

Zakat and Green Economic Growth from a Maqashid Sharia Perspective

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ABSTRACT

This study investigates the role of zakat in advancing green economic growth through the normative lens of Maqashid Sharia. The objective is to evaluate how zakat, beyond its redistributive function, can foster sustainable development by integrating economic empowerment, social welfare, and environmental stewardship. A qualitative approach was applied, drawing on systematic literature review and conceptual analysis. Data were sourced from academic research, institutional reports, and policy documents on zakat, green economy, and sustainability. The analysis focused on zakat as the independent fiscal instrument, green economic growth as the dependent outcome, and Maqashid Sharia as the guiding framework. The findings demonstrate that zakat significantly contributes to inclusive growth when aligned with sustainable development strategies. In Malaysia and Indonesia, zakat has alleviated poverty, strengthened financial inclusion, and empowered marginalized groups. When guided by Maqashid principles, zakat also shows potential to support eco-friendly enterprises, renewable energy, and conservation programs. Nevertheless, limited regulations, low literacy on productive zakat, and weak institutional collaboration constrain its impact. Opportunities for digital innovation and cross-sectoral partnerships, however, provide viable pathways for zakat to be institutionalized as a green economic driver. This study concludes that zakat, integrated with Maqashid Sharia, can balance economic, social, and ecological objectives, positioning it as a strategic instrument for green economic transformation and long-term sustainability.

Keywords: *Islamic philanthropy, Sustainable development policy, Faith-based economic instruments, Environmental stewardship in Islam, Ethical wealth redistribution.*

INTRODUCTION

The global debate on sustainable development, as articulated in the Sustainable Development Goals (SDGs), stresses the integration of economic growth with environmental protection and social welfare. This integration is especially relevant in developing countries, where Environmental, Social, and Governance (ESG) principles are essential for advancing sustainability agendas. Studies show that combining ESG principles with economic growth strategies yields positive impacts on the achievement of SDGs and provides important insights for policymakers and business leaders (Gidage & Bhide, 2024). Yet, the implementation of SDGs such as SDG 12 on responsible consumption and production reveals persistent challenges. Highly

consumptive regions like the European Union often fail to account for cross-border environmental effects of their consumption, undermining biodiversity and climate goals (Amos & Lydgate, 2020). Moreover, the environmental consequences of economic activity are complex, creating both synergies and trade-offs among SDG targets. Enhancing production efficiency and promoting shifts in consumption behavior have proven especially beneficial in low-income countries (Han et al., 2024). Despite global commitments to the 2030 Agenda, progress has been uneven, with different metrics and methodologies showing varied results (Ensign, 2022). The multidimensional nature of sustainable development, which encompasses growth, inclusion, and ecological protection, further

complicates measurement. Nonetheless, lessons from the Millennium Development Goals (MDGs) underscore the importance of binding targets and effective mechanisms in advancing SDG implementation (Halisçelik & Soytaş, 2019).

Faith-based financial instruments, particularly zakat, have significant potential to serve as transformative tools for achieving inclusive and sustainable development. As a compulsory charitable obligation in Islam, zakat plays an important role in wealth redistribution and poverty alleviation. In Malaysia, zakat has been incorporated into Islamic fiscal policy to support the poor, orphans, and vulnerable groups through education and business initiatives (Razak, 2020). In Kuwait, Islamic finance, including zakat, has been central to rebuilding the post-COVID-19 economy, guided by Maqasid al-Sharia which emphasizes social justice and environmental well-being (Alhammadi, 2022). By contrast, in secular contexts such as the Philippines, constitutional constraints and mismanagement have limited zakat's role in poverty reduction among Muslim minorities (Gamon & Tagoranao, 2018). Even so, Islamic social finance has been recognized for its ability to advance SDGs by mobilizing resources for marginalized communities and humanitarian crises (Tok et al., 2022). In Saudi Arabia, waqf investment funds have improved income, healthcare, and education, aligning with sustainable development goals (Elmahgop et al., 2025). Effective zakat management in Indonesia during the COVID-19 pandemic also highlighted its potential, although differences in collection and distribution strategies affected outcomes (Pericoli, 2022). Broader integration of Islamic worldviews into development frameworks underscores the capacity of zakat and related instruments to promote inclusive, pro-poor, and human-centered growth (Al-Jayyousi et al., 2022). Demand for Sharia-compliant products, as seen in Jordan, reflects a preference for religiously aligned financial

