

TECHNICAL PAPER

The Role of *Waqf* in Enhancing the Financial Inclusion of Women Entrepreneurs in Developing Countries

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Abstract.

Purpose: To accelerate modern micro-enterprises especially for women in developing countries, *waqf* can bridge the gap in the financial exclusion of women in entrepreneurship activities. The goal of this research is to identify the extent to which financial inclusion can enhance women's economic empowerment in developing countries through *waqf*.

Methodology: This study used a desk-based review of the literature to gain insight into the concept of the research variables. Findings: The paper revealed that property *waqf*, cash *waqf*, and corporate *waqf* can influence women's economic empowerment through the development of physical capital, financial capital, and human capital.

Significance: This paper reviewed the extant literature to provide a research framework that will accelerate women entrepreneurship, enhance Islamic wealth management and financial inclusion of women in Muslim societies. Theoretically, this study has contributed to the body of knowledge in Islamic finance, women empowerment and entrepreneurship development.

Limitations: This study only focused to the body of knowledge in women empowerment and entrepreneurship development in developing countries.

Practical Implications: Practically, access to the financial system will be improved by increasing the access of small businesswomen entrepreneurs, resulting in an increase in asset ownership, wealth creation, and serving as a catalyst for larger economic empowerment. Women's entrepreneurship in can be improved with adequate knowledge of *waqf* instruments, conscious planning, and implementation by relevant stakeholders.

KAUJIE Classification: E22, I0

JEL Classification: G29, L26, O10

INTRODUCTION

According to the World Bank, financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs, such as transactions, payments, savings, credit, and insurance, that are delivered responsibly and

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sustainably. Financial inclusion is a critical driver of economic growth and poverty alleviation. Women face poverty as a result of unequal labor divisions and a lack of control over economic resources, so increasing women's financial inclusion is critical (World Economic Forum, 2015). The recent global pandemic, combined with the global financial crisis, necessitates new and modern approaches to economic development. Hence, investment in the Islamic economy has enormous benefits for social, economic, and environmental development (Akhter et al., 2019). Moreover, issues of social injustice, rampant corruption, societal instability, and gender inequality have ushered in a new approach to economic development.

Women constitute slightly more than half of the world's population; however, their contribution to measured economic activity, growth, and well-being falls far short of its potential, resulting in critical socioeconomic consequences. All over the world, only half of the female population constitute the labor force, when this ratio is compared with the three-quarters of men, as per the world bank . The financial inclusion of women will constitute gender equality through extending them more financial resources and empowering them (Kumar, 2020). Women in less developed Asian and African countries have lower financial inclusion than men (Cicchello et al., 2021). According to the OECD (2015) report on Women's Economic Empowerment, propoor growth and sustainable development specially in the developing countries depend upon the women empowerment. The development of a country cannot be separated from the development of women. Women's contributions to their families and to their work have made them a powerful and indispensable part of society. Women entrepreneurs are not only providing for their families, but they are also assisting society in achieving the goals of equitable development (Goel & Madan, 2019). A host of international, national, and non-governmental organizations have introduced numerous policies and initiatives on entrepreneurship development worldwide, such as the Financial Inclusion Strategic Scheme, Financial Inclusion Insights, the Micro, Small, and Medium Enterprise Development Fund, micro-finance banks, and others in financial development policy and program. These are notable initiatives that aim to address the issue of financial inclusion by providing access to low-cost and effective financial products that are governed by government regulations. However, despite these efforts, the participation of women in formal financial inclusion is on the decline. These numerous policies have little positive influence in the Muslim communities especially in the developing countries. Muslims (about 40 per cent of the world population) compared to non-Muslims, especially in sub-Saharan Africa and Asia have a higher level of poverty with majority of the people living on less than \$1.90 a day (Akhtar & Arif, 2000; Omotayo et al., 2018; Pinkovskiy & Sala-i-Martin, 2016).

