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RETHINKING ZAKAT AND WAQF FOR A JUST GREEN TRANSITION: A LITERATURE REVIEW AND FUTURE RESEARCH AGENDA

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Abstract

This study examines how zakat and waqf are being repositioned within environmental sustainability and the green transition, with particular attention to their contribution to a just green transition. Using a qualitative structured literature review, the study synthesizes journal articles, conference proceedings, review studies, and selected institutional publications identified through Scopus, Web of Science, and Google Scholar. The analysis combines maqāṣid al-Sharīʿah and Islamic environmental ethics as normative foundations with just transition and environmental justice as the primary analytical lens. The findings show a gradual shift from conventional philanthropy toward productive, sustainability-oriented, and climate-responsive Islamic social finance. Zakat is mainly associated with redistribution, social protection, livelihood adaptation, and support for vulnerable beneficiaries, whereas waqf is more closely linked to long-term ecological assets, conservation, infrastructure, and intergenerational provision. The review also identifies governance, regulation, participation, transparency, and impact measurement as critical institutional requirements. Justice remains fragmented across the literature: distributive justice is relatively prominent, procedural justice is emerging, intergenerational justice is stronger in green waqf, and recognition justice remains underdeveloped. The study contributes by shifting attention from green financing potential toward the justice performance of Islamic social finance.

Keywords: *Zakat; Waqf; Islamic social finance; Just green transition; Environmental justice; Sustainable development.*

1. INTRODUCTION

The transition toward low-carbon and environmentally sustainable economies has become increasingly important as climate change, ecological degradation, energy insecurity, and resource depletion reshape development priorities (Oni et al., 2026). Yet a green transition is not automatically a just transition. The costs of decarbonization, environmental regulation, technological change, and resource restructuring may fall disproportionately on low-income households, small farmers, informal workers, and communities whose livelihoods depend directly on vulnerable ecosystems (W.-K. Liu & Shen, 2026). At the

same time, the benefits of green investment may remain concentrated among actors with greater access to capital, technology, and institutional influence. These concerns have shifted attention from environmental transition alone toward a just green transition, in which ecological improvement is accompanied by equitable benefit distribution, meaningful participation, recognition of differentiated vulnerabilities, and protection of future generations.

Islamic social finance offers a potentially important response to this challenge (Widiastuti et al., 2022). Zakat and waqf have historically functioned as institutional mechanisms for wealth redistribution, poverty alleviation, public welfare, and the provision of social goods. Zakat directs resources toward specified categories of beneficiaries and therefore carries a strong redistributive orientation, whereas waqf preserves endowed assets for continuing social benefit (Al-Daihani et al., 2025). Over time, scholarship has extended both instruments beyond conventional charity. Productive zakat has increasingly been associated with livelihood development and economic empowerment, while cash and productive waqf have expanded into entrepreneurship, financial inclusion, and social infrastructure (Widiastuti et al., 2022). Studies linking zakat to the Sustainable Development Goals (SDGs) likewise show a movement from immediate relief toward broader development objectives, although poverty, education, health, and socioeconomic empowerment remain dominant themes (Arwani et al., 2024; Nurhasanah, 2023; Zunaidi et al., 2024).

More recent scholarship has introduced an explicitly environmental dimension. Green zakat has been associated with sustainable agriculture, renewable-energy access, climate adaptation, environmental rehabilitation, waste management, and green livelihoods, particularly where these interventions benefit vulnerable groups (Azmi, 2024; Musa & Firdaus, 2026). Waqf research has similarly expanded into renewable energy, forest conservation, water systems, sustainable land use, and other long-lived ecological assets (Ihsan et al., 2026; Ramadhan et al., 2025; Raniah & Rohim, 2025). Digital green waqf further connects philanthropic mobilization with technological innovation and environmental sustainability, although much of this literature remains conceptual or exploratory (Saputra, 2025).

