

# The Creating and Promoting Role of Takaful and Re-Takaful Implementation in the Sustainable Development of Islamic Countries

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## Abstract

Considering the growth rate of Takaful in western markets and the ever-increasing expansion of products offered in the form of Takaful in Islamic countries, it is necessary to form Re-Takaful at the international level and pay attention to the role of this type of process in the development and improvement of business and its effects on economic development, and also at a higher level, the improvement of economic, social, cultural and political relations among Islamic countries shows the need to address this issue even more. The purpose of this research is to investigate the effects of Takaful implementation in promoting the sustainable development of Islamic countries. The current research has been conducted using a mixed method; in the qualitative part, using the Grounded theory method and the paradigm model, the initial model has been obtained, and then in the quantitative part, the resulting model has been examined. Since Takaful and Re-Takaful play a significant role in Islamic financing, covering the risks of non-believers within the framework of Islamic Sharia and investment based on Islamic contracts and in accordance with Sharia and taking advantage of the partnership structure in the form of cooperation and using donations to The title of godly and halal financial resources is in the form of a model such as endowment and proxy. The model presented in this paper illustrated the creating and promoting role of Takaful and Re-Takaful implementation in the sustainable development of Islamic countries.

**Keywords:** Takaful, Re-Takaful, Sustainable Development, Economic Growth, Insurance Penetration Rate.

## Introduction

According to the concept of Takaful, as "a process based on Taavon (brotherhood), solidarity that is in the form of mutual aid and provides mutual financial aid and assistance to Takaful participants when needed, and according to that Takaful participants mutually support each other for this purpose [1]. Although in some Islamic countries, due to the implementation of (Takaful) and the non-acceptance of conventional insurance, this plan has also met with a lot of welcome and demand, in addition, this process among European countries, including England, where the Islamic financial services industry in this country is active and the Takaful sector is regulated under the existing legal and regulatory framework for direct insurers and reinsurers in this country and is being developed, Therefore, considering the increasing development of this process in the world, especially among Islamic countries, the use of Takaful model as an

independent and separate model or as a supplement in covering the insurance needs of insurers, especially in Muslim countries, should be considered.

The Takaful, which is viewed as an Islamic finance product, is a cooperative insurance mechanism where the insurer helps policyholders to provide loss protection services for each other [2]. The boundary between conventional insurance and Takaful lies in the underlying concepts and contracts employed. First, segregation between participants and shareholders' funds as the company's role in Takaful is only to manage participants' funds on their behalf. The participants in Takaful are the owners. Second, in Takaful, the customers (policyholders) pay their contributions (premiums) as a donation (Tabarru), which is also treated as saving (Mudarabah -profit and loss sharing). The Takaful operator is just an agent who has been authorized to operate or manage

the Takaful fund on behalf of the participants; therefore, this eliminates the principle of uncertainty (Gharar) from the Takaful contract [3].

Therefore, considering the role of Takaful, especially in Islamic financing, and considering the role of Islamic financial instruments, especially in the form of investments from funds that are created through Takaful funds, and considering the role of Green Sukuk in sustainable development, due to the role that of financial tool in the economy and through the investment from the resources obtained from cooperation which is created in the form of Takaful and its focus is on the development and improvement of infrastructures and construction and development activities can be effected on creating this process in economic and social development and considering the role that we have mentioned in the framework of the criteria and works designed for the goals of sustainable development.

As a pioneer in Takaful industry, Malaysia Takaful annual report for 2020-2021 shows that For the Family Takaful new business, the industry registered RM 8.5 billion gross contributions, an increase of 29.7% compared to RM 6.59 billion in 2020. A total of 1,135,189 new business certificates were issued in 2021, an increase of 35.2% compared to 839,355 certificates in 2020. New business single contributions registered an increase of 37.9%; from RM 5.09 billion in 2020 to RM 6.28 billion in 2021.