Therefore, empowering women and closing gender gaps are fundamental to achieving the 2030 Sustainable Development Goals, particularly Goal 1 on ending poverty, Goal 5, to achieve gender equality, and Goal 8, to promote full and productive employment and decent work for all. Consequently, the Sustainable Development Goals (SDGs) are now focused on sustainable solutions by encouraging women-owned enterprises. Indeed, the performance of these enterprises not only depends on social innovations but also financial innovations which come with some challenges. In Islam, men and women are equal in the sight of God (Qur'ān 4:124) and financial stability is encouraged for both. The Holy Qur'ān enunciates,

“Al-Qur’ān-3:92; Al-Qur’ān-2:177”. As narrated by Abu Hurairah, the Prophet (PBUH) said,

“when a man dies, his acts come to an end, except three things, recurring charity, or knowledge (by which people) benefits, or pious offspring, who prays for him” (Sahih Muslim 1631).

Besides, women-owned enterprises in developing countries are having little or no impact on economic development due to low productivity, lack of required education, difficulties in securing income and assets, lack of skills and upskilling to manage their businesses operations, lack of capital/cash flow, lack of marketing/advertising resources, time management, lack of training opportunities, and low level of required skills in technology and digital innovation. Despite the growing literature and worldwide interest in entrepreneurship, we still need a new body of knowledge on women’s entrepreneurship, particularly in developing countries. New findings on women’s entrepreneurship are needed due to the role of entrepreneurship in the economic development process, the unique role of women in the household, and the rise in female-headed households across the developing world. There is a need for initiatives to support women’s entrepreneurship, alleviate the hardship of the people, and ensure sustainable growth. Women’s participation in the financial system narrows the inequality gap, allowing for greater economic development, which improves both physical and social well-being (Cabeza-Garcia, et al., 2019). This can be achieved through ‘women’s economic empowerment.’ Empowerment is an emancipation process in which the disadvantaged are given the ability to exercise their rights, gain access to resources, and actively participate in shaping society and making decisions. Economic empowerment of women benefits society by increasing investment in children and reducing poverty (Uzoamaka et al., 2016). In addition, there is no evidence from the available literature on a framework that will guide potential women social entrepreneurs in Muslim countries. Indeed, there is a gap in Islamic wealth management and the financial inclusion of women in Muslim societies (Mahadi et al., 2019).

To address this knowledge gap as suggested by Hassan (2017), a model for developing women entrepreneurs needs to be identified by future research. In this regard, the institution of *waqf* can be strengthened by incorporating innovative elements appropriate for modern Muslim societies (Hassananain, 2015). Therefore, this study aims to investigate *waqf* as a model for enhancing successful rural entrepreneurs mainly in developing countries. Indeed, Bansal et al. (2019) proposed several future research agenda for entrepreneurship and sustainable development amongst which are financing patterns in social and women entrepreneurship.

Hence, with an increasing number of women combining traditional gender roles and the financial well-being of families, the quest for sustainable solutions should be a major concern to all stakeholders. As such, financial inclusion policy of developing countries should target women (Asuming et al., 2019). Hence, this study aims at stimulating women-owned enterprises, to improve women’s economic empowerment through the *waqf* approach; and develop women entrepreneurship framework for policymakers.

LITERATURE REVIEW

Concept of Financial Inclusion

Financial inclusion, defined as access to and use of a diverse range of high-quality financial products and services, can help to reduce income inequality (Cabeza-Garcia et al., 2019). The practices of financial inclusion is comprised of: guarantee of providing free insurances, and debit card services, facility of finances using mobile technology, easy process for opening of new bank accounts, mortgage enrolment facility without down payment and numerous other facilities by lending institutions for motivating the general public (Ozili, 2020).