This development is part of a wider shift in Islamic finance toward sustainability and climate resilience. Green sukuk and socially responsible Islamic investment have demonstrated growing convergence between Shariah-compliant finance and environmental objectives (Jaafar & Brightman, 2022; F. H. Liu & Lai, 2021). More recent studies position zakat and waqf within broader climate-finance architectures. Fahmi (2025) identifies increasing scholarly attention to Islamic social finance for environmental sustainability, while Abrar et al. (2025) reconstruct the functions of zakat and waqf around environmental resilience. Korkut (2025) advances this discussion through a Community Climate Waqf–Zakat Model, differentiating zakat as short-term support for deprivation and vulnerability

from waqf as a source of durable climate-resilience assets. This literature demonstrates that the debate has moved beyond whether Islamic philanthropy can contribute to sustainability; the more pressing question concerns the conditions under which such contributions become institutionally credible and socially just.

The normative foundation for this transition can be found in *maqāṣid al-Sharīʿah* and Islamic environmental ethics. The protection of life *(ḥifẓ al-nafs)*, wealth *(ḥifẓ al-māl)*, and future generations *(ḥifẓ al-nasl)* increasingly intersects with environmental protection *(ḥifẓ al-bīʾah)*. Climate change and ecological degradation threaten health, livelihoods, property, food security, and the material conditions required for future welfare. Principles such as ʿadl (justice), *maṣlaḥah* (public welfare), *amānah* (trust), *mīzān* (balance), and *khalīfah* (stewardship) therefore provide an ethical basis for extending Islamic social finance into environmental domains. Islamic environmental thought further emphasizes that nature should not be treated merely as an economic resource, but as part of a moral order that places limits on exploitation and connects human welfare with ecological responsibility (Syihabuddin & Kirwan, 2023).

However, normative compatibility with Islam does not by itself establish that a green intervention is just. A renewable-energy project may be Shariah-compliant yet remain inaccessible to poor households; conservation may preserve ecological resources while constraining local livelihoods; and environmentally labeled finance may exclude affected communities from decision-making. This study therefore uses just transition and environmental justice as its primary analytical lens, while positioning *maqāṣid al-Sharīʿah* and Islamic environmental ethics as its normative foundation. Four dimensions are emphasized: distributive justice, concerning who receives benefits and bears costs; procedural justice, concerning participation and decision-making; recognition justice, concerning differentiated vulnerabilities, identities, livelihoods, and local knowledge; and intergenerational justice, concerning the protection of social and ecological interests over time.

A critical reading of previous studies reveals three related gaps. First, justice is increasingly present in the literature, but its treatment remains fragmented. Distributive justice is prominent in discussions of zakat, poverty, and economic welfare; procedural concerns appear through governance, participation, accountability, and representation; and intergenerational concerns are more visible in green waqf and conservation-oriented studies. Recognition justice, however, remains substantially less developed. Existing studies rarely integrate these dimensions into a single framework for evaluating green Islamic social finance. Second, recent research has already established that zakat and waqf can perform complementary roles. Consequently, merely arguing for their integration is no longer sufficient. What remains less developed is an assessment of how their different legal, temporal, beneficiary, and asset-based characteristics shape their respective capacities to

deliver justice. Third, much of the literature establishes what green zakat and waqf could achieve, while empirical evidence of combined social, ecological, and justice outcomes remains limited (Fahmi, 2025; Saputra, 2025). Economic justice is increasingly foregrounded in Islamic philanthropy, yet it is still rarely translated into multidimensional criteria for evaluating environmental transition (Ikhsan et al., 2026).

Against this background, this study asks: (1) How have zakat and waqf been conceptualized and utilized to support green and environmentally sustainable development, and what distinctive institutional roles are attributed to each instrument? (2) To what extent do existing zakat- and waqf-based approaches address distributive, procedural, recognition, and intergenerational justice, and what research gaps remain for advancing a just green transition? The study contributes by shifting attention from the green financing potential of Islamic social finance toward its justice performance. The remainder of the article presents the research method, followed by an integrated results and discussion section on the evolution of green Islamic social finance, the differentiated roles of zakat and waqf, governance pathways, and the fragmented architecture of justice, before developing a future research agenda and conclusion.

