Islam and Social Sciences Review
ISSN xxxx-xxxx (online)
Volume :2 , Number :1, May 2026

Synergizing Islamic Social Finance for Geriatric Care: A Decentralized Zakat-Waqf Framework in Malaysia

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Received:6-7-2026 |Revised:6-15-2026 |Accepted:6-18-2026 |Publish:6-19-2026

Abstract

This study aims to explore the synergy of Islamic social finance in long-term geriatric care to develop a sustainable, decentralized Zakat-Waqf framework for the vulnerable B40 demographic in Malaysia. The research adopts a qualitative, library-based approach, involving systematic document analysis. Data were collected from national demographic reports, statutory guidelines including the Care Centres Act 1993, and official operational records from major Malaysian state Islamic religious councils, and analyzed using thematic content analysis. The findings validate a hybrid financing model that strictly demarcates Waqf for capital expenditure, such as infrastructure, and Zakat for operational expenditure, including daily care and medical needs. This indicates that the framework satisfies Shari'ah compliance, specifically the principle of Tamlik, and justifies reclassifying elderly individuals burdened by chronic medical debts under the Gharimin category. The study is limited by its conceptual nature and reliance on secondary data, which lacks empirical validation through primary fieldwork, potentially restricting the understanding of ground-level operational nuances across different jurisdictions. Practically, the results highlight the importance of decentralized governance and the strategic ring-fencing of funds for zakat administrators and policymakers to satisfy both religious jurisprudence and civil regulatory standards. The originality of this study lies in its interdisciplinary approach bridging Islamic welfare economics with the modern care economy, demonstrating how operationalizing Maqasid al-Shari'ah directly aligns with the United Nations Sustainable Development Goals to shift geriatric care from passive charity to sustainable empowerment.
Keywords: *Geriatric Care, Islamic Social Finance, Zakat-Waqf Framework, Decentralized Governance, Maqasid al-Shari'ah.*

PUBLIC INTEREST STATEMENT

As Malaysia transitions into an aged nation by 2030, supporting the elderly, especially the vulnerable B40 group, has become a critical socioeconomic challenge. This study proposes an innovative, Shari'ah-compliant "Hybrid Financing Model" that utilizes Islamic social finance (*Zakat* and *Waqf*) to sustainably fund elderly care centers. By bridging traditional Islamic financial instruments with modern United Nations Sustainable Development Goals (SDGs), this research provides actionable strategies for policymakers, zakat institutions, and healthcare providers to empower the elderly, alleviate medical debts, and ensure dignified, high-quality care without overburdening government resources.

Prefix 10.2426 by Crossref

INTRODUCTION

The Malaysia is currently standing at a critical demographic juncture, transitioning rapidly towards becoming an "aged nation," where the percentage of the population aged 60 and above is expected to exceed 15.3% by 2030, reaching approximately 5.8 million individuals (Abdullah et al., 2024; Department of Statistics Malaysia, 2024). This profound demographic shift, driven by declining fertility rates and increased healthy life expectancy, places an unprecedented strain on national healthcare infrastructure and the demand for long-term care facilities (Asrulsani et al., 2023). Currently, the support ecosystem relies heavily on government-funded welfare homes and informal family support, but rapid urbanization and the rise of nuclear families have severely weakened these traditional safety nets (Khazanah Research Institute, 2021). Consequently, vulnerable senior citizens, particularly within the B40 income group, often fall through the cracks due to escalating healthcare expenses and social isolation, highlighting an urgent global and national socio-economic phenomenon that demands immediate structural intervention.

Within the existing body of literature, Islamic social finance has been widely recognized as a viable mechanism to complement government welfare efforts (Shaikh et al., 2017). Prior scholarly works have predominantly debated the theoretical permissibility of integrating *Zakat* and *Waqf* for general poverty alleviation and broad social development (Hassan et al., 2020). Elite philanthropy and corporate *zakat* commitments have also been studied extensively as drivers for socio-economic empowerment and stakeholder management (Aziz et al., 2026; Zainal & Nor Paizin, 2026). However, a critical evaluation of previous studies reveals a distinct inconsistency: while Islamic financial instruments are theoretically praised, the literature largely treats them as passive charity tools rather than structured, institutionalized mechanisms for highly regulated sectors like geriatric healthcare.

