ISLAMIC SOCIAL FINANCE 2.0: OVERCOMING THE PARADOX OF FRAGMENTATION AND IMPACT THROUGH DIGITAL ECOSYSTEM INTEGRATION

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Abstract: This study is motivated by the increasing digital transformation within Islamic Social Finance (ISF), which has accelerated the shift from traditional philanthropic systems toward a more inclusive and technology-driven Islamic social finance ecosystem. The study aims to analyze the development, thematic structure, and transformation trajectory of ISF within the context of digitalization and financial innovation. The method employed is bibliometric analysis using data sourced from the Web of Science Core Collection covering the period from 1979 to 2025. Based on the bibliometric search results, approximately 566 documents related to Islamic Social Finance (ISF) were identified. The analysis was conducted using Biblioshiny for Bibliometrix and VOSviewer through descriptive analysis, co-word analysis, bibliographic coupling, thematic evolution, and thematic mapping approaches. The findings indicate that the ISF literature has experienced significant growth and is characterized by four major clusters, namely core Islamic social finance, sustainability and development, institutional and microfinance dimensions, and digital transformation. Digitalization-related themes such as fintech, blockchain, crowdfunding, digital zakat, and digital waqf have emerged as the primary drivers of ISF transformation. However, the development of ISF continues to face fragmentation among digital innovation, regulatory frameworks, and institutional governance. This study concludes that the transformation toward Islamic Social Finance 2.0 requires the integration of technology, regulation, governance, and maqashid al-shariah values in order to establish a more sustainable and impactful ISF ecosystem.

INTRODUCTION

Islamic Social Finance (ISF), which encompasses zakat, infaq, sadaqah, and waqf, constitutes an important instrument within the Islamic economic system that is oriented toward distributive justice and social welfare. In the global context, ISF has increasingly been recognized as an alternative mechanism for supporting the achievement of the Sustainable Development Goals (SDGs), particularly in poverty alleviation and the enhancement of financial inclusion. Recent studies indicate that the integration of ISF with modern financial systems possesses significant potential to strengthen sustainable economic development (Friedman et al., 2021; Abdul-Khir et al., 2025).

Nevertheless, despite its substantial potential, the contribution of ISF to socio-economic development remains suboptimal. This gap between potential and realization reflects structural problems in ISF management, particularly related to efficiency, transparency, and institutional coordination. In practice, the management of zakat and waqf remains sectoral and insufficiently integrated in a systemic manner, thereby limiting the effectiveness of the resulting social impact.

In recent years, the rapid development of digital technology has created new opportunities to transform ISF into a more efficient and inclusive system. Digitalization through Islamic fintech enables improvements in accessibility, transparency, and operational efficiency in the management of Islamic social funds (Ahmed et al., 2021; Kamaruddin et al., 2023). Furthermore, technologies such as blockchain have begun to be adopted to enhance accountability and public trust in zakat management institutions (Abrar & Ihza, 2025; Selimović-Fijuljanin et al., 2026; Juniati & Widiastuti, 2026).

Although the literature on the digitalization of Islamic Social Finance has grown rapidly, several significant research gaps remain.

1. First, most studies focus primarily on technology adoption and operational efficiency without thoroughly examining how digitalization can address the structural problem of institutional fragmentation within ISF.
2. Second, studies integrating digitalization, financial innovation, and institutional governance into a comprehensive conceptual framework remain limited.
3. Third, existing studies tend to be descriptive in nature and have not yet developed theoretical models capable of explaining the relationship between digital ecosystem integration and enhanced socio-economic impact.
4. Fourth, the application of a maqashid al-shariah-based approach in evaluating the effectiveness of ISF in the digital era remains limited, despite its importance in ensuring that ISF transformation remains aligned with the objectives of Islamic law.

Several studies have examined the role of digitalization in Islamic Social Finance. For instance, Ahmed et al. (2021) and Kamaruddin et al. (2023) emphasized that Islamic fintech can improve efficiency and financial inclusion in zakat and waqf management. Meanwhile, studies by Alfian et al. (2025) and Song et al. (2023) demonstrated that digitalization can drive the transformation of ISF toward a more transparent and technology-based system.

On the other hand, Selimović-Fijuljanin et al. (2026) and Juniati & Widiastuti (2026) found that the use of blockchain in zakat management has the potential to enhance trust and accountability through decentralized recording systems. Furthermore, Sari et al. (2025) and Muneeza et al. (2023) argued that the adoption of fintech in Islamic finance can expand financial service access for unbanked communities.

However, most of these studies still focus on partial aspects, such as specific technologies or instruments, and have not examined ISF as an integrated ecosystem. This condition highlights the need for a new approach capable of linking digitalization with institutional integration and the creation of broader social impact.

This article contributes to the literature in several important aspects. First, this study identifies and conceptualizes the paradox between fragmentation and impact in Islamic Social Finance as a structural problem that hinders the optimization of ISF's role in economic development. Second, this article proposes the Islamic Social Finance 2.0 framework based on digital ecosystem integration, which connects digitalization with institutional reform and financial innovation. Third, this study integrates the maqashid al-shariah perspective as a foundation for evaluating the socio-economic impact of ISF transformation.

Accordingly, this research not only enriches the ISF literature but also provides practical implications for policymakers, zakat institutions, and Islamic fintech practitioners in designing more effective and sustainable transformation strategies.

Based on the identified background and research gaps, the main objectives of this study are:

1. To analyze the problem of fragmentation in Islamic Social Finance and its impact on the effectiveness of Islamic social fund management.
2. To examine the role of digitalization in overcoming the paradox between potential and impact within ISF.
3. To develop a conceptual framework for Islamic Social Finance 2.0 based on digital ecosystem integration in order to enhance inclusivity and the sustainability of socio-economic impact.

LITERATURE REVIEW

Digital transformation has significantly reshaped the global financial landscape, including the development of Islamic Social Finance (ISF). Islamic social finance instruments such as zakat, waqf, infaq, sadaqah, and Islamic microfinance are no longer perceived merely as traditional philanthropic mechanisms; rather, they have evolved into strategic instruments for sustainable economic development based on *maqāṣid al-sharīʻah* and the Sustainable Development Goals (SDGs). A bibliometric study conducted by Etika et al. (2025) demonstrated that publications related to ISF increased significantly during the 2020–2025 period, accompanied by the emergence of new themes such as fintech, crowdfunding, and digital waqf. These findings confirm a paradigm shift from conventional charity-based approaches toward a more inclusive, transparent, and technology-driven Islamic social finance system.

Within the context of the modern Islamic economy, digitalization is regarded as an important catalyst for strengthening governance and improving the efficiency of Islamic social financial services. Mukharom et al. (2024) explained that digital transformation within Islamic social finance institutions generates changes in terms of output, outcome, and impact. Digitalization introduces new technology-based services, enhances organizational process efficiency, strengthens relationships with stakeholders, and creates broader social value through the emergence of a digital society. In addition, digitalization accelerates online ZISWAF payments and reinforces the halal industry ecosystem through e-commerce integration. These findings indicate that digital technology functions not merely as an operational tool but also as an instrument of socio-economic transformation.

The development of Islamic financial technology (Islamic fintech) has also become a central concern in contemporary literature. Zuchroh (2025) found that the implementation of Islamic fintech platforms in microfinance improves financial access for MSMEs, accelerates financing processes, and enhances public financial literacy and inclusion. However, the study also highlighted major challenges, including digital infrastructure gaps, data security concerns, and sharia compliance issues. Similarly, Rafidah and Maharani (2023) argued that the Industrial Revolution 4.0 presents substantial opportunities for innovation in Islamic financial products through the utilization of blockchain, Artificial Intelligence (AI), and the Internet of Things (IoT). These technologies enable the creation of more efficient and adaptive Islamic financial services, although they still require stronger regulatory frameworks and sharia supervision.