2. RESEARCH METHOD

Approach and Data

This study employed a qualitative structured literature review to examine how zakat and waqf have been conceptualized and developed in relation to environmental sustainability, green finance, climate resilience, and a just green transition. A qualitative approach was selected because the study sought to interpret conceptual developments, institutional roles, governance arrangements, and justice-related concerns rather than merely quantify publication trends (Lewis, 2015).

The data consisted of peer-reviewed journal articles, conference proceedings, review studies, and selected institutional publications relevant to zakat, waqf, Islamic social finance, environmental sustainability, climate change, renewable energy, green development, and justice. Sources were identified primarily through Scopus, Web of Science, and Google Scholar, with the latter used to supplement database searches and capture recent studies and policy-oriented publications. Seminal theoretical works were included when needed to establish the analytical foundations of *maqāṣid al-Sharīʿah*, Islamic environmental ethics, environmental justice, and just transition.

Search terms combined zakat, *waqf*, *awqaf*, and Islamic social finance with terms such as green transition, green development, environmental sustainability, climate change, renewable energy, conservation, environmental justice, and just transition. More specific searches, including green zakat, green waqf, environmental waqf, zakat and climate, and waqf and renewable energy, were also conducted.

Model Development

The analytical model integrated three layers. The first was the normative foundation of *maqāṣid al-Sharīʿah* and Islamic environmental ethics, particularly *ʿadl* (justice), *maṣlaḥah* (public welfare), *amānah* (trust), *mīzān* (balance), *khalīfah* (stewardship), and *ḥifẓ al-bīʾah* (environmental protection). The second used just transition and environmental justice as the primary analytical lens through four dimensions: distributive, procedural, recognition, and intergenerational justice. The third examined the institutional characteristics of zakat and waqf, particularly their different legal, temporal, beneficiary, and asset-based functions. This framework enabled the review to assess not only green-financing potential but also the emerging justice performance of both instruments.

Method and Data Collection

Literature was selected purposively based on substantive relevance. Studies were included when they addressed at least one of the following: Islamic social finance and sustainable or environmental development; green or climate-related applications such as renewable energy, sustainable agriculture, conservation, waste management, or climate resilience; and governance or justice dimensions relevant to environmental transition. Studies dealing solely with commercial Islamic finance without a substantive connection to zakat, waqf, or Islamic social finance were excluded.

For each selected source, data were extracted on research focus, methodology, Islamic social finance instrument, environmental application, beneficiary orientation, governance arrangement, justice-related concern, and principal contribution. Particular attention was paid to distinguishing conceptual or proposed potential from empirically demonstrated outcomes.

Data Analysis

The literature was analyzed using thematic analysis and comparative synthesis (Kushnir, 2025). Initial coding identified recurring themes, including poverty alleviation, productive finance, renewable energy, sustainable agriculture, conservation, climate adaptation, and environmental infrastructure. These codes were then organized into four broader analytical themes: (1) the transition from social philanthropy to green Islamic social finance; (2) differentiated roles of zakat and waqf; (3) governance and institutional pathways; and (4) the fragmented justice architecture of green Islamic social finance.

The four-dimensional justice framework was subsequently applied to assess how the literature addressed distributive, procedural, recognition, and intergenerational justice. Comparative analysis was used to identify similarities, differences, and asymmetries between zakat and waqf.

3. RESULTS AND DISCUSSION

3.1. From Social Philanthropy to Green Islamic Social Finance

The reviewed literature reveals a gradual transformation in the positioning of zakat and waqf across four overlapping orientations: charitable redistribution, productive social finance, sustainable development, and environmentally oriented Islamic social finance. Earlier studies primarily associate both instruments with poverty alleviation, education, health care, and social protection, while subsequent scholarship extends their functions toward entrepreneurship, livelihood development, and financial inclusion. More recent research connects them with the Sustainable Development Goals (SDGs), renewable energy, sustainable agriculture, conservation, climate adaptation, and community resilience. The central finding is therefore not the replacement of traditional philanthropy, but its expansion into a social–ecological orientation.

