norms, and governance arrangements. The integration of the two theories therefore helps prevent the proposed framework from focusing exclusively on either stakeholder relationships or organisational structures.

Evidently, stakeholder theory and institutional theory support the development of a preliminary framework that addresses three interrelated dimensions of productive zakat distribution: the stakeholders involved, the institutional environment in which programmes operate, and the processes through which assistance is delivered and evaluated. The resulting framework is intended to provide an initial basis for moving from fragmented and short-term practices towards a more coordinated, accountable, and sustainable approach to the economic empowerment of *asnaf* entrepreneurs. As a preliminary framework derived from the literature, its

components will require further validation through empirical research, including case studies and interviews with relevant experts and practitioners.

Theoretical Contribution Relative to Existing Productive Zakat Frameworks

Several frameworks for productive zakat already exist, but each operates at a single level. Wahab and Abdul Rahman (2011) analyse the efficiency and governance of zakat institutions as organisations. Asni et al. (2026) propose an instrument-level model in which zakat institutions fund microcredit while TEKUN handles the selection, training and monitoring of entrepreneurs. Asni et al. (2025) design a three-phase support scheme for one programme component, digital marketing. Mohamed Esa et al. (2025) develop a logic model that links the inputs, processes, outputs and outcomes of *asnaf* development programmes, but they treat policy and regulation as one input among several rather than as a condition that shapes how every component is implemented. These frameworks specify what a programme should contain or achieve. They do not explain why programmes with similar components perform differently across states, and none of them locates the Islamic bank, acting as *wakil*, among the SIRC, the implementing partners and the beneficiaries.

Integrating stakeholder theory and institutional theory addresses these gaps in three ways. First, it explains variation as well as content. Stakeholder salience (Mitchell et al., 1997) identifies whose claims shape a programme, while institutional pressures (DiMaggio & Powell, 1983) explain why state-level programmes converge or diverge; the differing state fatwas on capital assistance and the state-specific *wakalah* rules are examples of coercive pressure (Wan Ahmad, 2022; Ishak et al., 2023). Second, it draws attention to decoupling, in which components such as training or monitoring are adopted to signal legitimacy but are not carried out in practice (Meyer & Rowan, 1977). Decoupling offers a theoretical explanation for the weak post-disbursement monitoring reported in Table 4, and it justifies treating monitoring and feedback as structural components of the framework rather than optional additions. Third, it treats the Islamic bank as a dual actor: a stakeholder with its own interests, such as discharging its zakat obligation and maintaining legitimacy with customers, and an organisation subject to coercive pressure from the zakat authority that appoints it and from Bank Negara Malaysia, which regulates it. Existing productive zakat frameworks do not model this dual position, which is central to the *wakalah* channel examined in this study.

RESEARCH METHODOLOGY

The following section outlines the systematic review protocol adopted in this study, including the selection criteria, search strategy, and methods for data collection and analysis. The review is reported in accordance with the PRISMA 2020 statement (Page et al., 2021) and systematically examines the alignment between zakat distribution, sustainability, and *asnaf* entrepreneurs. This approach is widely recognised for its rigour and effectiveness in synthesising existing studies within a defined research area (Stechemesser & Guenther, 2012). A comprehensive review of the literature was conducted to identify relevant studies on the role of Islamic social finance and productive zakat in promoting financial inclusion, poverty reduction, and socio-economic development. The analysis draws on scholarly works indexed in Scopus and Google Scholar, with particular attention to the relationship between zakat distribution practices and the principles of *maqasid al-Shariah*.

Databases, Search Strategy and Eligibility Criteria

The search was conducted on 17th November 2025 in two databases, Scopus and Google Scholar. Scopus was used for its curated coverage of peer-reviewed journals. Google Scholar was added because much of the productive zakat literature, particularly from Malaysia and Indonesia, appears in regional journals and conference proceedings that Scopus does not index. Because Google Scholar searches cannot be fully reproduced and the database is not suitable as a principal search system for systematic reviews (Gusenbauer & Haddaway, 2020), it was used as a supplementary source, and its exact query and the number of records screened are reported. The Scopus string combined the terms zakat distribution*, Islamic banks, and Malaysia in titles, abstracts, and keywords (TITLE-ABS-KEY); the Google Scholar query used the same terms with *asnaf* OR entrepreneurs added (Table 2). Google Scholar does not support searching abstracts or author keywords as separate fields, so its query was run in titles only. The search identified 65 records (Scopus: 6; Google Scholar: 59). All retrieved records were systematically recorded in a Microsoft Excel database,

capturing key information such as titles, abstracts, keywords, authors, publication sources, and years of publication.

Studies were eligible if they were journal articles or conference proceedings papers, were published in English, were accessible in full text, and addressed zakat distribution or productive zakat for *asnaf*, including *asnaf* entrepreneurs, with reference to its practices, challenges, or success factors. Books, book chapters, doctoral theses, citation-only records and non-academic sources were excluded, as were studies that discussed Islamic social finance only in general terms or focused on *waqf*, Islamic microfinance, financial performance, sustainability, governance, FinTech, capital markets, takaful, halal studies, Islamic entrepreneurship or Islamic economic theory without a clear connection to zakat distribution and *asnaf*.

