

Leveraging Qard Hasan as a Financing Mechanism for Entrepreneurship at the Bottom of the Pyramid: A Systematic Review

Abul Hassan ^{1*} , Lukman Raimi ² ,

¹ Associate Professor of Finance, School of Business, Department of Finance, King Faisal University, Hofuf, SAUDI ARABIA.

² Assistant Professor of Entrepreneurship, UBD School of Business and Economics, University of Brunei Darussalam, BRUNEI Darussalam; Email: Lukman.raimi@ubd.edu.bn

*Corresponding Author: hassan@kfu.edu.sa, abulhassan03@yahoo.co.uk

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ABSTRACT

The purpose of study is to examine the Islamic finance literature on how best to leverage Qard Hasan (benevolent loan) as a financing mechanism for entrepreneurship at the Bottom of the Pyramid (BoP), by addressing existing gaps and optimising its potential for financial inclusion and economic empowerment. The present research adopts a systematic literature review (SLR) methodology involving desk research as a data collection method. The desk research encompasses reviewing relevant books, articles, and working papers. In terms of data extraction for analysis, the study adopts the PRISMA protocol for conducting a systematic review of 41 articles published from 2010 to 2024 to provide answers to four research questions. The selected publications were taken from the Web of Science, Scopus, and Google Scholar databases, using the purposive sampling technique, and considering the selection criteria of quality, relevance and timeliness of the publications. The discussion highlights Qard Hasan's potential for financial empowerment and inclusive development. Leveraging it enhances business capital access, while FinTech innovations improve scalability and sustainability. Strengthening these aspects can uplift BoP communities, enabling them to transition from beneficiaries to active contributors to economic growth. Further, the study broadens the discourse of the prospects of Qard Hasan as a financing mechanism for entrepreneurship based on Islamic moral economy, Maqasid al-Shari'ah (objectivity of Islamic ethical laws), stakeholder theory, institutional economy and financial mediation. It lays a foundation for future research on the Qard Hasan-Entrepreneurship nexus.

Keywords: Agenda for Action, Bottom of the Pyramid, Entrepreneurship, Financing Mechanism, Qard Hasan

INTRODUCTION

For Islamic financial institutions to achieve social, economic, and environmental sustainability through the use of social finance instruments (SFIs), they must refocus the SFIs to support entrepreneurship at the bottom of the pyramid (Iqbal & Mirakh, 2013; Hassan et al., 2019; Hakim & Dalimunthe, 2022). The foregoing is imperative because the capacity of entrepreneurship to alleviate poverty, empower marginalised communities and social classes, and drive national innovation and organizational competitiveness has been widely acknowledged (Acs, 2010; Idrees & Sarwar, 2021). Across economies, entrepreneurship remains a powerful tool for sustainable economic development, promoting structural transformation and financial resilience (Vázquez, Gómez & Vieira, 2010; Alvarez & Barney, 2014).

Moreover, Islam encourages ethical entrepreneurship and economic activities, urging Muslims to engage in trade for self-sustenance and societal contribution. A well-known Islamic teaching narrated by Nuaym Ibn Abd Al-Rahman states that the Prophet Muhammad (PBUH) emphasised, "Nine-tenths of livelihood (Rizq) comes

from trade and business ventures" (Kayed & Hassan, 2013). The global rise of Islamic entrepreneurship is evident, particularly in halal-certified sectors like food, beverages, cosmetics, and fashion, which significantly contribute to the industry (Abdullah & Azam, 2020a, 2020b; Akram, 2022). The halal market, valued at over US\$2.3 trillion, is rapidly expanding, especially in food and beverages (Husin, Kamarudin & Rizal, 2021). Similarly, Islamic banking and finance, evolved from a niche in 1970 to a \$2.8 trillion industry by 2021, growing 17% annually since 2020 (Hassan, Choudhury & Bhuiyan, 2023).

Despite advancements in Islamic finance, access to affordable and ethical financing remains a major challenge for Muslim entrepreneurs, particularly those at the Bottom of the Pyramid (BoP). The BoP represents the world's poorest population and often faces exclusion from conventional financial institutions due to high interest rates, stringent collateral requirements, and bureaucratic barriers (Vishnoi, Bhardwaj & Vohra, 2022). While Islamic finance is frequently lauded for its economic benefits, Cattelan (2020) highlights its role in sustainability and ethical entrepreneurship, emphasizing business practices aligned with environmental and social responsibility. Islamic finance should not merely serve as an alternative to conventional banking but as a catalyst for sustainability-driven entrepreneurship. Within this framework, ***Qard Hasan***, an interest-free loan system rooted in Quranic teachings, offers a viable solution to financial exclusion, fostering economic justice and social welfare (Ibrahim & Alenezi, 2024). Likewise, Zarrouk (2015) asserts that *Qard Hasan* and profit-sharing mechanisms create a financial ecosystem that promotes entrepreneurship.

While the economies are developing, Islamic social financing tools must also be reinvented to advance entrepreneurship. The increasing recognition of *Qard Hasan* as an investment tool, rather than merely a philanthropic instrument, reflects its transformative potential. Several scholars noted that the current application of *Qard Hasan* extends beyond charitable lending to include supporting micro, small, and medium-sized enterprises (MSMEs), facilitating poverty alleviation programs, and providing emergency relief in economic crises, microfinance, impact investing, entrepreneurial support and economic growth, particularly for those excluded from conventional financial systems (Firmansyah, 2016; Adawiyah, 2019; Sa'ad & Pitchay, 2020; Aderemi and Ishak, 2022; Muneer and Khan, 2022; Nugraheni & Muhammad, 2023). *Qard Hasan*, which translates to "benevolent loan," is a distinctive Shari'ah-compliant financing instrument that embodies economic justice and cooperation (Abdullah, 2015; Selim, 2019). Unlike conventional lending, which prioritises profit maximisation, *Qard Hasan* ensures that borrowers are not subjected to financial distress by eliminating interest obligations. Within Islamic banking, the prohibition of *riba* (interest) necessitates alternative lending structures, making *Qard Hasan* a fundamental tool for financial sustainability. Institutions offering *Qard Hasan* loans typically source funds from zakat (almsgiving), sadaqah (charitable donations), and waqf (Islamic endowments), effectively linking philanthropy with entrepreneurship and fostering broader economic participation by disadvantaged people and communities while at the same time ensuring operational sustainability (Rachmawaty et al., 2021).

Despite the enormous potential of conventional financial institutions as a fund provider for entrepreneurship, the BOP market is still underserved by traditional financial institutions due to the high interest rates imposed by commercial banks, which create debt traps that often leave nascent and established entrepreneurs in financial distress rather than fostering economic growth (Muneer & Khan, 2019). Additionally, many entrepreneurs at the BoP in both non-Muslim and Muslim-majority countries operate in informal economies and lack the credit histories or collateral required to access traditional loans, thereby widening the wealth gap (Shovkhalov, 2021). Relatedly, bureaucratic banking procedures and institutional apathy further exacerbate financial exclusion, leaving aspiring entrepreneurs without viable funding options (Aderemi & Ishak, 2022).