solutions that support financial inclusion (Karlan et al., 2020). On the other hand, misuse of zakat funds in North America points to the need for stronger regulation and adherence to Islamic legal principles (Wahb, 2023). Overall, while zakat has considerable potential to drive sustainability, its effectiveness depends on sound management, regulatory oversight, and ethical alignment (Alotaibi et al., 2020).

In Indonesia, zakat serves as a strategic tool for reducing poverty and promoting equitable wealth distribution. Its management helps prevent the concentration of wealth and empowers marginalized groups, including people with disabilities and those facing mental health challenges (Setiawan, 2023). This role is reinforced by avoiding interest-based lending, which strengthens ethical finance and supports a more inclusive system. Fiscal efficiency at the subnational level also plays an important role, as capital expenditures on public infrastructure have proven more effective than recurrent spending, particularly after the 2008 financial crisis (Tirtosuharto, 2021). National poverty alleviation programs such as conditional cash transfers have generated dual benefits by reducing poverty while also lowering deforestation, thereby contributing to environmental sustainability (Ferraro & Simorangkir, 2020). Regional income distribution mechanisms in Belt and Road Initiative (BRI) countries further highlight the importance of efficient resource allocation and macroeconomic stability in reducing poverty and advancing development (Ullah et al., 2024). Together, these strategies demonstrate the diverse role of zakat and related financial practices in advancing Indonesia's socio-economic and environmental goals.

The urgency of linking zakat with green economic growth in Indonesia is evident in the country's environmental challenges and its commitment to sustainability. Indonesia's pledge to reduce greenhouse gas emissions, reaffirmed at the 2009 G20 Pittsburgh Summit, reflects broader commitments to financing a

green transition to address environmental degradation (Soejachmoen, 2017). The adoption of carbon taxes, as analyzed by Hartono et al., shows that recycling revenues into renewable energy investments can boost GDP and employment, offering a viable path for sustainable growth (Hartono et al., 2023). Asia's role in global climate change, as highlighted by Burke and Do, underscores the importance of economic mechanisms such as emissions pricing and renewable portfolio standards in building cleaner economies (Burke & Do, 2021). Reforestation programs in Indonesia, with the potential to cut CO2 emissions significantly, emphasize the importance of land rehabilitation for achieving green economy targets (Basuki et al., 2022). Financial stability, as discussed by Sun et al., is also crucial for climate mitigation and green recovery, suggesting that integrating financial mechanisms with zakat can enhance the country's resilience to climate risks while supporting sustainable development (Sun et al., 2022).

Although zakat institutions such as BAZNAS and LAZ have expanded, their potential role in environmental sustainability and resource efficiency remains underexamined. Insights from global contexts highlight the importance of sustainable resource management in tackling challenges such as depletion and climate change (X. Wang & Xu, 2024). The use of green innovation and digital governance in small economies illustrates the value of systemic efficiency in achieving sustainability (Liu et al., 2024). In Indonesia, the adoption of Environmental Management Control Systems and cleaner production practices has improved environmental performance, suggesting that similar approaches could be applied to zakat. The role of green production and technology in reducing waste and energy consumption further demonstrates how zakat funds could be directed toward sustainable practices (C. Lin et al., 2023). Aligning zakat with these strategies

could strengthen its contribution to environmental protection and efficiency.

Most prior studies on zakat have focused on poverty alleviation, income redistribution, and social welfare, while its role in environmental sustainability remains underexplored. Evidence from related fields suggests that integrating ecological considerations into poverty reduction policies generates significant benefits. Khan shows that poverty reduction and ecological footprints are closely linked, indicating that zakat could help balance these outcomes (Khan, 2021). Awad et al. emphasize that productive capacity and remittances can improve environmental quality, implying that zakat funds could be directed toward sustainable projects (Awad et al., 2024). Bensaid underlines the role of Islamic spirituality in promoting environmental stewardship, aligning zakat with sustainability goals (Bensaid, 2018). Ran et al. find that poverty alleviation efforts in China improved ecological conditions, suggesting that zakat can also enhance environmental quality (Ran et al., 2022).

