Leveraging Islamic Social Finance for Fair and Sustainable Tertiary Education Funding for Orphans in Malaysia: Insights from Sri Lanka

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Abstract
The primary objective of this paper is to draw lessons from Sri Lanka's experience with OrphanCare utilizing Islamic social finance, while also identifying avenues through which Malaysia could establish a sustainable model for achieving a similar purpose. This study uses a qualitative, exploratory approach to investigate the operational framework of OrphanCare in Sri Lanka and its potential lessons for Malaysia. Due to limited secondary sources, an unstructured interview with OrphanCare representatives was conducted to gather in-depth insights. The research unfolds in two phases: first, data collection from both primary (interviews) and secondary (reports, literature) sources to identify gaps and challenges; and second, the analysis of this data using content analysis. The OrphanCare interview from Sri Lanka offers crucial insights for Malaysia's mission in enabling orphan access to higher education. Challenges, like financial constraints and limited support networks, align with Malaysia's inequality reduction goals. Tertiary education benefits, including employability and personal growth, are highlighted. Islamic social finance lessons stress its transformative potential, while collaboration and long-term commitment are its strengths. Recommendations include education funds, support networks, career guidance, awareness campaigns, and sustainable collaborations. A regulatory framework featuring the Orphans Education Fund with a 2% annual contribution from listed companies, managed by National Higher Education Fund Corporation (PTPTN), is proposed. This paper demonstrates originality by uniquely proposing the utilization of Islamic Social Finance to enhance orphan access to tertiary education. It draws insights from Sri Lanka's OrphanCare model and presents innovative strategies for Malaysia to tackle inequalities through collaborative efforts and a robust regulatory framework.

Keywords: Islamic social finance, orphans, tertiary education, inequality

Received: 11 Oct 2024
Revised: 21 Oct 2024
Accepted: 24 Nov 2024

ISSN 2056-757X

https://doi.org/10.18646/2056.111.24-005

1. Introduction

The landscape of Islamic social finance has been a realm of growing exploration, driven by the ethos of communal welfare and ethical considerations. One poignant facet of this domain revolves around the care and support of orphans, a vulnerable group requiring special attention. While the concept of orphans transcends cultural boundaries, its manifestation and impact vary across contexts. UNICEF and global partners define orphans as children who are under 18 who have lost one or both parents to any cause of death.

Within the realm of orphanhood, nuances emerge, giving rise to different categories based on the extent of parental absence. The works of Govender et al. (2014) and Cheng (2003) distinguish between actual orphans—children bereaved of both parents—and a broader category including children whose parents are alive but absent due to poverty, abandonment, or incarceration. Moreover, this phenomenon extends beyond physical absence, encompassing instances of "social orphanhood," where a parent's inability to fulfill their parental duties contributes to a sense of abandonment (iHH Humanitarian Relief Foundation, 2020). In the complex tapestry of orphanhood, social, economic, and familial factors interweave, shaping the experience of countless young lives.

These experiences are not confined to individual circumstances; they resonate with broader ethical, societal, and developmental concerns. The pursuit of Sustainable Development Goals (SDGs) echoes the principles of Maqasid Al-Shariah, aligning values and objectives. Both paradigms seek to alleviate deprivation in areas ranging from health and education to social status and equality. The convergence of SDGs and Maqasid Al-Shariah underscores the pursuit of inclusive and sustainable development, as well as the preservation of human dignity—a paramount consideration within Maqasid Al-Shariah (Amin et al., 2015).

Education emerges as a linchpin in addressing the challenges faced by orphans, encapsulating both moral obligation and pragmatic necessity. A pre-adolescent orphan bereft of parental guidance is a universal concern, and quality education holds the key to breaking the cycle of vulnerability and adversity. However, this aspiration is not easily realized, as the departure from orphanages at the age of 18 plunges many into a second abandonment—an emotionally tumultuous phase. This transition presents a cascade of challenges, from emotional adjustment and self-identity struggles to unemployment and susceptibility to exploitation (Gomera and Mutambara, 2020).

While the importance of education for orphans is widely acknowledged, the financial impediments to achieving this objective remain significant. The yawning chasm between sustainable development goals and available resources underscores the pressing need for innovative financing mechanisms. The symbiotic relationship between Islamic finance and the principles of social welfare provides fertile ground for exploration. The principles of zakat, waqf, and sadaqah—integral to Islamic finance—embody the spirit of upliftment, aligning with the ethos of SDGs and Maqasid Al-Shariah (Herianingrum et al., 2024; Widiastuti et al., 2022; and Mawardi et al., 2023).

To date, no research has been conducted that explicitly links Islamic social finance with the tertiary education of orphans. Nevertheless, research has been conducted on other topics, including the impact of the care environment on educational attainment among orphaned and separated children and adolescents in Western Kenya (Apedaile et al., 2022) and the motivation of orphans for pursuing higher education (Akbari and Sahibzada, 2019). The primary objective of this paper is to draw lessons from the award-winning OrphanCare Sri Lanka which uses Islamic social finance to support children in needs, while also identifying avenues through which Malaysia could establish a sustainable model for achieving a similar purpose. This research paper is divided into six sections. Followed by this introduction, section two discusses literature review while section three presents methodology. Section four presents the findings and discussion, followed by section five with the recommendations. The final section is the conclusion.