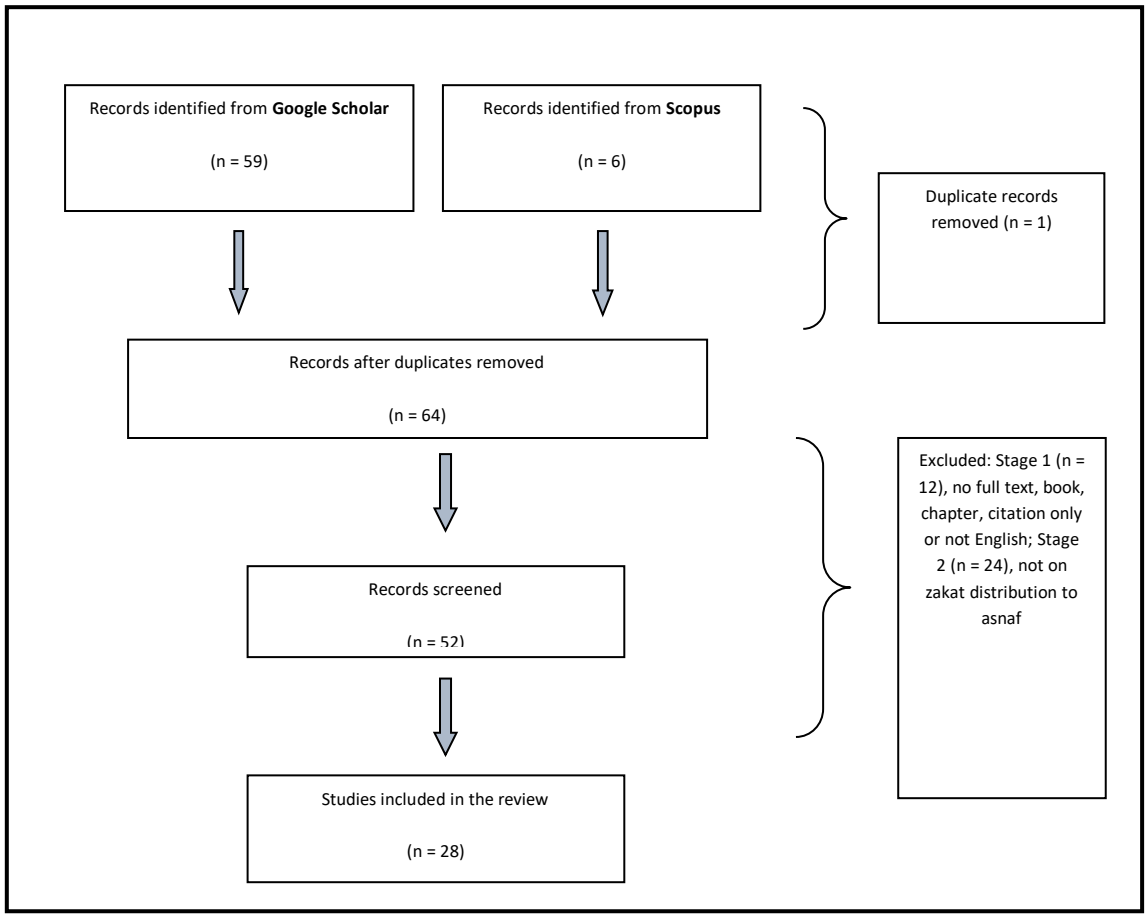
Table 2. Search Strategy and Results by Database

Item	**Scopus**	**Google Scholar**
Date of search	17th November 2025	17th November 2025
Fields searched	Title, abstract and keywords (TITLE-ABS-KEY)	Title only or anywhere in the article
Search string as executed	(TITLE-ABS-KEY (zakat distribution*) AND TITLE-ABS-KEY (Islamic banks) AND TITLE-ABS-KEY (Malaysia))	zakat distribution* AND Islamic banks AND Malaysia AND (asnaf OR entrepreneurs)
Filters applied	None recorded; state any year, language or document-type limits	None recorded; state any limits applied
Records retrieved	6	59 all results, or the first n sorted by relevance
Excluded at eligibility check	3	10 (including 1 duplicate)
Excluded at title and abstract screening	1	23
Included	2	26

Screening and Study Selection

Study selection is reported using the PRISMA 2020 flow diagram (Page et al., 2021) in Figure 1, and each screening decision and its reason were recorded in the Excel workbook. One duplicate record was removed, leaving 64 records. In the first stage, these were checked against the formal eligibility criteria, and 12 records were excluded because the full text was not accessible or could not be retrieved (n = 4), the record was a book or a citation only (n = 4), it was not in English (n = 1), or it was a book chapter (n = 3). In the second stage, the titles and abstracts of the remaining 52 records were screened for relevance to zakat distribution to *asnaf* and to its practices, challenges, and success factors. A further 24 records were excluded because they did not address zakat distribution: they dealt with Islamic social finance in general terms (n = 2), *waqf* (n = 2), Islamic microfinance or microcredit (n = 2), FinTech or crowdfunding (n = 2), the governance or performance of Islamic banks (n = 2), Islamic entrepreneurship or business (n = 3), halal products, marketing or tourism (n = 3), Islamic economic theory or policy (n = 2), sustainable finance (n = 1), Islamic capital markets (n = 1), takaful (n = 1), or fields outside Islamic finance (n = 3). The final sample comprised 28 studies (Scopus = 2; Google Scholar = 26), which are listed in Appendix A with their designs and contributions to the findings.

Figure 1. PRISMA 2020 Flow Diagram of Study Selection



Data Extraction, Thematic Coding and Appraisal of Evidence

For each included study, the authors, title, year, and abstract were recorded in the Excel workbook, and findings were extracted under four headings: model or framework, success factors, limitations, and issues and challenges. These headings correspond to the research questions: models and frameworks informed RQ1 (practices); limitations, issues, and challenges informed RQ2; and success factors informed RQ3. Source type, study design and country context were added to each record for the appraisal described below.