Comparatively, *Qard Hasan* offers an ethical alternative by addressing the aforementioned challenges and providing an inclusive, ethical, and sustainable investment mechanism. Beyond philanthropy, *Qard Hasan* is increasingly being recognized as a dynamic investment tool that can empower micro and small enterprises (MSEs), enhance financial inclusion, and integrate FinTech and crowdfunding solutions to scale its impact. Research demonstrates that *Qard Hasan* significantly reduces poverty levels and enhances business sustainability, enabling small businesses to flourish without the constraints of interest-based debt (Wulandari, 2019). Moreover, its accessibility would allow women, rural entrepreneurs, and informal businesses to participate actively in economic activities (Harahap et al., 2023). Furthermore, the emergence of Islamic crowdfunding platforms could potentially expand the reach of *Qard Hasan*, leveraging blockchain technology and peer-to-peer lending to facilitate transparent and efficient financial transactions (Amin, 2022).

Although *Qard Hasan* has a lot of prospects, its implementation faces several challenges. One of the most pressing concerns is its sustainability—since interest-free loans do not generate financial returns, financial institutions must develop innovative loan recovery and risk management mechanisms to ensure fund sustainability (Kazak & Alim, 2022). Additionally, regulatory barriers and institutional hesitancy in most countries limit the widespread adoption of *Qard Hasan*. Many Islamic financial institutions prioritise profit-driven models, sidelining interest-free lending despite its alignment with core Islamic financial principles (Abdullahi, 2015; Iqbal & Shafiq, 2015).

Based on the foregoing gaps, this qualitative study seeks to explore the viability of as a financing mechanism for entrepreneurship at the BoP. Specifically, the study addresses *Qard Hasan* the following four research questions: (a) How can *Qard Hasan* be utilised as a financing mechanism for entrepreneurship at the BoP? (b) What theological, institutional, and regulatory hurdles affect the implementation of *Qard Hasan* as a financing mechanism for entrepreneurship at the BoP? (c) How can FinTech innovations enhance the implementation of *Qard Hasan* as a financing mechanism for entrepreneurship at the BoP? (d) What policy interventions are needed to scale *Qard Hasan* as a financing mechanism for entrepreneurship at the BoP?

We contribute to Islamic social finance, entrepreneurship and sustainability literature in three ways: (1) Theoretically, by expanding the role of *Qard Hasan* in ethical and inclusive finance; (2) Practically, by emphasising regulatory reforms, institutional engagement, and FinTech integration for scalability; and (3) Policy-wise, by advocating interest-free, socially driven investment models to foster sustainable entrepreneurship and economic empowerment at the Base of the Pyramid (BoP). This paper consists of five sections apart from the introduction. Section 2 reviews the literature, covering the conceptual definition, historical and theoretical foundations, and the role of *Qard Hasan* as a financing mechanism for BoP entrepreneurship. Section 3 outlines the Systematic Literature Review (SLR) methodology using the PRISMA protocol. Section 4 presents the descriptive and specific findings of the SLR. Section 5 concludes with theoretical, methodological, managerial, and ethical implications, along with limitations and future research directions.

LITERATURE REVIEW

In this section, the conceptual definitions and the historical, theological and theoretical foundations are discussed, including a review of previous empirical studies on *Qard Hasan* and entrepreneurship.

Conceptual and Historical Reviews

The term '*Qard*' literally means "to chop, cut off, or crop" (Ibn Manzur, 2002; Abdullah, 2015). In juristic terminology, it refers to the act of lending a valuable object to a borrower with the obligation of repaying an equivalent amount (Abdullah, 2015). Linguistically, the term '*Qard*' is used because granting benevolent or interest-free loans functionally transfers ownership of the lent property from the lender to the borrower (Abdullah, 2015). *Qard Hasan*, an interest-free loan in Islamic financing, plays an important role in promoting social justice, reducing poverty and economic strengthening (Al Saleem & Esa, 2021). In the principles of benevolence (*Ihsan*) and social solidarity (*Ta'awun*), *Qard Hasan* is structurally and functionally not just a financial transaction, but an ethical instrument for empowering marginalised people and communities at the BOP. In contrast to conventional loans that rely on interest-based mechanisms, *Qard Hasan* serves as social security capital without any financial burden on the borrower and makes it a sustainable instrument for economic development and social strengthening in Muslim society. Historically, *Qard Hasan* finds its basis in Islamic teachings that emphasise empathy, solidarity, welfare, compassion, justice and financial integration. The Qur'an encourages believers to lend to fellow believers without expecting financial gain while promising divine rewards in return for such generosity. Islamic scholars and institutions have used *Qard Hasan* to provide financial relief, especially for the disadvantaged (Mdawhomma, 2025). Early Islamic economies, also during the time of the Prophet Muhammad (Peace be upon him) and the caliphate periods, have actively implemented interesting financial practices. To serve as a permanent and sustainable model, Zakat (alms giving) Funds, Awqaf (endowment foundations) and Bayt Al-Mal (public treasury) contributed to the mechanism of *Qard Hasan*, which ensured that the capital was accessible to the needy (Zulkifli, Asni & Yusli, 2024).

The concept of entrepreneurship in Islam has a long history that can be traced back to the pre-Islamic era within Arab civilization. Islam has only refined, enriched and introduced ethical guidelines that are consistent with the Islamic teachings. The Qur'an references the Quraysh tribe, who engaged in caravan trading, journeying to Yemen in winter and Syria in summer to ensure the economic prosperity and social well-being of their community, protecting them from hunger and fear (Raimi and Raimi, 2024; The Qur'an 106:1-4). In retrospect, Machmud and Hidayat (2020) recounted the entrepreneurial exploits of Prophet Muhammad (peace be upon him) who worked with Khadijah bin Khuwaylid as an intrapreneur before his Prophethood, learning valuable qualities of Islamic entrepreneurship such as honesty, a strong work ethic and keeping promises. These ethical qualities earned him the titles Al-Amin (The Trustworthy) and As-Siddiq (The Honest). The history of Prophet Muhammad's commitment to business-oriented entrepreneurship began when he started managing his uncle Abu Talib's business. Later, he was hired as a professional to run Khadijah's business (Raimi, Abdur-Rauf & Ashafa, 2023). When he became a prophet, Prophet Muhammad (peace be upon him) under divine instruction transformed entrepreneurship and brought significant changes in its purpose, ethics and implementation (Raimi and Raimi, 2024; The Qur'an 64:2-3).

After the Prophet's (peace be upon him) era, early Muslims expanded through trade and entrepreneurship built on the ethical principles of Islam, to help meet societal needs and aspirations, including the provision of

beneficial goods and services (Kayed & Hassan, 2010; Kayed & Hassan, 2013). While some claim Islam spread by conquest (Rahman, 1980), Kuran (2010) found that its growth, like other major religions, relied on entrepreneurial ingenuity. Prange (2018) confirmed that during the Middle Ages, Islam expanded along Asia's monsoon coasts through Muslim merchants, who established communities in thriving port cities. Prange noted further that the spread was not driven by military conquest or imperialism. Instead, the twelfth to sixteenth-century spread of Muslim communities aligned with growing Muslim trade networks and entrepreneurialism. Merchants, rather than sultans or scholars, were central to this expansion, motivated primarily by profit. Their ethical standards and personal conduct influenced Africans, Asians, and others to embrace Islam (Risso, 2018; Ahmed & Yasmeen, 2020; Raimi and Raimi, 2024).

Theoretical Insights

Theologically, *Qard Hasan* is ordained by Allah as an act of charity and faith that leads to immense rewards of Al-Falah, a dual reward both in this life and the hereafter. Allah promises the multiplication of rewards and forgiveness of sins for those who engage in this righteous act. Specific verses of the Qur'an that mentioned *Qard Hasan* repeatedly are cited below.