This trajectory is particularly evident in zakat scholarship. Arwani et al. (2024) demonstrate that research remains concentrated on poverty reduction, education, health, and economic empowerment. Even within the SDG framework, the strongest connections concern poverty, hunger, employment, and inequality (Bonnedahl et al., 2022). More recently, green zakat has emerged as an extension of productive zakat, supporting renewable-energy access, sustainable agriculture, waste management, and climate-resilient livelihoods while maintaining identifiable benefits for eligible recipients (Azmi, 2024). Musa and Firdaus (2026) similarly position zakat as a potential instrument for community energy resilience and climate adaptation. Environmental intervention thus becomes relevant to zakat when ecological risks intensify poverty and livelihood insecurity.

Waqf scholarship exhibits a comparable but more pronounced ecological expansion. Although its intellectual structure remains centered on sustainable development, productive assets, financial inclusion, and social welfare, green waqf has become an increasingly visible research field (Dupi & Husaen, 2025). Its applications include forest conservation, renewable energy, water infrastructure, sustainable land management, and environmental education. Saputra (2025) likewise identifies sustainability and conservation as emerging themes in digital green waqf research. The reviewed evidence consequently reveals an important asymmetry: zakat remains primarily beneficiary-centered, whereas waqf increasingly exhibits an asset-centered environmental orientation (Asyabani et al., 2025). This distinction reflects their institutional characteristics: zakat is directed toward specified beneficiary categories, while waqf preserves endowed assets to generate continuing benefits.

Theoretically, this evolution can be understood through *maqāṣid al-Sharīʿah*. The established social functions of Islamic philanthropy correspond with *ḥifẓ al-nafs (*protection of life), *ḥifẓ al-māl* (protection of wealth), maṣlaḥah (public welfare), and *ʿadl* (justice). The emerging emphasis on *ḥifẓ al-bīʾah* (environmental protection) extends these objectives by recognizing that climate-induced livelihood loss, pollution, water insecurity, and resource depletion threaten present and future welfare. Environmental protection is therefore not an

external addition to Islamic social finance, but an increasingly necessary condition for sustaining its social purposes.

Islamic environmental ethics further strengthens this interpretation. Principles such as *khalīfah* (stewardship), *amānah* (trust), and *mīzān* (balance) challenge an exclusively instrumental understanding of nature. Drawing on Seyyed Hossein Nasr, Syihabuddin and Kirwan (2023) emphasize the moral interdependence of humanity and nature. Green Islamic social finance should consequently involve more than adding environmentally labeled projects to philanthropic portfolios; it should reconnect economic welfare with ecological responsibility.

Nevertheless, the review identifies a significant gap between normative expansion and empirical maturity. Green zakat and green waqf models are developing rapidly, but evidence of their realized social and environmental outcomes remains comparatively limited. Fahmi (2025) identifies substantial conceptual and policy discussion but weaker empirical evidence of ecological impact. Saputra (2025) similarly highlights regulatory, governance, literacy, and implementation constraints. These findings suggest that Islamic social finance is undergoing an emerging social–ecological turn rather than having completed its transformation into an institutionally mature green-financing system.

A notable trend is the growing emphasis on interventions that generate simultaneous social and ecological benefits. Renewable energy can reduce energy poverty; sustainable agriculture can protect vulnerable farmers; conservation can sustain livelihood resources; and environmental waqf can provide durable community assets (Listiana & Mutmainah, 2022). Korkut (2025) advances this approach through a community climate model in which zakat addresses immediate vulnerability while waqf supports long-term resilience assets. The implication is that social philanthropy and environmental finance should be connected through their shared contribution to community welfare.

Overall, the literature indicates a progression from charity toward productive finance, sustainable development, and climate-responsive Islamic social finance. However, environmental orientation alone does not establish substantive transformation. A green project may improve ecological conditions without adequately benefiting vulnerable communities, while a socially targeted intervention may overlook the environmental causes of deprivation. The next analytical task is therefore to examine how the differentiated institutional characteristics of zakat and waqf can generate social protection, ecological sustainability, and a genuinely just green transition.