The extracted findings were analysed through thematic synthesis (Braun & Clarke, 2006). Coding combined a deductive frame defined by these headings with inductive coding within each research question: findings were coded, related codes were grouped into sub-themes, and sub-themes were grouped into main themes. A sub-theme was retained only if it could be traced to at least one included study. Tables 3 to 5 report each theme with its supporting evidence and studies, so that every theme can be traced to its source.

The included studies range from bibliometric analyses and systematic or thematic reviews to a qualitative interview study and a conceptual paper, so no single risk-of-bias tool could be applied to all of them. Instead, each study was classified by source type and by the nature of its evidence: primary empirical, secondary review (systematic, thematic or bibliometric), or conceptual (Appendix A). Studies were not excluded on this basis. The classification was used to weigh claims in the synthesis: a finding is described as empirically supported only where at least one primary empirical study reports it, and as review-based or propositional otherwise (Table 6).

Of the 28 included studies, 25 are systematic, thematic or bibliometric reviews; one reports primary data from interviews with 12 participants (Asni et al., 2026); one is a conceptual paper (Razak, 2020); and one could not be located to confirm its design (Kasmon & Ibrahim, 2023). Because the searches retrieved mainly review articles, this study is in effect a review of reviews: most findings in Tables 3 to 5 rest on secondary syntheses rather than on primary data, and this limitation is carried into their interpretation. Ten included studies

informed the overall mapping of the field but did not contribute specific findings to Tables 3 to 5 (Appendix A).

FINDINGS

The findings are organised into three sections for the key elements in order to develop sustainable zakat distribution: (i) the practices of zakat distribution to *asnaf* entrepreneurs, (ii) the challenges and limitations encountered in implementation, and (iii) the key success factors that underpin effective distribution. Tables 3 to 5 report each theme with its supporting evidence and studies, and Appendix A shows whether each study provides primary empirical data or a secondary review.

Practices of Zakat Distribution to Asnaf Entrepreneurs

This section summarises current practices in zakat distribution to *asnaf* entrepreneurs, focusing on how zakat is delivered in a structured and empowerment-oriented manner. The analysis highlights several recurring elements in contemporary practice: productive zakat mechanisms, collaborative delivery models, digital integration, human capital development, governance, and entrepreneurial empowerment.

Table 3**.** Practices of Zakat Distribution to *Asnaf* Entrepreneurs

Main Theme (RQ1**)**	**Sub-Themes**	**Evidence**	**Literature**
Productive zakat for *asnaf* entrepreneurs	Business capital; *qard ḥasan;* microcredit; income-generating support	Zakat used as business capital and microcredit support for entrepreneurs (structured selection & monitoring).	Asni et al. (2026)
		Zakat capital assistance is a common practice to help asnaf start or expand microbusinesses.	Khair, et al., (2025)
		Agricultural *asnaf* receive capital, tools, and business inputs funded by zakat.	Yusof, et al., (2025)
		Digital platform programmes support entrepreneurial development using Zakat resources.	Meerangani, et al., (2023)
		Zakat is used for socio-economic development and the uplift of entrepreneurship.	Kasmon et al. (2023)
		The distribution category includes productive distribution to support income generation.	Zaaba & Hassan (2021)
Collaborative models (zakat institution + agency/bank)	Partnerships; shared roles; fund disbursement + monitoring by experts	Zakat institutions provide funds; TEKUN manages the selection, monitoring, and training of entrepreneurs.	Asni et al. (2026)
		Collaboration among zakat institutions, Islamic banks, and microfinance units is recommended to provide more structured support.	Khair, et al., (2025)
		Zakat management studies highlight the need for an integrated ISF ecosystem (zakat–waqf–microfinance–banking).	Sawandi & Abdul Aziz (2021)
Digital & FinTech-enabled distribution	Online application; monitoring; blockchain;	Zakat institutions use digital platforms for *asnaf* registration, training, and monitoring.	Meerangani, et al., (2023)

	transparency	FinTech (crowdfunding, blockchain) enhances transparency in ISF, including zakat.	Kasmon, et al., (2025)
		Blockchain shows potential for transparent zakat processes.	Kasmon et al. (2023)
		Keyword trends show digitalisation as an emerging area of zakat distribution research.	Arsad, et al., (2023)
Human capital development & training	Entrepreneurship coaching; skills; monitoring; spiritual support	Entrepreneurial success depends on training, coaching, and monitoring, not only capital.	Meerangani, et al., (2023)
		Zakat assistance programmes combine financial support with human development modules.	
		Some programmes focus on mindset, discipline, and motivation for business continuity.	
Governance, transparency & institutional efficiency	SOPs; monitoring; disclosure; weaknesses & gaps	Need for stronger governance, transparency, and monitoring in zakat distribution.	Sawandi & Abdul Aziz (2021)
		Institutional performance and distribution efficiency are frequent issues in Zakat studies.	Hakim, et al., (2025)
		National Zakat Institutions must strengthen reporting and distribution to align with the SDGs.	Hakim, et al., (2025)
		Distribution management is a recurring theme; several institutions face operational challenges.	Zaaba & Hassan (2021)
Themes related to entrepreneurial empowerment (Cross-cutting insight)	Poverty reduction; income generation; business development	Productive zakat for entrepreneurship is a rising academic theme, especially in Malaysia.	Ahmad, et al., (2025)
		SME and entrepreneurship keywords frequently appear alongside zakat in the literature, but there is a lack of bank-specific studies.	Handoko, et al., (2022)
		Zakat literature highlights the empowerment of entrepreneurs but rarely addresses Islamic banks directly.	Alshater, et al., (2021)

Challenges and Limitations in Zakat Distribution to *Asnaf* Entrepreneurs

This section presents the challenges and limitations affecting the effectiveness of zakat distribution to *asnaf* entrepreneurs. The analysis identifies several recurring issues that constrain the implementation of productive zakat: weaknesses in governance, inadequate monitoring, limitations in human capital development, financial and product-design constraints, fragmented institutional collaboration, technological barriers, and data and regulatory gaps.

