

A BIBLIOMETRIC ANALYSIS ON YIELDS, ZAKAT PAYMENT, AND WEIGHTED AVERAGE COST OF CAPITAL FOR SUKUK INVESTMENT

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Abstract: *This paper presents a condensed bibliometric analysis of Zakat in Sukuk investments and the Weighted Average Cost of Capital (WACC) within Islamic finance, aiming to highlight influential works, authors, institutions, and emerging trends. Using data from the Scopus database (2012-2023) and tools like VOSviewer and Harzing Publish or Perish, the study applies network visualization, bibliographic coupling, co-citation analysis, and citation metrics to uncover key patterns and trends in the literature. Findings indicate that Zakat in Sukuk investments and WACC are growing areas of interest, reflecting their significance in promoting social justice, sustainable development, and risk management in Islamic finance. The study reveals prominent contributors, collaboration networks, and dominant themes, notably the integration of Zakat in ethical investing and WACC's role in evaluating investment feasibility and managing financial risk. To ensure methodological rigor, the PRISMA guideline was followed, detailing criteria for record inclusion and exclusion, and reasons for the removal of non-relevant records are provided. Key themes were generated through a systematic thematic analysis, emphasizing the alignment of financial practices with Islamic ethical principles. The paper concludes with implications for future research, policy recommendations, and practical applications, advocating for further exploration of these topics to enhance investment frameworks and promote socially responsible finance within the field of Islamic finance.*

Keywords: *Sukuk, Sukuk Yields, Bibliometric, Zakat, Weighted Average Cost of Capital (WACC)*

Introduction

The Islamic finance sector, especially Sukuk (Islamic bonds), has witnessed substantial growth, providing a Sharia-compliant alternative for raising funds. Sukuk, structured according to Islamic principles that prohibit *riba* (interest) and emphasize risk-sharing, has attracted increased investor interest (Muhammed, Elhaj, & Ramli, 2022; Utami, Trinugroho, & Sergi, 2019).

From less than \$500 million in 2001, the Sukuk market surged to nearly \$319 billion by 2016 and reached USD 829.7 billion in 2022, driven by regulatory support and high demand from sovereign and corporate issuers (IFSB, 2017; IFSI SR, 2023). Although growth slowed slightly in recent years, Sukuk markets continue to outperform conventional bonds due to their resilience and appeal as a diversified funding source.

Sukuk's expansion has fueled research into key topics such as Sukuk yields, the integration of Zakat, and the Weighted Average Cost of Capital (WACC) within Islamic finance. Research on Sukuk yields focuses on determinants like creditworthiness and market conditions, which are critical for pricing and risk management. Integrating Zakat, an obligatory Islamic charity, into Sukuk aims to align financial goals with ethical principles, supporting social welfare. Meanwhile, WACC serves as a fundamental metric for evaluating investment feasibility, impacting decision-making for Sukuk issuers and investors.

In this context, this paper conducts a bibliometric analysis of research on Sukuk yields, Zakat in Sukuk investments, and WACC. By examining scholarly articles, conference papers, and books, this study identifies influential authors, prominent institutions, and research gaps, providing insights into emerging trends that can guide stakeholders in enhancing financial inclusivity, sustainability, and socio-economic development within Islamic finance.

Literature Review

Sukuk, or Islamic bonds, differ from conventional bonds by adhering to Shariah principles, requiring an asset-backed structure, and providing added flexibility and security for investors (Ariff, Chazi, Safari, & Zarei, 2017). Unlike conventional bonds, which signify a debt obligation, Sukuk represents proportional ownership in an underlying asset, thus offering transparency and reduced default risk. Sukuk structures, such as *Ijarah* (leasing), *Musharakah* (partnership), and *Mudarabah* (profit-sharing), allow issuers to tailor financing solutions to attract a broader investor base while aligning with Islamic finance principles. Typically backed by tangible assets like real estate or commodities, Sukuk issuances are often more resilient to market fluctuations due to these stable income-generating assets.

Research on Sukuk yields has explored factors such as creditworthiness, market conditions, and structural features that influence pricing and risk management (Aslam, Azam, & Iqbal, 2021). Komariah (2019) utilized machine learning and regression models to analyze the impact of Sukuk structures on ratings and yields, indicating that structural variation can significantly influence performance. Additionally, Zakat integration within Sukuk investments has attracted scholarly attention for its potential to align financial objectives with social welfare and ethical investing principles (Muhammed et al., 2022).