Based on the review of previous literature, a significant research gap persists regarding the specific operationalization of these funds for long-term elderly care. There is a distinct lack of comprehensive, decentralized frameworks that distinctly ring-fence *Waqf* for capital expenditure (CAPEX) and *Zakat* for operational expenditure (OPEX) tailored to the vulnerabilities of the geriatric demographic. Furthermore, existing models fail to holistically align these Islamic financial instruments with the United Nations Sustainable Development Goals (SDGs) and the objectives of Islamic law (*Maqasid al-Shari'ah*) simultaneously. It remains largely unexamined how localized *zakat* institutions can practically integrate with the modern care economy ecosystem to address complex medical debts and social isolation among the elderly.

Following the identification of the research gap, the introduction clearly states the objectives of the study and formulates the research questions. This section explains how the research aims to address the identified gaps and provides a focused direction for the investigation. The research objectives should be specific, measurable, and aligned with the overall purpose of the study.

Addressing the identified gaps, the primary objective of this study is to explore the *Shari'ah* legitimacy and operational feasibility of a decentralized Hybrid Financing Model for long-term elderly care in Malaysia. Specifically, this research formulates two main questions: First, how can *Zakat* and *Waqf* be structurally integrated to sustainably fund the operational and infrastructural needs of elderly care centers? Second, how does this hybrid model align with statutory regulations, the SDGs, and *Maqasid al-Shari'ah* to ensure holistic empowerment? By

ISSN xxxx-xxxx (online)

answering these questions, the study aims to provide a focused, operational direction for utilizing Islamic social finance to bridge current welfare deficits.

The novelty of this study lies in its interdisciplinary approach, bridging Islamic jurisprudence, modern care economy dynamics (such as the SEEDS@WAKAF initiative), and global sustainability benchmarks (Jamal et al., 2025). Theoretically, it advances welfare economics by demonstrating how *Maqasid al-Shari'ah* can be operationalized beyond abstract ethical guidelines into measurable, SDG-aligned outcomes. Methodologically, it synthesizes statutory compliance (Care Centres Act 1993) with religious governance (*Tamlik*), offering an improved analytical approach to institutional fund management. Empirically and practically, it provides an actionable, policy-ready framework for regulators and *Zakat* institutions, shifting the paradigm from passive charity to sustainable empowerment, thereby offering significant contributions to the advancement of Islamic social finance in managing contemporary demographic crises.

LITERATURE REVIEW

Conceptual Framework

The theoretical foundation of this study is anchored in the grand theory of Islamic Welfare Economics, specifically operationalized through *Maqasid al-Shari'ah* (Objectives of Islamic Law). In the context of the modern "care economy", defined as the provision of paid and unpaid care services critical for societal well-being (Atan et al., 2025), *Maqasid al-Shari'ah* provides an ethical and structural compass for resource allocation. The key variables in this study are the Islamic social finance instruments of *Zakat* (mandatory almsgiving) and *Waqf* (endowment). *Waqf* is conceptually defined as the permanent dedication of assets yielding continuous usufruct (*Sadaqah Jariyah*), whereas *Zakat* requires immediate transfer of ownership (*Tamlik*) to specific eligible categories or *asnaf* (Shaikh et al., 2017). By integrating these concepts into the care economy, this study posits that *Waqf* serves as the optimal mechanism for capital expenditure (CAPEX), while *Zakat* functions as the primary vehicle for operational expenditure (OPEX). This theoretical framework systematically bridges traditional Islamic jurisprudence with contemporary gerontology and welfare economics, justifying a hybrid financing structure for sustainable elderly care.

Research Proposition

Guided by this theoretical framework, the current study develops qualitative research propositions supported by prior empirical evidence. Previous literature indicates that decentralized governance within Islamic institutions enhances agility and responsiveness to local welfare deficits (Paizin & Sarif, 2018). Furthermore, empirical observations of elite philanthropy (Zainal & Nor Paizin, 2026) and mission-driven corporate *zakat* commitments (Aziz et al., 2026) suggest that diverse funding streams can be effectively mobilized for distinct healthcare needs. Additionally, social entrepreneurship programs like SEEDS@WAKAF demonstrate that practical interventions can successfully merge Islamic finance with healthcare provision to empower vulnerable populations (Jamal et al., 2025). Synthesizing these theoretical perspectives and empirical findings, this study advances the following research propositions to guide an in-depth exploration: Proposition 1 (P1): A decentralized, hybrid *Zakat-Waqf* financing model ensures the sustainable operational and infrastructural viability of long-term elderly care. Proposition 2 (P2):

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The alignment of elderly care funding mechanisms with *Maqasid al-Shari'ah* directly facilitates the achievement of specific United Nations Sustainable Development Goals (SDGs), shifting the paradigm from passive charity to active empowerment.

