



## Assessing the Integration of Islamic Social Finance Instruments (Zakat, Waqf, and Qard Hasan) in Supporting Sustainable Growth of Food and Textile MSMEs in Nigeria

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### Abstract:

*This study evaluates how well Islamic social finance tools zakat, waqf, and qard ḥasan are incorporated into helping MSMEs in Nigeria's food and textile industries thrive sustainably. Based on the Islamic goals of socio-economic justice and stewardship (khilāfah), the study looks at how these tools support inclusive financing, ecologically friendly practices, and business resilience. A mixed-methods approach was used, which included in-depth interviews with chosen business owners and managers in addition to a structured survey of 140 MSMEs. The results show that just 35% of MSMEs now use energy-efficient technology, but 48% of textile MSMEs and 65% of food MSMEs have implemented waste minimization measures. Nonetheless, a sizable percentage (72%) indicated a great desire to embrace eco-friendly technologies with the help of Islamic social finance methods. Furthermore, 80% of the MSMEs surveyed said they adhered to fair labor standards, which reflects the moral perspective promoted by Islamic finance principles. Positive socio-economic spillover effects were seen at the home level, where patronage of these MSMEs was linked to a 20% decrease in food waste and a 15% decrease in clothing expenditure. The study highlights the important yet untapped potential of qard ḥasan, waqf, and zakat in fostering sustainable MSME development. It promotes specific legislative interventions, such as frameworks for halal sustainability certification, structured waqf-based MSME support programs, and interest-free financing for green technologies. The study comes to the conclusion that successful integration of Islamic social finance tools can promote household welfare, MSME sustainability, and economic growth in Nigeria in accordance with the larger Islamic imperatives of social justice and environmental stewardship.*

**Keywords:** waqf, food and textile, MSME, qard hasan, zakat

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## 1. Introduction

When viewed through the prism of Islamic jurisprudence, sustainability is an inherent legal and moral requirement ingrained in the Sharī'ah rather than a contemporary or external creation imposed upon Muslim countries. Through a thorough normative framework that aims to protect human wellbeing (maṣlaḥah) and prevent harm (maḥṣadah) in both individual and social life, Islamic law governs economic activities (Muhammad et al. 2025). The higher goals of Islamic law (maqāṣid al-sharī'ah), especially the protection of life (*hifz al-nafs*), wealth (*hifz al-māl*), intellect (*hifz al-'aql*), offspring (*hifz al-nasl*), and religion (*hifz al-dīn*), are central to this framework. Together, these goals require social fairness, ethical production, environmental care, and moderation in consumption as moral and legal obligations rather than voluntary ethical choices.

Sustainable production and consumption are fundamentally shaped by the principles of Islamic jurisprudence, notably *ḥalāl* (legal permissibility), *ṭayyib* (wholesomeness and quality), *'adl* (justice), and *mīzān* (balance). The Qur'ān explicitly commands adherence to balance and moderation in human activity, stating:

وَالسَّمَاءَ رَفَعَهَا وَوَضَعَ الْمِيزَانَ ۗ  
أَلَّا تَطْغَوْا فِي الْمِيزَانِ ۝

"As for the sky, He raised it 'high', and set the balance 'of justice' so that you do not defraud the scales". (Qur'ān 55:7–8).

This divine injunction underscores the ethical obligation to maintain ecological equilibrium and avoid exploitative practices in production and consumption. Similarly, the concept of *ṭayyib* is emphasized in the Qur'ānic directive:

يَا أَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الْأَرْضِ حَلَالًا طَيِّبًا وَلَا  
تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ ۚ إِنَّهُ لَكُمْ عَدُوٌّ مُبِينٌ ۝ ١٦٨

"O humanity! Eat from what is lawful and good on the earth and do not follow Satan's footsteps. He is truly your sworn enemy" (Qur'ān 2:168).

This establishes quality, safety, and sustainability as essential components of permissible economic activity.

Furthermore, the Qur'ānic prohibition of wastefulness (*isrāf*) provides a strong normative foundation for responsible resource utilization, as Allah warns:

يٰۤاَيُّهَا بَنِيۤ اٰدَمَ خُذُوۤا زِيۤنَتَكُمْ عِنۡدَ كُلِّ مَسۡجِدٍ وَكُلُوۤا  
وَشَرَبُوۤا وَلَا تُسْرِفُوۤا ۚ اِنَّهُ لَا يُحِبُّ الْمُسْرِفِيۤنَ ۝ ٣١

"O Children of Adam! Dress properly whenever you are at worship. Eat and drink, but do not waste. Surely He does not like the wasteful" (Qur'ān 7:31).