Ajeigbe & Ganda (2024) further show that policies linking growth with environmental protection are vital for sustainable agriculture and emission reduction, a role zakat could support. Collectively, these insights highlight the untapped potential of zakat in advancing environmental sustainability and green economic frameworks.

The integration of zakat into green economic growth from a Maqashid Sharia perspective remains insufficiently studied, creating a clear gap in both theory and practice. Zakat, as a central Islamic fiscal instrument, has demonstrated success in reducing poverty and redistributing wealth, particularly through collaborations with waqf and Islamic finance in Malaysia (Razak, 2020). Yet, its potential to contribute to sustainable development within the Islamic worldview requires greater scholarly attention. Islamic models of sustainable development stress inclusive and

pro-poor growth, aligned with Maqashid Sharia's objectives of justice and public interest (Al-Jayyousi et al., 2022). Ethical governance in Islamic charities, despite challenges, provides a basis for aligning zakat with sustainability targets (Ghafran & Yasmin, 2020). The broader role of finance in sustainable development, particularly in integrating ecological and economic concerns, further underscores the need for a comprehensive approach that incorporates zakat as a long-term tool (Akhtar & Rashid, 2024; Yazdi et al., 2017).

This study aims to analyze the role of zakat in promoting green economic growth through the normative framework of Maqashid Sharia, thereby contributing to broader discussions on Islamic economics and sustainability. As a fiscal instrument, zakat has proven effective in wealth redistribution and poverty alleviation, particularly in Malaysia where it has been integrated with modern financial tools to support vulnerable groups (Razak, 2020). Aligning zakat with green finance policies could further advance sustainability by channeling resources into initiatives that generate both economic and ecological benefits, consistent with the synergies between green finance and impact investment (Lalita et al., 2025). Ethical governance frameworks in Islam, which emphasize social justice and public interest, can guide zakat institutions in aligning with SDGs (Ghafran & Yasmin, 2020). The dynamic nature of Islamic economic law, which adapts to evolving conditions, also supports zakat's capacity to contribute to green growth. Insights from Islamic development models further underscore zakat's potential to address global challenges such as poverty and climate change through inclusive and human-centered strategies (Al-Jayyousi et al., 2022). Collectively, these perspectives indicate that zakat, when guided by Maqashid Sharia and integrated with green finance policies, can

make a meaningful contribution to sustainable development.

LITERATURE REVIEW

Theory of Zakat as a Financial Instrument for Economic Inclusion

Zakat is a cornerstone of Islamic economic institutions, functioning as a redistributive tool that reduces inequality and strengthens social solidarity. Its role reflects the objectives of Maqashid Sharia, which aim to safeguard religion, life, intellect, lineage, and wealth. In Malaysia, zakat has long been integrated with waqf to alleviate poverty and distribute wealth more equitably, particularly through education and entrepreneurial activities that enhance financial inclusion (Razak, 2020). In Indonesia, zakat has been used to empower marginalized groups, including those facing socioeconomic exclusion, by offering rehabilitation programs aligned with Islamic values (Usman, 2023). By contrast, in the Philippines, zakat's impact has been limited due to constitutional restrictions and mismanagement, which has constrained its effectiveness in reducing poverty among Muslim minorities (Gamon & Tagoranao, 2018).

Islamic economic thought has consistently emphasized distributive justice through zakat, infaq, and sadaqah, instruments designed to promote social balance. Chapra positions zakat as central to Islamic fiscal policy, ensuring that wealth is redistributed to the eight groups identified in the Qur'an (Razak, 2020). This concept aligns with Amartya Sen's capability approach, which highlights the expansion of human freedoms beyond income by providing the means to pursue valued lives. As Doussard & Yenigun (2022) note, such frameworks can improve human development by raising education standards and strengthening public programs. Similarly, the Human Development Index (HDI), which combines health, education, and

income, reinforces zakat's potential to improve multidimensional welfare (Marmot, 2017). Recent innovations, including digitalized zakat management in Malaysia, further illustrate the potential for efficiency and transparency in advancing financial inclusion (Rosele et al., 2022). Together, these insights reveal zakat's capacity as both a fiscal and social instrument for economic empowerment when supported by effective institutions.

