

## **Integration of Zakat and Takaful: The Scheme for Optimizing the Welfare of Low-Income Communities**

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### **ABSTRACT**

*This study aims to explore the opportunity of zakat to be integrated with takaful in order to expand the impact on well-being of underprivileged communities. Although the literature review on zakat and takaful integration is still limited, the authors managed to identify 13 scientific articles sourced from reputable journal databases, namely Web of Science, Dimensions, Emerald, and Scopus. The articles were processed using Systematic Reviews and Meta-analyses (PRISMA). The review of 13 selected articles identified the urgency of the need for microtakaful products in low-income groups, the scheme applied in the implementation of the integration of zakat and takaful, and fiqh studies on the integration of the two. This research is expected to provide insights for further research. This research seeks to fill the gap in the existing literature by specifically highlighting the potential of zakat in showing its role as an Islamic financial instrument that is relevant to the needs of today's society and has a positive impact on the welfare of underprivileged communities. In addition, the findings imply that integrating zakat with microtakaful could serve as a viable policy approach to strengthen financial inclusion and resilience among low-income groups.*

**Keywords:** *asnaf, microtakaful, takaful, zakat.*

### **INTRODUCTION**

Everyone is at risk of financial losses that may occur due to unforeseen calamities. Such financial risks may include loss of property due to natural disasters, criminal acts, or even incidents such as fire. In addition, everyone's health can be jeopardized by any illness. In certain cases of illness, survivors may require a series of treatment processes that cost a considerable amount of money. These risks can be experienced by anyone without exception. In recognition of this condition, insurance was born as a financial product that aims to mitigate the risk of loss. In the framework of Islamic finance, insurance practices that fulfill sharia principles are also known as takaful. In more detail, the Islamic Financial Service Board (2009) defines takaful as a group of people who agree to bear with

each other when certain losses befall one of them as a result of various risks.

Historically, the implementation of takaful dates back to pre-Islamic times. At that time, there was a tradition in Arab society that if someone committed murder, the family and relatives of the perpetrator would work together to collect contributions which would later be given to the victim's heirs as a form of responsibility and financial compensation. Furthermore, in the time of the Prophet Muhammad, this practice continued under the term *aqilah*. In the history of global finance, takaful was first initiated in Sudan and Saudi Arabia in 1979 (Maksum, 2011).

Although it has become a familiar scheme in the economic life of the community, in reality, takaful is currently one of the Islamic financial products that is less used by the

community. This statement is in line with the Islamic financial inclusion index released by the Financial Services Authority (OJK). Financial inclusion is the availability of access to utilization of affordable, quality, and sustainable financial products and services in accordance with the needs and abilities of the community. In the 2023 survey, it was stated that the sharia financial inclusion index was still very low at 12%, very far from the general financial inclusion index which reached 85%. In other words, the Indonesian people who have become users of Islamic financial products are still very few. This condition also explains the reason behind the small market share of takaful in Indonesia. Based on a report by the Financial Services Authority, takaful's market share in Indonesia is only around 4.76%, still far behind conventional insurance which is 50.32%. Furthermore, the Financial Services Authority identifies two main factors that cause this condition, namely the lack of public literacy and education and the ability of takaful which still cannot compete with conventional insurance products, including in the aspect of more expensive product prices (Otoritas Jasa Keuangan, 2024).

Reviewing in more detail the segmentation of users of Islamic financial products, the data as of 2023 shows that the people who are the most users of Islamic financial products are dominated by people who work as retirees and employees/professionals with an index of 29.15% and 21.55%. Meanwhile, the professional group that uses the least Islamic financial products is the group of farmers / livestock farmers / planters / fishermen with an inclusion index of 6.94%. This can be understood because the group of farmers / livestock breeders / planters / fishermen is included in a professional group with low income where 72% of Indonesian farmers are small-scale farmers with an annual average

income of IDR 5.23 million per year (Otoritas Jasa Keuangan, 2024).