Different types of financial products, according to Kumar (2020), can accelerate development: microcredit, savings, insurance, and mobile money. Microcredit encourages investments in assets that enable business owners to start or expand small businesses. Access to credit has been shown in several countries to lead to larger and more profitable businesses. Similarly, having an efficient payment method reduces household transaction costs. Instead of traveling long distances, people can conduct business using mobile phones from the comfort of their own homes. According to Ozili (2020), financial inclusion can be explained by four theories: public good theory, dissatisfaction theory, vulnerable group theory and systems theory. The theory of public good financial inclusion considered the facilities of formal financial services as a public good for the benefit of all members of the population. Everyone will have access to basic financial services without having to pay for them. In order to deal to with which may incur in case of the free or subsidize financial, the state can extend subsidies to the financial institutions. This means that individuals who are unable to meet their basic necessities of life will be economically empowered when financial inclusion is viewed as a "public good,". Public rather private fundings/financing is required for financial inclusion because financial inclusion is recognized as public good. It is assumed that financial inclusion is free of charge for users of formal financial services (Ozili, 2020).

According to the dissatisfaction theory of financial inclusion, financial inclusion activities and programs in a country should first target all individuals who were previously financially included but are now voluntarily excluded for one reason or another. This theory makes a concerted effort to address the issue of "voluntary financial exclusion," which other theories do not address. It implies that the people who left the financial sector because of dissatisfaction can be called back if the issues which causes dissatisfaction have been resolved. The dissatisfaction theory reduces the level of voluntary financial exclusion by persuading those who left the financial sector due to dissatisfaction to return (Ozili, 2020).

According to the vulnerable group theory of financial inclusion, financial inclusion activities should be directed toward the most vulnerable members of society, such as the poor, young people, women, and the elderly. Financial crises and economic recessions frequently disproportionately affect vulnerable people. One way to accomplish this is through government-to-person (G2P) social cash transfers into these vulnerable people's formal accounts. When social cash transfers are effective, vulnerable people may believe that the status of income inequality may negatively impact them, they are being compensated for this (Ozili, 2020). Systems theory articulates that prevailing subsystems assist in achieving the results of financial inclusion (whether economic, social, or financial systems). For instance,

implementing rules on financial agent and services providers who are associated with the financial system can bring into line the stakes of the service provider with those of basic financial service users (Ozili, 2020).

The Concept of *Waqf*

Waqf has existed since before the Islamic era, but it began to flourish and be administered in novel ways during the Islamic era, up until the 19th century. The Second Caliph of Islam, Umar R.A . made the first inquiry about *waqf* when he asked the Prophet S.A.W “O Prophet (PBUH) of Allah, I have gained a valuable piece of land in Khaibar and I do not have any other thing more valuable than it. What do you command me to do with it?” The Prophet (PBUH) replied, “If you wish, you can give its benefits to charity whilst preserving it- so that it can no longer be sold, nor may it be possible to give it away or bequeath it.”

The word ‘*waqf*’ (plural ‘*awqāf*’) is derived from the Arabic root verb *Waqafa*. *Waqf* can be described as ‘stay in perpetuity’, “causing a thing to stop and stand still”, “to contain”, “to restrain” and “to preserve” (Ahmed, 2004). *Waqf* is described as holding *maal* (wealth, may be an asset in the current situation) and avoiding its use to repeatedly extract its legal rights for the advantage of moral and/or philanthropic objectives (Kahf, 2003). *Waqf* is a financial instrument consisting of property payments made for the benefit of others, either for a specific person or for the entire public (Arif, 2014). According to Magda et al. (2016), *waqf* is defined as a “charitable financial act established by withholding immovable and movable properties to spend their revenues in perpetuity to meet public or family needs, based on the founder’s preferences and conditions.” Once a *waqf* is established, the property cannot be given as a gift, inherited, or sold. Allah (SWT) owns it, and the *waqf* property remains intact (Mohsin, 2021). Only the revenue it generates is distributed to its beneficiaries.