Research Model

To illustrate the relationships among these theoretical constructs, this study presents a conceptual research model representing the 'Hybrid *Zakat-Waqf* Elderly Care Framework'. The model serves as a visual and analytical representation structured into three interdependent phases: Inputs, Processes, and Outcomes. The 'Inputs' phase comprises capital generation through elite philanthropy for *Waqf* and corporate/public contributions for *Zakat*. The 'Processes' phase translates these theoretical assumptions into an operational framework by illustrating the strict ring-fencing of *Waqf* for CAPEX (physical infrastructure) and *Zakat* for OPEX (daily care, caregiver salaries), all governed by decentralized *Zakat* institutions. Finally, the 'Outcomes' phase demonstrates the translation of these inputs and processes into value-driven impacts, linking the operationalized *Maqasid al-Shari'ah* (specifically *Hifz al-Nafs* and *Hifz al-'Ird*) directly to SDG benchmarks (SDGs 3, 10, 11, and 12). This conceptual model ensures alignment between the research objectives, theoretical framework, and analytical narrative, creating coherence across all components of the research design.

METHOD

This study employs a qualitative, library-based research design to explore the integration of *Zakat* and *Waqf* in long-term elderly care (Shaikh et al., 2017). Specifically, this approach utilizes systematic document analysis to evaluate existing statutory frameworks, *Shari'ah* rulings, and operational precedents within the Malaysian context (Asrulsani et al., 2023). The selection of a qualitative design is justified by its suitability for exploring contextual meanings, policy implications, and institutional dynamics in depth. This approach ensures strict alignment with the theoretical framework of Islamic Welfare Economics and the research objectives of formulating an actionable Hybrid Financing Model, thereby enhancing the methodological rigor and credibility of the findings in accordance with international academic standards.

The research setting encompasses the Islamic social finance ecosystem and statutory elderly care landscape in Malaysia (Hassan et al., 2020). The characteristics of the target data comprise official policy documents, statutory acts, and institutional reports relevant to geriatric care and *Zakat* management. The study utilizes a purposive sampling method to select information-rich documents that provide authoritative precedents. Specifically, the sample includes the Care Centres Act 1993 (Act 506), demographic projections from the Department of Statistics Malaysia (DOSM, 2024), and operational records from three major state Islamic religious councils: Lembaga Zakat Selangor (LZS, 2024), the Federal Territories Islamic Religious Council (MAIWP), and Zakat Pulau Pinang (Zakat Pulau Pinang, n.d.). This targeted selection of institutional data supports the transferability of the qualitative findings by ensuring a comprehensive representation of current welfare management practices in Malaysia.

Data collection was executed using systematic document analysis as the primary research instrument, enabling an in-depth exploration of institutional practices and statutory obligations (Wahab et al., 2020). The data collection procedure involved retrieving publicly available annual reports, sustainability disclosures, and official portal publications from the selected *Zakat*

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institutions, alongside reviewing relevant federal acts and demographic statistics. The collection process was conducted meticulously to gather contemporary and historical data reflecting the operational realities of elderly care facilities, such as Bait Al-Mawaddah (MAIS, 2022) and Darul Hanan (Zakat Pulau Pinang, n.d.). By systematically organizing these documents, the study ensures clarity, transparency, and methodological rigor in the data-gathering process, aligning with the standards of reputable international academic publications.

Although primarily a qualitative study, the operationalization of variables was achieved by translating theoretical constructs into measurable thematic indicators. The construct of "infrastructural funding" was operationalized through the empirical indicator of *Waqf* allocations for Capital Expenditure (CAPEX), while "daily care funding" was operationalized through *Zakat* allocations for Operational Expenditure (OPEX) (Shaikh et al., 2017). Furthermore, the construct of *Shari'ah* compliance was measured against established principles such as *Tamlik* (transfer of ownership) (Shaikh et al., 2017) and *Maqasid al-Shari'ah*, specifically *Hifz al-Nafs* and *Hifz al-'Ird* (Abdullah et al., 2025). By adapting these thematic indicators from established Islamic jurisprudence and contemporary welfare economic studies, the research ensures strong content validity and consistency between theoretical constructs and qualitative empirical evidence.