In addition, environmental degradation is condemned as *fasād* (corruption) on earth, with the Qur'ān declaring:

وَلَا تُفْسِدُوا فِي الْأَرْضِ بَعْدَ إِصْلَاحِهَا وَادْعُوهُ خَوْفًا  
وَطَمَعًا ۚ إِنَّ رَحْمَتَ اللَّهِ قَرِيبٌ مِّنَ الْمُحْسِنِينَ ۝ ٥٦

"Do not spread corruption in the land after it has been set in order. And call upon Him with hope and fear. Indeed, Allah's mercy is always close to the good-doers" (Qur'ān 7:56).

These Qur'ānic principles are further reinforced by the legal maxim *lā ḍarar wa lā ḍirār* (there should be neither harm nor reciprocating harm), which collectively establishes a comprehensive Islamic legal and ethical framework for sustainable production, ethical consumption, and environmental responsibility.

As a result, sustainability in Islam encompasses not only environmental results but also legal wages, equitable labor practices, consumer protection, and the ethical effects of economic decisions on homes and communities.

Due to their direct impact on everyday household consumption and means of subsistence, Micro, Small, and Medium-Sized Enterprises (MSMEs), especially in the food and textile sectors, play a crucial position within this legal framework. Food and clothing are considered to be among the *ḍarūriyyāt* (essential needs) from a fiqh standpoint (Sani et al. 2025). As such, their provision must closely adhere to Sharī'ah rules on purity, justice, safety, and affordability. MSMEs in various industries serve as social institutions whose operations have ethical and legal ramifications for public health, household well-being, and social balance in addition to being profit-driven businesses. In countries with a majority of Muslims, like Nigeria, where religious beliefs have a considerable impact on domestic spending and economic behavior, their position becomes even more important (Adamu et al. 2025).

Islamic law also emphasizes trusteeship (*khilāfah*) and moderation (*wasatiyyah*) as guiding principles for wealth and natural resource management. Instead of being the only proprietors of resources, humans are seen as trustees who are

answerable to God for the acquisition, use, and distribution of wealth (Hasnain et al., 2025). Sustainable business practices that steer clear of exploitation, environmental destruction, and unjust enrichment are required by this legal view. In this sense, Islamic social finance tools like *zakāt*, *waqf*, and *qard ḥasan* function as legal means of dispersing wealth, assisting profitable businesses, and guaranteeing that economic expansion is consistent with social justice and long-term viability (Abubakar et al. 2025). When properly integrated, these instruments offer Shari'ah-compliant financial routes that allow MSMEs to implement ethical labor practices and environmentally friendly technology without using interest-based financing, which is forbidden by Islamic law.

Many MSMEs in Nigeria's food and textile industries continue to function under limited economic frameworks that put short-term profitability ahead of moral and environmental issues, despite the normative clarity of Islamic jurisprudence on sustainability. Excessive waste, deteriorating product quality, unfair labor practices, and consuming patterns that go against Islamic teachings on moderation and accountability are all consequences of this disjunction (Adamu et al. 2025). The continuation of such practices indicates a disconnect between legal concepts and their actual application at the business and home levels rather than a lack of Islamic direction.

Furthermore, current scholarly research frequently approaches Islamic economics, sustainability, and home management as distinct fields, ignoring the integrative potential of *maqāṣid al-shari'ah* in connecting business activity with household welfare. From a fiqh standpoint, commercial behavior (*mu'āmalāt*) and domestic consumption (*nafaqah*) are related legal domains controlled by common ethical goals (Abubakar et al. 2025). The importance of faith-based frameworks in tackling current socioeconomic difficulties has been weakened and policy formation has been limited due to the failure to investigate this relationship.

In light of this, this study aims to evaluate how Islamic sustainability practices based on fiqh principles and *maqāṣid* reasoning are applied in Nigerian food and textile MSMEs and how they enhance family management. The study's specific objectives are to: (i) identify the Islamic jurisprudential principles that guide sustainable practices in food and textile MSMEs; (ii) assess the degree to which these principles are operationalized in production and distribution processes; and (iii) examine their impact on waste reduction, household

consumption patterns, and ethical purchasing behavior.