Table 4. Challenges and Limitations in Zakat Distribution to *Asnaf* Entrepreneurs

Main Theme (RQ2**)**	**Sub-Themes**	**Evidence**	**Literature**
Weak Governance & Institutional Inefficiencies	Lack of SOPs, inconsistent practices, and weak monitoring	Zakat institutions face governance weaknesses, including fragmented processes and insufficient oversight.	Sawandi & Abdul Aziz (2021)

	Inefficient distribution management	Operational challenges frequently occur in distribution, reducing effectiveness.	Zaaba & Hassan (2021)
	Misalignment with developmental goals	Institutions lack clear alignment with SDGs and long-term economic empowerment strategies.	Hakim et al. (2025)
	Limited accountability and transparency	Accountability structures and reporting remain weak across many Zakat institutions.	Baehaqi, et al., 2025
Inadequate Monitoring & Post-Disbursement Follow-Up	Lack of structured monitoring systems	Monitoring funded entrepreneurs is inconsistent and often insufficient to track progress.	Asni et al. (2026)
	Poor evaluation mechanisms	Follow-up assessments of the *asnaf* business performance are weak or superficial.	Khair et al. (2025)
	Weak early warning systems for failed businesses	Limited mechanisms exist to manage repayment failures or business collapse.	Yusof, et al., 2025
Human Capital & Entrepreneur Readiness Limitations	Low skills among *asnaf* entrepreneurs	Many *asnaf* lack basic business skills, affecting the sustainability of financed ventures.	Yusof, et al., 2025
	Weak mindset, discipline, and motivation	Non-financial barriers (mindset, discipline) hinder long-term success.	Meerangani et al. (2023)
	Lack of structured training modules	Entrepreneur coaching programmes are inconsistent and limited.	Khair et al. (2025)
Financial Constraints & Limited Product Design	Heavy reliance on capital aid without diversification	Zakat funds focus too much on capital assistance rather than blended support models.	Khair et al. (2025)
	Risk of misuse or non-productive use of funds	Some beneficiaries misuse funds or fail to convert capital into sustainable income.	Yusof et al. (2025)
	Qard ḥasan repayment weaknesses	High repayment risks due to weak screening and monitoring.	Asni et al. (2026)
Fragmented Collaboration Between Institutions	Poor coordination between *Zakat* institutions, banks, and agencies	Collaboration is recommended but rarely executed effectively.	Khair et al. (2025)
	Inconsistent roles and responsibilities	Some collaborations lack clarity in screening, mentoring, and fund management.	Sawandi & Abdul Aziz (2021)
	Absence of an integrated ISF ecosystem	Zakat–waqf–microfinance–banking integration remains underdeveloped.	Kasmon et al. (2023)
Digital & Technology Limitations	Limited adoption of digital tools	Many institutions still rely on manual processes despite the availability of digital solutions.	Arsad et al. (2023)
	Weak digital literacy among *asnaf*	*Asnaf* entrepreneurs struggle to use digital platforms for applications and reporting.	Meerangani et al. (2023)
	Insufficient integration of FinTech solutions	Blockchain, automation, and mobile platforms are underutilised in distribution.	Kasmon et al. (2023, 2025)

Data Management & Targeting Issues	Weak beneficiary profiling	Incomplete or outdated *asnaf* databases hinder accurate targeting.	Baehaqi, et al., 2025
	Duplication cases & leakages	A lack of integrated data increases the risk of receiving duplicate aid.	Rosyidi et al. (2024)
Regulatory & Structural Limitations	Variation across states	Different state-level regulations create inconsistencies in distribution practices.	Mustofa, et al., 2025
	Absence of bank-specific guidelines	No structured frameworks for Islamic banks distributing zakat to entrepreneurs.	Handoko et al. (2022)
Beneficiary Socioeconomic Challenges	Seasonal business instability	Some industries (agriculture, food, services) experience seasonal downturns.	Yusof et al. (2025)
	Limited market access	*Asnaf* lacks networks, market exposure, and a competitive advantage.	Meerangani et al. (2023)

Key Success Factors for Effective Zakat Distribution

This section presents the key success factors that shape the effectiveness of zakat distribution to *asnaf* entrepreneurs. The analysis highlights several critical elements: integrated entrepreneurial support, digital and technological enablers, empowerment-based financial models, alignment with *maqasid al-Shariah* and the SDGs, strong governance and accountability, institutional collaboration, and the broader socioeconomic impact that supports sustainable transformation among *asnaf.*