The four basic components that make up the elements or pillars of *waqf* are (i) waqif (the *waqf* donor), (ii) *mawquf* (subject matter or donated property), (iii) sighthah (the declaration) and iv) *mauquf alaihi* (the beneficiary or recipient of the *waqf*). According to Mohsin et al. (2016), the general roles and contributions of *waqf* throughout the history of Islamic civilization involve helping needy and oppressed people, improving their lives and standard of living, dissemination of sciences and knowledge, initiating commercial projects, which include business centers and hotels, or extending financing for social projects, like caring centers and orphanages. It also includes the facilities of public and social goods which includes health, roads, water, bridges, utilities and national security. Additionally, the facilitates for maintaining and building of graveyards, mosques, support for agricultural development and eradication for unemployment were also being provided under the *waqf*. *waqf* is primarily divided into three categories. (a) Property *waqf* (b) Cash *waqf* and (c) Corporate *waqf*.

Property *Waqf*

The most common type of *awqāf* is a property *waqf*, which is a *waqf* in which the bequeathed assets are physical assets such as housing, buildings, mosques, hospitals, education centers, orchards, farmlands, and other beneficial properties for the community. Property *waqf*

includes both economic and social assets (Mohsin et al, 2016). Economic assets include revenue producing businesses such as lease based properties, farms houses, and corporation's stocks, etc. Likewise, hospitals, educations institutes (religious and contemporary), and other utilities like water comes under the head of social assets.

Cash Waqf

Cash *waqf* means the contribution of an amount of money by a founder to dedicate its usufruct in perpetuity to prescribed purposes. "Cash *waqf* is a form of movable *waqf* property which is structured by money with the main purpose to be in service for pious and charitable projects for the people for the sake of Allah". Cash *waqf* is a perpetual donor mobilization fund that invests in productive assets that provide either usufruct or revenue (Lahsasna, 2010). The International *Fiqh* Council of the Organization of Islamic Cooperation (OIC) issued a *fatwa* about monetary *waqf* as an approved Sharīah-compliant investment method. In order to show compliance with Sharīah rules and regulations and to achieve the objectives of financial development. The manager/trustee of cash *waqf* has to express the directions of the Islamic jurist about the areas of investment and to utilize to the tools of modern paradigm for the success management.

Cash *waqf* can be invested through *muḍārabah* (profit-sharing) arrangements, and the profits generated therefrom would be spent on charity purposes, or according to the stipulations of the *waqif*. Because of flexibility in its structure and quick convertibility to cash, which might be gained through cash *waqf*, this institution might be a very important factor for economic growth. Cash *waqf* emerged one of the most important source of funding for promoting entrepreneurship needy and poor however, because of funds constraints its availability is limited in the micro-financial sector. According to Ahmed (2007), there are two ways to create a cash *waqf*. First, cash is converted into *waqf*, which is then used to provide interest-free loans to *waqf* beneficiaries. Second, the cash belonging to an already existing *waqf* is invested, and the profit associated with that *waqf* is dispersed with its the beneficiaries. Regarding this, cash *waqf* could invest by funding small enterprises and play an important role in achieving socioeconomic relief, which is in line with *waqf*'s objectives.

Corporate Waqf

Corporate *waqf* is a creative and innovative activity that employs the *waqf* concept to achieve business and corporate goals. It entails utilizing modern corporate mechanisms and efficiency to maximize the achievement of *waqf* objectives. Corporate *waqf* can be established through Islamic charity or by government institutions transferring their corporate interests to a corporate *waqf* institution. As a result, shares and equity, as well as earnings or dividend payouts from these shares and equity, are used to benefit the intended beneficiaries. The corporate *waqf* concept entails the relevant Islamic religious authorities bestowing full Mutawwali status (or formal management-trustee status) on a *waqf* corporation.