"Who is it that will lend to Allah a goodly loan (Qard Hasan) so that He may multiply it for him many times over? And it is Allah who withholds and grants abundance, and to Him, you will be returned." (Qur'an 2:245)

"...And loan to Allah a goodly loan (Qard Hasan), I will surely remove from you your misdeeds and admit you to gardens beneath which rivers flow. " (Qur'an 5:12)

"Who is it that would loan Allah a goodly loan (Qard Hassan) so He will multiply it for him, and he will have a noble reward?" Qur'an 57:11

Similarly, several authentic narrations of the Prophet (Peace be upon him) provide a theological basis for *Qard Hasan*, emphasising that providing a loan can be more meritorious than charity in certain cases.

Abdullah ibn Mas'ud (May Allah's mercy be upon him) narrated: The Prophet (Peace be upon him) said: *"Every act of kindness is charity, and giving a loan (Qard Hasan) to someone in difficulty is an act of charity."* (Sunan al-Bayhaqi, Hadith 10438, <https://sunnah.com/urn/2303020>)

Abu Huraira (May Allah's mercy be upon him) narrated: The Prophet (Peace be upon him) said:

"Whoever grants a loan (Qard Hasan) twice will be rewarded as if he had given it once in charity." (Sunan Ibn Majah, Hadith 2430, Hasan: Mdawhma, 2025).

Theoretically, *Qard Hasan* is rooted in the Islamic moral economy (IME), a framework that goes beyond maximising profits to include social well-being, justice and redistribution equality. IME is directed by Maqasid al-Shari'ah (goals of Islamic law), which emphasizes economic justice, the spread of assets and the fight against poverty (Chapra, 2000). When viewed from the stakeholder perspective, *Qard Hasan* is part of the voluntary obligations of corporate organisations. The stakeholder theory concerning *Qard Hassan* suggests that businesses and financial institutions should prioritise not only shareholders but also marginalised stakeholders such as borrowers, communities, and regulatory bodies. Consequently, Kazak and Alim (2022) propose an institutionalised model of *Qard Hasan* within corporate structures, arguing that corporate *Qard* funds can facilitate socially responsible financing, allowing businesses to remain Sharia-compliant while fostering financial stability. Similarly, Maqasid al-Shariah, the higher objectives of Islamic law, provide a theoretical foundation for *Qard Hasan*, ensuring financial justice, social welfare, and economic equity. Rooted in the preservation of wealth (Hifz al-Mal), it fosters financial inclusion, ethical entrepreneurship, and sustainable economic empowerment for marginalized communities (Shaikh, Amin, and Ashiqin, 2024; Raimi, 2024). Consequently, the integration of *Qard Hasan* into Islamic microfinance has also been advocated, leveraging it as a tool for both poverty alleviation and financial empowerment. Rachmawaty et al. (2021) propose the introduction of the *Qard Hasan* Platform (QHP) as a model that combines crowdfunding, zakat-based financing, and public-private partnerships supported by financial intermediation theory. This novel idea emphasises the efficient allocation of capital to promote productive economic activities.

From the point of view of the institutional economy, *Qard Hasan* plays a role in the redistribution of justice and ensures that the capital flows are not monopolized by the elite but are made accessible to marginalized groups. Ibrahim and Alenzi (2024) argue that *Qard Hasan* if they are integrated into structured financial systems, closes financial gaps, supports entrepreneurs in the early stages and creates a more integrative economy. Their conceptual framework corresponds to social mediation theory, which determines that financial instruments should serve both

economic and social functions. At the macroeconomic level, *Qard Hasan* could be a potential political instrument for financial stability. As a result, Selim (2019) proposes a model in which *Qard Hasan* serves as an alternative to interest-based monetary policy, which leads to increased employment, price stability and sustainable economic expansion. This perspective agrees with the post-Keynesian economic theory that supports loan-based guidelines that prioritize economic growth and employment against interest-controlled financial markets. Relatedly, With the rise of financial technology (FinTech), *Qard Hasan* is gaining new relevance. Aderemi and Ishak (2022) examine the potential of *Qard Hasan* Crowdfunding and show how blockchain and AI-controlled credit systems can improve transparency, security and risk reduction in Islamic financing.

Previous Studies and Development of the *Qard Hasan* Framework

Modern Islamic financial institutions have revived *Qard Hasan* as an effective strategy for fighting poverty, especially in developing countries. The studies emphasise how in Bangladesh, Malaysia and Indonesia *Qard Hasan*-based microfinance programs have successfully reduced economic vulnerability and enabled small companies (Muneer & Khan, 2019). A study by Ibrahim and Alenzi (2024) examines the role of *Qard Hasan* when financing companies in the early stages. It is emphasised that this interest-free loan supports sustainable business practices, improves entrepreneurial resilience and integrates disadvantaged segments into the formal economy. Kooli (2020) explores the impact of Islamic finance on small and medium enterprise (SME) development in Muslim countries and consequently found that Shari'ah-compliant financial tools help bridge the financing gap for startups and micro-entrepreneurs. Furthermore, Adawiah (2021) highlights how *zakat*-based funding, *Qard Hasan* microfinance, and profit-sharing accelerators drive entrepreneurship. Dirie, Alam, and Maamor (2023) identify Islamic social finance as key to reducing financial exclusion and poverty. Hakim and Dalimunthe (2022) find that micro-firms funded through Islamic finance show greater resilience and financial independence than those using interest-based loans.

In addition, Muneer and Khan (2022) carried out an empirical study in Bangladesh on the Fael Khair Waqf (FKW) program. Their findings indicate that participants in the *Qard Hasan* program experienced a significantly lower likelihood of being in multidimensional poverty compared to non-participants. In Malaysia, Aderemi and Ishak (2022) examined the use of *Qard Hasan* as a financial instrument for crowdfunding to finance micro-enterprises. The study found that integrating *Qard Hasan* into FinTech solutions such as blockchain has the potential to reduce financial risk and enhance financial inclusion for micro-entrepreneurs.

Additionally, Firmansyah (2016) investigated the commitment of Islamic banks to *Qard Hasan* in Indonesia and revealed that state Islamic banks allocated higher funds to *Qard Hasan*, benefiting micro-enterprises and low-income households. Similarly, the Bangladesh Fael Khair Waqf (FKW) program provided *Qard Hasan* loans to cyclone victims to help rebuild their livelihoods. The program proved highly effective, reducing poverty levels among participants by over 35% (Muneer & Khan, 2022). Furthermore, Indonesia and Malaysia have implemented community-based *Qard Hasan* models to finance small business owners and marginalised communities, integrating Islamic banking with social empowerment projects (Mushkalamzai, Hanif, & Aziz, 2023).

Besides, *Qard Hasan* has been successfully implemented in various regions, demonstrating its effectiveness in poverty alleviation, financial inclusion, and economic empowerment. Several case studies highlight its diverse applications and outcomes in contemporary Islamic finance. The Fael Khair Waqf (FKW) program, established in Bangladesh following Cyclone Sidr in 2007, provides *Qard Hasan* loans to help victims rebuild their livelihoods. An impact assessment revealed that FKW participants experienced higher incomes, improved food security, and better educational attainment, proving the model's effectiveness in poverty reduction (Muneer & Khan, 2020). In Indonesia, BMT Mitra Usaha Ummat launched a *Qard Hasan* financing program under a cooperative financial institution. While the initiative provided financial support to beneficiaries, its impact on economic empowerment was limited due to the small scale of businesses and external economic constraints (Adawiyah, 2019).