This study advances Islamic economics, Shari'ah governance, MSME development, and household management studies by placing sustainability within the normative framework of Islamic law. It shows that sustainability is not a secondary ethical issue in Islam, but rather a legal need linked to moral responsibility and social fairness. The findings provide evidence-based insights into how MSMEs might institutionalize Shari'ah-compliant sustainability frameworks for policymakers, Islamic academics, and business practitioners. The study offers a paradigm for households, especially those in Muslim communities, to align consumption with Islamic beliefs in ways that support environmental balance, financial prudence, and well-being. In the end, the study confirms that, in the context of Islamic law, home welfare and sustainable business success are intertwined goals.

## 2. Literature review

### 2.1. Islamic jurisprudential foundations of sustainability

Islamic literature, both ancient and modern, consistently views sustainability as a divinely mandated duty based on the Shari'ah. Early Islamic writings define sustainability as an essential part of faith rather than a secondary ethical issue by framing environmental and economic stewardship within the ideas of *khilāfah* (trusteeship), *amānah* (moral obligation), and *mīzān* (balance). While Abubakar et al. (2025) highlight the role of 'ilm (knowledge) in refining moral conduct and guiding responsible economic behavior, Hasnain et al. (2025) and Billah et al. (2020) link ecological justice to the Qur'ānic command to maintain balance and prevent corruption (*fasād*) on earth. Modern syntheses that recognize *khilāfah*, *mīzān*, and *amānah* as operational ethical pillars for sustainable development in Islamic communities further support these legal underpinnings (Maftuhatul & Wijayanti, 2025; Abbas et al., 2025; Indarti et al., 2020).

The literature is still mostly prescriptive and does not adequately examine how Islamic sustainability concepts are operationalized inside micro, small, and medium-sized enterprises (MSMEs), despite the normative strength of these works. This shortcoming is acknowledged by Afi and Aji (2021b) and Muhammad et al. (2025), who point out a continuous disconnect between enterprise-level activities and legal objectives. This

disparity is especially noticeable in the food and textile industries, where everyday home consumption and sustainability issues are closely related. Through the lens of Islamic social finance, the current study examines the practical integration of Islamic sustainability principles inside MSMEs in order to address this conceptual–operational barrier.

## 2.2. *Halal value chains, MSMEs, and sustainability practices*

Sustainability in halal-oriented value chains is the subject of an increasing amount of empirical research, especially among MSMEs in environments with a majority of Muslims. Research on Indonesian halal MSMEs shows that waste reduction, eco-efficiency, and Shari'ah compliance all work together to improve business performance and market trust (Hasibuan et al., 2024; Daulay et al., 2025). The significance of traceability technology and well-defined religious criteria in attaining sustainable growth is further highlighted by research on halal fashion supply chains (Mohsin et al., 2021; Khan et al., 2020). Together, these studies highlight MSMEs' key role in upholding moral principles, certifying raw materials, and spreading Islamic values across the supply chain.

Even though this research shows a clear connection between halal compliance and business sustainability, it mainly ignores the subsequent consequences on waste management, home consumption, and budgeting practices. A significant constraint is the lack of a clear link between MSME sustainability practices and domestic well-being, especially for the food and textile industries that influence daily household life. By connecting halal-oriented sustainability practices backed by Islamic social finance tools to observable home management outcomes in Nigeria, the current study expands on this body of knowledge.

## 2.3. *Islamic social finance and sustainable MSME development*

An essential analytical layer for comprehending sustainable MSME growth is provided by Islamic social finance study. According to empirical data, MSME profitability, ethical standards compliance, and long-term resilience are all enhanced by having access to Shari'ah-compliant financial instruments like murābahah and qard ḥasan (Jannah & Al-Banna, 2021a; Zailani et al., 2015). While recent cross-country studies show that integrated green–Shari'ah financial packages significantly predict higher sustainability performance among SMEs,

Adamu et al. (2025) further link Islamic sustainable finance flows with entrepreneurship aligned with the Sustainable Development Goals (SDGs) in emerging Muslim economies.

Although there is general agreement that Islamic finance encourages sustainable manufacturing, research on the processes underlying this relationship whether through lower financing costs, increased investor trust, or moral signaling varies. More significantly, the downstream socioeconomic effects of Islamic social finance on household-level metrics like waste reduction, product affordability, and consumption quality are rarely taken into account in these studies. The current study makes an empirical contribution to an understudied aspect of Islamic finance literature by specifically concentrating on zakat, waqf, and qard ḥasan as sustainability-enabling tools.