On the other hand, takaful operators in Indonesia face various challenges, especially in the midst of the climate change era which leads to VUCA (Volatility, Uncertainty, Complexity and Ambiguity). Economic uncertainty and the greater risk of natural disasters at least affect the amount of contributions that must be paid by takaful participants. Even without the climate crisis, takaful products somehow require higher costs than conventional insurance products with the consideration that in the product development process, takaful operators need to involve the role of the Sharia Supervisory Board which ensures the sharia compliance of a product. Thus, it can be imagined that providing microtakaful products at affordable prices for the lower segments of society is really a huge challenge for takaful operators.

Although the need for microtakaful products has yet to be met by takaful operators in the financial industry, several countries have implemented microtakaful schemes. The first country to initiate this scheme was Lebanon in 1997, where an institution called the Lebanon Agricultural Mutual Fund covered 5,000 families. With this scheme, members are covered for health expenses that are not covered by social security. Apart from Lebanon, Malaysia has been a country that has comprehensively implemented this microtakaful scheme since 2007. This scheme took place in collaboration between a zakat institution called Selangor Zakat Center and a takaful operator called Takaful Ikhlas. The two organizations launched a microtakaful product for farmers associated with the 10,000-member Farmers Welfare Federation. With a participant contribution of RM1.80, the microtakaful covers death benefits of RM500, coverage for personal accident and disability risks, and capital protection of RM10,000. The

contributions paid by participants are sourced from deductions from the zakat paid to members every month (Htay et al., 2015).

Given the existing conditions and practices, the author intends to explore further the linkages between zakat and takaful that have the potential to be integrated into a mechanism that can have a positive impact on the financial well-being of the underprivileged. In order to fulfill the research objectives as described, the author determines the specific research questions consisting of:

- 1) What are the themes used and patterns of studies linking takaful and zakat?
- 2) What are the gaps and areas that need to be addressed in the future?

This research is expected to fulfill the literature gap and provide a broader picture of how ideally the social and economic values contained in Islamic finance can be reflected in people's lives as a solution to the problems faced by the lower classes.

## LITERATURE REVIEW

### 2.1. The concept of Zakat

The term “zakat” is derived from the Arabic root “zakā,” which connotes purity, growth, and blessing. According to traditional Islamic jurisprudence, zakat is defined as a mandatory financial contribution required from Muslims whose wealth exceeds a specified threshold (*nisab*) (Asad, 1980). This contribution serves as a means of purifying one's income and wealth. The classical definition offered by jurists like Imam al-Shafi'i and Imam Abu Hanifa emphasizes the legalistic aspect, wherein zakat is categorized as a fixed percentage (typically 2.5%) levied on specified forms of wealth.

According to Chapra (1992) the conceptual underpinnings of zakat are multifaceted, intertwining economic, social, and moral dimensions. Economically, zakat functions as a redistributive mechanism aimed

at reducing poverty and inequality. Unlike voluntary charity (*sadaqah*), zakat is obligatory, reinforcing the collective responsibility of the community to care for its underprivileged members. In modern discourse, scholars have explored the adaptation of zakat in response to contemporary financial systems. Issues such as the treatment of non-liquid assets, business revenues, and investment income have been debated extensively. Kahf (2005) argue that zakat should be integrated into national economic policies to address systemic poverty and stimulate sustainable development.

In principle, zakat activities encompass two main classifications, namely collection and distribution. The distribution of zakat is only for eight *asnaf*, as explained in the Qur'an surah At-Taubah verse 60. These *asnaf* include: 1) *Fakir* (group of poor people below prosperous and have no steady income), 2) *Miskin* (group of poor people who have steady income but they still can't afford basic needs and live under prosperous), 3) *Amil* (institution in charge of collecting, managing, and distributing zakat), 4) *Muallaf* (group of people who have just converted to Islam), 5) *Riqab* (slaves who are in the control of others), 6) *Gharim* (group of debt-ridden), 7) *Sabilillah* (group of people who struggling to uphold the religion of Islam, both *da'wah* and *war*), 8) *Ibn Sabil* (group of people who are on a journey and run out of supplies).