2. Literature Review

2.1. Who is an Orphan?

The term "orphans" is used to describe children who have lost both parents, as well as children who have lost one or both parents but who remain in the care of at least one surviving parent (Cheng, 2003; Govender et al., 2014; Mueller and Sherr, 2009; Panter-Brick and Smith, 2000). The latter category includes children who have been abandoned, neglected, or incarcerated, for example. There is no consistent definition of child abandonment in the academic literature (Mueller and Sherr, 2009). Orphans, children in residential child care facilities, refugees, victims of war, child prostitutes, and children who were relinquished for adoption, are among the most vulnerable populations. Children left behind by their parents are often lumped into a single category known as “abandoned children” (Panter-Brick and Smith, 2000). Despite the tragic nature of their situations, it is important to note that there are significant differences between them. In some cases, the child’s parents may intend to return, while in others, the child and his or her parents may have been separated by circumstances beyond their control, or they may have passed away.

The approaches to addressing child abandonment across the European Union vary considerably. In some countries, abandonment of children has been decriminalised on the condition that the child is left in a safe place. Of the 27 EU member countries, eleven still have 'baby hatches' in operation, which is a practice with a long historical precedent, dating as far back as the medieval period (Browne, 2012). In the United Kingdom, for example, the Offences Against the Person Act (1861) renders it unlawful to abandon a child under the age of two in a manner that endangers the child's life. The statute employs the term "abandon," yet it lacks a definition of this word. It is important to determine whether the parent has intentionally abandoned the child, whether there are plans for the parents to return, and whether the identity of the parent is known (Mueller and Sherr, 2009).

There is presently no publicly accessible data on the number of orphaned children in Malaysia. Although UNICEF produced a database of statistics on Malaysia in 2013, data on the number of orphaned children, children orphaned by AIDS, children in care, and abandoned children were not included. In addition to these official statistics, it is known that for different reasons, many children around the world are not registered as "orphans". There are numerous orphans, often known as "invisible children", who have never been registered, or who have not been recognised as orphans because relatives cared for them after their parents' deaths, or who have not been registered due to technical issues and neglect. Taking into account all of these instances, the true number of orphans worldwide in 2020 is expected to be more than 400 million.

The highest rates of orphanages are found in poor, under-resourced nations (Thielman et al., 2012). These nations are deficient in the resources required to provide orphans with essential services such as housing, education, food, and psychosocial support. Orphans in Malaysia receive assistance and training from the government, non-governmental organisations (NGOs), and businesses (Mohammadzadeh et al., 2018). A significant number of orphanages continue to experience a decline in donations, largely due to the limited financial resources available for supporting orphaned, impoverished, and neglected children, coupled with the emergence of both permanent and temporary institutions (Yaacob et al., 2020).

2.2. The Significance of Orphan Sponsorship in Islam

Islam places great emphasis on the protection and care of orphans, acknowledging their vulnerability and the responsibility of the Muslim community to safeguard their rights. The Quran (2:67; 2:147; 4:36) and Sunnah provide numerous teachings that highlight the obligation of Muslims to show kindness, justice, and compassion toward orphans, ensuring their well-being and protection. Muslims are commanded by the Quran to regard orphans with fairness (4:127), and to do otherwise is a sin (93:9). According to Sura Al-Ma'un (107:1-7) the denial of orphans is considered an indication of the rejection of all moral norms. In reality, God is portrayed as the ultimate guardian of orphans in the Quran: "Did He not find you an orphan and give [you] refuge?".

One of the key verses illustrating the rights of orphans in Islam is found in Surah An-Nisa, where Allah commands Muslims to worship Him alone and extends this command to include kindness toward parents, relatives, orphans, and the needy: "Worship Allah and associate nothing with Him, and to parents do good, and to relatives, orphans, the needy, the near neighbor, the neighbor farther away, the companion at your side, the traveler, and those whom your right hands possess. Indeed, Allah does not like those who are self-deluding and boastful" (Quran 4:36). This verse underscores the central role of supporting orphans in the broader ethical framework of Islam, which prioritizes both the worship of Allah and social justice.

The Prophet Muhammad (peace be upon him), who himself was an orphan, serves as a powerful role model for how Muslims should treat orphans. His life and teachings exemplify the compassion and care that Islam demands for those without parents. He once said, "I and the one who takes care of an orphan will be in Paradise together like this," and he pointed with his index and middle fingers (Al-Bukhari). This hadith emphasizes the spiritual rewards awaiting those who provide for and protect orphans, signalling that such care is a path to attaining closeness to the Prophet in the Hereafter.

In addition to the spiritual rewards, sponsoring an orphan also fosters social responsibility and human dignity. Scholars have likened the role of an orphan's guardian to that of the Prophet's role in guiding people toward righteousness and away from ignorance. Just as the Prophet (peace be upon him) was sent to guide a wayward people, the guardian of an orphan takes on the responsibility of nurturing the child, providing education, guidance, and support so that they may grow up as upright members of society. Thus, caring for orphans is not only a matter of charity but also one of moral duty and social reform.