The Concept of Women Entrepreneurship

Words like innovation, change, risk-taking, opportunity recognition, driving force, and

economic growth are associated with the term “entrepreneurship”. Entrepreneurs can be defined as a person or a group of people who start, organize, and run a business. Women entrepreneurs get engaged in business due to push and pull factors that encourage women to work independently and stand on their own. The driving force behind this is usually a desire to make independent decisions about their lives and careers. Hence, the growth of women’s entrepreneurship can be institutionalized through empowerment using an innovative approach. As per the report of World Bank in 2011, empowerment “is the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Past studies” (Douglas et al., 2018; Haugh & Talwar, 2016; Maguirre et al., 2016) have revealed the benefits of women’s economic empowerment achieved through innovative solutions to include empowering women to create more micro-enterprises, changing traditional social order, increased general well-being, more equalitarian societies, an opportunity for future leadership skills and positive peace in the community. Women empowerment can be enhanced using the model of self-empowerment through strong social capital. Social capital refers to the resources available to people through their social connections. Social capital has enhanced better lifestyle and improved social network in women entrepreneurs (Neumeyer et al., 2019). According to Yaumidin et al. (2017), self-empowerment gives positive values for individuals, namely (i) promoting self-confidence; (ii) individual entrepreneur’s self growth; (iii) increasing job opportunities; (iv) facilitating the sourcing of raw materials; (v) facilitating borrowing; (vi) facilitating marketing and wide network; (vii) improving work ethos; (viii) improving skills/competence; and (ix) having creative and innovative traits to reform.

Women Entrepreneurship in Developing Countries

An entrepreneur is someone who has entrepreneurial qualities, takes risks, provides capital, and uses it to start a business. Entrepreneurs generate innovative business ideas, pursue new business opportunities, invest their own money or borrow money, take risks, and profit as a result of their efforts to expand their business. Entrepreneurship enables women to care for their families while also earning money for day-to-day survival. Women’s entrepreneurship is not only a means of achieving economic freedom, but it is also a source of income and employment. In developing countries, women’s participation in economic activities is worrisome. African countries’ financial inclusion remains a challenge, financial infrastructures is insufficient, with bank penetration of less than 10 per cent of the population in some regions (Akhter et al., 2019). Women entrepreneurs face unique challenges in developing countries on how to grow and sustain their growth (Ali et al., 2020). This is evident in many developing countries where entrepreneurship enables women to care for their families while also earning money for day-to-day survival. This trend has been observed in a number of Asian countries as well, including Indonesia and Singapore (Ahammad & Moudud-UI-Huq, 2013). Similarly in West Africa, women entrepreneurs generally operate within an institutional environment characterized by corruption, lack of transparency, incoherent policies, bureaucracy and inefficiency, excessive red tape, disproportionate taxes, and poor infrastructures (Ogundana et al., 2021).

Review of Theory Supporting *Waqf* Intervention

In exploring this study, the push-pull theory and reasoned action model are considered. The push-pull model explains the motivations for women to venture into the entrepreneurship turf. The push factors are elements of necessity such as boredom at previous occupation, frustration, and dissatisfaction with a salaried job which might bring with it, the lack of opportunities to grow. The pull factor relates to the desire for individual wealth and entrepreneurial drive, family security, education, power, social status, self-fulfillment, and independence. The reasoned action model is developed to understand and predict behavior. The model stresses three predictors of intention to demonstrate behavior: (i) perceived normative pressure, (ii) attitude toward personally engaging in the behavior, and (iii) perceived behavioral control. These three predictors are considered to follow logically from views that an individual holds as regards a particular behavior. To this end, women can venture (push and/or pull factors) into entrepreneurship and reinforce their businesses if an alternative (innovative) approach such as *waqf* can be institutionalized towards their engagement in certain behavior or action (venturing into entrepreneurship).

METHODOLOGY

This research was undertaken through synthesis of past published materials. A desk-based research of the literature was done to gain insights on the concept and the current state of *waqf* and women's entrepreneurship/empowerment. This study would refer to peer-reviewed articles, including Science Direct and Google Scholar. Keywords used in the search terms include 'Waqf', 'property Waqf', 'cash waqf', 'corporate waqf', 'women's entrepreneurship', and 'women empowerment'. The scope of the review includes studies that were published in English on financial inclusion, Islamic finance, women entrepreneurship and empowerment. Major literature and documents reviewed were published between the year 2000 and 2021.