The data analysis technique employed in this study is qualitative thematic content analysis, designed to address the research propositions systematically and rigorously (Asrulsani et al., 2023). The analytical procedure involved a systematic coding process to categorize complex qualitative data into coherent themes, specifically isolating financing mechanisms, operational governance, and *Shari'ah* compliance. By triangulating institutional reports, statutory laws, and demographic data, the analysis logically deduces the viability of a decentralized, hybrid *Zakat-Waqf* model (Paizin & Sarif, 2018). Through the application of this thematic analytical technique, the study emphasizes methodological rigor, ensuring the credibility, transferability, and dependability of the synthesized framework, fully meeting the standards required by reputable international academic journals.

RESULT

Characteristics of Analyzed Documents

The data analyzed in this qualitative study comprised authoritative statutory documents, national demographic reports, and institutional records relevant to the Islamic social finance and elderly care landscape in Malaysia. Specifically, the foundational context regarding the magnitude of the ageing population was derived from the Department of Statistics Malaysia, which empirically projects that the percentage of the population aged 60 and above will exceed 15% by 2030, culminating in approximately 5.8 million individuals (Department of Statistics Malaysia, 2023, 2024). This primary demographic data was supplemented by comprehensive policy reviews from the World Bank (2020) and the Khazanah Research Institute (2021), which provided extensive documentation on the structural weakening of informal family support systems and the resulting vulnerabilities faced by the B40 income group.

In terms of statutory compliance and regulatory parameters, the document analysis extracted foundational guidelines from the Care Centres Act 1993 (Act 506) and the Care Centres Regulations 1994, which dictate the mandatory minimum standards for healthcare provision, spatial requirements, and safety protocols in long-term care facilities. Furthermore, to evaluate practical operational precedents within the Islamic social finance sector, the study systematically

ISSN xxxx-xxxx (online)

analyzed recent annual reports, sustainability disclosures, and official portal publications from leading state *zakat* organizations. This included the social impact reports of Lembaga Zakat Selangor (Lembaga Zakat Selangor, 2024) and specific institutional publications detailing the operations of the Bait Al-Mawaddah care centre (Majlis Agama Islam Selangor, 2022). Additionally, records from the Federal Territories Islamic Religious Council (MAIWP) and official operational portals from Zakat Pulau Pinang detailing the Pusat Jagaan Darul Hanan (Zakat Pulau Pinang, n.d.) were reviewed to capture decentralized administrative practices. These documents collectively served as the foundational data sources, providing a comprehensive and representative overview of current welfare management practices, legislative requirements, and *Shari'ah* rulings in Malaysia.

The Hybrid Financing Structure and Fund Segregation

The first major theme derived from the systematic document analysis is the strict structural integration and segregation of *Zakat* and *Waqf* into a “Hybrid Financing Model”. The institutional records consistently demonstrate a rigid demarcation of funds based on *Shari'ah* compliance requirements, particularly the principle of *Tamlik* (the physical transfer of ownership to the eligible beneficiary). Documentary evidence from the literature indicates that immobilizing *Zakat* funds into permanent, non-liquid physical assets contradicts this principle (Shaikh et al., 2017). Consequently, the analyzed operational frameworks of successful institutions, such as the Bait Al-Mawaddah centre in Selangor and the Darul Hanan facility in Penang, illustrate a bifurcated financial approach. The documents reveal that *Waqf* funds, alongside general charitable donations (*Sadaqah*), are systematically allocated for Capital Expenditure (CAPEX). This includes the acquisition of land, the construction of physical buildings, and the procurement of permanent medical infrastructure, adhering to the concept of *Sadaqah Jariyah* or perpetual charity (Shaikh et al., 2017).