### 2.2. The concept of Takaful

In terminology, Islamic insurance schemes are known by several terms: *at Takaful*, *at Tadamun*, and *at-Ta'min*, which means: mutual coverage. The practice of takaful was established during the classical Islamic period in the case of manslaughter, the perpetrator's family made a financial contribution that was paid to the victim's heirs (Rafsanjani, 2022; Ramadhani, 2015). In the present context, the term takaful refers to

insurance based on sharia principles where the parties involved in the takaful agreement agree to guarantee each other (Kumar, 2014). In other words, this agreement is based on the mutuality principle that eliminates schemes that violate the provisions of Sharia which are generally inherent in conventional products, such as interest (*riba*), speculation (*maysir*), uncertainty (*gharar*). Thus, the application of the mutual cooperative principle makes the takaful scheme different from conventional insurance.

The principle of mutuality in sharia insurance provides an alternative to conventional insurance through the application of certain Islamic principles. Rather than risk transfer, the term risk sharing is preferred to represent takaful. This means that the participants involved in sharia insurance collectively agree to share risks by providing common pool called *tabarru* funds (Lukman & Elatrash, 2017). In this case, the takaful company acts only as a fund manager whose role is to manage funds in accordance with sharia principles. By this, sharia insurance company is not the owner of the funds. So that, there is a claim, the funds received by the participant who submits the claim will not come from company funds but from common pool which consisted by collected contribution of the participants because in essence the risk is shared by the participants.

The explanation above illustrates the difference between takaful and conventional insurance where insurance companies include the premiums paid by participants as company income, so that they also act as risk bearers. So that, from an accounting perspective, takaful and conventional insurance have different recording systems. Accounting for takaful uses a cash basis, namely recognizing income and expenses when cash actually comes in or goes out or recognizes what the company really owns. Meanwhile, the accounting system in

conventional insurance uses an accrual basis, which recognizes a transaction whether the transaction has been confirmed or not (Rahayu, 2015).

Basically, takaful falls into two categories: general takaful and life takaful. First, general takaful; covers both small-scale (simple risk) and large-scale (mega risk) risks of loss. General takaful simple risk products include fire takaful, motor vehicle takaful, and personal takaful. While mega risk products include marine hull takaful, industrial takaful, cargo takaful, surety bond takaful, engineering takaful, oil and gas takaful, and liability takaful (Sula, 2016). Second, life takaful; whose scope tends to be oriented towards individuals with both saving and non-saving systems. Examples of savings-based life takaful products include investment fund takaful, education fund takaful, and Hajj fund takaful. While examples of non-saving product of life takaful are health takaful and accident takaful (Ramdhani, 2015).

## METHODOLOGY

This study adopted the Systematic Reviews and Meta-analyses (PRISMA) method. This method is categorized as a mixed method (quantitative and qualitative) that aims to conduct systematic reviews that either include synthesis (such as paired meta-analysis or other statistical synthesis methods) or do not include synthesis (for example, because only one eligible study was identified). According to Sierra-Correa and Cantera Kintz (2015), among the benefits of the PRISMA method are the use of clearly defined research questions, classification of literature according to criteria, the ability to conduct literature searches with extensive databases within a certain period of time.

The data processed in this study are previous studies that discuss microtakaful and zakat. The data is obtained by the author from two main databases, namely Web of Science

(WoS) and Dimensions. Both databases provide comprehensive search tools that can assist the author in obtaining publications that match the author's needs. WoS is a global database developed by Clarivate Analytics. The WoS database has more than 34,000 journals with more than 2.5 billion citation links to find related research (Clarivate, 2024). Meanwhile, Dimensions is a database developed by Digital Science in collaboration with more than 100 research organizations around the world. The Dimensions database consists of nearly 150 million scientific publications, policy documents, citations, and similar documents that can be accessed by researchers in analyzing research information more broadly (Digital Science & Research Solutions, 2024). In addition, the authors also added two supplementary databases, namely: Scopus and Emerald.

In the process of obtaining these databases, the researcher applied certain criteria to guide the process of finding more specific data. These criteria include:

- a. The publications analyzed are only in the form of journal articles
- b. Contains discussions that cover zakat and takaful comprehensively and clearly
- c. Only manuscripts in English or Bahasa Indonesia in order to facilitate data analysis

After the data acquisition process is complete, the author conducts a systematic review. Systematic review begins with determining the keywords that will be used in the process of searching for journal articles in the database that has been determined. With the comprehensive features of each database, the author searches for journal articles with search strings as listed in table 1 below.