Green Economy and Sustainable Development Goals (SDGs)

The intersection of green growth and Islamic finance has gained increasing scholarly interest, although systematic integration remains limited. Islamic finance is rooted in ethical and socially responsible principles that align with sustainability, yet its synergy with green growth theories is still developing. Bibliometric analyses show a rising number of studies connecting Islamic finance and sustainable development, with themes such as green finance and the role of Islamic banking in promoting ecological responsibility (Fodol & Aslan, 2025). Franzoni & Allali (2018) argue that aligning Islamic finance with corporate social responsibility can bridge ethical and conventional practices, creating long-term environmental and social benefits. Similarly, Wang & Xu (2024) emphasize sustainable resource management as a foundation for green growth, a perspective that resonates with Islamic ethics of stewardship and fairness.

Empirical studies underline that while socioeconomic concerns are often prioritized, environmental sustainability has not received equal attention. Elder (2024) stresses the need for just transitions in sustainable development to ensure political and social feasibility. Xie et al. (2022) present urban sustainability models that combine ecological and socioeconomic data but caution that trade-offs remain poorly addressed. Likewise, Padilla-Rivera et al. (2019) observe that many bioenergy studies focus narrowly on single dimensions of sustainability. More balanced approaches are

therefore required to integrate social, economic, and environmental priorities. Green economic growth depends on reforms in policy, technological innovation, and financing mechanisms. Research on China demonstrates how investment in innovation and efficiency drives progress toward carbon neutrality (Q. Wang & Xiao, 2024). In developing contexts, renewable energy and CO₂ reduction policies are critical for green recovery (Khalfaoui et al., 2024). However, financing gaps persist, highlighting the importance of innovative mechanisms that could draw from Islamic social finance, including zakat (Desalegn & Tangl, 2022).

Maqashid Shariah in Economic Context

Contemporary scholarship has increasingly used Maqashid Sharia as a framework to address socioeconomic and environmental challenges. The framework emphasizes ethical principles that protect human dignity while maintaining ecological balance. For example, aligning Islamic banking indicators with the United Nations SDGs illustrates how *Maqashid* can guide policy to confront crises such as COVID-19 (Jan et al., 2021). Concepts of holistic sustainability also resonate with Maqashid, as they stress equity, well-being, and environmental protection (Sudhakar, 2023). Al-Jayyousi et al. (2022) argue that embedding Islamic worldviews in development models promotes inclusive and human-centered approaches to global issues such as poverty and climate change. Governance practices in Islamic finance have also been linked to improved ESG performance, underscoring the role of ethical oversight (Toumi & Hussainey, 2023).

Despite these advancements, the role of zakat in promoting environmental sustainability through Maqashid remains fragmented. Agricultural sustainability, a core element of green growth, highlights the balance between meeting human nutritional needs and conserving ecosystems, yet scalability and

policy support remain challenges (Dönmez et al., 2024). Practices such as precision farming and agroforestry demonstrate opportunities where zakat could be mobilized for ecological and social benefits (Hiywotu, 2025). The potential contribution of zakat to financing sustainable initiatives has yet to be systematically addressed, leaving a gap in both theory and practice. As Saqib et al. (2024) emphasize, sustainable resource management and innovation are essential for green development, while Gul & Hussain (2024) highlight the nonlinear dynamics of green finance and environmental sustainability in developing economies. Within this broader landscape, zakat can be reconceptualized as a transformative financial instrument that supports green economic growth while advancing the holistic objectives of Maqashid Sharia.