Other studies indicate that digital transformation in ISF cannot be separated from the need for collaborative and integrative governance. Wahyuni (2025) emphasized that the development of the national Islamic economy requires synergy among government, industry, academia, and society through a multi-stakeholder collaboration approach. Integration between the Islamic finance sector and the halal industry is essential for establishing a sustainable Islamic economic ecosystem. In this context, Islamic fintech is positioned as a catalyst for ecosystem integration through blended finance schemes and cross-sectoral data integration. The recommendation to establish a Digital Sharia Task Force further suggests that ISF transformation requires coordinated institutional and digital policy support.

Sustainability has also emerged as a central theme in the development of ISF 2.0. Ramadani (2025) argued that zakat, waqf, and sadaqah possess substantial potential as instruments for economic redistribution and poverty alleviation, yet they have not fully adopted digital transformation, particularly in the areas of regulation, governance, and product innovation. The study recommended integrating Islamic values with technological approaches to support the SDGs and sustainable economic development. These findings were reinforced by Sudarmanto et al. (2025), who demonstrated that the digitalization of Islamic financial institutions, particularly Islamic rural banks (BPRS), can support green finance and community empowerment based on *maqāṣid al-sharīʿah*. Nevertheless, infrastructure limitations and non-adaptive regulatory systems remain major obstacles.

From the perspective of economic resilience, Nurfuadah et al. (2025) explained that the Islamic economic system possesses a strong moral foundation through the prohibition of *riba*, *gharar*, and *maysir*, as well as through the optimization of zakat and waqf as instruments of wealth redistribution. In the era of global uncertainty, ISF digitalization is viewed as an opportunity to expand ethical and sustainable investment. However, barriers such as regulatory fragmentation, the shortage of Islamic digital finance experts, and low public literacy continue to limit widespread implementation. Therefore, ISF transformation requires regulatory harmonization and the enhancement of human resource capacity to ensure long-term economic stability.

The literature also demonstrates that digital innovation in cash waqf instruments constitutes an important component in the evolution of modern ISF. Meka and Ghasali (2025) explained that the integration of cash waqf with Islamic banking systems and digital crowdfunding improves waqf management efficiency. However, regulatory ambiguity has weakened institutional coordination and reduced public participation. Consequently, a responsive regulatory framework grounded in sharia principles is required to establish an accountable and transparent digital waqf system.

Meanwhile, the role of Islamic Microfinance Institutions (IMFIs) in community economic development remains highly relevant in the digitalization era. Syamsuri et al. (2022) demonstrated that IMFIs contribute significantly to rural food security through sharia-based financing and economic empowerment based on *ta'awun* (mutual cooperation). Within the context of digital transformation, technology-based strengthening of IMFIs has the potential to improve financing access, agricultural productivity, and poverty alleviation more effectively.

Overall, previous studies indicate that the transformation of Islamic Social Finance 2.0 is characterized by the integration of digital technology, Islamic fintech innovation, strengthened governance, and sustainability orientation based on *maqāṣid al-sharīʻah*. Nevertheless, significant research gaps remain regarding integrative models capable of explaining the relationship among digitalization, Islamic financial innovation, governance, and the socio-economic impact of ISF in a comprehensive manner. Most existing studies still focus on partial aspects such as fintech, digital waqf, or financial inclusion, thereby highlighting the need for a conceptual framework capable of explaining ISF transformation holistically within the context of the global digital economy.

THEORETICAL FRAMEWORK

This study is developed based on the integration of several relevant theoretical foundations to explain the transformation of Islamic Social Finance (ISF) 2.0 in the era of digitalization and financial innovation.

Maqāṣid al-Sharīʻah Theory

The theory of *maqāṣid al-sharīʻah* constitutes the primary foundation of ISF because all Islamic social financial activities aim to achieve public welfare (*maslahah*) and prevent harm (*mafsadah*). This concept includes the protection of religion (*hifz al-din*), life (*hifz al-nafs*), intellect (*hifz al-ʻaql*), lineage (*hifz al-nasl*), and wealth (*hifz al-mal*). Within the context of ISF 2.0, digitalization is viewed as an instrument for improving the efficiency of zakat, waqf, and social financing distribution, thereby enabling the objectives of social justice and public welfare to be achieved more effectively. Studies by Etika et al. (2025), Sudarmanto et al. (2025), and Nurfuadah et al. (2025) indicate that ISF digitalization contributes significantly to sustainable development and equitable economic distribution based on sharia values.

Financial Intermediation Theory

Financial Intermediation Theory explains that financial institutions function as intermediaries between fund owners and beneficiaries in order to create economic efficiency. Within ISF, zakat institutions, waqf institutions, Islamic rural banks (BPRS), and Islamic fintech platforms act as socio-economic mediators connecting community financial resources with beneficiaries. Digitalization strengthens the intermediation function through digital platforms, crowdfunding, mobile payments, and blockchain technology, thereby reducing transaction costs, enhancing transparency, and improving financial inclusivity. The findings of Zuchroh (2025) and Meka and Ghasali (2025) demonstrate that Islamic fintech and digital waqf can expand MSME financing access and increase public participation.

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is used to explain public acceptance of technology within digital ISF services. According to Davis (1989), technology acceptance is influenced by *perceived usefulness* and *perceived ease of use*. In the ISF context, society will utilize digital zakat platforms, online waqf systems, or Islamic fintech services when such technologies are perceived as beneficial, user-friendly, secure, and compliant with sharia principles. Studies by Rafidah and Maharani (2023) and Samsiyah et al. (2025) indicate that the success of digital transformation in Islamic finance is strongly influenced by digital literacy, data security, and public trust in sharia governance.

Sustainable Development Theory

The transformation of ISF 2.0 is also closely associated with Sustainable Development Theory, which emphasizes the balance between economic growth, social welfare, and environmental sustainability. ISF is regarded as a strategic instrument for supporting the achievement of the SDGs through poverty reduction, financial inclusion enhancement, and community economic empowerment. Research by Ramadani (2025) and Etika et al. (2025) demonstrates that digital integration in ISF strengthens the contribution of zakat, waqf, and sadaqah toward sustainable development and green finance.

Innovation Diffusion Theory

Rogers' Innovation Diffusion Theory explains how technological innovations are adopted within society through stages of knowledge, persuasion, decision, implementation, and confirmation. In the ISF context, innovations such as blockchain-based waqf, AI-based Islamic finance, and Islamic fintech require regulatory support, public literacy, and institutional collaboration in order to achieve widespread acceptance. Wahyuni (2025) emphasized the importance of multi-stakeholder collaboration in accelerating the digital integration of the national Islamic economy.

Based on these theories, this study argues that the transformation of Islamic Social Finance 2.0 results from the interaction among digitalization, Islamic financial technology innovation, governance based on *maqāṣid al-sharīʻah*, and sustainable development orientation. The integration of these elements is expected to create a more inclusive, efficient, transparent, and globally competitive Islamic social finance system.

PRIOR STUDIES (Critical Analysis of Previous Studies)

The literature on Islamic Social Finance demonstrates significant development, particularly in three major streams: ISF digitalization, financial innovation, and institutional governance.

Digitalization of Islamic Social Finance

Several studies emphasize that digitalization acts as a catalyst for ISF transformation. Through bibliometric analysis, Etika et al. (2025) identified a paradigm shift from philanthropic approaches toward development models based on *maqāṣid al-sharīʿah* and the SDGs, accompanied by the emergence of themes such as fintech, crowdfunding, and digital waqf. These findings were reinforced by Ramadani (2025), who argued that digitalization possesses substantial potential to improve ISF effectiveness, although its implementation remains largely limited to technical aspects and has not yet addressed structural reform.

Moreover, Mukharom et al. (2024) identified that digital transformation produces impacts at three levels: output (service innovation), outcome (efficiency and service quality), and impact (value creation and social system transformation). However, the study remained descriptive and did not examine the relationship between digitalization and ecosystem integration.

Financial Innovation and Inclusion

Within the context of financial innovation, Zuchroh (2025) demonstrated that Islamic fintech can enhance financial inclusion, particularly for MSMEs, by accelerating financing access and improving operational efficiency. Meanwhile, Meka and Ghasali (2025) highlighted innovations in digital cash waqf, including crowdfunding and blockchain technology. Nevertheless, the study also emphasized the gap between technological innovation and regulatory readiness, which has resulted in legal uncertainty and low public participation.