3.2 Differentiated Roles of Zakat and Waqf in the Green Transition

The reviewed literature reveals differentiated roles for zakat and waqf in environmental transition. Zakat is primarily associated with redistribution, social protection, livelihood adaptation, and support for vulnerable beneficiaries, whereas waqf is linked to long-term ecological assets, infrastructure, conservation, and intergenerational provision

(Mukhlishin et al., 2025). Their distinct legal, temporal, and institutional characteristics indicate that both instruments should be understood as complementary rather than interchangeable sources of green finance.

Green zakat applications include renewable-energy access for low-income households, sustainable agriculture, climate-resilient livelihoods, green microenterprises, and ecological rehabilitation. Musa and Firdaus (2026) position zakat as an instrument for clean-energy access and climate adaptation, while Azmi and Suminar (2024) emphasize that environmental programs must retain identifiable benefits for eligible mustahik. These applications extend zakats established redistributive function, which has been associated with improved beneficiary welfare, business development, and economic independence (Widiastuti et al., 2022). Zakat can therefore operate as protective and adaptive green finance, reducing the socioeconomic burdens of environmental change while supporting vulnerable communities.

Waqf exhibits a different institutional orientation. Green waqf applications encompass renewable-energy infrastructure, forests, water systems, sustainable agriculture, and conservation assets that generate continuing benefits. Korkut (2025) distinguishes zakats short-term protective role from waqfs capacity to finance durable community resilience assets. Empirical research on waqf forests in Bogor and Mojokerto similarly demonstrates how permanently endowed land can support conservation, environmental education, ecotourism, and community economic activities (Ihsan et al., 2026). However, financial constraints and managerial limitations indicate that asset permanence does not automatically ensure institutional or ecological sustainability. Waqfs long-term potential consequently depends on professional governance and sustained environmental management.

This differentiation is consistent with *maqāṣid al-Sharīʿah*. Zakats beneficiary orientation reflects *ʿadl*, *maṣlaḥah*, *ḥifẓ al-nafs*, and *ḥifẓ al-māl*, particularly through interventions addressing energy poverty, livelihood disruption, and climate vulnerability (Aqmal et al., 2025). Waqf expresses these ethical commitments through asset preservation, continuing benefits, and ecological stewardship, corresponding with amānah, mīzān, ḥifẓ al-bīʾah, and intergenerational responsibility. From a just-transition perspective, zakat has a stronger affinity with distributive justice, whereas waqfs distinctive institutional contribution lies in intergenerational justice.

These findings align with Korkut (2025), who establishes the differentiated temporal functions of both instruments. The contribution of the present review therefore extends beyond identifying their complementarity toward examining how functional differentiation shapes their respective justice capacities. Zakat can protect vulnerable households and facilitate access to green technologies, while waqf can sustain ecological infrastructure and community assets. Nevertheless, zakat may be constrained in financing capital-intensive projects, whereas waqf may respond less effectively to immediate household vulnerability. Integrated arrangements can address these limitations through functional sequencing: zakat

supports affordability and adaptation, while waqf sustains long-term infrastructure. Green sukuk and Islamic microfinance may provide supplementary financing where philanthropic resources are insufficient.

Such integration must preserve the instruments distinct legal and ethical boundaries. Zakat should not finance environmental projects whose benefits to legitimate asnaf are merely incidental, while waqf should not prioritize financial returns over endowed purposes. Ikhsan et al. (2026) similarly emphasize that financial innovation must remain governed by ʿadl and maṣlaḥah. Ultimately, the value of zakat and waqf in a just green transition depends not merely on their combined financing capacity, but on whether their differentiated deployment produces equitable benefits, meaningful participation, recognition of vulnerability, and enduring ecological welfare.

3.3 Governance and Institutional Pathways for Green Zakat and Waqf

The reviewed literature identifies six recurring governance requirements for environmentally oriented zakat and waqf: regulatory legitimacy, Shariah governance, institutional capacity, transparency and impact accountability, stakeholder participation, and cross-sector partnerships. Despite growing normative and technical feasibility, implementation remains constrained by fragmented regulation, limited managerial expertise, financing uncertainty, and inadequate impact measurement. The central challenge is therefore shifting from whether Islamic social finance can support environmental objectives toward whether institutions can govern such initiatives credibly, inclusively, and sustainably.