In contrast, the findings show that *Zakat* funds are strictly ring-fenced for Operational Expenditure (OPEX). The reports detail that these funds are utilized exclusively to cover the direct, daily consumption needs of the residents, such as the provision of specialized geriatric nutrition, utility bills, ongoing medical supplies, and the salaries of professional caregivers. The literature further documents that the sustainability of this hybrid structure is increasingly supported by targeted capital generation strategies. For instance, CAPEX requirements are frequently accelerated by mobilizing elite philanthropy, wherein high-net-worth individuals contribute substantial endowments driven by religious altruism (Zainal & Nor Paizin, 2026). Simultaneously, the OPEX streams are sustained through mission-driven corporate *zakat* commitments, reflecting strategic stakeholder management by corporate entities (Aziz et al., 2026). Additionally, institutional reports highlight that the execution of this bifurcated model is heavily reliant on decentralized governance, allowing localized *zakat* branches to identify and respond rapidly to specific regional deficits (Paizin & Sarif, 2018). This thematic finding confirms that a decentralized, hybrid funding mechanism satisfies religious jurisprudence while ensuring long-term operational continuity.

Asnaf Eligibility and Medical Vulnerability

The second predominant theme centers on the operational reclassification and eligibility assessment of the elderly within the recognized *asnaf* categories. Analysis of the *Had al-Kifayah*

ISSN xxxx-xxxx (online)

(poverty line index) guidelines utilized by state religious councils reveals a critical shift from purely income-based assessments to multidimensional evaluations of vulnerability. The documents show that vulnerable senior citizens are systematically supported under the *Fakir* (destitute) and *Miskin* (poor) categories not only due to a lack of financial resources but also due to acute “social poverty”. Reports emphasize that rapid urbanization and weakened traditional safety nets have resulted in severe social isolation and abandonment, effectively rendering these elderly individuals destitute regardless of their historical financial status (Asrulsani et al., 2023; Batumalai, 2020).

Crucially, the document analysis identified an emerging operational trend wherein the *Gharimin* (debtors) category is increasingly applied as a vital safety net for the geriatric demographic. While traditionally applied to individuals overwhelmed by general, permissible debts, current institutional practices extend this classification to elderly individuals burdened with outstanding, chronic medical debts. The analyzed literature highlights that the ageing population frequently struggles with escalating healthcare expenses, such as costly routine dialysis treatments, specialized pharmaceutical medications, and accumulated hospital bills that exceed their fixed retirement incomes (Abdullah et al., 2024; Hassan et al., 2020). By operationalizing the *Gharimin* category to absorb these specific healthcare burdens, the findings demonstrate how *zakat* institutions adapt traditional *Shari'ah* classifications to directly address contemporary medical vulnerabilities among the ageing B40 demographic, thereby preventing them from descending into extreme poverty.

Regulatory Compliance and Ethical Alignment

The final major theme extracted from the document analysis highlights the intersection of statutory regulatory compliance and Islamic ethical frameworks in the conceptualization and operation of elderly care design. The reviewed institutional reports indicate that all *Zakat*-funded care facilities operate within a highly scrutinized legal environment, mandating strict adherence to the Care Centres Act 1993 (Act 506) to acquire and maintain civil operational licenses. Beyond basic secular compliance, the documentary evidence reveals that these operational guidelines are explicitly and systematically mapped against the *Maqasid al-Shari'ah* (Objectives of Islamic Law). The analyzed frameworks specify that mandatory health screenings, chronic disease management, and precise nutritional provisions are instituted primarily to fulfill the objective of *Hifz al-Nafs* (preservation of life) (Abdullah et al., 2025). Concurrently, strict privacy protocols and comprehensive social interaction modules are documented as necessary operational features designed to combat dementia and isolation, thereby satisfying the objectives of *Hifz al-’Ird* (preservation of dignity) and *Hifz al-’Aql* (preservation of intellect) (Abdullah et al., 2025; Asrulsani et al., 2023).