METHODOLOGY

This study employed a qualitative conceptual analysis to allow an in-depth exploration of complex socio-religious phenomena, particularly the practice of zakat and its contribution to the green economy. This approach enabled the researcher to understand diverse views and experiences and to examine how zakat can support environmental sustainability within the framework of Maqashid Sharia.

The study relied on a narrative review of secondary data sources to strengthen its findings. Key academic literature, including journal articles and conference proceedings, provided a foundation for understanding the role of zakat and the concept of sustainability, such as the works of Alshater et al., (2021) and Söderholm (2020). Policy documents and institutional reports further enriched the analysis, including studies from zakat organizations and government initiatives promoting sustainable development. For instance, the report by Suryana & Choirin

(2021) on zakat's impact on poverty reduction demonstrated how zakat distribution can contribute to broader socio-economic goals.

The analysis focused on three primary variables that structured the research. The independent variable was zakat, framed as an instrument of economic and social redistribution. The dependent variable was green economic growth, which encompassed environmental sustainability, resource efficiency, and community welfare. The conceptual variable was Maqashid Sharia, which provided the normative framework guiding the interpretation of zakat's role in fulfilling broader developmental objectives.

Table 1. Research Variables

Variable Type	Description
Independent	Zakat as an instrument of economic and social redistribution
Dependent	Green economic growth (environmental sustainability, resource efficiency, and social welfare)
Conceptual	Maqashid Sharia (<i>hifz al-din, hifz al-nafs, hifz al-'aql, hifz al-nasl, hifz al-mal</i>)

Table 1 summarizes these variables in detail. Zakat was identified as the independent variable that functions to redistribute wealth and reduce inequality. Green economic growth was considered the dependent variable, operationalized through its economic, environmental, and social dimensions. Maqashid Sharia was treated as a conceptual variable that directed the study, emphasizing the preservation of religion (*hifz al-din*), life (*hifz al-nafs*), intellect (*hifz al-'aql*), progeny (*hifz al-nasl*), and wealth (*hifz al-mal*). This framework provided both the analytical and normative lens through which the relationship

between zakat and sustainable development was assessed.

RESULT AND DISCUSSION

The Role of Zakat in Green Economy

The analysis reveals that zakat, viewed through the principles of *Maqashid Sharia*, contributes significantly to sustainable development by supporting economic empowerment, social welfare, and environmental care. Beyond its redistributive role, zakat functions as a catalyst for inclusive and sustainable growth. Al-Jayyousi et al. (2022) demonstrate how Islamic development models, including zakat, promote human-centered and pro-poor growth aligned with global sustainability goals. In Malaysia, zakat and waqf have proven vital in alleviating poverty and redistributing wealth (Razak, 2020). In Indonesia, zakat programs have extended support to marginalized groups, including LGBT communities, helping reduce poverty and foster empowerment (Usman, 2023). Additionally, interest-free financial practices complement zakat’s role by shaping a fair and ethical financial ecosystem (Setiawan, 2023).

Zakat can play a strategic role in linking green economic growth with MSME financing, productive investment, and environmental programs. Evidence shows that integrating zakat into green finance could encourage MSMEs to adopt sustainable practices (Chaaben et al., 2022). Sustainable supply chains and green innovations are increasingly recognized as essential for inclusive development (Nirwal & Bhardwaj, 2025). In China, green finance has supported recovery efforts, particularly when paired with financial literacy (Hou & Fang, 2022). Studies also indicate that the nonlinear link between green finance and sustainability in developing nations requires context-specific approaches (Gul & Hussain, 2024). Regional findings show zakat can be allocated strategically to reinforce

inclusive green transformation (S. Lin et al., 2019).

Table 2. Zakat Contributions to Green Economic Growth

Dimension	Contribution of Zakat	Implications for Green Economic Growth
Economic	Support for MSMEs and productive financing	Inclusive and sustainable economic growth
Social	Poverty reduction and reduced inequality	Improved quality of life and strengthened social welfare
Environmental	Funding for conservation initiatives	Efficient use of natural resources and ecological balance

As shown in Table 2, zakat contributes simultaneously to economic, social, and environmental dimensions. Economically, it drives inclusive growth through financing and MSME support. Socially, it reduces poverty and inequality, leading to improved welfare. Environmentally, zakat can finance conservation and sustainability programs, thus linking Islamic philanthropy to ecological stewardship.