Regulatory uncertainty remains a major constraint. Zakat governance continues to emphasize eligible beneficiaries, poverty reduction, and productive economic empowerment (Muda & Maghfirah, 2026). Although environmental applications are expanding, their regulatory status remains insufficiently explicit. Azmi and Suminar (2024) identify this gap in Indonesia and propose clearer institutional responsibilities for regulators, BAZNAS, zakat organizations, environmental agencies, and Shariah authorities. Their framework emphasizes that green programs must maintain identifiable benefits for mustahik. Regulatory reform must therefore reconcile environmental innovation with established asnaf eligibility.

Waqf faces related but distinct challenges. Despite its long-term asset-based orientation, green waqf remains affected by regulatory fragmentation, limited professional nazhir capacity, and inadequate sustainability standards. Saputra (2025) identifies weak governance frameworks, legal uncertainty, and uneven digital literacy as major barriers to digital green waqf. Empirical evidence from waqf forests further demonstrates that permanent endowed assets and community trust do not automatically ensure institutional sustainability when financing and managerial capacity remain limited (Ihsan et al., 2026).

These findings are consistent with maqāṣid al-Sharīʿah. Principles such as ḥifẓ al-bīʾah, maṣlaḥah, ʿadl, amānah, and mīzān provide normative legitimacy for environmental financing, but their realization requires enforceable institutional arrangements. Particularly, amānah entails transparent allocation, professional management, and protection against mission drift. The literature consequently indicates a transition from value-based legitimacy toward rule-based and performance-based accountability, where ethical commitments must be demonstrated through institutional practices and measurable outcomes.

A second major finding concerns dual accountability. Conventional Islamic social finance reporting emphasizes collection, distribution, asset preservation, and financial compliance, whereas green initiatives additionally require environmental performance measurement. Azmi and Suminar (2024) propose Shariah-compliant audits, environmental disclosure, participatory monitoring, and measurement-reporting-verification (MRV). Korkut (2025) similarly incorporates digital registries, climate-outcome reporting, and impact verification into integrated zakat–waqf financing. However, these frameworks remain predominantly conceptual. Saputra (2025) identifies limited empirical validation and insufficient standardized indicators. Consequently, institutions may demonstrate financial compliance without establishing whether environmental improvements and social benefits have actually occurred.

Participation represents another critical pathway. Community involvement can strengthen legitimacy, local knowledge, monitoring, and long-term stewardship. Ihsan et al. (2026) identify community participation and social capital as important resources for waqf-based conservation, while Korkut (2025) incorporates community co-management and benefit-sharing into climate-oriented financing. Nevertheless, participation is often discussed as an administrative mechanism rather than a substantive right. The influence of mustahik, women, farmers, and climate-vulnerable communities over project selection and resource allocation remains insufficiently examined. Procedural justice therefore requires meaningful decision-making power, while recognition justice requires attention to differentiated vulnerabilities and local knowledge.

Digitalization and institutional partnerships offer further opportunities, although their effectiveness remains conditional. Digital crowdfunding, blockchain, and online waqf platforms may improve transparency, fundraising, and traceability (Saputra, 2025). Abrar et al. (2025) similarly emphasize their potential for monitoring and cross-sector collaboration. However, technology cannot compensate for weak governance or inadequate environmental expertise. Likewise, partnerships involving green sukuk, Islamic microfinance, public institutions, and private actors may address financing limitations. Korkut (2025) proposes such integration within community climate-finance systems, while Ihsan et al. (2026) identify green sukuk as a potential resource for scaling waqf-based conservation. These arrangements nevertheless require safeguards against subordinating philanthropic purposes to financial returns.

Overall, governance is not merely a supporting condition but the institutional mechanism through which Islamic ethical commitments become credible social and environmental outcomes. A viable pathway requires integrated Shariah and environmental oversight, clear beneficiary criteria, participatory decision-making, professional management, and measurable impact indicators. Future research should therefore move beyond proposing governance models toward examining who controls resources, whose interests shape decisions, and whether institutional arrangements improve the justice performance of green zakat and waqf.