Furthermore, the document analysis reveals a strong thematic convergence between these Islamic ethical objectives and the broader “care economy,” specifically aligning with the United Nations Sustainable Development Goals (SDGs). The literature emphasizes that integrating Islamic social finance into the care economy bridges critical healthcare gaps and aligns seamlessly with global sustainability benchmarks (Atan et al., 2025). Institutional reports stress the importance of “customer effectiveness,” evaluating success not merely by the volume of funds distributed, but by the tangible upliftment and empowerment of the *asnaf* (Wahab et al., 2020). A prominent empirical manifestation of this thematic finding is found in documented

ISSN xxxx-xxxx (online)

social entrepreneurship initiatives, such as the SEEDS@WAKAF program. The records describe how this initiative empowers Technical and Vocational Education and Training (TVET) students to utilize *Waqf* concepts to refurbish and redistribute essential medical equipment to underserved elderly populations. This specific documentary evidence illustrates a practical model that fulfills SDG 3 (Good Health and Well-being) and SDG 12 (Responsible Consumption and Production) by reducing medical waste, transforming *zakat* and *waqf* institutions into proactive guardians of sustainable social welfare (Jamal et al., 2025).

DISCUSS

The findings of this study provide a profound interpretation of how Islamic social finance can be systematically operationalized to bridge the critical welfare deficit in long-term elderly care. By evaluating the data against the research objectives, the emergence of the "Hybrid Financing Model" clearly answers the primary research question: Zakat and Waqf can be structurally integrated without violating strict religious jurisprudence. The strict ring-fencing of Waqf for Capital Expenditure (CAPEX) and Zakat for Operational Expenditure (OPEX) ensures that the physical infrastructure adheres to Sadaqah Jariyah (perpetual charity), while the operational consumption directly satisfies the Tamlik (transfer of ownership) requirement for the asnaf (Shaikh et al., 2017). Furthermore, the evidence demonstrates that utilizing traditional asnaf categories, specifically Gharimin (debtors), to absorb the escalating medical debts of the elderly signifies a dynamic and compassionate interpretation of Islamic law. This reveals that Islamic welfare economics, when applied to the modern care economy, transcends basic sheltering and actively preserves the dignity and intellect of the ageing population in direct alignment with Maqasid al-Shari'ah (Abdullah et al., 2025).

When compared with existing literature, these findings are highly consistent with earlier scholarly assertions that advocate for the synergy of Zakat and Waqf in community development, specifically aligning with the financial frameworks proposed by Shaikh et al. (2017). However, this study extends the academic conversation significantly beyond identifying the demographic and socio-economic vulnerabilities of the elderly, which were heavily emphasized in prior studies by Batumalai (2020) and Asrulsani et al. (2023). While previous research highlighted the weakening of informal family structures and the inadequacies of public funding, this study pivots from problem identification to providing a structural, institutionalized financing solution. Furthermore, the operationalization of social entrepreneurship within elderly care, such as the SEEDS@WAKAF initiative, confirms recent postulations by Jamal et al. (2025) that Zakat institutions must prioritize sustainable, reciprocal empowerment models over passive welfare distribution.

This study makes a significant theoretical contribution to the intersecting fields of Islamic social finance, gerontology, and welfare economics. It extends traditional Islamic welfare theories by conceptualizing the decentralized hybrid Zakat-Waqf model within the contemporary "care economy" (Atan et al., 2025). More importantly, it refines the existing theoretical understanding of Maqasid al-Shari'ah by demonstrating how its abstract ethical guidelines, such as Hifz al-Nafs (preservation of life) and Hifz al-'Ird (preservation of dignity), can be mathematically and operationally mapped against measurable United Nations Sustainable Development Goals, particularly SDGs 3, 10, 11, and 12 (Abdullah et al., 2025). Additionally, the study challenges and expands the theoretical boundaries of asnaf eligibility by embedding

ISSN xxxx-xxxx (online)

the modern sociological concept of “social poverty” into the Fakir and Miskin categories, proving that traditional Islamic financial instruments possess the inherent elasticity to address complex, contemporary demographic crises (Asrulsani et al., 2023).

Practically, the findings offer highly actionable implications for policymakers, zakat administrators, and healthcare practitioners. The necessity for decentralized governance, as highlighted in the findings, indicates that localized zakat institutions must be granted the autonomy to design specialized geriatric interventions tailored to their specific regional demographics, thereby maximizing operational agility (Paizin & Sarif, 2018). For institutional managers, the clear demarcation of CAPEX and OPEX provides a robust financial compliance blueprint that satisfies both the religious Shari'ah advisory boards and secular statutory regulators enforcing the Care Centres Act 1993 (Act 506). To ensure the sustainability of this model, zakat administrators are strategically advised to actively engage mission-driven corporate zakat commitments for OPEX (Aziz et al., 2026) and tap into elite philanthropy to secure Waqf endowments for CAPEX (Zainal & Nor Paizin, 2026), thereby creating a resilient financial ecosystem that alleviates the fiscal burden on state health budgets.