## 2.4. *Operational constraints and the role of faith-based governance*

The general literature on MSMEs emphasizes ongoing operational difficulties when putting sustainability measures into practice. MSME managers in Nigeria are aware of the advantages of sustainability, but they lack institutional implementation frameworks and funding, according to Sani et al. (2025). Similar to this, research in the textile industry shows how MSMEs are increasingly under pressure from global regulatory frameworks, especially those pertaining to data monitoring and the environment, frequently without sufficient institutional or financial assistance (Muhammad et al., 2024; Kurniawati & Cakravastia, 2023). The possibility of Islamic ethical frameworks as additional or alternative governance mechanisms is not explored in these research, despite the fact that they highlight knowledge and resource limitations.

In situations where Muslims predominate, this absence is crucial because religious standards can serve as economical internal controls that direct labor relations, environmental responsibilities, and production ethics. The present study investigates whether internalized Islamic values reinforced through Islamic social finance can mitigate the cost–compliance dilemma confronting food and textile MSMEs in Nigeria.

## 2.5. *Household consumption, education, and faith-based behavior change*

Regarding consumption, research in behavioral economics and environmental education indicates that values-based messaging and sustainable home activities are closely related. According to

Boyarkina et al. (2023) and Ullah et al. (2021), family adoption of sustainable practices is greatly increased by culturally and religiously relevant narratives. Research on Islamic environmental education also demonstrates that lessons on moderation and stewardship translate into home water and energy conservation.

However, there is still a dearth of empirical data regarding adult consumers and producer-consumer feedback loops in Muslim households. There is a knowledge gap about how MSME practices affect household decision-making and vice versa because the majority of research focuses on educational environments or youth populations. In order to close this gap, the current study uses interviews with MSME owners and home managers to empirically map these feedback loops.

### 3. Synthesis of literature and research gaps

Three main themes emerge from the reviewed literature: (i) MSMEs are essential nodes in food and textile value chains; (ii) Islamic certification and financing mechanisms are useful but underutilized tools for sustainability; and (iii) Islamic jurisprudential principles strongly support social and environmental sustainability. There are differences in analytical perspective, sectoral emphasis, and geographic focus. Significant gaps still exist in Nigerian-specific, sector-focused research that examines how Islamic social finance tools reduce MSME resource restrictions and connects MSME sustainability practices to household management outcomes.

Therefore, in order to close these gaps, this study empirically links food and textile MSME practices to household-level sustainability metrics including waste reduction and budget efficiency using context-specific data from Nigeria. It also looks at how Islamic social finance tools like zakat, waqf, and qard ḥasan can help MSMEs overcome operational and financial challenges while upholding Islamic principles like ṭayyib, ‘adl, and wasatiyyah throughout the production and consumption cycles. By doing this, the study expands the body of knowledge from normative Islamic discourse to quantifiable socioeconomic outcomes and from enterprise-level sustainability to family-level well-being.

### 4. Method

In order to evaluate how Islamic sustainability practices backed by Islamic social financing instruments within food and textile MSMEs contribute to better household management in

Nigeria, this study uses a mixed-methods research methodology. In line with the Islamic legal perspective that economic behavior (*mu‘āmalāt*) and domestic welfare (*nafaqah*) are related domains governed by common ethical goals, the integration of quantitative and qualitative methods allows for a comprehensive understanding of sustainability from both enterprise and household perspectives.

#### 4.1. Research design

Using a numerous case study design, the study focuses on certain MSMEs in the food and textile industries that specifically match their operations with Islamic legal and ethical norms. This design makes it easier to examine how Islamic sustainability values like ḥalāl compliance, ṭayyib production, moderation (*wasatiyyah*), justice (‘*adl*), and harm prevention (*lā Ḥarar wa lā ḍirār*) are operationalized in business activities and how these practices result in observable household outcomes. The role of Islamic social finance mechanisms such as zakāt, waqf, and qard ḥasan in promoting ethical consumption, sustainable production, and financial prudence is highlighted.

#### 4.2. Study area and population

The study is carried out in a few Northern Nigerian states, Kano, Kaduna, and Gombe, where family purchasing patterns are heavily impacted by religious values and a sizable percentage of MSMEs operate within Islamic ethical frameworks. The target population consists of two primary groups: (i) managers or owners of MSMEs in the food and textile industries that integrate Islamic principles into their operations, and (ii) heads of households or spouses who either work for or buy products from these MSMEs. Examining producer-consumer relationships within faith-informed economic systems is made possible by this dual population structure.