Another prominent example is the Akhuwat Foundation in Pakistan, a microfinance organisation that extends *Qard Hasan* to low-income entrepreneurs at the BoP. The model has significantly reduced poverty and increased employment, making it one of the most effective *Qard Hasan*-based institutions globally (Iqbal & Shafiq, 2015). In Malaysia, Zulkifli et al. (2024) examined the Smart Sawah Berskala Besar Asnaf (Smart SBBA) program, which implements *Qard Hasan* microcredit through *zakat* funds. The initiative has successfully boosted the monthly income of Asnaf farmers, thereby reducing poverty and financial exclusion. In Turkey, Ülev, Savaşan, and Özdemir (2022) investigated the IKSAR *Qard Hasan* Program, which reported a 35% increase in household income for participants who benefitted from the scheme, leading to significant socioeconomic improvements and financial stability.

For housing finance, Selim and Rabbani (2022) in Egypt connected a cooperative model to *Qard Hasan* for financing housing. Her findings indicate that the well-managed *Qard Hasan* Fund can make affordable home ownership for families with low incomes easier and thus alleviate the real estate crises. The Islamic microfinance model from Akhuwat, originally from Pakistan, has also been expanded to Nigeria. This initiative supports small

business owners, especially women, and contributes to sustainability and reducing poverty (Mohseni Ocheraghlu, 2017). In Sudan, the Islamic relief supplies *Qard Hasan* integrated into strategies for financial integration and offered interest-free micro-loans for farmers and small retailers. This initiative has increased agricultural productivity and strengthened economic resilience in rural communities (Saqib, Zafar & Khan, 2015). Figure 1 below discusses the *Qard Hasan*-Entrepreneurship framework. The relationship is largely shaped by six key factors: (1) Entrepreneurial Growth, (2) Financial Inclusion, (3) Economic Empowerment, (4) Technological Integration, (5) Social Welfare & Development, and (6) Institutional Support.

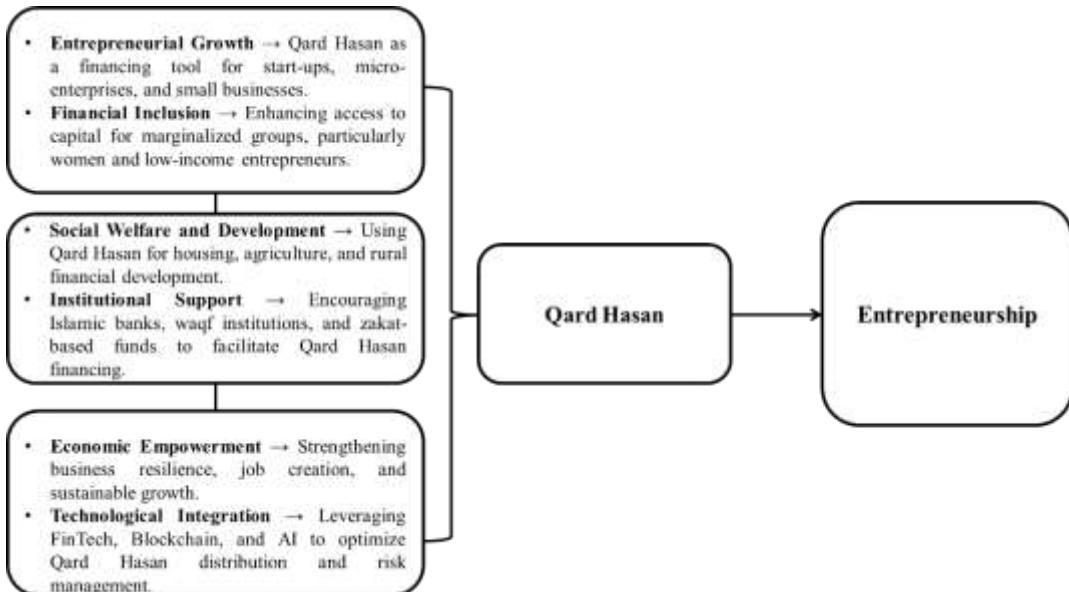


Figure 1: The framework, leveraging theological and theoretical insights, explains the role of *Qard Hasan* as a financing mechanism for entrepreneurship in Islamic economies.

METHODOLOGY

Systematic Literature Review Framework Using PRISMA

This study uses a systematic literature review (SLR), which is directed by the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework. The Prisma Protocol guarantees strict, transparency, completeness and accuracy when checking the literature (Moher et al., 2009; Tugwell & Tovey, 2020), particularly academic resources on *Qard Hassan* as a financing mechanism for entrepreneurship for people and communities at the bottom of the pyramid (BOP). The study follows a structured, step-by-step process to ensure the reliability, reproducibility and completeness of the results. In contrast to general literature research, SLR methodology strengthens quality assurance and improves the credibility and reliability of knowledge, by ensuring good articles from the three databases are reviewed and included (Raimi, 2024).

Preferred Reporting Approach

This study follows the PRISMA 2020 guidelines to systematically collect, assess, and synthesise recent and relevant literature resources on the viability of *Qard Hasan* as a financing mechanism for entrepreneurship at the BoP. By using PRISMA, the review captures both the breadth and depth of existing research while identifying potential knowledge gaps (Mohamed Shaffril et al., 2021; Azarian et al., 2023).

Systematic Search Strategy

The study adopted a rigorous systematic search strategy to source scholarly articles from Scopus, Google Scholar and Web of Science databases. The search process comprised three main phases discussed in detail below namely: (a) Identification Phase, (b) Screening Phase and (c) Eligibility Phase. Extracted elements included study goals, research questions, theoretical framework, methods, analytical techniques and findings.

Identification Phase

To ensure the accuracy of the keywords and the thematic relevance, the identification phase focused on current literature resources on *Qard Hasan* and entrepreneurship from different countries spanning 2010–2024. The search

carried out in August 2024 yielded 312 relevant articles, books and policy papers. The selection of English-only studies ensured accessibility and methodological consistency. The search was conducted in Scopus, Google Scholar and Web of Science, both recognised for hosting high-quality, peer-reviewed academic literature (Adewale & Potokri, 2023; Raimi, 2024). The keywords meticulously searched included “*Qard Hasan AND entrepreneurship*”, “*Islamic finance AND Bottom of the Pyramid*”, “*Interest-free loans AND financial inclusion*”, “*Islamic microfinance AND entrepreneurship*”, “*Regulatory challenges of Qard Hassan*” and “*FinTech integration AND Qard Hassan*”.

Screening Phase

During the screening phase, duplicated articles and other academic resources were removed after checking the relevance of titles and abstracts to the research questions. Articles unrelated to *Qard Hasan*, financial inclusion, and entrepreneurship at the BoP were excluded. Of the 312 papers whose metadata were originally downloaded, 179 remained after the initial screening. Further exclusions of 138 papers were made for various reasons highlighted in the PRISMA Flowchart, leaving 41 articles for the eligibility assessment.

Eligibility Phase

During this phase, a full-text assessment was conducted based on predefined inclusion and exclusion criteria, as outlined in Table 1. The inclusion criteria required that the articles be peer-reviewed and focus on *Qard Hasan*, Islamic finance, entrepreneurship, or financial inclusion. Additionally, only studies published in English in Scopus-indexed journals ranked Q1, Q2, Q4, Q4 and NA were considered. Methodologically, the selected studies had to employ quantitative, qualitative, or mixed-methods approaches. The articles excluded are those that are not peer-reviewed, not written in English, or lack methodological rigour. Relatedly, removed were some studies that did not directly address *Qard Hasan*, as well as books, book chapters, and non-academic sources, were also removed. Furthermore, research focusing on conventional finance models rather than Islamic finance was deemed ineligible. Guided by the rigorous screening process, 57 articles, 30 articles and 51 articles were excluded in three different screening phases, leaving 41 high-quality articles for detailed data extraction for data analysis.