Meanwhile, annual contributions of new business recorded a significant growth of 48.8% at RM2.23 billion. It was RM 1.5 billion in 2020. In fact, it was the first time annual contributions reached the 2- billion mark. In terms of the distribution channel of new business, the Agency remains the main contributor for annual contribution Takaful plans with 85.7%, while Bancatakaful was the main contributor for single contribution plans at 52.4%. In terms of business inforce, the total gross contribution recorded RM 7.42 billion in 2021 as compared to RM6.12 billion in 2020. The total certificates inforce for 2021 was 6.07 million certificates, compared to 5.51 million in 2020.

This means that, taking the measure of the number of Family Takaful certificates inforce to the total Malaysian population, the industry's Penetration Rate reached 18.6%, as compared to 16.9% in 2020. The General Takaful business also showed an increase, albeit smaller than Family Takaful, registering Gross Written Contributions of RM 3.83 billion. This was a 10.6% increase from RM3.47 billion in 2020. Motor Takaful business showed similar increase registering RM 2.54 billion in 2021 against RM 2.29 billion in 2020 (increase of 11.2%), and the Fire Takaful business also recorded steady growth, from 0.62 billion in 2020 to RM0.69 billion in 2021 (increase of 10.3%). However, Motor Takaful remains at the top position in terms of portfolio mix at 66.3%, followed by Fire Takaful at 17.9%. In terms of overall distribution channels, both Agency and Banca were the main contributors with 60.6% and 14.2%, respectively [4].

## Literature Review

Since the underwriting is done in accordance with the common and conventional method around the world, in relation to covering insurable risks, and the process resulting from this action leads to the accumulation of reserves and the production of fi-

nancial resources for investment by insurance companies and from these sources and after paying the damages to the policyholders and other costs involved in this process, the expected profit or return is expected for the insurers.

Therefore, the design of this process (common insurance structure) in Islamic countries should also have a structure implementation based on responding to the needs of the Islamic society and in the direction of the participation of as many Muslims as possible and in the form of focusing on covering insurable risks and in the direction of supporting the weak sections of the society and establishing justice and within the codified framework and taking into account the Sharia requirements and Sharia principles of implementation will be. In this regard, in most of the Islamic countries, the Takaful model is used instead of common insurance, and just as common insurance operations have an impact on the economic dimensions and sustainable development, Takaful operations can also play this role, especially among Islamic countries.

## Sharia-compliance

Sharia-compliance generally refers to adherence to Islamic Law or Sharia. This label has been applied to a wide range of financial as well as non-financial products and services including but not limited to equities and other financial instruments, banking services, consumer staples, and food production. Sharia-compliance is normally operationalized through the combination of two criteria: (1) qualitative: is the business involved in industries prohibited by Islam (i.e. haram); and (2) quantitative: are its finances meeting the permissible thresholds (as advised by an appointed Sharia Supervisory Board). Haram industries are normally, alcohol, pork, conventional financial services such as banking and insurance, and tobacco. The quantitative criteria meanwhile generally observe the company's level of interest income, debt, and receivables, following the Islamic prohibition of riba (i.e. interest) and gharar (i.e. risk). If a firm meets both the qualitative and quantitative criteria, it is deemed to be Sharia-compliant [5].

**H1:** Sharia-compliance has a significant positive effect on risk sharing for sustainable development based on Sharia in Islamic countries.

## Shariah Governance

SG is a complete system that outlines how IFIs follow the Shariah principles in conducting their business functions [6]. IFSB1-9 (2009) illustrated SG systems as "a set of structural procedures where IFIs assure the Shariah compliance throughout its operational activities". The SGF2 provides a comprehensive guideline for BOD3, SSB4, Shariah auditors, internal and external Shariah audit and review unit, the appointment of criteria of SSB, management obligation in employing SGF, Shariah compliance, and Shariah review to conduct the Islamic banking functions and to develop a stronger and more trustworthy industry. For doing these functions, IFIs essential comprehensive Shariah audit functions and regulations to ensure and monitoring Shariah principles on a pre and post functional basis [7].