Islamic teachings also caution against mistreating orphans, as highlighted in several Quranic verses. Allah warns against the oppression and exploitation of orphans, stating: "As for the orphan, do not oppress him" (Quran 93:9), and "Indeed, those who devour the property of orphans unjustly are only consuming into their bellies fire, and they will be burned in a Blaze" (Quran 4:10). These severe warnings reflect the gravity of violating the rights of orphans and demonstrate that their well-being is of utmost importance in Islamic law.

2.3. Orphanages

The orphanages are a place where children without parents are cared for and housed. The orphanages try to provide orphans in Malaysia with necessities such as food, clothing, shelter, education and medical care. There will be caretakers, teachers and other staff at the orphanage. Doctors will conduct health checks and provide medication. Each child will have access to indoor and outdoor recreational activities (Yaacob, et al. 2020). On 17 February 1995, Malaysia acceded to the Convention on the Rights of the Child (CRC) and approved the provision of foster care, which states that a child who is temporarily or permanently deprived of his or her home environment is entitled to special protection and assistance from the State. Children who cannot remain with their parents or who must be separated from them for reasons such as parental death, abandonment, neglect or abuse are entitled to state protection and assistance. In accordance with Article 20 of the CRC, the government is required to provide alternative care for these children, which may include foster placement, kafalah (guarantee and responsibility), adoption, or, if necessary, institutional care.

The Care Centre Act 1993 (CCA) is responsible for the oversight of welfare facilities, with particular attention paid to those operated by individuals or NGOs. The CCA permits the registration, regulation and inspection of care facilities, in addition to providing for other provisions. The term "care centre" includes both residential care centres and day care centres, and thus the Act applies to both types.

There is presently no publicly accessible data on the number of children in Malaysia who are in alternative care. Although UNICEF produced a database of statistics on Malaysia in 2013, data on the number of orphaned children, children orphaned by AIDS, children in care, and abandoned children were not included. This may suggest the need for more dependable monitoring and data collection services (Mohammadzadeh et al., 2018).

2.4. *Early education for orphans*

The Convention on the Rights of the Child (CRC) asserts that education is a fundamental human right for all children. Access to quality elementary education is associated with an increased probability of success in later life (Lingenfelter et al., 2017; UNICEF, 2016). A child who can read, write and perform elementary arithmetic has a firm foundation for lifelong learning. Education is also crucial for the social integration and psychosocial well-being of young people. Attending school assists traumatised young people in regaining a sense of normalcy and recovering from the psychological effects of their experiences and disturbed lives. However, orphans frequently encounter obstacles in acquiring an education, namely financial difficulties (Akbari and Sahibzada, 2019; Lingenfelter et al., 2017; UNICEF, 2016).

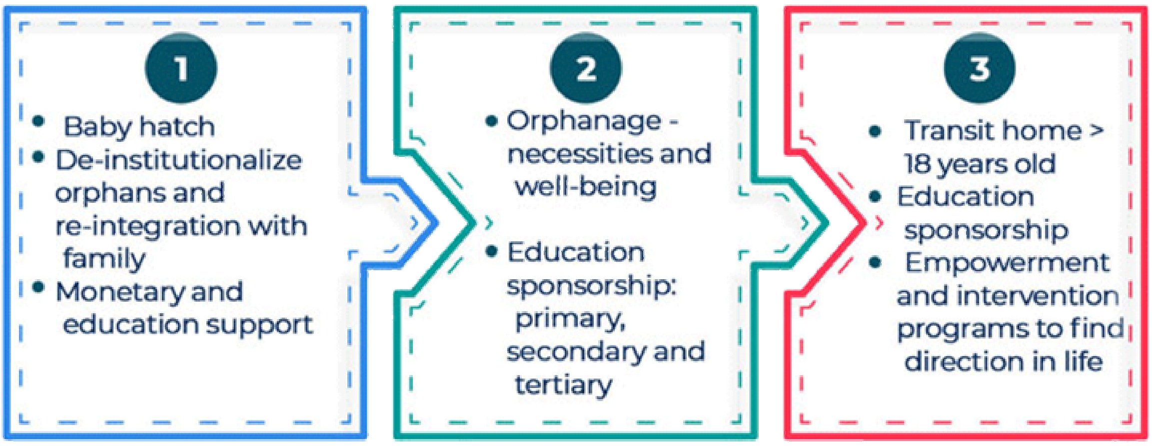
2.5. *Tertiary education financing for orphans*

Presently, there are some institutions in Malaysia and overseas that provide funding for tertiary education to orphans by way of one-off contributions, continuous donations, education loans or scholarships.