Data Extraction and Collection Process

A standardized template for data extraction was developed to collect some key elements such as authors and publication year, research methodology, geographical focus, journal ranking, addressed research questions and results. All authors validated the accuracy and completeness.

Risk of Bias Assessment

To ensure the credibility of the findings, a risk of bias assessment was conducted using adapted criteria from the Cochrane Handbook for Systematic Reviews of Interventions (Chandler et al., 2019). Selected studies were assessed for potential biases in design, data collection, and analysis. Additionally, inter-study consistency and methodological rigour were examined to minimise bias and ensure validity in the synthesis of findings.

Synthesis of Results

A narrative synthesis was used to identify key themes and patterns within the selected studies. Due to the heterogeneity in study designs and methodologies, a meta-analysis was not conducted. Following the inclusion and exclusion process, a final set of 41 papers was selected. The focus on three databases including Scopus-indexed, Google Scholar and Web of Science journals strengthened the robustness and reliability of the findings (Rowley et al., 2022; Raimi 2024). Below is the PRISMA flowchart in Figure 2, which illustrates the identification, screening, eligibility, and inclusion process for the studies selected in this systematic literature review.

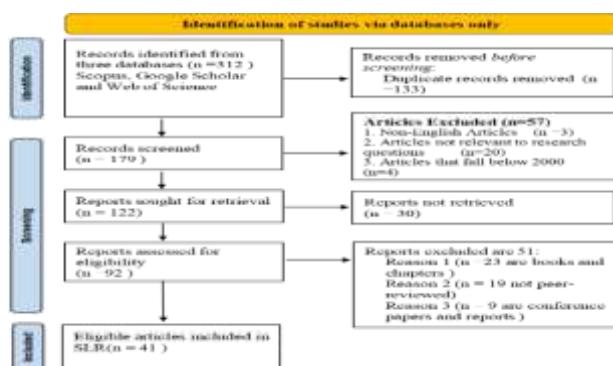


Figure 2: Author's contribution following the guideline of Page, et.al., (2020)

Table 1: Data Extraction Table

SN	Author/Year	Country of Research	Methodology	Research Questions	Findings
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1	Abdullah, M. (2015)		Qualitative	RQ1, RQ2	The paper discussed the moral aspects of <i>Qard Hasan</i> , highlighting its ethical significance in Islamic finance.
2	Abdullah, M. A., & Azam, M. S. E. (2020a)		Qualitative	RQ1, RQ2	The study explored how Maqasid-al-Sharia'h shapes Halal entrepreneurship, emphasizing ethical business conduct.
3	Abdullah, M. A., & Azam, M. S. E. (2020b)		Qualitative	RQ1	The paper analyzed the business opportunities within Halal entrepreneurship, linking them to Islamic ethical considerations.
4	Adawiyah (2019)	Indonesia	Quantitative	RQ1, RQ2	The paper found <i>Qard Hasan</i> financing ineffective for economic empowerment due to lack of scalability.
5	Adawiyah, N. (2019)	Indonesia	Quantitative	RQ1, RQ2	The paper demonstrated that <i>Qard Hasan</i> financing improves economic empowerment and poverty alleviation, with case studies in Indonesia.
6	Aderemi & Ishak (2020)		Qualitative	RQ3	It compared <i>Qard Hasan</i> and Mudarabah crowdfunding, identifying risk mitigation strategies between both options.
7	Aderemi, A., & Ishak, M. S. I. (2022)	Malaysia	Qualitative	RQ2, RQ4	The study concluded that <i>Qard Hasan</i> is a feasible crowdfunding tool for micro-enterprises, subject to regulatory and institutional factors. (RQ2, RQ4)
8	Ahmed, T. S., & Yasmeen, B. N. (2020)	India	Qualitative	RQ1	The paper highlighted the role of Muslim traders in spreading Islam through trade rather than conquest. (RQ1)
9	Alam et al. (2023)	Indonesia	Mixed	RQ1, RQ3	The paper studied <i>Qard Hasan</i> contracts at Islamic MFIs, recommending better resource allocation and consumer data collection.
10	Amin, H. (2022)	Malaysia	Mixed	RQ3	It investigated the drivers of <i>Qard Hasan</i> financing acceptance in Malaysia, finding COVID-19 increased its adoption. (RQ3)
11	Asni, F. et al. (2023)	Malaysia	Qualitative	RQ1, RQ4	The study evaluated the post-pandemic effectiveness of <i>Qard Hasan</i> financing through zakat funds, concluding it is essential for economic recovery.
12	Cattelan, V. (2020)		Qualitative	RQ1, RQ2	The paper discussed how Islamic finance contributes to sustainability and financial inclusion, with emphasis on <i>Qard Hasan</i> . (RQ1, RQ2)
13	Denham, K. (2019)		Qualitative	RQ1	The paper comprehensively discussed and debunked myths about Islamic finance, arguing that <i>Qard Hasan</i> is a sustainable and ethical financing method.
14	Duasa et al. (2021)	Malaysia	Quantitative	RQ1, RQ2	The paper identified factors influencing Islamic financing selection among micro-entrepreneurs.
15	Firmansyah (2016)	Indonesia	Quantitative	RQ1, RQ3	Evaluated Islamic banks' concern with micro-businesses and their decreasing <i>Qard Hasan</i> allocations.
16	Hakim, A., & Dalimunthe, Z. (2022)		Mixed	RQ1, RQ4	Analyzed the sustainability of micro-firms using Islamic social funds, finding <i>Qard Hasan</i> enhances financial stability. (RQ1, RQ4)
17	Hamzah & Suprihatin (2016)	Indonesia	Qualitative	RQ1	Analyzed BMT's role in <i>Qard Hasan</i> -based microfinance, highlighting challenges in fund sustainability.
18	Harahap et al. (2023)	Indonesia	Mixed	RQ1, RQ4	Examined the revitalization of <i>Qard Hasan</i> in MSME financing, identifying institutional and policy requirements.
19	Harahap, R. et al. (2023)	Indonesia	Mixed	RQ1, RQ3	Showed that revitalizing <i>Qard Hasan</i> can serve as a viable SME financing model in Indonesia. (RQ1, RQ3)
20	Harahap, R., Arifin, Z., & Soemitra, A. (2023)	Indonesia	Mixed	RQ1, RQ3	Investigated the revitalization of <i>Qard Hasan</i> for SME financing in Indonesia, demonstrating its potential to boost economic resilience. (RQ1, RQ3)
21	Hidayatina (2020)		Qualitative	RQ1	Discussed the philanthropic potential of <i>Qard Hasan</i> and barriers to its effective use.
22	Ibrahim & Alenezi (2024)		Qualitative	RQ1, RQ2	The study proposed a conceptual framework for integrating <i>Qard Hasan</i> into sustainable development initiatives, emphasizing economic justice and social solidarity.
23	Ibrahim, A. A., & Alenezi, A. (2024)		Qualitative	(RQ4)	The study proposed a conceptual framework for <i>Qard Hasan</i> 's role in sustainable development, emphasizing policy support. (RQ4)