The Weighted Average Cost of Capital (WACC) is another critical metric in Sukuk, used to assess investment feasibility. However, while research has begun examining WACC in relation

to Sukuk, it remains limited (Lisnaeni, Handoko, & Lubis (2023). Notably, Nagimova (2023) highlights challenges faced in adopting Sukuk across emerging markets due to limited awareness and acceptance of Islamic finance principles, indicating broader barriers that may also impact WACC optimization. Although substantial research exists on Sukuk structures, yields, and Zakat integration, further exploration is needed into how Sukuk structures influence WACC. Future studies should focus on optimizing WACC to enhance the attractiveness of Sukuk as a sustainable financial instrument across diverse markets.

Methodology

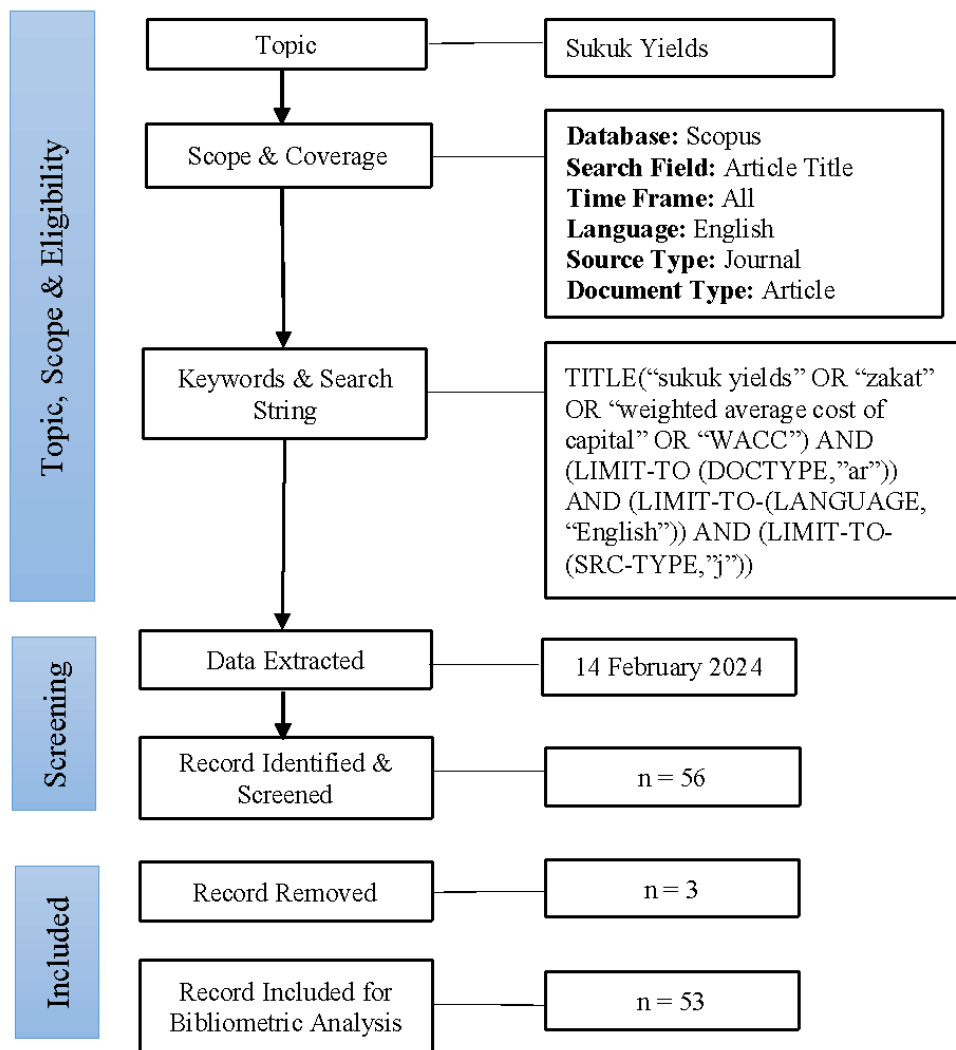


Figure 1: Flow Diagram of The Search Strategy

Source: Zakaria et al. (2020).

According to Figure 1, this study employed a systematic literature review (SLR) with data gathered from the Scopus database, accessed via the Ez Access UiTM website. Scopus was selected for its extensive and diverse coverage across multiple fields. To ensure comprehensive and unbiased data retrieval, the search focused on "Article Title," "Abstract," and "Keywords."