Table 5. Key Success Factors for Effective Zakat Distribution

Main Theme (RQ3)	**Sub-Themes**	**Evidence**	**Literature**
Integrated Entrepreneurial Support	Capital + training + mentoring + monitoring	Systematic reviews show that the most successful *asnaf* empowerment programmes combine financial assistance with skills development, mentoring, and continuous monitoring. These integrated mechanisms enhance entrepreneurial readiness and long-term business sustainability.	Khair, et al (2025)
Digital Platforms & Technological Enablers	Networking, competitiveness, market reach	Digital platforms enhance market access, improve networking, strengthen competitiveness, and increase entrepreneurial visibility for *asnaf*.	Khair, et al (2025)
	Speed, transparency, and monitoring	Digitalisation of zakat data improves auditability, reporting speed, accuracy, and transparency, leading to more efficient distribution.	Kasmon & Ibrahim (2023)
	Automation & targeting	Zakat technology research confirms that adopting mobile apps, e-payments, automation, and blockchain enhances operational efficiency, expands reach and supports accurate targeting of beneficiaries.	Lestari, et al (2025)
Productive Aid & Empowerment Models	Conditionality; empowerment orientation; capacity	Productive zakat and CCT-style models succeed when linked with structured capacity building, behavioural conditioning, and empowerment-driven programming.	Khair, et al (2025)

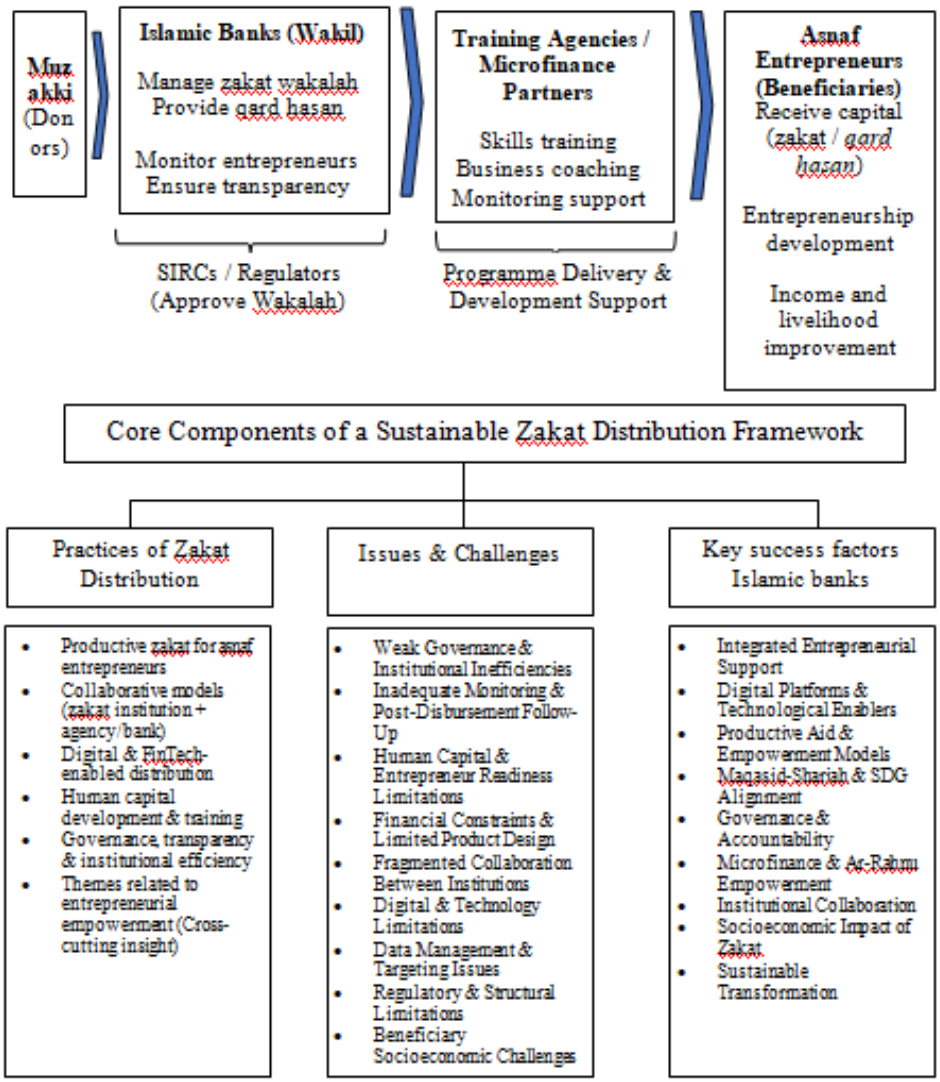
	building		
Maqasid-Shariah & SDG Alignment	Welfare protection; socioeconomic uplift; sustainability	Zakat's success improves when institutional strategies align with *maqasid al-Shariah* (*ḥifẓ al-mal, ḥifẓ al-nafs*) and SDG priorities such as poverty reduction and inequality mitigation.	Rosyidi, et al (2024)
Governance & Accountability	Transparency; institutional performance	Bibliometric evidence shows that effective zakat outcomes depend heavily on governance strength, especially transparent reporting, disclosure quality, and efficient distribution mechanisms.	Baehaqi et al (2025)
Microfinance & Ar-Rahnu Empowerment	Women's empowerment; financial inclusion	Microcredit (*qard hasan*) and Ar-Rahnu enhance financial inclusion, especially for women and micro-entrepreneurs, thereby supporting sustainable improvements in livelihoods.	Asni et al. (2026)
Institutional Collaboration	Shared expertise; risk management	TEKUN's networks, monitoring systems, and entrepreneurship support strengthen the success rate of zakat-funded microcredit programmes by complementing ZMI's funding function.	Asni et al. (2026)
Socioeconomic Impact of Zakat	Purchasing power; economic resilience	Zakat increases household purchasing power, stabilises consumption, and supports microbusiness activity, demonstrating strong socioeconomic effect.	Fitriani et al. (2025)
Sustainable Transformation	*Mustahiq* → *muzakki* transition	Empowerment-based productive zakat and microcredit models help create long-term transformation, enabling *asnaf* to eventually become zakat payers.	Asni et al. (2026)