Discussion

Financial inclusion, women entrepreneurship and waqf. The global gender gap in financial inclusion has remained largely unchanged over the years. Developing countries are characterized with informal sectors with low capital bases (Falade et al., 2021). The people of society may deny themselves access to financial services for a variety of reasons, including religious beliefs, ideology, or other factors. Voluntary financial exclusion occurs in this situation, whereas involuntary financial exclusion happens when the people are vulnerable to get the financial services, this might be which could be the failure of system. According to Wang (2019), one possible explanation is that many financial products fail to meet women's needs. When developing financial products, it is critical to strike a balance between attracting more female consumers and not exclusively targeting products to women. Furthermore, these products should not be designed primarily with men's needs in mind, as this unintentionally neglects the needs of female users. Women must move to make more significant economic impacts and start business enterprises, for which a bit of support would be needed at the initial stages of setting up the business. This is based on the premise that only an empowered

woman can successfully manage a business venture. Financial inclusion ensures inclusive participation, which is required for a nation's overall development (Iqbal & Mirakhor, 2012).

According to Arnold and Gammage, (2019), a productive and better financial inclusion might be crucial for revealing the prospective of micro enterprises to flourish, mitigating the coping ability of rural and poor to income fluctuations, uplifting the economic growth, and encouraging equitable and sustainable economic growth. Hence, Kumar (2020) suggests five fundamentals to promote women's financial inclusion: (i) Financial initiatives to assist women entrepreneurs can get finance; (ii) education and awareness: arrangement of various training and awareness workshops/programs for providing awareness to the society regarding the role of entrepreneurial activities of women in the society; (iii) training Facilities: women are weak in the various important skills for example language issues, communication skills, and administrative skills, etc.; (iv) planning: a blue print of the activities to be undertaken should be ready which is able to specify the product/service, the target customers and the mode of funding. This can provide a correct plan to the woman enterpriser of her responsibilities and her commitments. (v) Team Building: The female entrepreneur should not be under the impression that she is the only one who is completely capable of performing the needed tasks. The female member should have proper team comprising diverse skills so that the female may coordinate with the other members of the team in order to utilize the skills and strength of the team members for successful enterprise.

The success of entrepreneurship is heavily reliant on the society's ability to innovate (Filser et al., 2019). To reap the benefits of combating poverty, promoting sustainable and equitable growth and development, and endorsing inclusive development, among other things, a number of strategic commitments to financial inclusion must be established (Nurohman, 2021; Shinkafi, et al., 2019). Women's access to and use of financial services in developing countries has been hampered by a lack of collateral, a lack of financial products that meet their needs, low literacy rates, and the small size of their businesses. As a result, *waqf* should be supplemented in order to provide innovative social and economic solutions to the growth of female entrepreneurship in developing countries. Access to finance for women entrepreneurs will result in the production of high-quality goods and services, which are critical for inclusive economic growth and poverty reduction. Financial inclusion educates women about their role and rights in economic development in order to increase access to markets and information for overall empowerment. Women are discouraged from venturing out and approaching banking establishments because of many factors like lack of exposure, skills and their limited dealing expertise associated with chances of getting financing (Kumar, 2020). Small finance can help women gain respect and achieve more in their socially defined roles while keeping them happy by assisting them to meet their practical needs. *Waqf* is essential to entrepreneurship development. The growth of women's entrepreneurship through *waqf* can take a variety of forms. *Waqf* can influence women's entrepreneurship in the form of physical capital, financial capital and human capital development.