Table 1 - Search Thing Used in Systematic Literature Review

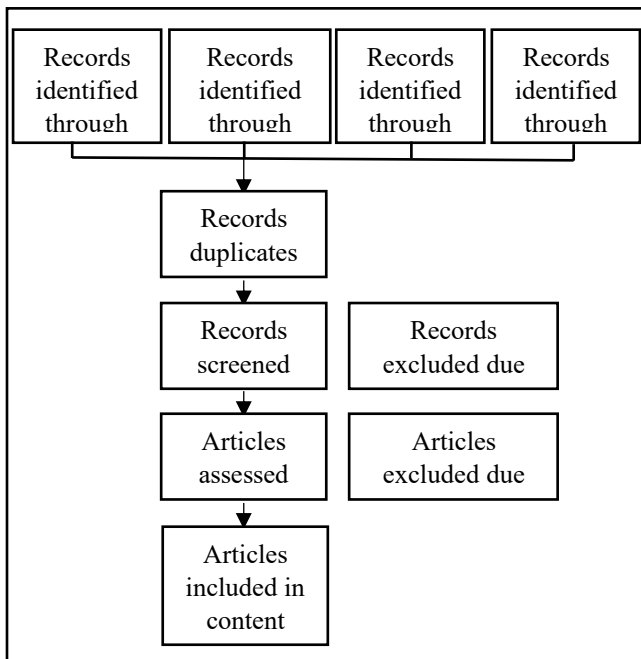
Journal database	Search string	Records
WoS	takaful (Topic) and zakat (Topic)	9
Dimensions	(takaful AND zakat)	56
	(microtakaful AND zakat)	7
Scopus	( TITLE-ABS-KEY ( takaful ) AND TITLE-ABS-KEY ( zakat ) )	14
Emerald	abstract:"takaful" AND (abstract:"zakat")	5
<b>TOTAL</b>		<b>93</b>

Source: Author's compilation

Based on the search results using the search string above, the author identified 93 publications. Next, the author conducted screening as per the predetermined criteria. In this screening stage, the author excluded 40 publications, consisting of 17 duplicate publications and 23 publications that were not included in the article category. Next, the authors confirmed the eligibility of 53 articles. At this stage, the author excluded 40 articles because the context of the discussion was not in accordance with the needs (such as: unbalanced discussion between zakat and takaful which caused the exploration to focus only on zakat or takaful). Finally, the author only found 14 articles that were followed up to enter the analysis stage to address the research question.

As the development of a data acquisition protocol is essential for a rigorous systematic review, figure 1 presents the PRISMA flow used in this study.