The Maqashid Sharia Principles that Support The Green Economy

Integrating zakat with Maqashid Sharia provides a framework that expands its role beyond immediate welfare toward sustainable goals. The five dimensions of Maqashid—religion, life, intellect, lineage, and wealth—allow zakat to advance empowerment, social justice, and environmental stewardship. In Aceh, zakat managed through Baitul Mal supports poverty alleviation, scholarships, and

empowerment programs (Syahbandir et al., 2022). Similarly, linking Islamic finance indicators with the SDGs demonstrates the role of zakat in addressing economic, social, and ecological concerns (Jan et al., 2021). Institutional reforms in Indonesia and collaborative models in Malaysia further highlight zakat’s potential when integrated with broader policy frameworks (Jahar, 2019).

Table 3. Integration of Maqashid Sharia in Zakat for Green Economy

Maqashid Aspect	Application in Zakat	Impact on Green Economic Growth
Hifz al-Din	Promoting ethical zakat distribution	Strengthening ethical values in sustainable development
Hifz al-Nafs	Financing healthcare and basic needs	Enhancing community well-being and life quality
Hifz al-‘Aql	Supporting environmental education	Raising ecological awareness among future generations
Hifz al-Nasl	Family welfare and social programs	Building sustainable family and community structures
Hifz al-Mal	Financing green-oriented enterprises	Expanding environmentally friendly economic activities

Table 3 illustrates that zakat guided by *Maqashid Sharia* has the potential to extend beyond welfare support, serving as a catalyst for sustainable economic transformation. For instance, zakat used to finance eco-friendly enterprises directly supports green growth

while simultaneously achieving the preservation of wealth (*hifz al-mal*).

The Challenges in Implementing Zakat for Green Economy

The findings also reveal challenges that hinder zakat’s role in supporting green growth, including limited regulations, low awareness of productive zakat, and weak institutional collaboration. Clear legal frameworks and transparent reporting are necessary to build trust and expand zakat’s role in sustainable programs (Y. Wang et al., 2024). Opportunities exist through digital transformation and cross-sectoral partnerships, which can strengthen zakat’s impact (Ali et al., 2024). Positive examples from renewable energy adoption and CO2 reduction further underline the potential of zakat to contribute effectively (Khalifaoui et al., 2024). Still, issues such as energy poverty highlight the need for maqashid-based policies to ensure equity (Mpfungu, 2022).

Table 4. Challenges and Opportunities in Linking Zakat with Green Economy

Challenges	Opportunities
Limited green zakat regulation	Development of zakat regulations aligned with green economy
Low literacy on productive zakat	Public education programs on green zakat practices
Lack of institutional collaboration	Strategic collaboration with government and private sector

As highlighted in Table 4, these opportunities provide pathways for zakat to be institutionalized as a green economic driver. Enhancing regulation, literacy, and collaboration can create a supportive ecosystem for zakat to achieve maqashid-based sustainability.

Overall, the results show that zakat, when integrated with *Maqashid Sharia*, contributes to economic, social, and

environmental dimensions of green growth. Its role is not confined to wealth redistribution but extends to strategic contributions in sustainable development. Evidence from Malaysia and Indonesia demonstrates its effectiveness in reducing poverty and advancing social equity (Razak, 2020). Broader studies on fiscal instruments also show the potential of zakat to address global sustainability challenges (Eraydin & Durmaz, 2025). Collectively, these results suggest that zakat, guided by Maqashid, can be institutionalized as a key instrument in promoting green economic transformation.

Zakat as a Driver of Inclusive Growth and Scholarly Integration

This study confirms that zakat, when aligned with Maqashid Sharia, is more than a redistributive instrument. It plays a multidimensional role by linking economic empowerment, social welfare, and environmental sustainability. Its ability to bridge these domains positions zakat as a strategic driver of inclusive green economic growth.