Physical and financial capital. To strengthen business support and infrastructural development, *waqf* institutions encourage physical capital such as agricultural land, construction of business premises, provision of machines, tools and equipment for entrepreneurs (Elasrag,

2017, Iman & Muhammad, 2017). Similarly, *waqf*-based instruments for microfinance have a lot of potential. Cash or money-equivalent instruments are used to raise investable funds for entrepreneurs such as seed capital, start-up fund, working and operating capital, and derivables (Elasrag, 2017; Iman & Mohamma, 2017; Merlinda et al., 2021; Muhammad et al., 2019). Specifically, Merlinda et al. (2021) emphasized on the role of *waqf* on community empowerment especially for women.

The commonly used models of financing through *waqf* are *mushārah* (equity participation) and *murābahah* (trust financing), *bay al-mu'ajjal* (instalment sales), *bay al-salam* (forward sale contracts), *ijārah* (lease financing), *ijārah wa iqtina'* (hire purchase), *istišnā* (construction/manufacturing finance) and *murābahah* (procurement financing). The literature state that microfinance programs that use *murābahah* and *mushārah* investment modes are most prominent modes of Islamic financing which help in generating funds and also contributes significantly towards mitigating the poverty in the country. Such programs are designed to assist poor people by helping them initiate their own ventures and improve their quality of life.

The creation of a *waqf* fund in a community primarily focusing on the development of small enterprises may have long lasting and strong influence on the household through the creation of opportunities for haves-nots (Hamber & Hanif, 2017). *Waqf* can be used to finance entrepreneurs in the purchase of physical assets for use in production. For instance, if entrepreneurs require initial physical capital (equipment, gadgets, etc.),

Human capital development. *Waqf* can play a crucial role in human capital development through educational programs for intending entrepreneurs, empowerment programmes, training and skills development programmes, managerial and entrepreneurial skills, information technology skills, and human resources development through technical assistance (Ahmed, 2002; Ahmed, 2004; Alpay & Hannef, 2015; Amuda, 2017; Elasrag, 2017; Karim, 2010; Muhammad, 2011; Muhammad et al., 2019; Tohirin, 2010).

According to Khan (2015), human abilities in formal and informal education can be improved through *waqf*, and on-the-job training. One of the most important aims of education in economic development and growth is the production of skilled human resources for various sectors of the economy. Formal educational institutions also provide their clients with appropriate knowledge, skills, and attitudes, which is the qualitative function of education. The development in the field of science and technology is result of education which also contributes significantly towards the productivity by acquiring new skills and knowledge.

Providing better healthcare facilities is one of most prominent way of increasing the human development, as better healthcare facilities augment the over life expectancy, increases the productivity of general public which ultimately contributes towards the financial and social development of the country (Khan, 2015). Health services also ensure that people remain healthy for productive work by increasing their vigor and strength. On job trainings offered by the employers within the organized programs will be effective in improving the attitude, human knowledge, and skills which may not be possible through format education.

Conclusion and Policy Recommendation

According to a review of existing literature, *waqf* can accelerate microenterprises for women in developing countries. *Waqf* instruments have the potential to bridge the gap between modern finance and the financial exclusion of women in the development of entrepreneurship. According to research, *waqf* positively influences the socioeconomic development of Muslim communities worldwide. Property *waqf*, cash *waqf*, and corporate *waqf* can all have an impact on women's economic empowerment by developing physical capital, financial capital, and human capital. As a result, redistributing or allocating such funds to agricultural and entrepreneurial activities, particularly for women's empowerment and poverty reduction, can be a profitable venture and a means of achieving long-term development goals.

In theory, this research has added to the body of knowledge in Islamic finance, women's empowerment, and entrepreneurship development. Practically, access to the financial system will be improved by expanding access to small business owners and entrepreneurs, resulting in greater empowerment through increased creation of wealth and asset ownership. Thus, policymakers and regulatory bodies can use *waqf* instruments to promote women's financial inclusion. Proper utilization can improve financial products and delivery methods while also strengthening financial services.

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