3.4 From Green Finance to Justice Performance: The Fragmented Justice Architecture

he thematic synthesis reveals that the growing association of zakat and waqf with environmental sustainability has not been accompanied by an equally integrated treatment of justice. Four dimensions emerge across the literature: distributive, procedural, recognition, and intergenerational justice. Distributive concerns are most prominent in zakat scholarship, while intergenerational concerns appear more frequently in green waqf. Procedural issues emerge through governance and participation, whereas recognition justice remains comparatively underdeveloped. The central finding is therefore not the absence of justice, but its fragmentation across different instruments, concepts, and institutional concerns.

Distributive justice constitutes the strongest component of this emerging architecture. Zakat scholarship emphasizes poverty reduction, economic empowerment, and protection of mustahik. Green zakat extends this orientation toward renewable-energy access, sustainable agriculture, green microenterprises, and climate adaptation for vulnerable communities (Musa & Firdaus, 2026). Azmi and Suminar (2024) similarly emphasize identifiable environmental and socioeconomic benefits for eligible asnaf. These approaches align with ʿadl and maṣlaḥah, but distributive justice concerns not only who receives benefits, but also who bears transition costs. The literature remains less attentive to the burdens experienced by households unable to afford cleaner technologies, farmers facing adaptation costs, or workers dependent on environmentally intensive livelihoods.

Procedural justice is emerging through discussions of participation, transparency, Shariah oversight, and community monitoring. Korkut (2025) incorporates community ownership, participatory stewardship, and representation into climate-oriented Islamic social finance. Azmi and Suminar (2024) similarly propose involving regulators, Islamic scholars, environmental specialists, and mustahik representatives in green-zakat governance. Nevertheless, participation is often presented as an administrative mechanism rather than a substantive right. The literature rarely establishes whether beneficiaries influence project selection, allocation priorities, or evaluation. From a just-transition perspective, amānah and shūrā require moving beyond consultation toward meaningful representation and decision-making authority.

Recognition justice represents the clearest analytical gap. Vulnerable populations are commonly categorized as mustahik, poor households, farmers, or climate-affected communities, but differences within these groups receive less systematic attention. Gender, occupational dependence, cultural relationships with land, disability, age, local ecological knowledge, and unequal exposure to environmental risks are rarely integrated into project evaluation. This omission matters because formally equal treatment may reproduce inequality when communities experience ecological transition from different social positions. Recognition justice therefore requires institutions to acknowledge not only economic eligibility but also the distinct experiences and priorities of affected populations.

Intergenerational justice is more visible in green waqf scholarship. The preservation of endowed assets provides an institutional basis for long-term ecological stewardship, particularly through conservation, renewable energy, and sustainable land management. Research on waqf forests in Bogor and Mojokerto illustrates how endowed land can support conservation, environmental education, and community economic activities (Ihsan et al., 2026). Saputra (2025) similarly connects green waqf with resource preservation for future generations. However, asset permanence does not automatically guarantee ecological sustainability. Financing constraints, weak management, and deteriorating environmental quality may undermine future benefits despite the continuing legal existence of waqf assets.

These findings challenge the assumption that Islamic social finance is inherently just because it is grounded in Shariah principles. Ikhsan et al. (2026) position ʿadl and maṣlaḥah as ethical correctives to profit-centered financial systems. Nevertheless, normative commitment cannot substitute for evidence of equitable outcomes. Shariah compliance and environmental eligibility establish important foundations, but neither independently demonstrates who benefits, who participates, whose vulnerabilities are recognized, or whether benefits endure across generations.

This review therefore proposes justice performance as an evaluative orientation for green zakat and waqf. Beyond measuring funds mobilized, renewable-energy capacity, restored ecosystems, or emissions avoided, assessment should examine benefit distribution, transition burdens, decision-making authority, differentiated vulnerability, and long-term ecological welfare. Such an approach connects Islamic ethical principles with multidimensional justice while exposing trade-offs that conventional green-finance indicators may overlook.

