

# Islamic Social Finance and Sustainable Development Goals: Evaluating the Macroeconomic Impact of Zakat and Waqf Integration Models in Emerging Muslim Economies

Devi Yuliana <sup>1</sup>, Eko Budi Setiono <sup>2</sup>

Email: [yunaaliadd@gmail.com](mailto:yunaaliadd@gmail.com) <sup>1</sup>, [marisin091@gmail.com](mailto:marisin091@gmail.com) <sup>2</sup>

**Abstract.** Islamic social finance instruments, particularly zakat and waqf, are increasingly recognized as potential mechanisms for achieving the Sustainable Development Goals (SDGs). However, empirical assessments of their macroeconomic impact remain fragmented. This study evaluates the effectiveness of integrated zakat–waqf governance models in promoting sustainable economic development across emerging Muslim economies between 2010 and 2024. Employing a Structural Equation Modeling (SEM) framework combined with panel macroeconomic analysis, the research investigates the relationships among Islamic social finance mobilization, poverty reduction, employment growth, and financial inclusion. The findings demonstrate that institutional integration between zakat authorities, waqf boards, and national development agencies significantly enhances redistributive efficiency and long-term economic resilience. Countries with stronger regulatory coordination exhibit greater reductions in poverty rates and improvements in human capital indicators. The study proposes a policy integration model aligning Islamic philanthropy with national fiscal planning to maximize socio-economic impact. The results contribute to Islamic economic policy literature by offering quantitative evidence of the macro-developmental role of Islamic social finance and by providing a replicable governance framework for policymakers seeking to harmonize Shariah-compliant instruments with global sustainability agendas.

**Keywords:** Islamic social finance; zakat; waqf; SDGs; macroeconomic resilience.