On the other hand, Syamsuri et al. (2022) showed that Islamic microfinance institutions play a strategic role in community economic empowerment, particularly in the food sector. This finding indicates that ISF possesses significant potential to create tangible socio-economic impact, although it has not yet been fully integrated with digital technology.

Governance and Structural Challenges

Governance has become a critical issue in ISF development. Sudarmanto et al. (2025) and Samsiyah et al. (2025) found that digitalization can improve efficiency and inclusion, yet it still faces obstacles such as infrastructure limitations, security risks, and limited digital capacity. Wahyuni (2025) further argued that the lack of policy integration and coordination among stakeholders constitutes a major barrier to establishing a sustainable ecosystem.

Overall, previous studies demonstrate that although digitalization and financial innovation have advanced considerably, the approaches employed remain partial and insufficient to address the structural problems within ISF.

STATE OF THE ART (Research Position and Novelty)

Based on the above literature review, several fundamental limitations in existing Islamic Social Finance research can be identified.

1. First, most studies focus on specific aspects such as technology (fintech, blockchain) or particular instruments (zakat, waqf) without examining ISF as an integrated ecosystem.
2. Second, existing research tends to emphasize operational efficiency and product innovation without deeply investigating how digitalization can address the paradox between institutional fragmentation and limited socio-economic impact.

3. Third, studies integrating normative values (*maqāṣid al-sharīʻah*), digital transformation, and institutional governance into a comprehensive conceptual framework remain limited.
4. Fourth, ISF impact evaluation approaches are still dominated by financial indicators and have not fully accommodated social and sustainability dimensions.

In contrast to previous studies, this article offers novelty in three major aspects. First, it positions the fragmentation–impact paradox as the primary focus of analysis within Islamic Social Finance. Second, it develops the concept of Islamic Social Finance 2.0 based on digital ecosystem integration, connecting digitalization with institutional reform and financial innovation. Third, it integrates the *maqāṣid al-sharīʻah* perspective as an impact evaluation framework, thereby providing a more holistic approach to assessing ISF effectiveness.

Accordingly, this study not only complements the existing literature but also provides a new direction for developing a more integrated, inclusive, and sustainable Islamic Social Finance system in the digital era.

MATERIAL AND METHOD

This Research Design

This study employs a qualitative approach based on a Systematic Literature Review (SLR) combined with bibliometric analysis to examine the development of Islamic Social Finance (ISF) within the context of digital transformation and ecosystem integration. This approach was selected because it enables a comprehensive, transparent, and scientifically replicable synthesis of the literature (Denyer & Tranfield, 2009).

The SLR method facilitates the systematic identification, evaluation, and integration of research findings, while bibliometric analysis is utilized to map the intellectual structure and thematic development within a specific research field (Aria & Cuccurullo, 2017). The combination of these two approaches has increasingly been adopted in Islamic finance studies to identify research trends, gaps, and future development directions (Donthu et al., 2021).

Data Sources and Search Strategy

The research data were obtained from the Scopus database, which is widely recognized for its broad coverage and rigorous publication selection standards. The use of Scopus in bibliometric studies is recommended because it provides comprehensive metadata compatible with various bibliometric analysis tools (Mongeon & Paul-Hus, 2016).

The literature search process was conducted using the following Boolean-based keyword combinations:

(“***Islamic Social Finance***”) OR (“***Zakat***” OR “***Waqf***” OR “***Islamic Philanthropy***”) AND (“***Fintech***” OR “***Digitalization***” OR “***Blockchain***”) AND (“***Sustainable Development***” OR “***SDGs***”).

This approach was intended to ensure comprehensive and representative coverage of the latest developments in digital-based Islamic Social Finance (Etika et al., 2025).

Inclusion and Exclusion Criteria

To maintain the quality and relevance of the data, this study applied selection criteria based on best practices in systematic review methodology.

1. *Inclusion Criteria*
   a. International scientific articles indexed in the Web of Science database
   b. Reputable journal publications (Q1–Q3)
   c. Topics related to ISF, digitalization, or financial innovation
   d. English-language article.
   e. Publication period from 2020 to 2025
2. *Exclusion Criteria*
   a. Duplicate articles
   b. Non-academic articles
   c. Studies irrelevant to the ISF focus
   d. Articles without full-text access

This selection approach aligns with the principles of transparency and replicability recommended in systematic review methodology literature (Kitchenham et al., 2009).

Data Selection Process

The literature selection process followed the PRISMA framework, which consists of four main stages: identification, screening, eligibility, and inclusion. PRISMA is an international standard in systematic reviews designed to improve transparency and research reporting quality (Page et al., 2021).

Through this process, articles identified during the initial search stage were gradually filtered until a final collection of relevant studies was obtained for further analysis.

Data Analysis Techniques

This study employed two primary analytical approaches:

Bibliometric Analysis

Bibliometric analysis was conducted using the following software tools:

a. VOSviewer
b. Biblioshiny

VOSviewer was utilized to visualize bibliometric networks such as co-occurrence and bibliographic coupling, while Biblioshiny was used for interactive bibliometric statistical analysis (Van Eck & Waltman, 2010).

The analytical techniques included:

a. Performance analysis (number of publications, citations, and author productivity)
b. Co-word analysis (identification of major themes)
c. Bibliographic coupling (relationships among articles)
d. Thematic evolution (development of research themes)

These approaches are widely used in modern bibliometric studies to systematically understand the dynamics of scientific development (Donthu et al., 2021).

Thematic Content Analysis

In addition to bibliometric analysis, this study employed thematic content analysis to qualitatively interpret the findings. The analysis was conducted through the following stages:

a. Open coding
b. Axial coding

Selective Coding

This method enables a deeper identification of thematic patterns related to fragmentation within ISF, the role of digitalization, and ecosystem integration. The approach is consistent with qualitative analytical methods aimed at generating more comprehensive conceptual understanding (Braun & Clarke, 2006).

Research Framework

Based on the analysis results, this study develops the Islamic Social Finance 2.0 conceptual framework, which integrates three main components:

1. Digitalization (*fintech, blockchain, big data*)
2. Institutional Integration (*zakat, waqf, Islamic finance*)
3. Impact Orientation (*maqāṣid al-sharīʻah* and SDGs)

This framework is used to explain how digital ecosystem integration can overcome the paradox between fragmentation and impact in Islamic Social Finance while simultaneously strengthening ISF contributions toward sustainable development (Etika et al., 2025; Ramadani, 2025).

RESULTS AND DISCUSSION

Descriptive Analysis of Publications

Based on the bibliometric search results from the Web of Science Core Collection database, approximately 566 documents related to Islamic Social Finance (ISF) were identified for the period 1979–2025. The search was conducted using Boolean-based keyword combinations covering the terms “Islamic Social Finance,” zakat, waqf, Islamic philanthropy, fintech, digitalization, blockchain, sustainable development, and SDGs.

The earliest publication related to the ISF theme was recorded in 1979, although during this initial period the term *Islamic Social Finance* had not yet been explicitly used. Research in this phase primarily focused on individual instruments such as zakat, waqf, and sadaqah within normative and historical frameworks. In addition, there was a relatively long publication gap following the initial studies, indicating that this field had not yet developed into a structured research domain.

During the 1980–2000 period, the development of the literature remained relatively slow and sporadic, dominated by *fiqh*-based and historical approaches. At this stage, ISF was understood mainly as part of socio-religious practice rather than as an integrated economic system. Significant development began to emerge during the 2001–2010 period, marked by increasing attention to the role of zakat and waqf in poverty alleviation and economic development. In this phase, ISF began to be examined within policy and institutional contexts, although it had not yet achieved conceptual integration.