**H2:** Shariah Governance has a significant positive effect on Takaful development instruments for sustainable development based on Sharia in Islamic countries.

### Takaful Implementation Infrastructure

A Takaful system must have effective processes in place, supported by adequate infrastructure, systems and capabilities including IT support for fund accounting. In this research, some factors such as Islamic technical and financial basics, Modification of supervisory procedures and accounting operations, Development of Islamic financial infrastructure, Takaful model requirements, Upstream documents, International technical standards, Insurance culture and legal requirements, Educational and training requirements of the expert force and social interactions, Information technology infrastructure and e-commerce, Taking advantage of corporate governance with an added layer of Sharia governance have been considered.

**H3:** Takaful implementation infrastructure has a significant positive effect on Takaful development instruments for sustainable development based on Sharia in Islamic countries.

### Risk Sharing

The notion of the risk-sharing principle in the Takaful system, in general, can be attributed to its main principle of mutual cooperation, *taawun* (brotherhood), and solidarity. In other words, as it is asserted by several scholars that, the acceptance of the Takaful is based on cooperation among policyholders for the common good and its risk-sharing scheme under the principle of *taawun* through the creation of the *tabarru* fund [8, 9].

**H4:** Risk Sharing has a significant positive effect on Takaful development instruments for sustainable development based on Sharia in Islamic countries.

### Takaful Development Instruments

There are several challenges facing the development of Takaful in developing countries. To overcome these challenges in order to reach Sustainable development based on Shariah, in this research, some factors such as Cultivation in order to integrate the Islamic financial industry, Regulatory framework and explanation of general policies, Explanation of the perspective based on sustainable financing at micro and macro level, Financing infrastructure projects through non-bank financial sources, Global distribution of risk and focus on Re-Takaful, A systemic approach to sustainable development, Production and development of knowledge-based products, Attracting foreign direct invest-

ment with high added value, Attention to the issue of climate change and clean resources, and Application of block-chain technology have been considered.

**H5:** Takaful development instruments has a significant positive effect on Sustainable development based on Shariah in Islamic countries.

### Sustainable Development based on Shariah

In 2015, the member states of the United Nations (UN) adopted a broad resolution with the aim of changing the state of the world, which was the dominant political framework from 2000 to 2015, in order to achieve the development goals for 2030 in order to achieve sustainable development. For this purpose, seventeen goals were replaced by eight Millennium Development Goals, and based on this, the Sustainable Development Goals (SDGs) that must be achieved around the world by 2030 were defined and explained as follows, which are: No poverty, Zero hunger, Health and wellness, Quality education, Gender equality, Clean water and sewage, affordable and clean energy, Decent work and economic growth, Industry, innovation and infrastructure, Reducing inequality, Sustainable cities and communities, Responsible consumption and production, Climate action, Life below water, Life on land, Peace, justice and strong institutions, Participation [10]. In this research some factors such as Islamic integration and economic growth, Innovation of Islamic financial tools (Islamic banking, Islamic fund, Takaful, Sukuk, green bonds), Financing construction and environmental projects, Poverty alleviation and general welfare and providing education, Providing clean energy, Ta'avon, Social Welfare, Islamic financial evolution, Efficient Islamic society based on green economy have been obtained.

**H6:** Takaful development instruments mediates the association between Shariah governance and Sustainable development based on Shariah in Islamic countries.

**H7:** Takaful development instruments mediates the association between Takaful implementation infrastructure and Sustainable development based on Shariah in Islamic countries.

**H8:** Takaful development instruments mediates the association between Risk sharing and Sustainable development based on Shariah in Islamic countries.

Some of researches conducted are shown in table 1.

**Table 1:** Some of Recent Researches

Researcher (year)	Research Topic	Research Method	Findings
Kamil et. al (2014)	Factors that influence the use of Takaful more than conventional insurance (a case study of the Malaysian insurance industry)	In this research, a qualitative research approach was used and four intensive interviews were conducted with Takaful customers and operators, who were selected from a region in Malaysia.	The findings of the interview have led to the main propositions that Takaful customers have a clear concept of Takaful and the requirements of following Sharia and Takaful is necessary for Muslims as an alternative to common insurance. Takaful insurers are aware of insurance and religion in contemporary business.