Finally, interpreting these findings within the specific context of Malaysia provides crucial insights into how a developing, rapidly ageing nation with a dual legal and financial system can navigate a looming demographic crisis (Abdullah et al., 2024). The Malaysian context, characterized by a highly formalized Islamic finance ecosystem operating alongside secular healthcare regulations, serves as a unique testing ground for this hybrid model. The findings illustrate that within this specific cultural and religious setting, leveraging Islamic faith-based motivations (such as the desire to contribute Sadaqah Jariyah) is an exceptionally potent tool for mobilizing public and private resources (Zainal & Nor Paizin, 2026). This study demonstrates that developing nations with robust Islamic institutional infrastructures can effectively localize global sustainability targets (SDGs) through indigenous, culturally congruent financial mechanisms, offering a replicable blueprint for similar Muslim-majority countries facing the transition towards an aged nation.

CONCLUSION

In conclusion, this study establishes that the integration of Islamic social finance provides a highly sustainable, *Shari'ah*-compliant mechanism to bridge the welfare deficit in long-term elderly care (Shaikh et al., 2017). The synthesized “Hybrid Financing Model” effectively resolves operational bottlenecks by strictly demarcating *Waqf* for Capital Expenditure (CAPEX) to build permanent infrastructure, and *Zakat* for Operational Expenditure (OPEX) to sustain daily care needs. Furthermore, the findings confirm that vulnerable senior citizens rightfully qualify for assistance under the *Fakir* and *Miskin* categories due to severe social poverty, while the *Gharimin* category serves as an essential safety net to absorb escalating chronic medical debts (Abdullah et al., 2024; Hassan et al., 2020). These findings directly address the core research objectives, providing a clear structural framework to support the B40 demographic as Malaysia transitions into an aged nation.

The primary contribution of this research lies in its theoretical and conceptual advancement at the intersection of Islamic welfare economics and the modern care economy (Atan et al., 2025). The study enriches the existing literature by proving that the ethical objectives of *Maqasid al-Shari'ah*, particularly *Hifz al-Nafs* (preservation of life) and *Hifz al-'Ird*

ISSN xxxx-xxxx (online)

(preservation of dignity), are not merely abstract theological concepts, but can be systematically operationalized and mapped against global sustainability benchmarks, specifically SDGs 3, 10, 11, and 12 (Abdullah et al., 2025). By structurally aligning religious philanthropy with statutory compliance, this research successfully challenges the traditional assumption that *Zakat* and *Waqf* are strictly passive welfare tools, repositioning them as dynamic instruments capable of institutionalizing sustainable geriatric healthcare.

Academically, the implications of this study refine the conceptual boundaries of *asnaf* eligibility by integrating sociological factors like “social poverty” into traditional Islamic jurisprudence (Asrulsani et al., 2023). Practically, the findings strongly advise policymakers and *zakat* administrators on the necessity of decentralized governance to maximize operational agility, alongside maintaining rigorous adherence to the Care Centres Act 1993 (Act 506) to ensure civil institutional integrity (Paizin & Sarif, 2018). As this study is constrained by its qualitative, library-based design, future research should employ empirical or mixed-methods approaches, such as in-depth interviews and field surveys with elderly *asnaf*, care centre operators, and corporate contributors, to test the ground-level operational efficiency of this decentralized framework across different states in Malaysia.

Author Contributions: As the sole author, M.N.P. was entirely responsible for all aspects of this research, including the conceptualization, methodology, formal analysis, data curation, writing of the original draft, and the final review and editing process. The author has read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Informed Consent Statement: Not applicable.

Declaration of Generative AI: During the preparation of this work the author used Gemini Advanced to assist with structural formatting, language refinement, and alignment with the ISSR Template guidelines. After using this tool/service, the author reviewed and edited the content as needed and takes full responsibility for the content of the publication.

Acknowledgments: The author wishes to acknowledge Akademi Zakat (AZKA) and Pusat Pungutan Zakat (PPZ-MAIWP) for their continuous support in advancing Islamic social finance research.

Conflicts of Interest: The author declares no conflicts of interest.

ISSN xxxx-xxxx (online)

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