An important milestone occurred in 2013, when the term *Islamic Social Finance* began to be formally popularized by international institutions such as IRTI-IsDB. This development encouraged conceptual consolidation and accelerated the growth of more integrated research. Significant acceleration occurred during the 2010–2020 period, characterized by a steady increase in publications, reaching its peak during the COVID-19 pandemic. During this period, ISF increasingly emerged as an alternative solution to global economic crises, particularly through zakat and waqf instruments.

The most significant increase occurred during the 2021–2025 period, indicating a transformation toward a digital ISF ecosystem. The literature not only expanded quantitatively but also experienced a paradigm shift from a charity-based approach toward an impact-oriented system through the integration of technologies such as fintech, blockchain, and crowdfunding.

Table 1. Development of Islamic Social Finance Publications

Period	Development Phase	Publication Characteristics	Dominant Themes	Research Approaches	Implications
1979–1989	Emergence Phase	Very limited and sporadic publications; the term ISF had not yet been explicitly used	Zakat, waqf, sadaqah	Normative, fiqh-based, historical	ISF was understood as a socio-religious practice
1990–2000	Early Development Phase	Gradual increase; academic studies began to emerge	Zakat fiqh, historical waqf	Conceptual, descriptive	Strengthening of foundational concepts and normative legitimacy
2001–2010	Institutional Awareness Phase	Expansion of policy and institutional studies	Zakat management, poverty alleviation	Case studies, public policy	ISF began to be linked with economic development
2011–2015	Conceptual Consolidation Phase	Consolidation of the ISF terminology; increasing integrated publications	Governance, early SDGs, redistribution	Conceptual and early empirical studies	ISF began to be positioned as an economic system
2016–2020	Expansion Phase	Significant publication growth; increased thematic diversity	Financial inclusion, Islamic microfinance	Empirical, mixed-method	ISF as an instrument of economic empowerment
2021–2025	Digital Transformation Phase	Highest publication growth; multidisciplinary approaches	Fintech, blockchain, crowdfunding, digital zakat/waqf	Bibliometric, SLR, quantitative models	Transformation toward a digital ecosystem and impact-oriented system

Source: Compiled by the authors based on Web of Science data (1979–2025).

Table 1 demonstrates that the development of Islamic Social Finance has undergone a gradual transformation from a normative approach toward a technology-based and impact-oriented system, reflecting a structural evolution in both the literature and the practice of ISF.

Geographic Distribution of Research

From a geographical perspective, publications on Islamic Social Finance (ISF) demonstrate an uneven distribution pattern and tend to be concentrated in regions with strong

Islamic economic ecosystems. Based on the analysis results, the largest contributions originate from Indonesia (31.0%), Malaysia (26.4%), and the Middle East region (21.8%). This dominance confirms that the development of ISF is strongly influenced by socio-institutional factors, including the level of Islamic finance adoption, policy support, and the presence of well-organized zakat and waqf institutions.

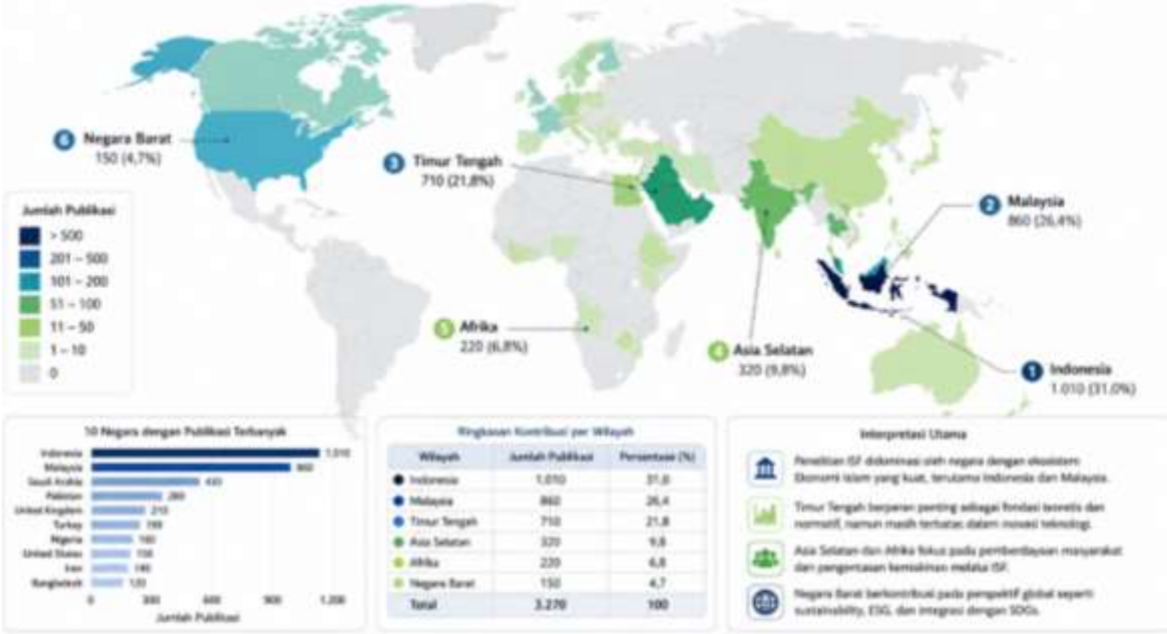

Figure 1. Geographic Distribution of Islamic Social Finance Research

Source: Biblioshiny output (Bibliometrix package), WoS Core Collection database (1979–2025).

Indonesia and Malaysia, in particular, function as major knowledge hubs in the development of global ISF, especially in promoting digital-based innovations such as Islamic fintech, digital zakat, and integrated Islamic social finance policies. Meanwhile, the Middle East region contributes more strongly to the normative and theoretical dimensions, which serve as the conceptual foundation for ISF development.

On the other hand, regions such as South Asia (9.8%) and Africa (6.8%) demonstrate more moderate contributions, primarily focusing on community-based economic empowerment and financial inclusion. Western countries (4.7%), meanwhile, contribute to enriching global perspectives through interdisciplinary approaches, particularly in issues related to sustainability, ESG, and integration with the Sustainable Development Goals (SDGs).

Beyond geographic distribution, there is also an increasing trend of international collaboration among researchers, indicating that ISF has evolved into a multidisciplinary and cross-geographical field of study involving the integration of economics, technology, public policy, and Islamic studies. This growing collaboration reflects a shift toward global knowledge integration, which constitutes an essential prerequisite for building a more coordinated, inclusive, and sustainable Islamic Social Finance system.

Table 2. Geographic Distribution of Islamic Social Finance Research

Region	Level of Contribution	Research Focus	Characteristics of Approach	Role in Global Literature	Weaknesses / Gaps
Indonesia	Very High	Digital zakat, Islamic fintech, ISF policy	Empirical, policy-oriented, practice-based	Knowledge hub for digital ISF innovation	Institutional and regulatory fragmentation
Malaysia	Very High	Productive waqf, governance, ISF integration	Systematic, institutional	Model for institutional ISF integration	Limited global scalability
Middle East	High	Zakat, fiqh, Islamic economic policy	Normative, regulatory	Theoretical foundation and sharia legitimacy	Limited technological innovation
South Asia	Moderate	Islamic microfinance, financial inclusion	Community empowerment	Focus on poverty reduction	Limited digital infrastructure
Africa	Moderate	Zakat and waqf for social development	Contextual, community-based	ISF implementation for development	Lack of institutional support
Western Countries	Low	Sustainability, ESG, comparative studies	Theoretical, interdisciplinary	Global perspectives and SDG integration	Limited practical ISF context

Source: Compiled by the authors based on Web of Science data (1979–2025).

The geographical distribution of Islamic Social Finance research indicates that scholarly contributions remain concentrated in countries with strong Islamic economic ecosystems, particularly Indonesia and Malaysia. However, differences in research focus across regions suggest the existence of fragmented approaches, where technological innovation, institutional strengthening, and normative legitimacy continue to evolve separately and have not yet been integrated into a coherent global framework.