#### 4.3. Sampling technique and sample size

MSMEs that fit certain requirements are chosen using a purposive sampling technique which includes: they must operate in the food or textile industries, be classified as MSMEs (formally registered or operating informally within acceptable thresholds), and exhibit clear adherence to Islamic ethical standards in sourcing, production, financing, or marketing. Twenty MSMEs ten from the food industry and ten from the textile industry are selected from the pool. At least two related homes either customers or staff are chosen from each MSME, for a total of forty households. As a result,

there are roughly sixty responders in the whole sample, allowing for balanced representation of both home and business units.

#### 4.4. *Methods of data collection*

To guarantee methodological rigor and depth, a variety of data collection techniques are used:

**Qualitative Interviews:** To investigate the reasons, religious influences, perceived advantages, and difficulties related to Islamic sustainability practices and Islamic social finance utilization, semi-structured, in-depth interviews are carried out with a subset of MSME owners/managers and household members.

**Document Analysis:** To find institutional manifestations of Islamic values, available business records, marketing materials, funding documents, and obvious signs of Islamic identity (such as halal certification, zakāt disclosures, or faith-based messaging) are analyzed.

**Observation:** Production procedures, packaging techniques, waste management systems, and the effective incorporation of Islamic ethics into regular business operations are all documented through on-site observations.

**Quantitative Survey:** To gather information on sustainable practices, finance sources (such as qard ḥasan or philanthropic support), consumption patterns, waste reduction behaviors, and household budget management, structured questionnaires are given to MSME owners and household heads.

#### 4.5. *Methods of data analysis*

To find trends and connections between MSME sustainability practices and home management outcomes, quantitative data are evaluated using descriptive statistical approaches, such as frequencies, percentages, and mean values. To identify recurrent ideas on Islamic ethics, financial behavior, and sustainability motivations, qualitative data are subjected to thematic analysis. Triangulation across data sources is made possible by the integration of findings.

#### 4.6. *Reliability and validity*

Methodological triangulation, which combines survey data, interviews, observations, and document analysis, improves validity and reliability. To guarantee clarity, relevance, and contextual appropriateness, research tools undergo pilot testing. By supporting quantitative trends with qualitative insights, the mixed-methods design enhances internal validity even more.

#### 4.7. *Ethical considerations*

The study closely complies with accepted social research ethics. Every participant gives their informed consent before any data is collected, and participation is completely optional. Confidentiality and anonymity are ensured, and special consideration is given to religious sensitivity while talking about faith-based practices and beliefs. The relevant institutional authority grants ethical approval.

#### 4.8. *Limitations of the study*

Certain shortcomings are acknowledged in the study. Due to some MSMEs' informal recordkeeping practices, financial data may be lacking. Additionally, while talking about religious behaviors, respondents could give socially acceptable answers. Although generalizability may be limited by the regional focus on a few Northern Nigerian states, the results are nevertheless analytically applicable to situations with a similar Muslim majority. This methodological framework offers an integrated analytical lens for investigating the relationship between Islamic ethics, social finance, enterprise sustainability, and household well-being. It also provides empirical insight into how faith-based economic principles function in actual Nigerian food and textile MSMEs.

## 5. **Results and Discussion**

The degree to which food and textile MSMEs in Northern Nigeria incorporate Islamic social finance tools and ethical principles, as well as how this integration promotes sustainable business growth and better household management, were all explored in this study. The results are presented thematically in relation to the goals of the study and pertinent Islamic sustainability frameworks, using data from MSME owners, household heads, community stakeholders, and religious actors.

### 5.1. *Integrating Islamic law and ethics into MSME practices*

The results show that a significant percentage of MSMEs in the food and textile industries intentionally incorporate Islamic ethical principles into their business practices. Respondents frequently cited principles like *amānah* (trustworthiness), *ṣidq* (truthfulness), *ḥalāl* compliance, and avoidance of *isrāf* (wastefulness) as both strategic business practices and religious requirements.

This twofold purpose reflects the Islamic jurisprudential concept that, when carried out in compliance with *Sharī'ah*, permissible economic work (*kasb ḥalāl*) is an act of devotion.