Preliminary Framework for Sustainable Mechanisms of Zakat Distribution to *Asnaf* Entrepreneurs

Drawing the preceding components together, this conceptual framework positions institutional theory as explaining why and under what institutional conditions sustainable zakat distribution practices are adopted, stakeholder theory as identifying who is involved, and the Islamic bank operational model as demonstrating how the programme is implemented. Institutional theory highlights the influence of regulatory requirements, professional norms, organisational expectations, and the need for legitimacy, while stakeholder theory clarifies the roles, interests, and responsibilities of zakat institutions, Islamic banks, regulators, supporting agencies, and *asnaf* entrepreneurs. The framework captures the full programme flow: inputs, including productive zakat funds, *qard ḥasan* where the relevant SIRC permits it, and training; processes, such as *wakalah* arrangements, coaching, and monitoring; outputs, including entrepreneurial readiness and business establishment; outcomes, such as improved income and financial resilience; and long-term impacts, particularly the transition of beneficiaries from *asnaf* towards financial independence and, where possible, becoming *muzakki*.

In doing so, the framework provides an integrated lens for assessing and improving productive zakat distribution for *asnaf* entrepreneurs. It combines the institutional influences that shape organisational practices, the governance and relational dimensions highlighted by stakeholder theory, and the evidence from the systematic literature review, which Table 6 links to each component. This integration provides the basis for a sustainable and multidimensional zakat distribution model that is responsive to stakeholder needs, supported by appropriate institutional arrangements, and suitable for implementation by Islamic banks in Malaysia. The proposed framework is presented in Figure 2.

Figure 2. Preliminary Framework of Sustainable Zakat Distribution for *Asnaf* Entrepreneurs Participating Stakeholder



Linking the Review Evidence to the Framework Components

The three columns of core components in Figure 2 summarise the main themes in Tables 3 to 5, and *qard ḥasan* appears in the figure as a complementary, repayable channel that is distinct from the zakat grant (Table 1). Table 6 links each component of the framework to the review themes from which it was derived, the studies that support it and the nature of that evidence. Components are labelled as evidence-informed where at least one primary empirical study in the review supports them, review-informed where support comes mainly from secondary reviews, and propositional where they are derived from theory and still require validation.

Three patterns stand out. First, the claim that capital alone is insufficient and must be combined with training, mentoring and monitoring is supported consistently, but almost entirely by reviews (Khair et al., 2025; Yusof et al., 2025); the only primary study in the sample, an interview study of a zakat–TEKUN microcredit model, is consistent with it (Asni et al., 2026). Second, the components specific to Islamic banks rest on the thinnest evidence: although the search strings included Islamic banks, none of the included studies focuses on zakat distribution by Islamic banks, one notes only that synergy between Islamic financial institutions and zakat bodies is not yet optimal (Mubarok et al., 2022), and two bibliometric reviews note the scarcity of bank-specific studies (Alshater et al., 2021; Handoko et al., 2022). Third, the institutional conditions in the framework (state regulation, *wakalah* terms, reporting and accountability) are documented by governance reviews (Sawandi & Abdul Aziz, 2021; Baehaqi et al., 2025), but their effect on programme outcomes has not been tested.

Table 6. Linking Review Evidence to Framework Components

Framework component	Review themes (Tables 3–5)	Supporting studies	Nature of evidence	Status in the framework
Stakeholders and roles: SIRC, Islamic bank as *wakil*, implementing partners, *asnaf*	Collaborative models; institutional collaboration; fragmented collaboration	Asni et al. (2026); Khair et al. (2025); Sawandi & Abdul Aziz (2021)	Qualitative interviews; reviews	Evidence-informed for zakat institution–partner collaboration; propositional for the bank as *wakil*
Institutional conditions: state enactments and fatwas, *wakalah* terms, SOPs, reporting	Governance, transparency and efficiency; weak governance; regulatory and structural limitations	Sawandi & Abdul Aziz (2021); Zaaba & Hassan (2021); Baehaqi et al. (2025); Hakim et al. (2025)	Reviews; bibliometric analyses	Review-informed; effect on outcomes propositional
Inputs: productive zakat capital; *qard ḥasan* where permitted; training resources	Productive zakat for *asnaf* entrepreneurs; financial constraints; microfinance	Khair et al. (2025); Yusof et al. (2025); Asni et al. (2026)	Reviews; qualitative interviews	Review-informed, consistent with one qualitative study: capital is necessary but not sufficient
Processes: profiling and selection; training and coaching; mentoring; monitoring and follow-up	Human capital development; inadequate monitoring; data management and targeting	Khair et al. (2025); Yusof et al. (2025); Meerangani et al. (2023); Baehaqi et al. (2025); Rosyidi et al. (2024); Asni et al. (2026)	Reviews; bibliometric analyses; qualitative interviews	Review-informed; monitoring weaknesses also reported in interviews
Processes: digital platforms and FinTech	Digital and FinTech-enabled distribution; digital and technology limitations	Meerangani et al. (2023); Kasmon et al. (2023, 2025); Kasmon & Ibrahim (2023); Lestari et al. (2025); Arsad et al. (2023)	Reviews; bibliometric analyses	Review-informed; effect on outcomes propositional
Outputs and outcomes: entrepreneurial readiness, business survival, income and resilience	Integrated entrepreneurial support; socioeconomic impact of zakat	Khair et al. (2025); Yusof et al. (2025); Fitriani et al. (2025)	Reviews	Review-informed
Long-term impact: transition from *mustahiq* to *muzakki*	Sustainable transformation	Asni et al. (2026)	Qualitative interviews (expected, not measured)	Propositional
Islamic bank-specific delivery (cuts across all components)	Absence of bank-specific guidelines; entrepreneurial empowerment (cross-cutting)	Handoko et al. (2022); Alshater et al. (2021)	Bibliometric analyses noting the gap	Propositional