2.4.1. Sadaqa House Orphan Fund 2022 (Malaysia)

In 2018, Bank Islam launched Sadaqa House, a social finance venture that combines technological and Shariah-compliant solutions. It is a crowdfunding platform for charitable causes that serves as a meeting place for contributors, change-makers, and beneficiaries overseen by Bank Islam. Sadaqa House has made a four-year commitment, beginning in 2022, to three implementing partners in support of the Orphans Agenda. These are OrphanCare Foundation, Pertubuhan Anak Yatim Malaysia (PEYATIM) and Youth Empowerment Foundation (YEF). Sadaqa House has set itself the objective of raising RM1 billion by 2040, which it intends to use as a perpetual fund to distribute a minimum of RM3 million per month for the welfare and education of orphans. The following Figure 1 illustrates the initiatives taken by Sadaqa House from Cradle to Graduation solution:

Figure 1: The initiatives taken by Sadaqa House from Cradle to Graduation solution



Source: Bank Islam (2024)

2.4.2. OrphanCare (Sri Lanka)

OrphanCare (Sri Lanka) was founded in 2019 by Amãna Bank in Sri Lanka as an independent trust, with the mission of safeguarding the future of orphans once they reach the age of 18 and are required to leave institutional care, which is a significant but mostly unmet demand among orphan children. The OrphanCare (Sri Lanka) initiative fulfils Goal 10 of the SDG – Reduced Inequalities – by facilitating growth and improving the lives of orphaned young people through financial inclusion, thereby preventing a second abandonment when they reach the age of 18 (OrphanCare 2023).

It is a form of Islamic financial instrument to address social problems. Amãna Bank started this initiative with an initial seed capital of LKR 25 million (or equivalent to RM0.34 million) to launch the funds in 2019. Thereafter, the contribution to the funds was from various other sources such as donation received from the public and funds received from the bank's customers for the service subscribed from Amãna Bank. The usage of the funds is directed solely toward the welfare of the orphans. The management of funds is entirely managed by Amãna Bank. The operation cost to manage the funds is fully absorbed by Amãna Bank. The funds are audited by an external auditor, Ernst & Young Global Limited (EY) on an annual basis in line with good governance standards and practice.

For every quarter, Amãna Bank deposited a certain amount of money into each orphan's bank account through the trustee. The figure will vary and depend on among others, the age of the orphans and the amount available for distribution. As long as the orphan is less than 18 years old, Amãna Bank will continue to make quarterly deposits into the orphan's bank account.

2.4.3. Special funding for COVID-19 orphans in higher education (India)

COVID-19 orphans would receive free schooling, college and university scholarships, and interest-free higher education loans, as announced by Indian Prime Minister Narendra Modi on 26 May 2021. A fund of INR1 million (US$13,700) to support COVID orphans' tuition through university graduation or professional degrees, as well as insurance coverage and other benefits under the PM CARES Fund – the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund. COVID-19 orphans will also be aided in securing education loans for professional courses and further education in India, with the PM CARES Fund covering the interest (Narayan and Sharma 2021).

2.4.4. Noor Relief Fund (United Kingdom)

The Noor Relief Fund was established as a non-governmental organisation (NGO) almost two decades ago with the objective of providing assistance to orphans, widows and other individuals in need. The organisation's operational headquarters are located in London. The Noor Relief Fund provides assistance to young people who have reached the age of 17 and are ineligible for sponsorship funds, but who wish to pursue higher education. The objective of the Noor Relief Fund is to facilitate the completion of the children's education and enable them to serve as role models for their younger siblings and other children. Nevertheless, for those who opt not to pursue further education, the Noor Relief Fund provides microfinance alternatives to facilitate income generation (Noor Relief Fund, 2023).

2.4.5. Islamic Relief (United Kingdom)

Islamic Relief is a prominent Muslim charity and an autonomous non-governmental organisation (NGO) established in the United Kingdom in 1984 by a collective of medical professionals and activists (Islamic Relief UK, 2023). Islamic Relief's mission is to ensure that orphans in need have access to the resources required to succeed in school and pursue higher education. Through its scholarship programme for further education, Islamic Relief empowers children to excel and achieve their aspirations (Islamic Relief UK, 2023).

2.4.6. The World Orphan Fund (United States of America)

The World Orphan Fund was established in 2011 as a volunteer organisation, with the objective of eliminating all overhead, personnel, and administrative costs. All donations are allocated directly to the financing of projects that are beneficial to orphaned children. Board members are responsible for covering their own travel and administrative expenses, while sponsors are required to bear the cost of their events (The World Orphan Fund, 2016).

The World Orphan Fund established Youth for Honduras in 2016 for this reason. The World Orphan Fund provides sponsorship for a team of advisers, tutors, and psychiatrists who work with and assist young adults in the Honduran capital city as they transition from children's homes to pursue higher education and vocational training opportunities. Furthermore, the Youth for Honduras team devised a curriculum for children's homes, entitled Formation for Life. This programme is designed for students aged 13 and above and encompasses a range of topics, including identity, self-esteem, decision-making, job hunting and interviewing, conflict resolution, and practical matters such as creating a personal budget and negotiating a wage or salary (The World Orphan Fund 2016).

2.4.7. Global Scholarship programmes for orphans

The following are some of the scholarship programmes available for orphans to pursue tertiary education:

(i) New Orphan Asylum Scholarship Foundation: This is one of the oldest scholarships for orphaned students. It has been in existence since 1942 and can help students who wish to attend university.

(ii) Peter Michael Ritzko Memorial Award: This is offered to those who wish to attend Pennsylvania State University. If an orphan has overcome physical, emotional or other mental loss, write about it and win.

(iii) The Nathan and Adele Hillman Foundation: Orphans can choose from several scholarships for orphans or foster children, depending on their situation.