For comparison, the Scopus database demonstrates broader publication coverage, identifying approximately 1,355 ISF-related studies during the 1914–2022 period, increasing to approximately 3,573 documents by 2025. The difference in publication numbers between Web of Science and Scopus reflects variations in indexing coverage, document types, and database policies in classifying Islamic Social Finance literature.

Co-Word Analysis (Thematic Structure)

A co-word analysis was conducted to identify the thematic structure and conceptual relationships within the Islamic Social Finance (ISF) literature based on data obtained from the Web of Science database. The analysis was performed using VOSviewer software, which enables the visualization of relationships among keywords through a co-occurrence network.

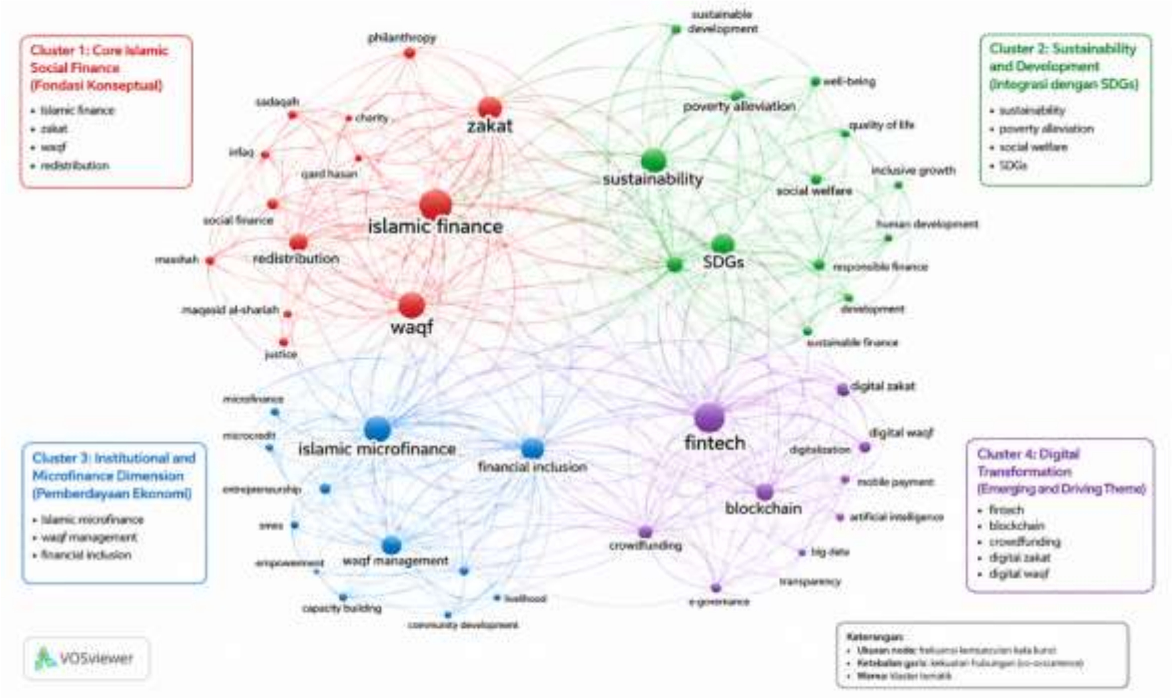

Figure 2. Bibliometric Keyword Network Map of Islamic Social Finance

Source: VOSviewer 1.6.20 output.

The analysis results indicate that the thematic structure of ISF can be classified into four major clusters, reflecting the conceptual evolution and research direction within this field.

Cluster 1: Core Islamic Social Finance (Conceptual Foundation)

This cluster includes the primary keywords:

a. *Islamic finance*
b. *Zakat*
c. *Waqf*
d. *Redistribution*

This cluster represents the normative and operational foundation of ISF, rooted in the principles of distributive justice and social welfare within the Islamic economic system. The dominance of these keywords indicates that ISF literature remains heavily influenced by traditional approaches focusing on redistributive functions. Nevertheless, the limitation of this cluster lies in its predominantly normative orientation and limited integration with empirical and technological approaches, rendering it insufficient to comprehensively address modern challenges.

Cluster 2: Sustainability and Development (Integration with the SDGs)

The second cluster includes:

a. *Sustainability*
b. *Poverty alleviation*
c. *Social welfare*
d. *SDGs*

This cluster reflects a paradigm shift in ISF toward sustainable development, where Islamic social finance instruments are increasingly positioned as part of global solutions for achieving the Sustainable Development Goals (SDGs).

This integration marks an important transformation of ISF from a philanthropic instrument into an impact-driven economic development system. However, the literature within this cluster still faces challenges related to standardized impact measurement, particularly those based on *maqāṣid al-sharīʻah* principles.

Cluster 3: Institutional and Microfinance Dimension (Economic Empowerment)

This cluster includes:

a. *Islamic microfinance*
b. *Waqf management*
c. *Financial inclusion*

This cluster focuses on community economic empowerment, particularly for unbanked and underserved populations. Islamic microfinance is positioned as a bridge between social finance and commercial finance, while productive waqf serves as a strategic instrument for generating long-term impact.

Nevertheless, research within this cluster remains largely sectoral and has not yet been fully integrated into the broader Islamic financial system, thereby limiting its contribution to macroeconomic development.

Cluster 4: Digital Transformation (Emerging and Driving Theme)

The fourth cluster includes:

a. *Fintech*
b. *Blockchain*
c. *Crowdfunding*
d. *Digital zakat* and *digital waqf*

This cluster represents the most rapidly developing (emerging) theme and simultaneously acts as the primary driving force behind the transformation of ISF in the digital era. Digitalization significantly enhances efficiency, transparency, and financial inclusion.

However, an important finding within this cluster is that technological advancement is not always accompanied by adequate institutional integration and regulatory support. This condition creates a gap between innovation and implementation, which may hinder the optimization of ISF impact.

Inter-Cluster Relationship and Structural Insight

The network analysis indicates that although interconnections exist among the clusters, these relationships remain relatively weak and are not yet systematically integrated. The digital cluster (Cluster 4) has developed rapidly; however, it is not yet fully connected to the institutional cluster (Cluster 3) or the normative cluster (Cluster 1).

This condition reflects the existence of thematic fragmentation within the Islamic Social Finance literature, which is characterized by:

1. the lack of integration among technology, institutions, and normative values; and
2. the absence of a holistic ISF ecosystem.

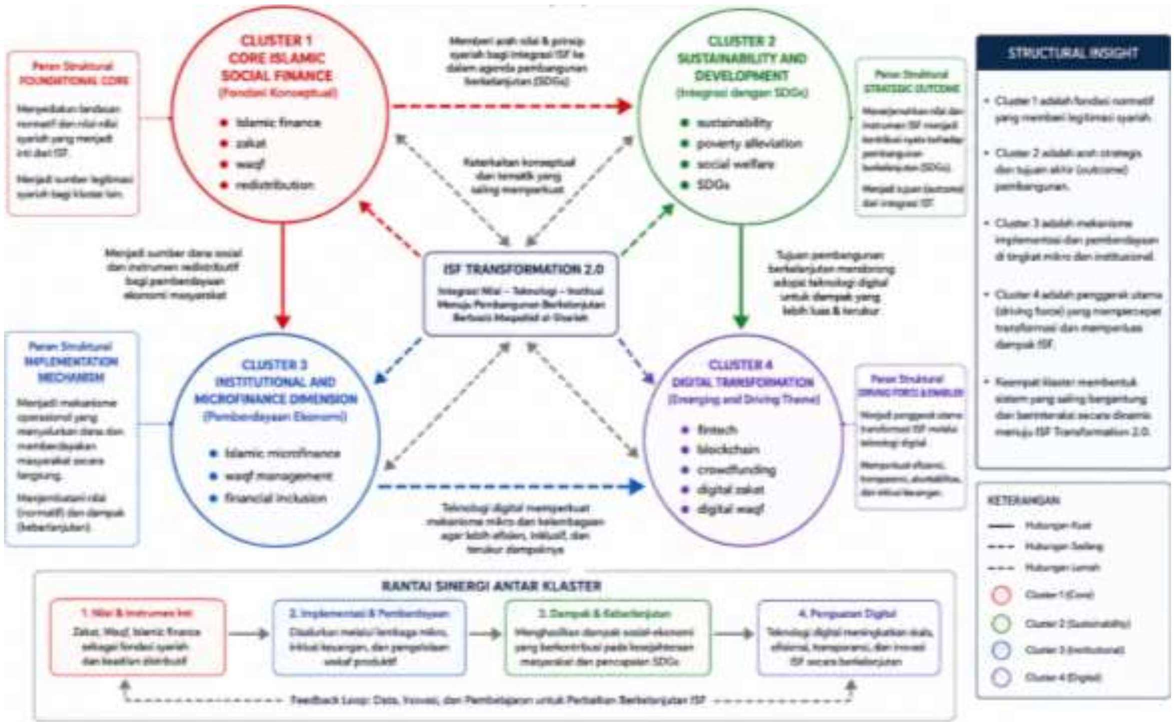

Figure 3. Inter-Cluster Relationship Diagram of Islamic Social Finance

Source: Biblioshiny output (Bibliometrix package), WoS Core Collection database (1979–2025).