Figure 1 - Flow of Obtaining Data

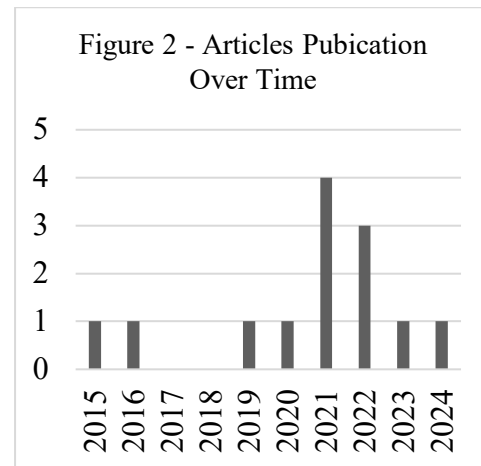


Source: Author’s compilation

**RESULTS AND DISCUSSION**

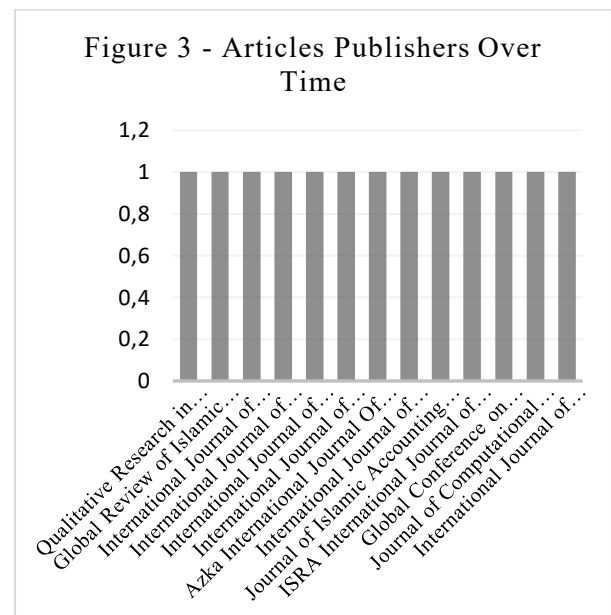
**4.1. Descriptive Analysis**

The author set 13 articles for data abstraction and analysis. The most publications on the topic of takaful and zakat were in 2021, namely 4 articles. Followed by 2022 which has 3 article publications. Figure 2 reflects that since 2019, articles linking the discussion of zakat and takaful have continued to be published every year although since 2021 the number of publications related to this topic has decreased. In fact, the number of articles available until 2024 is not so much. The author assumes that the lack of massive research on this topic is also due to the lack of data availability because the microtakaful scheme is still in the development stage, even in countries that have implemented it. But on the other hand, the author sees this condition as a great opportunity for researchers who want to explore further the relationship between takaful and zakat. Thus, the literature on this topic can be studied more comprehensively.



Source: Author’s compilation

The distribution of the 13 selected papers across 13 different publishers highlights the fact that various journals address the topic of takaful and zakat as shown in figure 3.

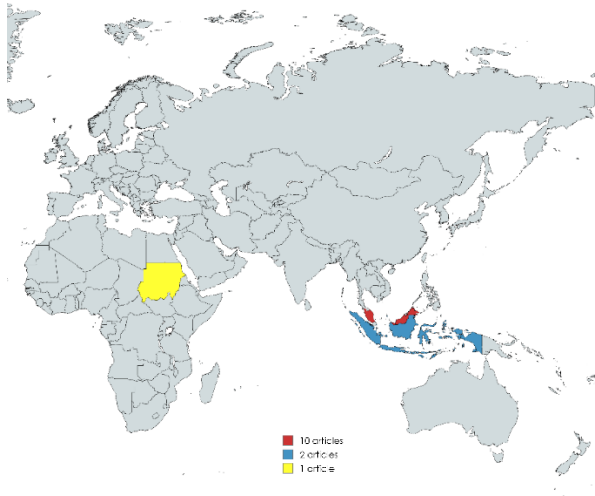


Source: Author’s compilation

Figure 4 shows that the 13 selected articles are distributed across 3 countries, namely Malaysia, Indonesia, and Sudan. Malaysia dominates with 10 articles, while Indonesia only has 2 published articles, and Sudan has 1 article. This also highlights that this topic is still a less explored topic in other countries, especially Muslim countries that implement zakat distribution through

institutions and also accompanied by the availability of takaful products in their financial industry.

Figure 4 - Articles Distribution Map



Source: Mapchart.net, processed by author

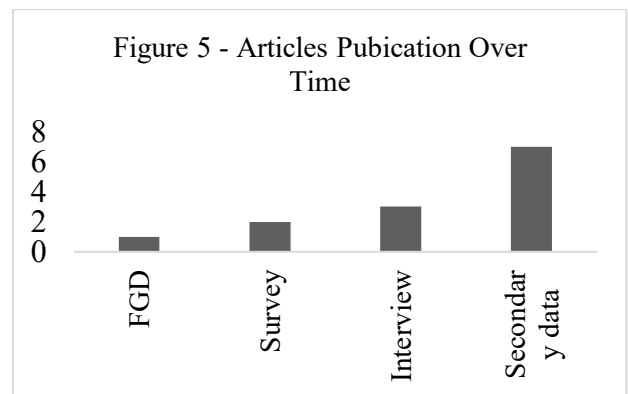
Table 2 presents the top 3 of the 13 selected articles. The International Journal of Sociology and Social Policy is part of the Emerald Group Publishing Ltd based in the United Kingdom. The journal covers topics related to economic and business issues such as business ethics, work organization, and corporate responsibility. The journal has an average citation per document of 878 in 2023. Meanwhile, the International Journal of Islamic Thought is a journal published by Universiti Kebangsaan Malaysia Press based in Malaysia. The scope of this journal covers the topics of Islam and science, Islam and socio-economics, Muslim theology, and Muslim ethics. As of 2023, the average citations on this journal reached 32 citations per document. Finally, ISRA International Journal of Islamic Finance is published by the International Shari'ah Research Academy for Islamic Finance (ISRA) which is also based in Malaysia. The scope of this journal covers the topic of Islamic economics and finance. As of 2023, the average citations on this journal reached 228 citations per document.