Future research should consequently investigate how justice performance can be operationalized without reducing Islamic ethics to technical indicators, how immediate mustahik needs can be reconciled with long-term environmental objectives, and which governance arrangements enable meaningful community participation. The central question is no longer merely whether zakat and waqf can finance greener development, but when, for whom, and under what institutional conditions that development becomes genuinely just.

Table 1 Differentiated Roles and Justice Dimensions of Zakat and Waqf in the Green Transition

Analytical Dimension	Zakat	Waqf	Dominant Pattern in the Literature	Justice Implication
Historical orientation	Poverty alleviation, redistribution, education, health, livelihood support	Social infrastructure, education, health, productive assets	Both instruments have moved from conventional philanthropy toward sustainable and environmental applications	Justice remains rooted primarily in social welfare
Emerging green role	Climate adaptation, sustainable agriculture, clean-energy access, green livelihoods, support for vulnerable groups	Renewable energy, conservation, waqf forests, water systems, green infrastructure, sustainable land use	Green applications are expanding, but empirical evidence remains less developed than conceptual proposals	Environmental orientation does not automatically ensure justice
Temporal function	Primarily short- to medium-term protection and adaptation	Long-term and asset-based provision	The instruments increasingly appear as differentiated rather than interchangeable	Zakat strengthens immediate distributive protection; waqf strengthens intergenerational provision
Primary beneficiaries	Mustahik and economically vulnerable groups	Communities and present/future beneficiaries of endowed assets	Zakat remains more explicitly beneficiary-bound than waqf	Stronger distributive orientation in zakat
Governance requirements	Asnaf eligibility, Shariah legitimacy, transparent allocation, impact reporting	Asset preservation, professional nazhir, environmental management, long-term accountability	Regulatory clarity, institutional capacity, participation, and monitoring are recurring constraints	Governance determines whether normative justice becomes operational
Distributive justice	Strong	Moderate	Most explicit justice dimension, especially in zakat studies	Focuses on who receives transition benefits and protection

Procedural justice	Emerging	Emerging	Participation, transparency, and stakeholder governance are discussed, but rarely theorized as justice	Requires meaningful voice rather than consultation alone
Recognition justice	Weak	Weak	Gender, local knowledge, livelihood diversity, cultural identity, and differentiated vulnerability receive limited attention	Most significant gap in the current literature
Intergenerational justice	Emerging	Strong	Particularly visible in green waqf, conservation, and permanent ecological assets	Links present investment with future ecological and social benefits
Overall transition challenge	Maintaining direct beneficiary relevance while expanding environmental functions	Ensuring that asset permanence generates genuine ecological and community benefits	Literature is moving from green-finance potential toward social–ecological implementation	Need to shift from green finance to justice performance

Source: *Proceed Data, 2026*

4. CONCLUSION

This study demonstrates that zakat and waqf are evolving from conventional Islamic philanthropy toward green and climate-responsive social finance. Their institutional characteristics create differentiated roles: zakat primarily supports redistribution, livelihood adaptation, and climate-vulnerable mustahik, while waqf provides long-term ecological assets, infrastructure, conservation, and intergenerational benefits. Their complementarity therefore rests on functional differentiation rather than institutional substitution.

The findings further reveal that normative legitimacy alone cannot ensure effective implementation. Although *maqāṣid al-Sharīʿah* and Islamic environmental ethics provide a foundation through *ʿadl, maṣlaḥah*, *amānah*, *mīzān*, and *ḥifẓ al-bīʾah*, successful green Islamic social finance requires regulatory clarity, professional governance, participation, transparency, and credible impact measurement.

Most importantly, the literature exhibits a fragmented justice architecture. Distributive justice is relatively prominent, procedural justice is emerging, intergenerational justice is

particularly visible in green waqf, and recognition justice remains underdeveloped. Accordingly, environmental benefits and Shariah compliance do not automatically establish that a project contributes to a just transition.

This study contributes by shifting attention from the green financing potential of Islamic social finance toward its justice performance. Future research should empirically examine how zakat and waqf generate equitable benefits, meaningful participation, recognition of differentiated vulnerabilities, and enduring ecological welfare. The central challenge is not merely financing a greener economy, but ensuring that the transition is genuinely just.

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