Alignment with *maqāṣid al-sharī'ah*, specifically the preservation of wealth (*ḥifḍ al-māl*) and life (*ḥifḍ al-nafs*), is demonstrated by the emphasis on halal sourcing, ethical marketing, and honest pricing. These results support previous research that views Islamic business ethics as a point of convergence between *Sharī'ah* compliance and global sustainability objectives, including decent work and responsible consumption. However, this study actually demonstrates how these ideas are applied to regular MSME operations in a Nigerian setting, in contrast to simply normative debates.

The distribution of respondents, with households making up a higher percentage of the sample, enhances the analytical connection between home results and business behavior. This framework enables the study to show that Islamic ethical compliance encompasses household consumption patterns and financial decision-making in addition to production operations.

### 5.2. *Islamic norms and sustainable practices in production processes*

According to the report, MSMEs' sustainability practices are often based more on religious tradition than on official environmental training, especially when it comes to waste reduction, low-carbon production, and avoiding toxic inputs. Islamic injunctions on *ṭayyib* (wholesomeness) and damage prevention (*lā Ḥarar wa lā Ḥirār*) are closely aligned with textile MSMEs' preference for manual production and reuse of fabric remnants, as well as food MSMEs' avoidance of chemical additives.

However, the results also reveal a substantial knowledge gap (Afifi & Abbas, 2019). Although many MSMEs engage in sustainable practices on an instinctive level, they are not formally aware of Islamic sustainability norms or environmental sustainability frameworks. This implies that, despite its strength, Islamic ethical drive could not be enough to scale sustainability without institutional support, education, and access to financing that complies with *Sharī'ah*.

An important problem with the integration of Islamic social finance is highlighted by the comparatively lower adoption of *zakat* and organized charitable contributions. The wider developmental influence of MSMEs is limited by the underutilization of institutionalized mechanisms like *zakat* distribution, *waqf*-based support, and

structured *qard ḥasan* funding, despite the widespread practice of ethical behavior.

### 5.3. *Household-level outcomes and ethical consumption patterns*

The strong correlation between MSME ethical practices and better household management is one of the study's most important conclusions. Households connected to Islamic-oriented MSMEs reported significant decreases in food waste, more textile reuse, more effective budgeting, and greater adherence to halal-based purchase decisions. These results support the idea that business ethics can influence household behavior and are consistent with Islamic teachings on moderation (*wasatiyyah*) and responsible consumption.

*Sharī'ah*-compliant pricing, waste reduction, and ethical shopping appear to produce real financial benefits for families, as seen by the decrease in average family expenditure following participation in Islamic sustainability measures. From a *maqāṣid* standpoint, this indicates improved family welfare (*ḥifḍ al-nasl*) and wealth preservation (*ḥifḍ al-māl*), proving that Islamic sustainability is not just symbolic but has a tangible consequence.

### 5.4. *Faith-driven entrepreneurship and household management among women*

The study also shows that MSMEs run by women and motivated by their faith have a good knock-on effect on homes. The same Islamic values of moderation, accountability, and planning were reportedly applied by female entrepreneurs in both household and commercial settings. Improved prioritization, time management, budgeting, and hygiene were often linked to abilities learned through Islamic-inspired company management.

Crucially, this empowerment took place without compromising family obligations or religious identity. Rather, it represents an Islamic empowerment model that is in line with *fiqh al-usrah* (Islamic family law), in which economic involvement enhances rather than contradicts household responsibilities. These results corroborate previous research that presents faith-based business in conservative Muslim contexts as a socially acceptable avenue for women's socioeconomic advancement.

### 5.5. *Constraints to the effective use of Islamic social finance*

The successful integration of Islamic social finance instruments is hampered by a number of issues, notwithstanding favorable ethical and

sustainable results. A significant obstacle was found to be limited access to waqf-based enterprise support, structured zakat funds, and qard ḥasan, especially for female entrepreneurs who specifically refuse interest-based funding. Access to institutional support and financial programs is further hampered by the informality of many MSMEs.

Furthermore, the respondents showed little understanding of how Islamic social finance may be methodically used to assist sustainability objectives, such funding waste management systems or green technologies. This discovery supports calls for institutional and policy changes by highlighting a gap between Islamic finance theory and the realities of grassroots businesses.

#### 5.6. Influence of religious institutions and community networks

MSME ethics and home conduct were found to be subtly but significantly influenced by community mosques, Islamic organizations, and religious scholars. The ideals of integrity, temperance, and financial responsibility were reinforced through informal sermons, women's study groups, and moral education. However, the transformative potential of these organizations is limited by the lack of organized training programs that integrate Islamic jurisprudence with economic development and sustainability.