Table 2 - Articles Impact Factors

Journal	Scopus Rank	Impact Factor
International Journal of Sociology and Social Policy	Q1	0,65
International Journal of Islamic Thought	Q2	0,41
ISRA International Journal of Islamic Finance	Q3	0,34

Source: Scimago.jr, processed by Author

Figure 5 shows the datasets used by 13 journals. Based on the data, 53.8% of articles used secondary data to conduct the analysis, followed by 23.1% of articles conducted data collection through interviews, 15.4% of articles used data collection through surveys, and 7.7% of articles used data collection through focus group discussions (FGDs).



Source: Author's compilation

Table 3 presents the most cited articles. These articles cover various elements related to the integration of zakat and takaful that aim to optimize the social impact of these two Islamic financial instruments to improve well-being among low-income communities.

Table 3 - Most Cited Articles

Author	Title	Journal	No. of Citation	Purpose
Shaikh Hamzah Abdul Razaq	Zakat and waqf as instrument of Islamic wealth in poverty alleviation and redistribution	International Journal of Sociology and Social Policy	62	discuss the issue of zakat and waqf as financial instruments that help underprivileged communities, especially the elderly, the poor, and orphans.
Sheila Nuhay and Nur Shazwani Sadzali	An analysis of the viability of micro health takaful in Malaysia	Qualitative Research in Financial Markets	23	examines the feasibility of micro health takaful that is affordable to the poor and low-income in Malaysia in accordance with the

				concept of mutual assistance.
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Source: Author's compilation

## 4.2. Content Analysis

### 4.2.1. Zakat in Improving Well Being

An examination of 13 papers shows that zakat is a vital Islamic philanthropic instrument in the economic empowerment of the poor. This discussion is touched upon in 38.5% of the total articles. Overall, the articles illustrate zakat as a form of financing that has a multidimensional impact on the lives of the poor. Moreover, zakat is a type of fund that has very specific recipient criteria called 8 *asnaf* or 8 groups of underprivileged people. Thus, zakat is identical as a vital instrument in poverty reduction.

In general, these articles emphasize the discussion of zakat distribution allocated through productive programs in order to maintain the sustainability of the poor rather than distribution in the form of direct consumptive assistance. Research by Idris et al. (2022) illustrates the distribution of zakat in financing health brings more greater impact. This is explained by the importance of health as an important capital for the *asnaf* to carry out social and economic activities that support their survival.

Furthermore, Mahadi (2022) states that zakat could strengthen financial resilience of low-income communities. Shahar et al., (2022) added that the *asnaf* zakat is a vulnerable group. In other words, they are the least prepared group when an emergency situation occurs (such as: economic crisis due to the Covid-19 pandemic). One of the roles of zakat that is based on empowerment is considered to play a major role in the context of building the capacity of the *asnaf* through the provision of knowledge and skills. With this upgrading

process, at least they can be formed into individuals who are more aware of changes and able to consider decisions better based on the knowledge they have.