(iv) Barbara S. Iannacone Memorial Award: For orphans who have suffered the loss of their father, this scholarship is designed to help them attend college.

(v) Malcolm R. Stacey Memorial Fund: This provides assistance to orphaned students who wish to study aeronautical engineering or a similar scientific field.

(vi) Aretta J. Graham Scholarship: This is awarded (the amount varies) to students who have lost one or both parents.

2.6. Islamic Social Finance

The implementation of Islamic social finance instruments, including waqf (Islamic endowment) and zakat (an obligatory contribution or dues payable by all Muslims with wealth above nisab, the threshold or exemption limit), has the potential to provide effective support for the SDGs. A case in point is that of Indonesia, where a zakat fund of $350,000 was deployed to underpin the construction of a micro hydro power plant in Jambi. This has the effect of providing electricity for households, schools and clinics, thereby benefiting more than 4,000 people directly and a multitude of businesses and services indirectly (Abdul Aziz and Zhang, 2019). Other examples of Islamic social finance include interest-free loans with the objective of alleviating poverty, banking products designed for the financing of agricultural projects, the utilisation of cross-border social funding for the advancement of socio-economic development, and property management practices that are based on Islamic social finance principles (Mahomed and Saba, 2024).

From the standpoint of Maqasid Al-Shariah, or Islamic law, one is required to support one another and shield one another from harm so that one may succeed in this world and the next. While Islamic social finance instruments are associated with charity, they are distinguished by their distinct definitions and forms (Kuanova et al., 2021). These instruments are not solely intended for socioeconomic gains; they are also designed to enhance long-term resilience and facilitate adaptive capacity development in vulnerable communities. Such investments can facilitate the recovery of communities from adversity and promote social and economic inclusion among their citizens.

2.7. Second abandonment

OrphanCare (Sri Lanka) posits that orphans experience two distinct forms of abandonment: first abandonment and second abandonment. The term 'first abandonment' is used to describe orphans who were admitted to an orphanage following the death of at least one parent. Second abandonment refers to orphans that reach the age of 18 and are compelled to leave the orphanages (OrphanCare, 2023). The well-being of children is jeopardised by abandonment, as are their chances for social adjustment and growth. This suggests strain on a nation's fiscal foundation due to the likelihood of a lifetime of reliance on public resources (Thabane and Kasiram, 2015).

Recent research has only just begun to elucidate the considerable, and at times seemingly insurmountable, challenges faced by these orphans (Dima, 2014). Given the dearth of orphanages equipped to provide networking opportunities or comprehensive life skills training to facilitate orphans' transition to independence, they are thrust into society, ill-prepared for the rigours of modern adult life (OrphanCare, 2023).

3. Methodology

Employing a qualitative research methodology, this study adopts an exploratory approach aimed at comprehensively understanding the operational framework of OrphanCare in Sri Lanka, given the limitations in available secondary sources. To bridge this gap in information, an unstructured interview was conducted with representatives from OrphanCare, allowing for an in-depth exploration of their practices and insights. It is important to highlight that qualitative methodologies provide the flexibility necessary for innovative research (Creswell and Creswell, 2017).

This qualitative research design unfolds through two distinct phases. The initial phase involves the collection of relevant data from various sources. This process is a blend of both primary and secondary sources. Beginning with secondary resources such as reports and existing literature enables the identification of gaps and challenges in the field. Subsequently, primary resources, in this case, an unstructured interview with a key respondent from OrphanCare, were employed to fill these identified gaps and gain a comprehensive understanding of their strategies.

The second phase of this research encompasses the analysis of the amassed data, employing the content analysis method, meticulously tailored to align with the research's predefined objectives. This systematic analysis allows for the extraction of meaningful insights from the collected information, providing valuable lessons that Malaysia can learn from the Sri Lankan experience in OrphanCare's implementation and operation.

4. Findings and Discussion

In an interview conducted on April 18, 2023, with OrphanCare (Sri Lanka), a wealth of insights emerged that hold profound implications for Malaysia's mission to address the challenges surrounding orphans' access to tertiary education. This enlightening dialogue encompassed a wide spectrum of themes, ranging from the intricate challenges that orphans encounter in their pursuit of higher education to the transformative potential of Islamic finance in surmounting these barriers. Moreover, the interview offered pragmatic strategies encapsulated within the realm of Islamic social finance, which could be strategically adopted by Malaysia to propel the realization of tertiary education for its orphaned population.

4.1. Challenges and Transformative Potential of Tertiary Education

The interviewee adeptly navigated the landscape of challenges faced by orphans in their endeavour to attain higher education. A salient challenge identified was the "financial constraint," a significant obstacle that hampers orphans' access to tertiary education. This constraint often stems from the lack of financial resources needed to cover tuition fees, accommodation costs, and other essential expenses inherent in tertiary education pursuits. Equally vital was the recognition of "access to support networks and career guidance" as a formidable challenge. The absence of a robust support system, including mentorship and guidance, amplifies the difficulties orphans face in navigating the complexities of tertiary education enrolment and progression.