24	Iqbal, Z., & Mirakhori, A. (2013a)	Global	Qualitative	RQ1, RQ2	The paper concluded that <i>Qard Hasan</i> is a key mechanism for financial inclusion in Islamic finance globally.
25	Kuran, T. (2010)	Middle East	Qualitative	RQ2	Critically examined the limitations of Islamic institutions in fostering entrepreneurship and economic growth.
26	Machfudz & Kamila (2019)	Indonesia	Qualitative	RQ1, RQ4	The study evaluated <i>Qard Hasan</i> 's effectiveness in small business empowerment and its social impact.
26	Mohseni-Cheraghlu, A. (2017)	Muslim-majority countries	Quantitative	RQ1, RQ2	The study explored the role of <i>Qard Hasan</i> in poverty alleviation across Muslim-majority countries, supporting its use as a financial inclusion tool. (RQ1, RQ2)
28	Mubarok (2019)	Indonesia	Qualitative	RQ1, RQ4	Suggested optimization strategies for <i>Qard Hasan</i> , including ZIS funding and mentorship programs.
29	Muneer, F., & Khan, F. (2019)	Bangladesh	Quantitative	RQ1, RQ2	It demonstrated that <i>Qard Hasan</i> significantly reduce multidimensional poverty in Bangladesh.
30	Muneer, F., & Khan, F. (2022)	Bangladesh	Quantitative	RQ1, RQ2	The paper showed that <i>Qard Hasan</i> has a direct impact on reducing multidimensional poverty in Bangladesh.
31	Mushkalamzai, Z. et al. (2023)	Indonesia, Malaysia	Mixed	RQ1, RQ3	It explored how <i>Qard Hasan</i> supports financial inclusion and community empowerment in Indonesia and Malaysia.
32	Mustofa & Khoir (2019)	Indonesia	Qualitative	RQ1, RQ4	The paper explored the role of BMT in implementing <i>Qard Hasan</i> and its operational limitations.
33	Rachmawaty, R. et al. (2021)	Indonesia	Qualitative	(RQ3	The study analyzed the successful implementation of <i>Qard Hasan</i> in Indonesian Islamic banking.
34	Rochayatun & Sayugo (2021)	Indonesia	Qualitative	RQ2, RQ4	The paper explored <i>Qard Hasan</i> as part of Islamic Corporate Social Responsibility, finding limited bank participation.
35	Rohman, P. S. et al. (2023)		Quantitative	RQ1, RQ4	It investigated the potential role of <i>Qard Hasan</i> -based institutions in achieving financial inclusion. (RQ1, RQ4)
36	Saqib et al. (2015)	Pakistan	Qualitative	RQ1, RQ2	The study investigated <i>Qard Hasan</i> 's role in Riba-free agricultural financing, demonstrating viability for farmers.
37	Sa'ad & Pitchay (2020)		Qualitative	RQ3, RQ4	The paper discussed the role of Islamic FinTech in facilitating <i>Qard Hasan</i> for SME financing, identifying regulatory needs.
38	Selim, M., & Rabbani, M. (2022)		Quantitative	RQ3, RQ4	Developed a <i>Qard Hasan</i> -based cooperative model for home financing, improving accessibility to home ownership. (RQ3, RQ4)
39	Shovkhalov (2021)	Russia	Qualitative	RQ2	Outlined legal regulations for <i>Qard Hasan</i> in Russian financial practice.
40	Wulandari, P. (2019)		Qualitative	RQ1, RQ3	Examined the role of Baitul Maal in <i>Qard Hasan</i> financing, showing its effectiveness for the poor.
41	Zulkifli et al. (2024)	Malaysia	Qualitative	RQ1, RQ4	Examined <i>Qard Hasan</i> microcredit through zakat funds, proving its success in poverty alleviation.

ANALYSIS AND SYNTHESIS OF DATA EXTRACTION ITEMS

In this section, the descriptive items in the extraction table and the four findings of the SLR are discussed below.

Publication by Year

Figure 3 shows the number of studies on *Qard Hasan* as a financing mechanism published annually. The analysis of publication trends from 2010 to 2024 reveals that the highest number of publications occurred in 2019 (19.5%), followed by 2020 and 2023 (17.1% each). The years 2022 and 2021 contributed 12.2% and 9.8%, respectively. The lowest frequencies were in 2010, 2013, and 2017, each at 2.4%. The overall trend indicates increasing research interest in *Qard Hasan* financing, particularly in recent years.

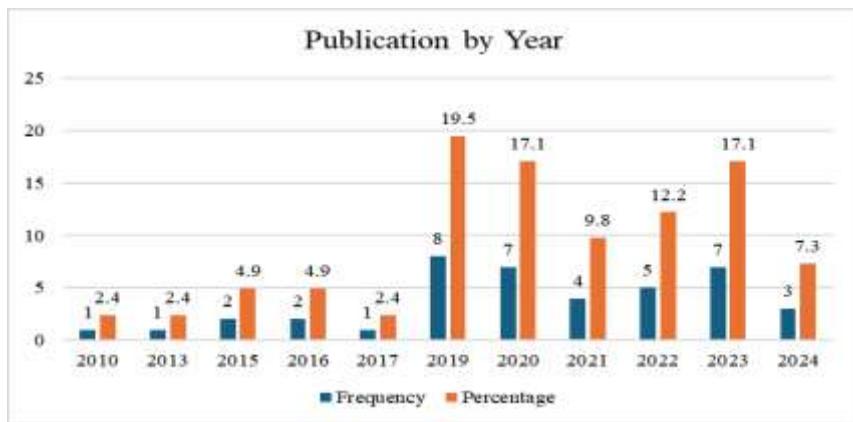


Figure 3: Publication by Year

Country of Research

Figure 4 below shows the number of studies on *Qard Hasan* financing models conducted in different countries. The research distribution indicates that 15 studies (36.6%) focused on a global context, followed by 13 studies (31.7%) on Indonesia and 5 studies (12.2%) on Malaysia. Bangladesh had 2 studies (4.9%), while India had 1 study (2.4%), highlighting regional variations in *Qard Hasan's* research.

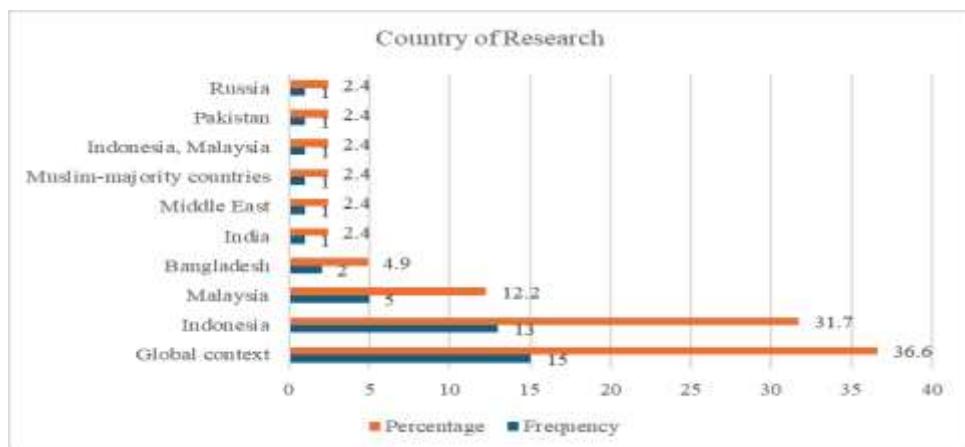


Figure 4: Country of Research

Methodology of Research

Figure 5 illustrates the different research methods used in the reviewed studies. The analysis shows that 25 studies (61.0%) used qualitative methods, 9 studies (22.0%) employed quantitative approaches, and 7 studies (17.1%) adopted mixed methods, highlighting the dominance of qualitative research in *Qard Hasan's* studies.