Research by Razak (2020) explain how zakat can be said to be an instrument that can maintain the sustainability of the poor. First, zakat becomes a direct financial support for people who can't afford basic needs, such as food, health and shelter. Second, zakat distributed in the form of scholarship programs can improve access to education and skill provision for the *asnaf*, so that in the future the *asnaf* have the opportunity to improve their economic level through access to job opportunities. Third, zakat distributed through productive schemes such as assistance can encourage small businesses that become a source of income for the *asnaf*. Fourth, zakat distributed through health programs for the *asnaf* can be an essential effort, especially in the context of maintaining the productivity of the *asnaf* in the long term. Fifth, a well-programmed zakat distribution will create a comprehensive well-being improvement ecosystem and be able to encourage the participation of the *asnaf* in community involvement, so that in the end the improvement of the *asnaf's* standard of living will have a positive impact on the social cycle.

#### 4.2.2. Integration of Zakat and Takaful

The author identifies 46.2% of articles describing the urgency of the integration of zakat and takaful and its benefits for low-income communities. The presence of both is considered to have the same goal of providing benefits to the community based on the fulfillment of maqashid sharia, namely protecting religion (*hifzhu ad diin*), soul (*hifzhu an nafs*), intellect (*hifzhu al 'aql*), offspring (*hifzhu an nasl*), and property (*hifzhu al maal*). The *asnaf* zakat group is a less economically stable community, so they often have difficulty

financing their needs. Meanwhile, the takaful scheme requires them to make regular contributions. This dilemma leads to a condition where the *asnaf* finally do not have access to takaful products that can actually help them in emergency situations, such as accidents or ill.

Shahar et al. (2022) emphasizes that the financial challenges faced by the *asnaf* groups are very complex. This complexity sometimes cannot be fully overcome through zakat alone, one of which is due to the factor of insufficient zakat collection. Thus, *asnaf* groups still need alternative solutions when dealing with emergency problems. This is where takaful protection is also considered urgent for the *asnaf*.

Meanwhile, Mohamad et al., (2019) explained that the integration of zakat and takaful can reduce cash flow uncertainty in microtakaful products intended for the *asnaf*. It is in line with the statement of Sabri et al. (2021) who argue that the integration of zakat and microtakaful plays an important role in the development of microtakaful for people who can't afford the current takaful products. Furthermore, Mohamad et al. (2023) explained that zakat can be used as a source of financing for contributions that must be paid by the *asnaf* when participating in takaful. This statement is in line with the findings of Shamsudheen et al. (2024) that the integration of zakat and takaful will increase financial inclusion and encourage socio-economic justice for those who belong to underserved populations.

In addition, Htay et al., (2015) argue that microtakaful can increase financial protection for the *asnaf*. Financial protection, especially in health, is very important because health is an essential factor in maintaining the welfare of the *asnaf*.

On the other side, Fauzi (2022) highlighted another aspect of the need for microtakaful products for protecting houses of

low-income groups as potential financial losses due to natural disasters can worsen the economic conditions of these groups.

#### 4.2.2.1. Sharia Law Perspective

As Islamic economic principles require certainty in confirming whether a transaction is in accordance with sharia, it is also important to discuss the integration of takaful and zakat from the perspective of sharia law. Observations in this regard need to be done carefully to avoid things that are not in line with sharia principles which are feared to cause damage (*mafsadah*). Although the consideration of sharia law is very important, the author only finds 15.4% of the total articles that examine the perspective of sharia law related to the integration of zakat and waqf.

Abdul Ghani et al. (2021) argue that the integration of zakat and waqf faces two main issues in terms of sharia law. First, the issue of ownership of zakat property. There is a disagreement regarding the authority of takaful operators in managing participants' funds derived from zakat funds, whether zakat funds should be shared among all zakat recipients or given to *asnaf* in need, such as *asnaf* fakir and *asnaf* miskin, because they are more exposed to financial risks compared to other *asnaf*. Second, the issue regarding the management of zakat in terms of allocation of participants' funds for investment. Some scholars still debate the permissibility of investment sourced from zakat funds.

In addition to the two issues above, Yunita (2021) emphasized that the debate between the opinions of fiqh scholars between madhhabs continues to this day. However, a realistic step that can be taken in the midst of the dynamics of world development is to make ijihad efforts as suggested by Al-Qardawi.