These nuanced challenges resonate profoundly with Malaysia's ambition to realize Sustainable Development Goal (SDG) No. 10 – "Reduced Inequalities." It was discerned that to address these challenges is to prioritize orphans as central stakeholders in societal development. A collective approach, involving various stakeholders, was deemed imperative to ensure that orphans are not relegated to marginalized positions but are equipped with the means to break the cycle of inequality.

4.2. The Multifaceted Value of Tertiary Education

The interview underscored the multifaceted value of tertiary education, positioning it as a linchpin for addressing the complex challenges faced by orphans. The respondent emphasized how tertiary education can serve as a potent catalyst for enhanced employability, improved income potential, and personal fulfilment for orphans. Additionally, the education ecosystem at the tertiary level can foster the development of critical skills, broaden horizons, and facilitate meaningful civic engagement. This holistic perspective underscores the manifold advantages of tertiary education for orphans, reaching beyond economic empowerment to encompass personal growth and societal enrichment.

4.3. Lessons from Islamic Social Finance

A notable aspect of the interview was the illustration of the innovative Islamic social finance model, exemplified by OrphanCare's partnership with Amãna Bank. This model demonstrates a sustainable approach that addresses a critical but often overlooked need of orphaned children. The role of Islamic finance in addressing the multiple challenges faced by orphans in Malaysia is a compelling lesson. By adopting the Islamic social finance approach, Malaysia could potentially revolutionise its approach to inclusive finance, channelling Islamic financial principles to empower orphaned youth through education and beyond.

However, the interview also revealed potential challenges associated with the adoption of Islamic social finance, such as sustaining funding and gaining public support. The positive trajectory of increased public participation in Sri Lanka's giving initiatives highlights the importance of raising awareness and fostering community engagement. This underscores the importance of holistic efforts to ensure the success of Islamic social finance initiatives.

4.4. Harnessing Collaborative Power

The intrinsic strengths of Islamic social finance, such as its potential to break the cycle of poverty and contribute to societal progress, were highlighted in the interview. Equally important was the collaborative ethos that underpins Islamic social finance, exemplified by partnerships between financial institutions, philanthropic organisations and government agencies. This collaborative model aligns seamlessly with Malaysia's aspirations to cultivate an ecosystem where collective efforts drive transformational change.

4.5. Long-Term Commitment

The interview unveiled OrphanCare's commendable practices, including "periodic deposits into orphans' accounts until they reach 18 years old." This commitment to sustained support showcases the importance of continuity and consistent resources for orphans as they transition into adulthood. Such an approach reflects a deep understanding of the long-term nature of the challenges and the necessity of sustained intervention.

4.6. Charting a Path Forward for Malaysia

Ultimately, the insights gleaned from the interview offer pivotal lessons for Malaysia as it navigates its journey toward providing tertiary education opportunities for orphans. By embracing the Islamic social finance framework, fostering collaborative partnerships, and recognizing the holistic benefits of tertiary education, Malaysia can chart a transformative path toward reduced inequalities, comprehensive youth development, and societal progress. The interview's narrative stands as a powerful blueprint, guiding Malaysia's efforts to empower orphaned youth through the dual forces of education and inclusive finance. It embodies the ideals of an inclusive and equitable society, wherein each young individual is offered a chance to thrive and contribute.

5. Recommendations

The content analysis method has unveiled critical challenges faced by orphans in their pursuit of tertiary education and highlighted the transformative potential of addressing these challenges through Islamic social finance. Drawing from the insights gathered, the following recommendations are proposed:

5.1. Establish Tertiary Education Support Funds for Orphans:

Malaysia should consider establishing dedicated funds aimed at providing financial assistance to orphaned individuals seeking tertiary education. These funds can alleviate the financial constraints that hinder their pursuit of higher education. Leveraging on Islamic social finance principles, these funds could be structured to provide interest-free loans or grants, covering tuition fees, accommodation costs, and other essential expenses. Collaborative partnerships between financial institutions, philanthropic organizations, and governmental bodies can help sustain and grow these funds.

5.2. Foster Comprehensive Support Networks:

To address the limited access to support networks, Malaysia should create comprehensive mentorship and support programs specifically tailored to orphaned students. These programs can offer emotional guidance, academic advice, and career counselling. Collaborations with educational institutions, community organizations, and industry professionals can facilitate the development of a robust and nurturing support ecosystem for orphans. Engaging volunteers and mentors from diverse backgrounds can enrich the experiences and perspectives offered to orphans.

5.3 Integrate Career Guidance Initiatives:

Malaysia should prioritize integrating career guidance initiatives within the education system, ensuring that orphans have equal access to tools and resources for career exploration. Educational institutions can collaborate with industry experts and career counsellors to offer workshops, seminars, and one-on-one guidance sessions. Such initiatives can assist orphans in identifying their strengths, interests, and aspirations, enabling them to make informed decisions about their future career paths.

5.4. Promote Awareness and Public Participation:

Raising awareness about the challenges faced by orphaned individuals and the potential of Islamic social finance-driven solutions is crucial. Public awareness campaigns, workshops, and educational programs can engage the broader society in supporting orphaned students' access to tertiary education. By fostering a sense of collective responsibility, Malaysia can encourage public participation, including individual donations and corporate partnerships, to sustain Islamic social finance initiatives.