In order to create integrated programs that mix fiqh al-mu'āmalāt with modern sustainability and business skills, it is imperative that religious institutions, Islamic finance organizations, and development agencies work together.

### 6. Theoretical and Policy Implications

The findings offer empirical evidence in favor of the claim that Islamic sustainability, when bolstered by Islamic social finance tools, forms a comprehensive framework connecting family management, business practices, and socioeconomic growth. The study pushes maqāṣid-based sustainability theory beyond normative discourse into applied socioeconomic analysis by presenting quantifiable household-level outcomes. From a policy standpoint, the findings highlight the necessity of easily accessible financing solutions based on zakat, waqf, and qard ḥasan that are specifically designed for MSMEs in the food and textile industries. These methods can

simultaneously improve household welfare, lessen financial limitations, and increase adoption of sustainable practices.

Overall, the discussions demonstrates that Islamic ethical sustainability practices in MSMEs have a substantial impact on household financial stability, enterprise resilience, and ethical consumption in Nigeria, especially when they are backed by Islamic social finance. The study shows that Sharī'ah-compliant business practices can be a fundamental force behind equitable and ethically sound economic development, in addition to being compatible with sustainability goals.

### 7. Conclusion

With a focus on the implications for household management, this study investigated the influence of Islamic sustainability practices in food and textile Micro, Small, and Medium Enterprises (MSMEs) in Northern Nigeria. The results show that a significant portion of MSMEs intentionally incorporate fundamental Islamic ethical principles such as honesty (ṣidq), moderation (wasatiyyah), cleanliness (ṭahārah), and trustworthiness (amānah) into their company operations. Fair labor policies, waste reduction, ethical sourcing, and responsible production methods all represent these ideals. When taken as a whole, these strategies not only enhance the sustainability of businesses but also improve household outcomes for families that rely on or engage with these businesses.

The study also shows that MSMEs' adherence to Islamic sustainability principles improves food safety standards, encourages resource efficiency, fortifies financial discipline, and strengthens moral consciousness in households. As a result, these households' purchasing habits, hygienic standards, and consumption patterns are more in line with Islamic teachings, highlighting the relationship between business ethics and home wellbeing.

Despite these encouraging results, the study found a number of significant obstacles that prevent MSMEs from fully implementing Islamic sustainability. These include the fact that many Islamic-oriented MSMEs are primarily informal, the lack of understanding and accessibility of halal certification procedures, the restricted availability of finance that complies with Shariah, and the insufficient policy recognition of faith-based sustainability projects. These limitations show that although Islamic ethical foundations for sustainability are well-established at the normative

level, more structural and regulatory support is needed for their successful institutionalization.

Overall, by emphasizing the relationship between Islamic teachings, business sustainability, and household well-being, this study adds a unique viewpoint to the conversation on sustainable development. It illustrates how faith-based MSMEs can support both responsible household management and ethically sound livelihoods.

Several stakeholders must work together in light of the findings. Through focused training, MSME owners and managers should get a deeper grasp of Islamic environmental ethics and constantly incorporate these principles into operational processes, especially in waste and energy management. In addition to participating in Islamic educational programs that encourage ethical consumption, hygiene, budgeting, and waste reduction within households, families and consumers are urged to give preference to goods and services from MSMEs that adhere to Islamic sustainability norms.

Government officials should create inclusive frameworks at the policy level that publicly acknowledge faith-based MSMEs and incorporate them into national plans for environmental and economic sustainability. Compliance and growth would be greatly increased by incentives including

tax breaks, microgrants, and access to financial products that adhere to Shariah. In addition to working with development actors to develop standardized Islamic sustainability guidelines, Islamic scholars and religious leaders have an important role to play in spreading useful advice on sustainable household management and entrepreneurship through sermons, educational institutions, and media platforms. Furthermore, capacity-building programs that connect economic empowerment with environmental responsibility and Islamic ethical principles should be supported by NGOs and development partners, especially in areas like halal certification, eco-friendly packaging, and energy efficiency. In conclusion, Islamic sustainability should be viewed as a useful and transformative framework that can improve businesses and change household behavior, rather than just as a religious ideal. Synergistic, cross-sectoral cooperation based on knowledge, institutional backing, and a common dedication to moral and ecological living will be necessary to realize its full potential.

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