#### 4.2.2.2. Implementation Scheme

Moving forward on the discussion about how the integration of zakat and takaful is implemented, the authors found 23.1% of articles that discuss the implementation scheme of zakat and takaful integration.

Puspitasari et al. (2016) specifies the benefits of zakat and takaful integration for farmers as this profession is included in low-income professions which are generally also included in the *asnaf* group. Through a participant contribution payment scheme sourced from zakat funds, farmers can obtain financial protection for crop failures that are prone to occur. To implement this scheme, they suggest cooperation between zakat institutions and takaful operators for sufficient integration.

Mohamad et al. (2019) propose a model that divides contribution funds into 2 accounts, namely an operational fund account that covers operational expenses and a *tabarru* fund account that will be used as a source of funds in the event of a claim. This separation aims to organize a transparent management system. With a note, the management of this contribution fund is not mixed with the contributions of participants who are not included in the zakat *asnaf* group.

Furthermore, Mohamad et al. (2023) emphasized that there are at least two important factors that determine the sustainability of microtakaful, namely the level of contribution and the growth in the number of participants. There are several notes so that microtakaful can become a sustainable scheme by relying on zakat funds. First, the determination of the contribution rate should be done carefully. In this study, the minimum contribution per year is RM130 or equivalent to USD29. Second, an adaptive policy framework is needed as a response framework to the complex feedback among factors affecting microtakaful performance.

## CONCLUSION

The purpose of this study is to conduct a systematic review of the existing literature on the integration of zakat and takaful. A systematic search of the existing literature using WoS, Dimensions, Scopus, and Emerald yielded 13 relevant articles for analysis. Several insights are highlighted by the findings.

The systematic literature review was guided by two main questions, namely What are the themes used and patterns of studies linking takaful and zakat? and What are the gaps and areas that need to be addressed in the future? Based on the findings, the author concludes that the urgency of integration of zakat and takaful is the most common pattern found in studies related to zakat and takaful. This is because zakat and takaful are seen as two Islamic financial instruments that are oriented towards inclusive benefits, including for the underprivileged. Therefore, the integration of zakat and takaful is expected to bring larger impact on the welfare of the *asnaf*. In addition, sharia law studies and explorations related to ideal models and schemes for the development of zakat and takaful integration are still lacking.

We hope that our study contributes to enriching empirical research on the integration of zakat and takaful. This study has contributed to the body of knowledge by presenting a systematic review of the realization of microtakaful with zakat empowerment which is still lacking. This study also analyzed the patterns found in this study also analyzed the patterns found in the research topic of zakat and takaful.

This research has several implications. First, researchers who want to research on the integration of zakat and takaful can use this review as a starting point in developing the idea. Basically, this research presents a study on the utilization of zakat in providing microtakaful products in a format that is easy to

understand and can be used by future researchers. Secondly, this research can also be useful for regulators and authorized institutions as they seek to understand the issues related to the integration of zakat and waqf in order to formulate strategies for the realization of microtakaful products. Furthermore, this study recommends that regulators, zakat institutions, and takaful operators develop collaborative mechanisms and a standardized governance framework to operationalize zakat–microtakaful integration. A proposed conceptual model has been included to illustrate this integration approach.

## Future Research

The findings of the systematic literature review resulted in several recommendations for future research. In this study, the author realized that the integration of zakat and takaful is still an under-researched topic that is still small in number.

First, the author still has not found any literature that discusses fiqh studies that comprehensively examine the legal status of the integration of these two Islamic financial instruments. Although each country has a different approach in analyzing the law of an economic transaction, legal studies on the integration of zakat and takaful are still very crucial because it becomes a reference for takaful operators to ensure sharia compliance in every product.

Second, the author identifies the urgency of further research that explores the schemes and models that can be applied for takaful operators in formulating microtakaful products that are affordable for the *asnaf* but at the same time also pay attention to the business viability of microtakaful itself.

Third, although microtakaful has not become a common product in various countries, analysis of the impact of microtakaful in the context of promoting the

welfare of low-income people is still needed. Studies on this matter can be conducted in countries that have experience in providing microtakaful products, such as Malaysia. Thus, the input used in the analysis comes from concrete data from the field.

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