The following table presents the results of the co-word analysis, which identifies the four major thematic clusters within the Islamic Social Finance literature and highlights the characteristics, roles, and gaps of each cluster in shaping the ISF knowledge structure.

Table 3. Results of Co-Word Analysis (Thematic Structure of Islamic Social Finance)

Cluster	Main Theme	Dominant Keywords	Thematic Characteristics	Role in the Literature	Weaknesses / Gaps
Cluster 1	Core Islamic Social Finance	Islamic finance, zakat, waqf, redistribution	Based on normative values and sharia principles	Conceptual foundation of ISF	Predominantly normative; limited technological and empirical integration
Cluster 2	Sustainability and Development	sustainability, SDGs, poverty alleviation, social welfare	Connects ISF with sustainable development	Shifts ISF toward an impact-oriented system	Impact measurement remains insufficiently standardized (*maqāṣid*-based measurement is still limited)
Cluster 3	Institutional and Microfinance	Islamic microfinance, waqf management, financial inclusion	Focus on economic empowerment and inclusion	Bridge between social and commercial finance	Still sectoral and insufficiently integrated into the broader ecosystem
Cluster 4	Digital Transformation	fintech, blockchain, crowdfunding, digital zakat/waqf	Technology- and innovation-based	Most rapidly developing theme (emerging and	Not accompanied by adequate institutional and regulatory integration

		driving theme)

Source: Compiled by the authors based on Web of Science data (1979–2025).

The analysis results demonstrate that the thematic structure of Islamic Social Finance remains fragmented, particularly in integrating digital, institutional, and normative dimensions. This finding indicates that although innovation within ISF has developed significantly, the establishment of a holistic and integrated ecosystem remains a major challenge in the transformation toward Islamic Social Finance 2.0.

Bibliographic Coupling Analysis

Bibliographic coupling analysis was conducted to identify the intellectual relationships among publications based on the similarity of references used. Using VOSviewer, this analysis mapped the Islamic Social Finance (ISF) literature into several major groups reflecting different research orientations.

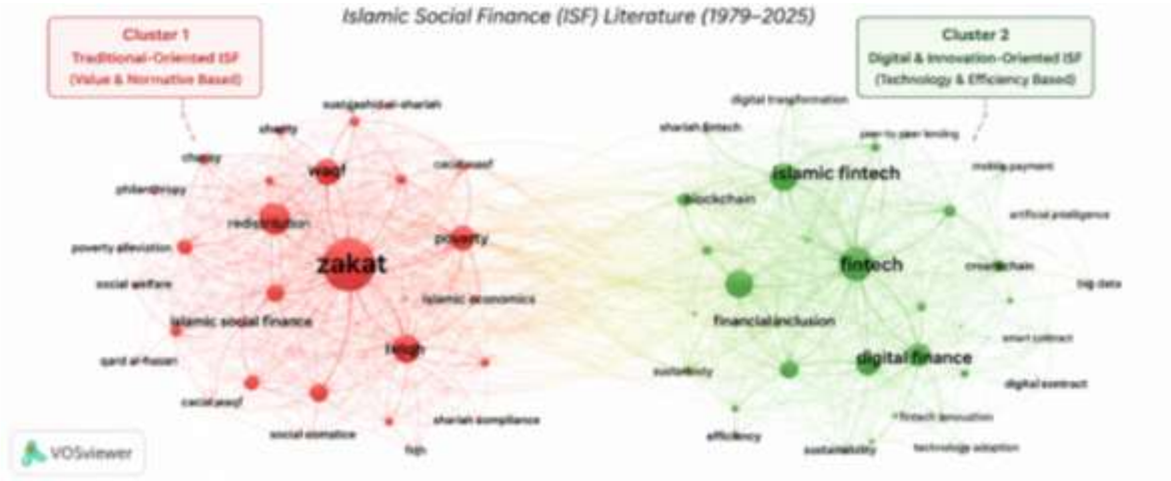

Figure 4. Bibliographic Coupling Analysis of Islamic Social Finance

Source: Biblioshiny output (Bibliometrix package), WoS Core Collection database (1979–2025).

The analysis results indicate that the ISF literature can be classified into two major clusters, reflecting the existence of a dualistic approach in the development of the field.

Table 4. Results of Bibliographic Coupling Analysis in Islamic Social Finance

Cluster	Research Orientation	Main Focus	Characteristics	Approach	Weaknesses / Gaps
Cluster 1	Traditional-Oriented ISF	Zakat, waqf, redistribution, poverty	Based on normative values and sharia principles	Conceptual, fiqh-based	Limited innovation and minimal technological integration
Cluster 2	Digital & Innovation-Oriented ISF	Fintech, blockchain, crowdfunding, digital finance	Technology- and efficiency-based	Empirical, data-driven, innovation-based	Weak institutional integration and limited incorporation of *maqāṣid* values

Source: Compiled by the authors based on Web of Science data (1979–2025).

Table 5. Comparison of the Two ISF Literature Streams

Aspect	Traditional Stream	Digital Innovation Stream

Focus	Social redistribution	Efficiency and innovation
Instruments	Zakat, waqf	Fintech, blockchain
Approach	Normative	Empirical
Objective	Social welfare	Inclusion and efficiency
Weaknesses	Limited technological adaptability	Limited integration of sharia values

Source: Compiled by the authors based on Web of Science data (1979–2025).

The bibliographic coupling analysis reveals the existence of epistemic fragmentation within the Islamic Social Finance literature, characterized by the separation between traditional approaches and technology-based approaches. These two clusters have developed in parallel without strong integration, thereby creating an imbalance between innovation and implementation.

The first cluster maintains a strong normative orientation but tends to be less responsive to technological developments. In contrast, the second cluster demonstrates a high degree of innovation dynamics but has not yet been fully integrated with the core values of ISF, such as *maqāṣid al-sharīʿah* and the principles of distributive justice. This condition reinforces the finding that Islamic Social Finance faces a dualism between tradition and innovation, which has not yet been integrated into a unified systemic framework.

Thematic Evolution

The thematic evolution analysis was conducted to identify shifts in research focus within the Islamic Social Finance (ISF) literature over time based on data obtained from the Web of Science database for the 1979–2025 period. The analysis was performed using Biblioshiny (Bibliometrix package) to map the dynamics of thematic development across different phases of research evolution.

Figure 5. Thematic Evolution in Islamic Social Finance

Source: Biblioshiny output (Bibliometrix package), WoS Core Collection database (1979–2025).

The analysis results indicate that the evolution of ISF themes has progressed gradually from normative and traditional philanthropic approaches toward a digitally driven and impact-oriented system. This development reflects a structural transformation in the ISF literature influenced by changing socio-economic needs, technological advancement, and integration with global development agendas.