5.5. Collaborate for Sustainable Impact:

Stakeholders, including policymakers, financial institutions, NGOs, and educational institutions, should collaborate strategically to maximize the impact of Islamic social finance -driven initiatives. Partnerships can ensure the efficient allocation of resources, avoid duplication of efforts, and create synergies to drive systemic change. By sharing expertise, resources, and networks, collaborative efforts can enhance the scalability and sustainability of programs aimed at reducing inequalities through education.

5.6. Cultivate Long-Term Commitment:

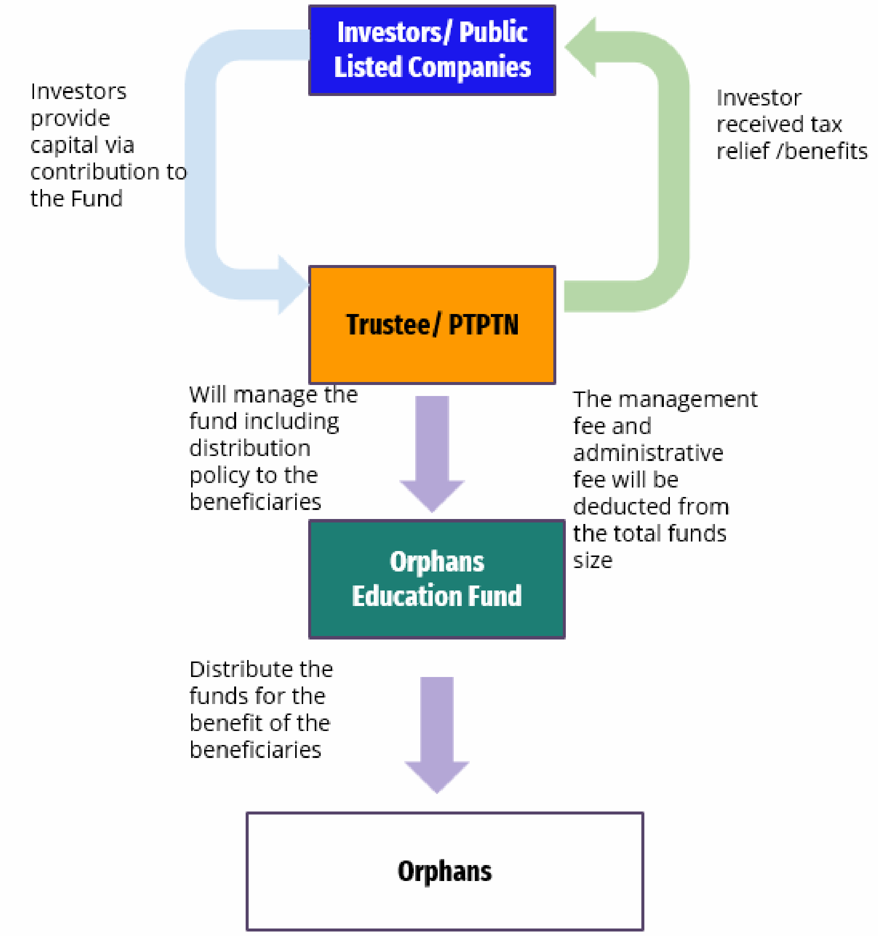
In line with OrphanCare's approach, Malaysia should emphasize the importance of sustained commitment and continued support for orphans even after they reach 18 years of age. Ongoing mentorship, career guidance, and access to resources can ensure that orphans navigate the challenges of adulthood successfully. Long-term commitment from financial institutions and relevant stakeholders can provide the stability and continuity essential for orphans' holistic development.

5.7. Regulatory Framework for Islamic social finance:

It is recommended that policymakers develop and refine a regulatory framework that facilitates the growth and effectiveness of Islamic social finance initiatives. By providing regulatory clarity, we can attract greater participation from financial institutions and encourage the development of innovative Islamic social finance models that are tailored to address social challenges. It is essential that the regulatory framework provides a favourable environment for the establishment and management of funds dedicated to the tertiary education of orphans. To enhance the financial sustainability of orphans' education, the Government of Malaysia is encouraged to establish the Orphans Education Fund, facilitated by an optional annual contribution of 2% from after-tax profits of listed companies on Bursa Securities. This initiative aligns with the ethos of corporate social responsibility and ESG principles, encouraging companies to actively contribute to societal development while enhancing their reputation and stakeholder relationships.

By channelling these contributions through the designated fund for orphans' tertiary education, managed by the capable hands of National Higher Education Fund Corporation (PTPTN), the Trustee, Malaysia can ensure responsible and transparent financial stewardship. This recommendation doesn't merely address immediate financial challenges but also aligns with the global movement towards sustainable development. The introduction of the Orphans Education Fund, driven by the synergy between Islamic social finance principles and contemporary financial mechanisms, embodies a progressive step towards a more equitable and inclusive society. The following Figure 2 describes the proposed structure for the Orphans Education Fund:

Figure 2: Proposed structure for the Orphans Education Fund.