Initial searches using “Sukuk Yields” yielded 11 documents, indicating limited literature on this specific topic. Additional keywords, “Weighted Average Cost of Capital” and “Zakat,” were incorporated, resulting in 56 documents. A selection process based on relevance to the study’s objectives identified 53 documents for analysis, with 3 excluded due to non-alignment with inclusion criteria.

Following the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines, the study’s literature search and selection process were structured to enhance transparency and reproducibility. Records were excluded for reasons such as irrelevance to the main research themes or failure to meet quality standards. This PRISMA-based approach ensured methodological rigor, reducing potential researcher bias and enhancing the reliability of the review.

Data were exported as CSV and RIS files to facilitate analysis. Metrics, including total citations, average citations per paper, and h-index, were obtained using Harzing Publish or Perish software. For bibliometric network mapping, VOSviewer (version 1.6.16) was used to visualize patterns in co-authorship, keyword co-occurrence, and citation relationships. The combined use of these tools supported a robust analysis of influential works, key contributors, and emerging trends in Sukuk, Zakat, and WACC research.

Results

Year Of Publications

Table 1: Year of Publications

Year	Total Publications
2002	1
2008	1
2009	2
2010	2
2011	1
2012	1
2013	3
2014	2
2015	2
2016	4
2017	2
2018	4
2019	8
2020	4
2021	10
2022	3
2023	3

Table 1 shows the distribution of publications by year, indicating a gradual increase in scholarly output on Sukuk, Zakat, and WACC. The data highlights a notable surge in research interest from 2019 onwards, with 8 publications in 2019 and a peak of 10 in 2021. This upward trend suggests heightened research activity and growing scholarly interest in recent years.

Prior to 2019, publication numbers fluctuated with fewer entries, reflecting a less consistent focus on the topic. However, the post-2019 data indicates an increasing emphasis on Islamic finance themes within academia, likely driven by the field's expanding relevance and the need for sustainable finance solutions. This chronological distribution underscores the dynamic development of research in Sukuk and related topics, marking an evolving scholarly commitment to exploring the intersections of Islamic finance with socio-economic and ethical investment frameworks.

Citation Analysis

Table 2: Citation Metrics

Year	Total Publications
2002	1
2008	1
2009	2
2010	2
2011	1
2012	1
2013	3
2014	2
2015	2
2016	4
2017	2
2018	4
2019	8
2020	4
2021	10
2022	3
2023	3

The citation metrics in Table 2 reflect the influence of Sukuk-related publications within the academic landscape from 2002 to 2023. With 53 papers and a cumulative total of 457 citations, the dataset averages approximately 20.77 citations per year, demonstrating sustained interest and relevance in the field. Each paper averages 8.62 citations, indicating a solid impact on subsequent research.

The dataset's high citations-per-author average (219.20) and papers-per-author ratio (26.32) suggest notable individual contributions to Sukuk scholarship. Additionally, the h-index of 11 and g-index of 20 underscore the publications' productivity and influence, marking significant advancements in Islamic finance research.

Overall, these metrics underscore the expanding impact and importance of Sukuk research, reflecting its growing integration into broader financial and socio-economic discussions.

Summary and Conclusions

The findings indicate that Zakat in Sukuk investments and Weighted Average Cost of Capital (WACC) are increasingly recognized as critical areas within Islamic finance. This study identifies influential authors, institutions, and significant collaborations that drive these emerging fields, underscoring themes like Zakat's role in fostering social justice and sustainable development, and WACC's impact on investment feasibility and risk management.

The study suggests several implications for research and practice. First, further investigation into Zakat's capacity to support ethical finance and social welfare in Sukuk investments is needed, particularly to strengthen its integration into sustainable financial models. Second, given WACC's importance in evaluating Islamic finance investments, future research should prioritize developing more precise methods to calculate WACC tailored to Sukuk structures. Third, the study identifies promising collaborations among key authors and institutions, advocating for expanded research partnerships to enhance innovation and knowledge-sharing within Islamic finance.

For policymakers and practitioners, these findings offer actionable insights for integrating Zakat into financial strategies to enhance social impact, and for refining risk management frameworks through improved WACC methodologies. By leveraging these insights, stakeholders can more effectively promote sustainable and ethical investment practices within Islamic finance.

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