Table 4. Thematic Evolution in Islamic Social Finance

Period	Phase	Dominant Themes	Characteristics of Development	Major Shift
1979–1989	Emergence Phase	Zakat, waqf, charity, redistribution	Focus on philanthropic and redistributive functions	ISF as a socio-religious instrument
1990–2000	Conceptual Development Phase	Fiqh of zakat, historical waqf, Islamic charity	Strengthening conceptual and normative legitimacy	Reinforcement of ISF theoretical foundations
2001–2010	Institutional Awareness Phase	Zakat management, waqf governance, poverty alleviation	Growing focus on institutional and governance aspects	From philanthropy → institutionalization
2011–2015	Foundation and Integration Phase	Governance, social welfare, early SDGs	ISF increasingly linked with economic development and policy	From normative orientation → development orientation
2016–2020	Expansion Phase	Islamic microfinance, financial inclusion, early digital finance	Expansion of ISF functions and initial technology integration	Digitalization as an enabler
2021–2025	Digital Ecosystem Phase	Fintech, blockchain, crowdfunding, digital zakat/waqf	Rapid integration of technology and financial innovation	Toward a digital impact-oriented system

Source: Compiled by the authors based on Web of Science data (1979–2025).

The thematic evolution analysis demonstrates that the development of ISF has not been linear; rather, it has passed through several phases of structural transformation reflecting paradigm shifts within both the literature and the practice of Islamic Social Finance.

1. Emergence Phase (1979–1989): During the initial phase, ISF was positioned as a philanthropic instrument grounded in religious values and oriented toward wealth redistribution and social assistance. Research during this stage remained very limited and was dominated by normative and historical approaches, with primary attention given to zakat, waqf, and sadaqah as instruments of social worship.
2. Conceptual Development Phase (1990–2000): Entering the second phase, academic attention increasingly focused on strengthening the conceptual and normative legitimacy of ISF. Themes such as the *fiqh* of zakat and historical waqf emerged to reinforce the theoretical and legal foundations of Islamic social finance implementation.
3. Institutional Awareness Phase (2001–2010): In this phase, research began to shift toward institutional and governance aspects, including zakat management and waqf governance. ISF increasingly came to be viewed as part of a more formal and strategic economic system supporting poverty alleviation and social development.

4. Foundation and Integration Phase (2011–2015): This phase reflects the early integration of ISF with broader economic development agendas, including its linkage with social welfare and the SDGs. The literature began to position ISF not merely as a philanthropic instrument but also as part of an economic development system based on social justice.
5. Expansion Phase (2016–2020): During the expansion phase, ISF became increasingly associated with issues such as Islamic microfinance, financial inclusion, and the initial integration of digital technology. This development indicates an expansion of ISF functions from simple redistribution toward community economic empowerment, particularly for unbanked and underserved populations. Nevertheless, during this stage technology primarily functioned as an enabler rather than as a fully integrated ecosystem component.
6. Digital Ecosystem Phase (2021–2025): The peak of thematic evolution occurred during the 2021–2025 period, indicating that ISF has entered the digital ecosystem stage. Technologies such as fintech, blockchain, and crowdfunding are no longer used solely to improve efficiency and transparency; they are also beginning to shape new structures within the Islamic social finance system.

This transformation marks a significant shift toward an impact-oriented system, in which ISF is directed toward generating more measurable, inclusive, and sustainable socio-economic impacts. However, the analysis also reveals that technological development continues to progress more rapidly than institutional and regulatory integration, thereby creating a gap between digital innovation and systemic implementation.

Thematic Mapping

The thematic mapping analysis was conducted to identify the position and level of development of themes within the Islamic Social Finance (ISF) literature based on their degree of centrality and density. The analysis was performed using Biblioshiny to classify research themes into four major categories: *motor themes, basic themes, niche themes,* and *emerging or declining themes.*

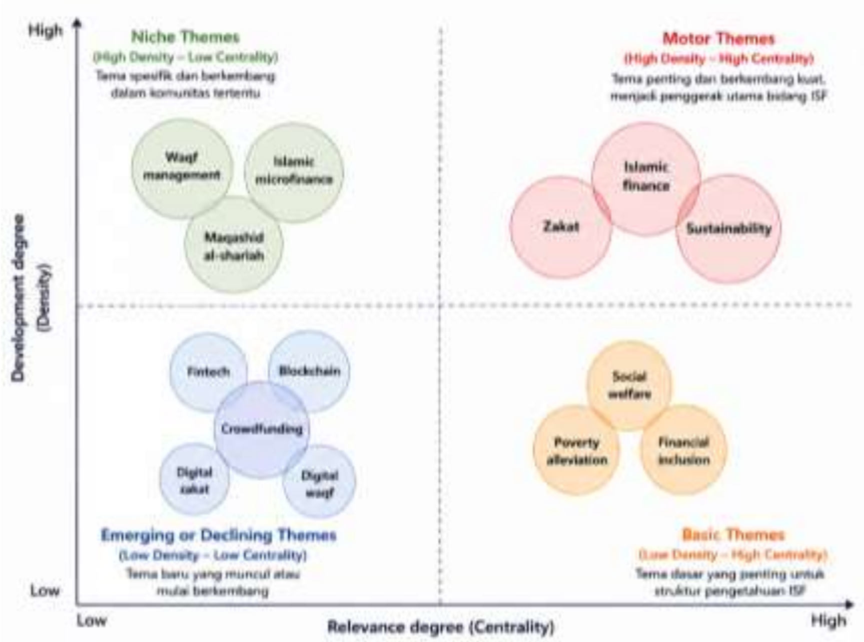

Figure 6. Thematic Mapping of Islamic Social Finance

Source: Biblioshiny output (Bibliometrix package), WoS Core Collection database (1979–2025).

The analysis results indicate that the ISF knowledge structure has undergone a significant transformation from predominantly normative themes toward themes centered on technology and sustainable development. Nevertheless, the thematic mapping also reveals an uneven pattern of development among themes, particularly between digital innovation and institutional integration.

Table 5. Thematic Mapping in Islamic Social Finance Literature

Theme Category	Dominant Themes	Characteristics	Role in the Literature	Level of Development
Motor Themes	Islamic finance, zakat, sustainability	High centrality and high density	Main driving forces of ISF development	Highly developed and integrated
Basic Themes	Social welfare, poverty alleviation, financial inclusion	High centrality but low density	Fundamental foundation of ISF research	Important but still developing
Niche Themes	Waqf management, Islamic microfinance, maqāṣid al-sharī'ah	High density but low centrality	Specific and specialized themes	Developed within limited research communities
Emerging Themes	Fintech, blockchain, crowdfunding, digital zakat/waqf	Centrality and density still evolving	Future direction of ISF	Rapidly growing but not yet stable

Source: Compiled by the authors based on Web of Science data (1979–2025).

The thematic mapping analysis demonstrates that the major themes within ISF have developed unevenly and reflect the ongoing transformation of the Islamic social finance system.

1. Motor Themes: Themes such as *Islamic finance*, *zakat*, and *sustainability* are categorized as *motor themes*, indicating that they possess high relevance and strong development within the literature. These themes serve as the central drivers integrating Islamic normative values with sustainable development agendas. Their

dominance suggests that ISF is increasingly positioned as a strategic instrument for promoting inclusive and equitable economic development.

2. Basic Themes: Themes such as *social welfare*, *poverty alleviation*, and *financial inclusion* are categorized as *basic themes* because they exhibit strong connections with various other themes but have not yet developed in substantial depth. These themes constitute an important foundation in ISF research because they are directly related to the primary objectives of Islamic social finance, namely improving social welfare and reducing economic inequality.
3. Niche Themes: Themes such as *waqf management*, *Islamic microfinance*, and *maqāṣid al-sharīʿah* fall into the category of *niche themes*. These themes demonstrate a high degree of development but remain confined to specific research communities. Although specialized in nature, they possess strategic potential in strengthening the integration between normative values and the practical implementation of ISF, particularly in community-based economic development.
4. Emerging Themes: Technology-based themes such as *fintech*, *blockchain*, *crowdfunding*, as well as *digital zakat* and *digital waqf*, have emerged as rapidly growing themes in recent years. The emergence of these themes indicates that digitalization has become a new direction in the transformation of ISF toward a more efficient, transparent, and inclusive system. However, the relatively low level of integration between digital themes and institutional as well as regulatory aspects indicates that ISF transformation continues to face significant structural challenges.