DISCUSSION AND PRACTICAL IMPLICATIONS

The review supports three findings with reasonable confidence, although the support comes from the convergence of secondary reviews rather than from primary studies. First, capital assistance on its own rarely produces sustainable *asnaf* enterprises; programmes that add training, mentoring and monitoring are consistently reported as more effective (Khair et al., 2025; Yusof et al., 2025), and the one primary study in the sample is consistent with this (Asni et al., 2026). Second, post-disbursement monitoring, beneficiary profiling and coordination between institutions are recurrent weaknesses (Sawandi & Abdul Aziz, 2021; Baehaqi et al., 2025; Asni et al., 2026). Third, the rules governing productive zakat and its delivery through partners vary between states, a point that rests mainly on legal and fatwa sources outside the review sample (Mustofa et al., 2025; Wan Ahmad, 2022; Ishak et al., 2023). Only one included study collected primary data, and none measured quantitatively the effect of a particular programme design on *asnaf* business outcomes or examined zakat distribution by Islamic banks as its main focus.

The remaining relationships in the framework are conceptual propositions that require empirical validation:

P1. Productive zakat programmes in which an Islamic bank acts as *wakil* achieve stronger monitoring and higher business survival than programmes delivered by zakat institutions alone, because banks bring screening and account-monitoring capacity.

P2. Combining capital with structured training, mentoring and monitoring increases business survival and income among *asnaf* entrepreneurs compared with capital alone.

P3. Clear *wakalah* terms, standard operating procedures and reporting obligations (coercive and normative pressures) reduce the decoupling of training and monitoring from actual practice.

P4. Digital beneficiary profiling and monitoring improve targeting and reduce duplicate assistance across institutions.

P5. A staged pathway from productive zakat to, where permitted, *qard ḥasan* and then to Islamic microfinance supports the transition of *asnaf* from *mustahiq* to *muzakki*.

These propositions can be tested through multiple case studies of Islamic banks operating under *wakalah* arrangements in different states; interviews with SIRC officers, bank zakat units, implementing partners and *asnaf* entrepreneurs; and longitudinal tracking of business survival, income and graduation to *muzakki* status.

Practical implications follow, conditional on that validation. For SIRCs and zakat agencies, *wakalah* letters to Islamic banks could specify minimum programme components (training, mentoring and monitoring), data-sharing requirements and exit criteria, in addition to the share of zakat returned and the reporting deadline. For Islamic banks, the review points to investing in post-disbursement follow-up, keeping zakat grants, *qard ḥasan* and commercial financing separate in eligibility, accounting and disclosure, and disclosing zakat distribution more fully. For regulators and policymakers, blended programmes such as iTEKAD offer a template for linking zakat-funded seed capital to microfinancing, but their effect can be assessed only if shared *asnaf* databases and common outcome indicators are in place.

CONCLUSION

This study developed a preliminary framework for the sustainable distribution of productive zakat to *asnaf* entrepreneurs, with particular attention to the role of Islamic banks in Malaysia. Based on a systematic literature review of 28 studies, the analysis identified three interrelated dimensions influencing the effectiveness of productive zakat programmes: existing practices, persistent challenges, and enabling factors. Current practices are largely characterised by capital-focused assistance, emerging collaboration between zakat institutions and financial partners, and the increasing use of digital platforms. However, their effectiveness is often constrained by weak governance, inconsistent monitoring, fragmented inter-institutional coordination, limited follow-up support, and the uneven integration of financial technology. Sustainable outcomes therefore

require more than the provision of capital. They depend on integrated entrepreneurial support, appropriate digital infrastructure, empowerment-oriented financing, strong governance, clear monitoring mechanisms, and effective collaboration among the institutions involved.

The integration of stakeholder theory and institutional theory provides a complementary foundation for the proposed framework. Stakeholder theory identifies the key parties involved and explains their respective interests, responsibilities, relationships, and contributions. These stakeholders include *muzakki*, Islamic banks, State Islamic Religious Councils, zakat institutions, regulators, training agencies, business mentors, and *asnaf* entrepreneurs. Institutional theory, meanwhile, explains how regulatory requirements, professional norms, organisational structures, established practices, and legitimacy expectations influence the design and implementation of productive zakat programmes. Together, the two theories show that sustainable zakat distribution depends not only on effective stakeholder participation but also on an institutional environment that supports consistency, accountability, coordination, and continuous programme improvement.

The proposed framework therefore supports a shift from short-term, capital-centered assistance towards a more structured and empowerment-oriented model. It connects the resources provided, the processes through which assistance is delivered, and the expected outputs, outcomes, and long-term impacts. The framework proposes that, through appropriate financing, training, mentoring, monitoring, market access, and institutional support, productive zakat can help *asnaf* entrepreneurs strengthen their businesses, improve their income, build financial resilience, and gradually reduce their dependence on zakat. The longer-term aspiration is to support their progression from zakat recipients towards financial independence and, where possible, becoming *muzakki*.