Salman (2015)	An overview of the growth and development of Takaful in the form of the development process of the Takaful model	Statistical analysis and review of statistical documentation of performance resulting from the implementation of Takaful	Mentioned the Takaful industry as one of the fastest growing financial industries, and according to its models and implementation methods, she mentions the improvement of its weak points through the participation of industry activists, jurists and domestic organizations through synergy.
Alhabashi et. al (2015)	Factors affecting the penetration rate of the Malaysian Takaful industry from the point of view of Takaful managers	In order to achieve this research, the method of interviewing more than 20 managers in the Takaful sector and analyzing the obtained data has been used for thematic analysis and factors such as lack of public awareness of the benefits of Takaful in providing insurance products, lack of expert staff, improvement of distribution channels and strategies Marketing is one of the most important factors affecting the use of Takaful and the influence of the Takaful market in Malaysia.	
Suleiman (2016)	Opportunities and prospects arising from the realization of Islamic finance in Nigeria	Based on the qualitative method based on experiences and studies	In this research, while identifying the limitations caused by the realization of the Islamic financial system, the opportunities and drawing the perspective caused by the application of the Islamic financial system have been discussed.
Akhtar (2017)	Comparing conventional and Islamic insurance demand: global evidence during the global financial crisis	The research method used is based on panel regression between different groups	The global crisis has had many effects on the banking and insurance sectors, so that the Islamic financial system, which is based on risk sharing and avoids interest rates, can act as a favorable option in the complex financial conditions that have arisen, however, the Islamic insurance industry It is more resilient, and the demand for Islamic insurance has grown dramatically along with the increasing popularity of Islamic financing in the financial crisis
Billah (2017)	Necessity of attention to the duality of accounting in Takaful insurance and common insurance	Based on the qualitative method and comparative study with the existing processes in the implementation of accounting operations	Considering the necessity of the definitions and examples used in the implementation of the Takaful model and with emphasis on concepts such as cooperation and non-profit orientation in this method of the underwriting, accounting principles based on Sharia standards and based on the principles of mudharaba and the preservation of the rights of the insured and the necessity of preserving the Islamic framework has emphasized in accounting operations
Guendouz (2018)	Identifying the reasons and factors for the profitability of Takaful companies in Saudi Arabia and the role of each of the factor's affecting profitability is desired.	Factors affecting profitability as a dependent variable have been investigated and estimated.	The comparison of common models of Takaful shows that the rate of return of capital of Saudi Arabian insurance companies is based on many methods, but the accuracy of prediction is different based on the equations used in their calculations. Among other results of this research, the acquisition of large companies and mergers with larger companies are considered.
(2018) Akhtar	Performance analysis of conventional and Takaful insurance companies in Saudi Arabia	Performance evaluation of insurance companies according to technical analysis, efficiency calculation and productivity analysis	It provides five suggested solutions to improve the performance of the insurance structure, so that primarily the larger insurance companies in the country should strengthen their efficiency in the country in order to be able to use the economy of scale.



Alshammari et.al(2019)	The effect of competition on the productivity and costs of insurance in the insurance sector and the evolution of evidence from the markets of the member countries of the Persian Gulf cooperation based on statistical analysis	In this article, the impact of competition on productivity in conventional insurance sectors and Takaful model has been investigated	The results of this research have shown that competition in the insurance sector has increased due to the number of players and increased with the emergence of Takaful .The relationship between competition and efficiency is positive, and managers in the Takaful sector should also follow it, and managers should not reduce competition due to market restrictions and try to increase productivity and develop competition.
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## Methodology

### Data

In qualitative phase, after coding the initial text of the interviews, concepts and categories have been extracted. From the text of the interviews, 261 primary codes have been identified from the total number of interviews (in terms of repetitions) and after removing the repetitions, 182 primary codes have been obtained. The qualitative part and the implementation of the research phase after considering selective coding and derived from the findings of the semi-structured interview, identified components and items extracted from the data in the form of 47 statistical items and explained in the form of a model.