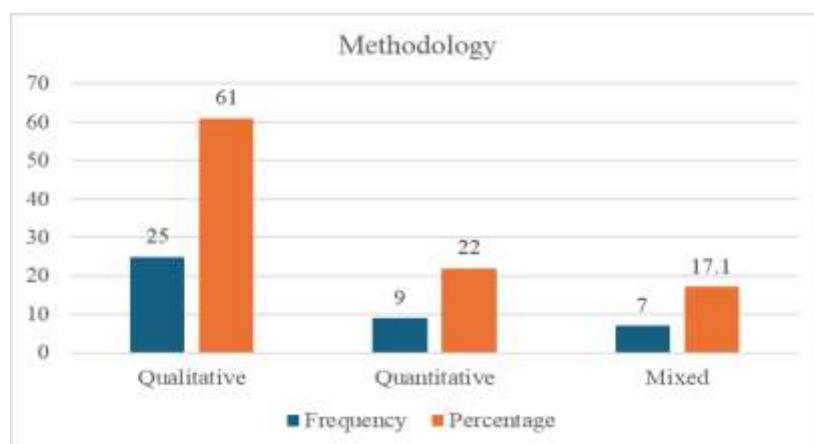


Figure 5: Methodology

Research Questions Focused

Figure 6 summarises the research questions' focus areas, their frequencies, and percentages. The most frequently investigated were RQ1 and RQ2 (12 times, 29.3%), followed by RQ1, RQ4 (8 times, 19.5%), RQ1, RQ3 (6 times, 14.6%), RQ1 (5 times, 12.2%), and RQ2 (2 times, 4.9%), showing their relative emphasis across the analysed studies.

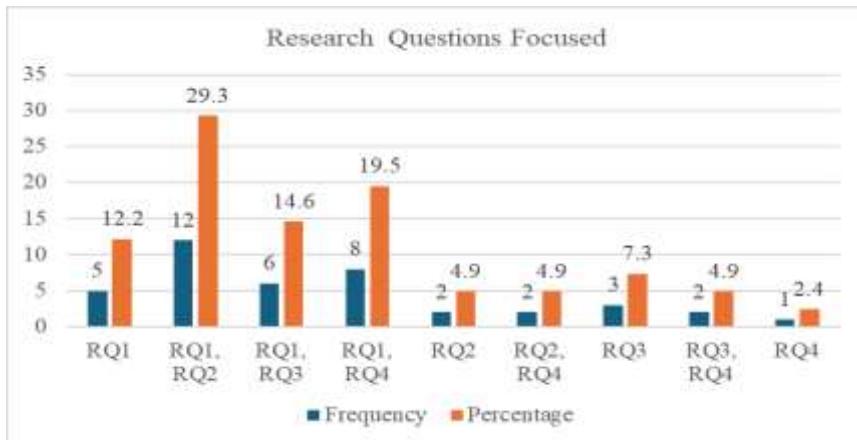


Figure 6: Research Questions Focused

Main Findings of SLR

Research Question 1: How can *Qard Hasan* be utilised as a financing mechanism for entrepreneurship at the BoP?

Finding 1: The SLR insights reveal that *Qard* can be utilized as a financing mechanism for entrepreneurship at the BoP in several ways. First, it offers interest-free financing to individuals and businesses in need of capital for startup or scaleup of operations. It has also been noted that it has great potential as a tool for financial inclusion and entrepreneurship development, particularly in resource-constrained environments. Furthermore, the ethical and moral foundations of *Qard Hasan* align with Islamic finance principles, ensuring ethical business practices and promoting financial inclusion (Abdullah, 2015). *Qard Hasan* supports Halal entrepreneurship by providing financial access to small business owners and micro-entrepreneurs who struggle with conventional financing options due to high interest rates (Abdullah & Azam, 2020b). In Bangladesh, research found that *Qard Hasan* significantly reduced multidimensional poverty through the empowerment of small business owners, suggesting that interest-free financing mechanisms can serve as a powerful tool for economic upliftment (Muneer & Khan, 2019, 2022). Moreover, several case studies from Indonesia further confirm its role in economic empowerment, demonstrating that businesses utilizing *Qard Hasan* financing experienced improved financial outcomes and poverty alleviation (Adawiyah, 2019). Furthermore, Islamic microfinance institutions (MFIs) can use *Qard Hasan* as an entrepreneurial financing mechanism (Alam et al., 2023). Additionally, FinTech innovations can further support the deployment of *Qard Hasan* by digitizing financial transactions and reducing operational costs (Mushkalamzai et al., 2023). Lastly, optimisation strategies such as integrating zakat funds and mentorship programs have also been noted to enhance *Qard Hasan*'s impact in promoting entrepreneurship. Overall, *Qard Hasan*'s funds are not only available for entrepreneurs but also contribute to maximizing their long-term sustainability (Mubarok, 2019).

Research Question 2: What theological, institutional, and regulatory hurdles affect the implementation of *Qard Hasan* as a financing mechanism for entrepreneurship at the BoP?

Finding 2: The SLR reveals that despite its ethical and financial benefits, the implementation of *Qard Hasan* as a financing mechanism for entrepreneurship faces significant theological, institutional, and regulatory challenges. One major obstacle is that the regulatory environment in some countries do not sufficiently support interest-free financial mechanisms, which operationally limits the growth and adoption of *Qard Hasan* (Kuran, 2010). In Russia, for example, specific legal regulations restrict the practical application of *Qard Hasan* within the financial sector, making it difficult for Islamic financial institutions to operate effectively (Shovkhalov, 2021). Institutional challenges also pose a significant barrier, as many Islamic financial institutions especially Islamic banks allocate a very small portion of their resources to *Qard Hasan* financing due to concerns about sustainability and financial

profitability. Consequently, Islamic banks are increasingly reducing their *Qard Hasan* allocations in favour of more profitable Islamic financing models such as Mudarabah and Murabaha (Firmansyah, 2016). Additionally, case studies of Islamic microfinance institutions (BMTs) indicate that maintaining a sustainable pool of *Qard Hasan* funds is a persistent challenge (Hamzah & Suprihatin, 2016). Furthermore, scalability is another issue affecting the visibility of *Qard Hasan* as a financing mechanism. In Indonesia, the research found that although *Qard Hasan* improved economic empowerment, its lack of scalability prevented it from achieving widespread impact (Adawiyah, 2019). Similarly, the limited participation of banks in *Qard Hasan*-based social finance initiatives has restricted its potential as a financing instrument (Rochayatun & Sayugo, 2021). From the above, *Qard Hasan* can be effective in small, community-based applications, it is difficult to scale without external financial support. It is therefore necessary to strengthen the institutional framework and introduce supportive regulations to facilitate *Qard Hasan*'s integration into mainstream financial systems (Aderemi & Ishak, 2022).

Research Question 3: How can FinTech innovations enhance the implementation of *Qard Hasan* as a financing mechanism for entrepreneurship at the BoP?