The thematic mapping analysis further demonstrates that the development of ISF literature remains characterized by:

1. an imbalance between technological innovation and institutional integration;
2. the dominance of normative themes over systemic approaches; and
3. the limited integration among *maqāṣid al-sharīʿah* values, digital technology, and public policy.

This condition indicates that the transformation toward Islamic Social Finance 2.0 remains in a transitional stage, in which innovation is progressing more rapidly than the formation of a holistic and integrated ecosystem.

Discussion

The development of Islamic Social Finance (ISF) during the 1979–2025 period demonstrates a significant paradigm transformation from a traditional philanthropic approach toward a more integrated, technology-driven, and impact-oriented Islamic social finance system.

Based on the bibliometric analysis using data from the Web of Science database, the growth of ISF publications has increased progressively, particularly after 2020 when digitalization emerged as a central theme within the literature. This increase indicates that ISF is no longer understood merely as a wealth redistribution instrument based on zakat and waqf, but has evolved into part of a sustainable economic development system integrated with global agendas such as the Sustainable Development Goals (SDGs) (Etika et al., 2025; Hikam et al., 2025).

This transformation is reflected in the changing thematic structure of ISF research. In its early phase, ISF studies were dominated by normative and *fiqh*-oriented approaches that positioned zakat, waqf, and sadaqah as socio-religious instruments for wealth redistribution and poverty alleviation. However, as the literature evolved, research attention gradually shifted toward institutional issues, governance, financial inclusion, and the integration of digital technology. This shift demonstrates that ISF has evolved from a charity-based system into a socio-economic development system oriented toward measurable and sustainable impact (Hasan & Putri, 2021; Ramadani, 2025).

The co-word analysis results indicate that the ISF knowledge structure is organized into four major clusters: *core Islamic social finance, sustainability and development, institutional and microfinance dimension*, and *digital transformation*. The digital cluster emerged as the most rapidly developing theme and has become the primary driving force behind the contemporary transformation of ISF. Themes such as fintech, blockchain, crowdfunding, digital zakat, and digital waqf have shown significantly increasing interconnections in recent years. This finding indicates that digitalization has become a major catalyst in enhancing efficiency, transparency, accountability, and financial inclusion in ISF management (Rafidah & Maharani, 2023; Udin & Misbah, 2025).

These findings are consistent with the study by Etika et al. (2025), which demonstrated that digitalization functions as a catalyst for transforming ISF into a more inclusive, transparent, and equitable system grounded in *maqāṣid al-sharīʿah* and the SDGs. The study emphasized that the integration of digital technology has expanded the role of ISF from merely distributing social funds toward impact-oriented and sustainable economic development.

From a theoretical perspective, this development can be explained through the theory of *Maqāṣid al-Sharīʿah*, which positions the protection of religion (*hifz al-din*), life (*hifz al-nafs*), intellect (*hifz al-ʿaql*), lineage (*hifz al-nasl*), and wealth (*hifz al-mal*) as the primary objectives of the Islamic economic system. The digitalization of ISF essentially represents the actualization of *maqāṣid* within the context of the modern economy, as technology enables broader access, more efficient distribution mechanisms, and wider social protection. Research by Samsiyah et al. (2025) demonstrated that digital transformation in Islamic financial institutions can strengthen financial inclusion and improve service efficiency based on sharia principles.

Furthermore, the findings also reveal that ISF development is increasingly connected to the concepts of sustainable finance and ESG (Environmental, Social, and Governance). The integration of *maqāṣid al-sharīʿah* values with sustainability principles indicates that ISF possesses substantial potential as an alternative model for more ethical and inclusive economic development. Findings by Nurfuadah et al. (2025) and Safitri and Fitri (2025) demonstrate that an Islamic economic system grounded in distributive justice, zakat, and waqf can strengthen economic resilience and sustainable development in response to global uncertainty.

Nevertheless, this study also found that the development of ISF continues to face serious structural challenges, particularly related to fragmentation among digital innovation, institutional governance, and regulatory systems. The bibliographic coupling analysis indicates that ISF literature still develops partially between normative approaches centered on zakat and waqf and technology-oriented approaches based on fintech and blockchain. This gap creates a condition that may be described as the *innovation–integration gap*, namely a situation in which technological innovation develops more rapidly than the capacity of institutional and regulatory systems to integrate it comprehensively.

This condition suggests that the primary challenge for future ISF transformation lies not only in digital technology development but also in the construction of an integrated ecosystem. Regulation, system interoperability, digital governance, and cross-sector collaboration constitute critical factors in determining the success of the transformation toward Islamic Social Finance 2.0. Studies by Hartono (2026), Meka, and Ghasali (2025) indicate that weak regulatory harmonization in digital waqf management results in low public participation, weak institutional coordination, and legal uncertainty in the implementation of ISF technologies.

From a geographical perspective, this study demonstrates that Indonesia and Malaysia have emerged as major knowledge hubs in the development of global ISF. Indonesia excels in the development of digital zakat, Islamic fintech, and community-based social innovation, whereas Malaysia demonstrates stronger performance in institutional governance and the integration of Islamic financial policies. The dominance of these two countries indicates that ISF development is strongly influenced by the strength of Islamic economic ecosystems, regulatory support, and the level of digital technology adoption (Munifatussaidah et al., 2024; Wahyuni, 2025; Sudarmanto et al., 2025; Ekawaty & Hanafiansyah, 2026). Meanwhile, Middle Eastern countries contribute more significantly to strengthening the normative and theoretical foundations of Islamic economics.

Overall, the findings indicate that ISF is moving toward a new phase that may be described as *Islamic Social Finance 2.0*—a digitally integrated, impact-oriented Islamic social finance system emphasizing inclusion and sustainability while integrating *maqāṣid al-sharīʿah* values with technological innovation. However, the success of this transformation depends heavily on the ability to establish integration among digital innovation, institutional governance, regulation, and Islamic normative values within a holistic and sustainable ecosystem. Without such integration, the digitalization of ISF risks producing rapidly developing innovations that fail to generate optimal and sustainable socio-economic impact.

CONCLUSION

The This study demonstrates that Islamic Social Finance (ISF) has undergone a significant transformation throughout the 1979–2025 period, evolving from a traditional philanthropic system based on zakat and waqf into a digital, inclusive, and impact-oriented Islamic social finance ecosystem. The bibliometric analysis based on Web of Science data indicates that the development of ISF literature has not only increased quantitatively but has also experienced a paradigm shift from normative approaches toward the integration of technology, sustainability, and SDG-oriented economic development. Digitalization-related themes such as fintech, blockchain, crowdfunding, digital zakat, and digital waqf have emerged as the most rapidly developing themes and the primary drivers of contemporary ISF transformation.

Although digitalization has proven effective in improving efficiency, transparency, and financial inclusion within Islamic social finance, this study finds the existence of fragmentation among digital innovation, institutional governance, regulatory frameworks, and normative sharia values. This condition indicates that the ISF ecosystem has not yet been holistically integrated. In addition, the findings confirm that Indonesia and Malaysia serve as major knowledge hubs in the development of global ISF, particularly in the areas of digitalization, Islamic financial innovation, and the integration of Islamic economy-based policies.

Overall, this study concludes that the transformation toward Islamic Social Finance 2.0 requires the integration of digital technology, adaptive regulation, institutional governance, and *maqāṣid al-sharīʻah* values in order to establish a sustainable and high-impact Islamic social finance system. Therefore, this study recommends strengthening cross-sector collaboration, harmonizing regulatory frameworks, developing *maqāṣid al-sharīʻah*-based impact measurement standards, and enhancing digital literacy as well as institutional capacity to support the establishment of a more integrated, inclusive, and sustainable ISF ecosystem.

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