Source: Author's own

First, the Orphans Education Fund will provide a substantial source of funding to support the education of orphans perpetually. Numerous orphans in Malaysia struggle financially to pursue tertiary education. By providing a designated fund for their education, these pupils will have access to opportunities they might not otherwise have.

Second, the contribution to the Orphans Education Fund by the public listed companies can strengthen their reputation and relations with stakeholders. By demonstrating their dedication to social causes, businesses can establish credibility with consumers, employees, and investors. This can result in increased loyalty and support, which can translate into long-term success for the business. As stakeholders demand greater transparency and accountability from business operations, sustainability reporting assumes a greater significance for companies. By noting their contribution to the Orphans Education Fund in their annual sustainability report, businesses can demonstrate their dedication to social causes and their progress towards attaining SDGs, particularly SDG No. 10, which seeks to reduce inequality.

Third, the initiative will contribute to the growth of Malaysia's qualified labour force. This initiative will enable orphans to pursue professions in a variety of disciplines, including science, technology, engineering, and mathematics (STEM). This will help address the skills divide in Malaysia and increase the country's global competitiveness.

Fourth, the public listed companies will receive tax relief, which is one of the major advantages of the proposed contribution to the Orphans Education Fund. The Malaysian Income Tax Act of 1967 allows businesses to claim tax deductions for charitable contributions made to approved institutions or funds.

The Orphans Education Fund is likely to be authorised as a charitable organisation, making contributions eligible for tax deductions. By contributing to the Orphans Education Fund, businesses can reduce their potentially significant tax liabilities. In a highly competitive business environment where companies are under pressure to maximise profits, this is of particular importance. By lowering their tax obligations, businesses are able to free up funds that can be reinvested in the business or used for other social causes.

5.8. Continuous Monitoring and Evaluation:

To ensure the effectiveness and impact of Islamic social finance initiatives, Malaysia should implement robust monitoring and evaluation mechanisms. Regular assessments can track the progress of orphaned students, measure the outcomes of support programs, and identify areas for improvement. Transparent reporting of results can build trust among stakeholders and provide insights for refining strategies over time.

6. Conclusion

In conclusion, this study has explored the potential of Islamic Social Finance to address the critical issue of funding tertiary education for orphans in Malaysia, with the aim of reducing inequality. The research objectives were diligently pursued, highlighting challenges faced by orphans in pursuing higher education, analyzing successful practices from other countries, and examining how Islamic social finance can play a pivotal role in addressing these challenges.

The exemplary efforts and dedication demonstrated by institutions like OrphanCare (Sri Lanka) and Sadaqa House (Malaysia) in providing for orphans' well-being and education were recognized as guiding lights in the pursuit of a more equitable society. Leveraging their wisdom and experience, this study aimed to contribute to the ongoing discourse surrounding Islamic social finance's potential impact on orphans' education.

The challenges faced by orphans were delineated, emphasizing the financial constraints and limited access to support networks that hinder their pursuit of tertiary education. Amidst a post-pandemic world grappling with climate change and economic uncertainties, the incorporation of Islamic social finance and Value-Based Intermediation (VBI) principles into modern financial tools emerged as a promising strategy for promoting sustainability and social development.

To address the financial constraints faced by orphans, a key recommendation put forth is the introduction of an optional 2% annual contribution from post-tax profits of publicly listed companies to a designated fund for orphans' tertiary education. This fund, managed by the PTPTN with the expertise gained over decades, would act as a sustainable source of financial support for orphan education.

Recognizing the importance of comprehensive support, the study further recommended establishing a continuous engagement program led by the Ministry of Higher Education to guide and support adult orphans in their pursuit of education and career advancement. By fostering partnerships with various stakeholders, this initiative aims to mitigate the lack of access to support networks and career guidance that currently affects orphans.

These recommendations, if implemented, are poised to position Malaysia as a leader in championing the rights and development of orphans, ultimately reducing inequality within the nation. The success of the Orphans Education Fund could serve as a model for other governmental bodies, religious institutions, corporations, and individuals to adopt similar Islamic social finance -based approaches, thereby reducing dependency on public funds.

Looking ahead, it is evident that more research and collaboration are required to refine financing models and strategies that harness the full potential of Islamic social finance. This includes exploring innovative mechanisms, engaging in partnerships, and adopting advanced technologies to ensure efficient fund management and equitable distribution. Future research in this domain should delve into the practical implications and measurable outcomes of implementing such Islamic social finance-based initiatives, contributing to the empirical foundation of this field.

The policy implications of this study are substantial. The Government of Malaysia, religious authorities, and educational institutions can adopt and adapt the recommended initiatives to suit their specific contexts, contributing to the overall welfare of orphans. Moreover, this study underscores the broader potential of Islamic social finance in addressing multifaceted societal challenges beyond orphan education, thereby urging policymakers to consider integrating Islamic social finance principles into national development agendas.

In conclusion, the plight of orphans in Malaysia serves as a powerful call to action for the entire global community. By leveraging the principles of Islamic social finance and engaging various stakeholders, it is possible to transform their lives, reduce inequality, and create a more just and compassionate society. The journey towards this noble goal requires sustained commitment, collaboration, and the unwavering pursuit of innovative solutions to build a future where every individual has the opportunity to thrive with dignity.

7. References

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