Several limitations should nevertheless be acknowledged. The study is based on literature obtained from two databases, one of which (Google Scholar) does not allow fully reproducible searches (Gusenbauer & Haddaway, 2020), and Scopus contributed only two of the 28 included studies. Most included studies are themselves systematic, thematic, or bibliometric reviews, so the synthesis is in effect a review of reviews; only one collected primary data, none focuses on zakat distribution by Islamic banks, several draw on Indonesian rather than Malaysian evidence, and no formal risk-of-bias tool could be applied because of the heterogeneity of designs. The findings may therefore not fully represent the institutional arrangements and operational realities of all zakat institutions or Islamic banks. Moreover, the proposed framework remains conceptual and should be regarded as an initial foundation rather than a validated operational model. Future research should refine and validate the framework through in-depth case studies of Islamic banks involved in productive zakat, particularly those operating under *wakalah* arrangements; interviews with zakat administrators, regulators, practitioners, and *asnaf* entrepreneurs; and empirical testing across different institutions, sectors, and jurisdictions. Such validation is necessary to determine whether the framework can effectively guide productive zakat towards becoming a sustainable instrument for poverty alleviation, entrepreneurial development, and long-term economic empowerment in Malaysia and the wider Islamic economy.

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APPENDIX A. STUDIES INCLUDED IN THE REVIEW

Table A1 lists the 28 included studies in the order in which they appear in the screening workbook, with their source type, design and context, and the findings tables to which each contributed. "Mapping only" marks studies that informed the overall mapping of the field but did not contribute a specific finding to Tables 3 to 5.

Table A1. Studies Included in the Systematic Literature Review

No.	Study	Workbook record	Source type	Design and nature of evidence	Context	Contributes to
S1	Asni et al. (2026)	Scopus 1	Journal article	Primary, qualitative: interviews (n = 12)	Malaysia	Tables 3, 4, 5
S2	Razak (2020)	Scopus 6	Journal article	Conceptual paper	Malaysia	Mapping only
S3	Hassan et al. (2021)	GS 1	Journal article	Bibliometric analysis (122 documents)	Global	Mapping only
S4	Ma'ruf et al. (2025)	GS 3	Journal article	Bibliometric analysis (101 documents)	Global	Mapping only
S5	Mustaffa et al. (2026)	GS 4	Journal article	Systematic literature review (20 studies)	Global	Mapping only
S6	Ahmad et al. (2025)	GS 5	Conference proceedings	Bibliometric analysis (per title)	Global	Table 3
S7	Khair et al. (2025)	GS 6	Journal article	Systematic literature review (9 studies)	Malaysia (asnaf focus)	Tables 3, 4, 5
S8	Yusof et al. (2025)	GS 7	Journal article	Systematic literature review (22 studies)	Malaysia	Tables 3, 4
S9	Meerangani et al. (2023)	GS 8	Journal article	Systematic literature review (7 studies)	Malaysia	Tables 3, 4
S10	Farzana et al. (2025)	GS 9	Journal article	Bibliometric analysis (453 documents)	Global	Mapping only
S11	Sawandi & Abdul Aziz (2021)	GS 10	Journal article	Systematic literature review and bibliometric analysis	Global	Tables 3, 4
S12	Arsad et al. (2023)	GS 11	Journal article	Bibliometric analysis (690 documents)	Global	Tables 3, 4
S13	Kasmon et al. (2023)	GS 12	Journal article	Systematic literature review (10 studies; waqf, zakat secondary)	Middle East and Asia	Tables 3, 4
S14	Hakim et al. (2025)	GS 13	Conference proceedings	Bibliometric analysis (125 documents)	Indonesia	Tables 3, 4
S15	Alshater et al. (2021)	GS 14	Journal article	Bibliometric analysis	Global	Table 3
S16	Aziz@Awang et al. (2023)	GS 15	Journal article	Thematic review (51 studies)	Global	Mapping only
S17	Handoko et al. (2022)	GS 16	Journal article	Bibliometric analysis (635 documents)	Global	Tables 3, 4
S18	Kasim & Azman (2023)	GS 18	Journal article	Systematic literature review (39 studies)	Multi-country	Mapping only
S19	Kasmon et al. (2025)	GS 19	Journal article	Systematic literature review (35 studies)	Asia	Tables 3, 4
S20	Zaaba & Hassan	GS 20	Journal article	Systematic literature review (31 studies)	Malaysia	Tables 3, 4

	(2021)					
S21	Mubarok et al. (2022)	GS 21	Journal article	Systematic literature review (53 studies)	Indonesia	Mapping only
S22	Esa et al. (2025)	GS 22	Journal article	Systematic literature review (23 studies)	OIC countries	Mapping only
S23	Aswadi et al. (2022)	GS 23	Journal article	Systematic literature review (24 studies)	Global	Mapping only
S24	Rosyidi et al. (2024)	GS 26	Journal article	Bibliometric analysis (618 documents)	Global	Tables 4, 5
S25	Fitriani et al. (2025)	GS 28	Journal article	Systematic literature review	Mainly Indonesia	Table 5
S26	Baehaqi et al. (2025)	GS 29	Journal article	Bibliometric analysis and systematic literature review	Global	Tables 4, 5
S27	Kasmon & Ibrahim (2023)	GS 30	Journal article	Systematic literature review (10 studies)	Malaysia	Table 5
S28	Lestari et al. (2025)	GS 31	Journal article	Bibliometric analysis	Global	Table 5