Finding 3: The SLR shows that FinTech innovations have the potential to change the implementation of *Qard Hasan* by improving accessibility, reducing costs and increasing transparency. One of the most important fintech contributions/innovations is the creation of *Qard Hasan*-Crowdfunding platforms. Studies comparing *Qard Hasan* with Mudarabah Crowdfunding showed that digital platforms can serve as an effective way to connect lenders and borrowers, reducing administrative stress and financial risks (Aderemi & Ishak, 2020). In addition, Islamic fintech solutions were identified as important drivers in facilitating *Qard Hasan*'s financing, especially for small and medium-sized companies (SMEs). Digital payment systems and blockchain technology can improve transparency, decrease fraud and ensure that the funds are assigned efficiently (Saad & Pitchay, 2020). Another area in which fintech *Qard Hasan* can improve is digital banking and financial inclusion. Studies suggest that Islamic banks can optimise the financing of *Qard Hasan* by integrating better methods to collect consumer data to pursue repayment patterns and financial behaviour to improve risk assessment (Alam et al., 2023). In addition, research has shown that the pandemic of Covid-19 accelerated the acceptance of *Qard Hasan* financing, with digital banking playing a decisive role in its introduction (Amin, 2022). Alternative lending models can also benefit from FinTech. For example, a cooperative fintech model was proposed for the financing of homes, whereby *Qard Hasan* gives interest-free loans for homeownership (Selim & Rabbani, 2022). These innovations suggest that digitisation can significantly improve the sustainability and scalability of *Qard Hasan* financing.

Research Question 4: What policy interventions are needed to scale *Qard Hasan* as a financing mechanism for entrepreneurship at the BoP?

Finding 4: The SLR's insights reveal several policy interventions needed to scale *Qard Hasan* as a financing mechanism for entrepreneurship at the BoP. First, scaling *Qard Hasan* effectively requires the integration of Islamic social funds learning from Islamic financing models in Malaysia, Pakistan and Indonesia among others. Studies have highlighted that zakat and waqf funds can be leveraged to provide sustainable sources of capital for *Qard Hasan* as a financing mechanism for entrepreneurship at the BoP. This approach has been particularly successful in Malaysia, where zakat funds have been used to support microcredit programs, proving effective in poverty alleviation (Asni et al., 2023); (Zulkifli et al., 2024). Secondly, institutional support from the governments of Muslim countries is necessary to scale *Qard Hasan* as a financing mechanism through the development of a robust policy framework that integrates *Qard Hasan* into sustainable development initiatives. Such frameworks should focus on economic justice, social solidarity, and financial inclusion, which are foundational values of Islamic social finance (Ibrahim & Alenezi, 2024). Several studies in Indonesia have demonstrated that strengthening institutional support and improving access to capital can make *Qard Hasan* a viable alternative financing model for small businesses (Harahap et al., 2023). Additionally, there is a need for government-backed initiatives to incentivise financial institutions to allocate a higher percentage of their resources to *Qard Hasan* financing (Sa'ad & Pitchay, 2020). Finally, institutional policy adjustments are necessary to improve the efficiency of *Qard Hasan* programs because studies suggested that optimising funding through BMT institutions, combined with government support, can enhance the effectiveness of *Qard Hasan* as a financing mechanism for businesses and projects run by people and communities (Mustofa & Khoir, 2019). Finally, legal and regulatory reforms that facilitate microcredit operations could further be developed to enable *Qard Hasan* to reach a larger segment of underserved entrepreneurs operating at the BoP (Harahap et al., 2023).

CONCLUSION

This study systematically reviewed the Islamic finance literature on leveraging *Qard Hasan* as a financing mechanism for entrepreneurship at the Bottom of the Pyramid (BoP). Four important findings were unveiled by a systematic literature overview (SLR) using the PRISMA protocol to select, screen and synthesise 41 high-impact Scopus-indexed articles from 2010 to 2024. First, *Qard Hasan* offers a viable and ethical financing alternative that aligns with Islamic finance principles, enabling financial inclusion and entrepreneurship development in resource-constrained environments. Several empirical studies demonstrate its effectiveness in empowering small business owners, alleviating poverty, and supporting economic sustainability. Second, despite its benefits, the widespread adoption of *Qard Hasan* is hindered by regulatory, institutional, and scalability constraints and challenges. Many Islamic financial institutions allocate minimal resources to *Qard Hasan* financing, prioritising more profitable Islamic financial models such as Mudarabah and Murabaha. Additionally, legal restrictions in certain countries further limit *Qard Hasan*'s operational effectiveness. Third, the integration of FinTech innovations, including digital banking, crowdfunding, and blockchain technology, offers new opportunities to enhance *Qard Hasan*'s accessibility, efficiency, and transparency. These technological advancements can streamline financial transactions, reduce operational costs, and improve overall sustainability. Finally, policy interventions that are required to improve the efficiency of *Qard Hasan* financing for scalability and sustainability may take the form of leveraging Islamic social funds (zakat and waqf) and strengthening institutional support. For long-term viability, regulatory frameworks must be restructured to facilitate its integration into mainstream financial systems.

PRACTICAL IMPLICATIONS FOR RESEARCH, THEORY, AND POLICY

This systematic literature review (SLR) highlights four key findings with in-depth practical implications for policy, practice and future research. First, the study underscores the need for robust regulatory frameworks that support *Qard Hasan* as a viable faith-based interest-free financing mechanism for entrepreneurship. In this respect, governments and Islamic social finance stakeholders in Muslim-majority countries should consider integrating *Qard Hasan* into national financial inclusion strategies by allocating zakat and waqf funds for sustainable financing. Financial institutions specifically should be incentivised to increase their *Qard Hasan* allocations through tax benefits or government-backed guarantees. Furthermore, institutional policies should facilitate partnerships between Islamic microfinance institutions (MFIs) and digital financial platforms to improve the scalability and efficiency of *Qard Hasan* financing. To make the environment enabling, legal reforms should be enacted to remove regulatory barriers preventing the full adoption of *Qard Hasan*, particularly in jurisdictions where interest-free financing is not well recognised. Finally, international organisations promoting Islamic finance should collaborate to establish global standards for *Qard Hasan* implementation, ensuring consistency and transparency in its application across different economic settings. This study contributes to the body of knowledge on Islamic finance and entrepreneurship by synthesising empirical evidence on the role of *Qard Hasan* in financial inclusion and economic empowerment. From a theoretical perspective, this study reinforces the principles of Islamic finance by highlighting the ethical and moral foundations of *Qard Hasan*. It supports existing frameworks on financial inclusion, social solidarity, and economic justice within Islamic finance. The findings suggest that *Qard Hasan* can be effectively incorporated into the broader financial inclusion and entrepreneurship discourse, bridging gaps between Islamic and conventional microfinance theories. Moreover, integrating digital finance theories with Islamic finance principles could provide new theoretical insights into sustainable financing mechanisms.

LIMITATIONS AND FURTHER RESEARCH DIRECTIONS

Despite its contributions, this study has some limitations. First, the reliance on non-numeric secondary data sourced from 41 high-impact articles limits the ability to make country-specific generalisations. Future research should therefore include primary data collection through interviews, surveys or case studies to gain deeper insights into the operational aspects of *Qard Hasan* at a single-country and/or cross-country level. Secondly, while this study focused on Scopus-indexed articles, expanding the review to other high-impact databases could yield additional perspectives. Finally, further research should explore comparative studies between *Qard Hasan* and other Islamic financing instruments to determine the best practices for entrepreneurship financing at the BoP. Addressing these limitations will provide a more comprehensive understanding of *Qard Hasan*'s potential as a sustainable financing mechanism.

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