The findings resonate with existing literature that underscores zakat and waqf as central to social protection and financial inclusion in Malaysia, while recent research points to its potential in financing eco-friendly enterprises (Razak, 2020). These applications are consistent with the UN 2030 Agenda, which emphasizes integrated policies that address both social equity and environmental priorities (Li et al., 2021).

Moreover, the analysis reflects Amartya Sen's capability approach, which expands the notion of welfare beyond income to encompass broader human freedoms. Zakat strengthens these capabilities by supporting education, health, and welfare, aligning with the Islamic vision of distributive justice (Laruffa et al., 2021; Razak, 2020; Setiawan, 2023). By embedding Islamic values into development frameworks, zakat contributes to inclusive strategies for tackling global challenges such as

climate change and poverty (Al-Jayyousi et al., 2022).

Theoretical Contributions and Policy Pathways

This research advances theory by providing a cohesive framework that links zakat, sustainable development, and Maqashid Sharia. Unlike fragmented prior studies, the proposed model highlights zakat as both a redistributive mechanism and a strategic driver of ecological balance and intergenerational equity (Fodol & Aslan, 2025; Jan et al., 2021; Tok et al., 2022). In this way, Maqashid Sharia is not only a normative foundation but also an operational paradigm that shapes how zakat is applied to sustainability challenges (Lada et al., 2023).

From a policy perspective, zakat institutions could be more deliberately integrated into green economy initiatives. Allocating funds toward renewable energy and sustainable agriculture would support ecological stewardship and reduce dependence on fossil fuels (Bathaei & Streimikiene, 2023). Transparent regulatory frameworks are crucial for aligning zakat distribution with sustainable development goals.

Equally important are partnerships that bring together zakat institutions, governments, and the private sector. The involvement of businesses in innovation and investment can amplify zakat's developmental role (Rashed et al., 2021). Multi-stakeholder collaborations, in line with SDG 17, ensure coordinated action and strengthen zakat's potential to advance economic, social, and environmental sustainability (Bulmer & Yáñez-Araque, 2023).

Limitations and Future Directions

Despite offering new insights, the study is limited by its reliance on secondary sources and conceptual analysis rather than direct empirical data. This constraint reduces the ability to capture zakat's measurable impact on specific green economy indicators. Future studies should prioritize case studies and

quantitative assessments to provide a more comprehensive picture of zakat's effectiveness.

Technological innovation presents another promising avenue for development. Tools such as blockchain and artificial intelligence can improve transparency, targeting, and accountability in zakat distribution (Ahmed et al., 2023). Ensuring that these technologies are applied in line with Islamic ethical principles is essential for addressing privacy and data misuse concerns. By integrating empirical evidence and digital innovation, future research can strengthen zakat's role in driving inclusive and sustainable green economic growth.

CONCLUSION AND RECOMMENDATION

This study has examined the role of zakat in advancing green economic growth through the normative framework of Maqashid Sharia. The findings demonstrate that zakat extends beyond its traditional redistributive function, contributing to economic empowerment, social inclusion, and ecological sustainability. Evidence from Malaysia, Indonesia, and other Muslim-majority contexts illustrates how zakat, alongside waqf and other Islamic financial instruments, can reduce poverty, enhance financial inclusion, and promote equitable growth when effectively managed. When guided by Maqashid principles, zakat also supports environmental initiatives, linking Islamic philanthropy with the broader goals of sustainable development.

The discussion highlights zakat's dual significance as both a fiscal instrument and a moral framework. Its integration with green economy initiatives demonstrates how faith-based finance can address contemporary global challenges such as climate change, energy transition, and social inequality. The study contributes to existing scholarship by proposing a cohesive model that situates zakat at the intersection of distributive justice, ecological balance, and intergenerational equity. This theoretical positioning

complements both Islamic economic thought and sustainability literature, offering a normative foundation for inclusive and human-centered development.

Nevertheless, the research is limited by its reliance on secondary data, which constrains the ability to capture zakat's direct impact on green growth indicators. Future studies should incorporate case-based and quantitative assessments, as well as explore the potential of digital technologies, to strengthen zakat's transparency, efficiency, and contribution to sustainable economic transformation.

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