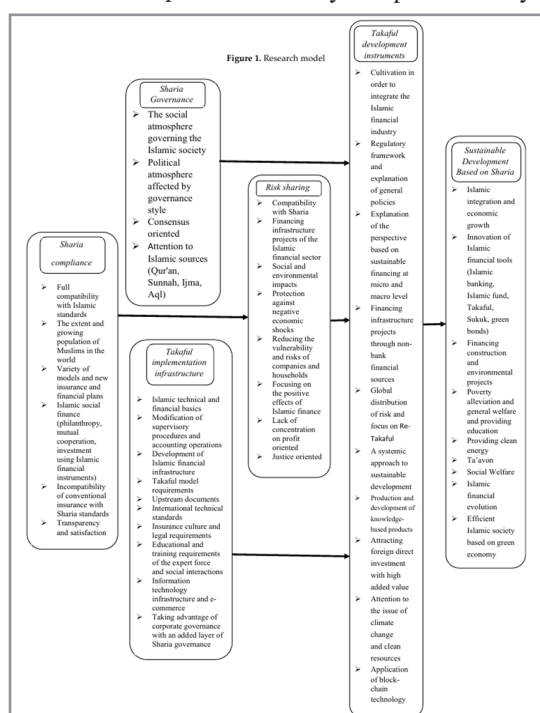
### Model Development

In the sources that introduced grounded theory methodology, they considered this stage as a natural achievement of the selective coding stage, and according to the components that emerged from the data, a richer picture of the concepts and components was provided and finally a theoretical framework emerged, which according to the process of the conceptual model obtained from the qualitative part of the research, and The present model has six main dimensions and the research variables obtained from the selected items were measured by 47 items or observable variables in the role of the representative [11]. In the figure II, the conceptual model of the present research is shown as a detailed framework for The creating and promoting role of Takaful and Re-Takaful implementation in the sustainable development of Islamic countries, based on the GT method. In the quantitative

pilot step, the whole population consists of 62 experts and managers who works in insurance companies working on Takaful surveyed using a questionnaire with 47, 7-point Likert scales questions. The measures were first refined via Cronbach's alpha reliability and EFA using data collected from the 25 respondents in the quantitative pilot study. The model is shown in figure 1.

### Method

This research is developmental in terms of research results, in terms of the implementation process of mixed research method (qualitative-quantitative), in terms of the time of research implementation, cross-sectional, in terms of its purpose, it is descriptive and its type is surveying, and also in terms of its purpose, it is an empirical analysis of the correlation type, exploratory and it is based on field study. In carrying out the qualitative part of the research, a semi-structured interview was conducted with 12 experts who have experience and opinions related to the subject of the research and they have been working and studying in this field for at least 10 years, it has been done and because the research path is based on interviews It has been with people and identifying related concepts and modeling them. Therefore, the GT research strategy is selected in the form of a paradigm model is, this research is also conducted with a qualitative approach and using the GT method and selecting experts in this section using the method Snowball and their number until reaching theoretical saturation was done and in the quantitative part of the research, the model findings were taken from the questionnaire analyzed quantitatively.



## Results and Analysis

### Results

In quantitative section, based on the extracted paradigm model using frequency tables and descriptive statistics, the demographic variables resulting from the supplementary questionnaire were analyzed, then the reliability of the questionnaire was measured according to the effective factors calculated in the qualitative section.

Because of the exploratory nature, this study used a PLS estimation to maximize the explanation of the variance in the structural equation model's dependent constructs. The findings of this analysis are reported by following the recommendations of Hair et al. (2014) for PLS modelling:

- indicator reliability (e.g. standardized indicator loadings of 0.70; in exploratory studies, loadings of 0.40 are acceptable);
- internal consistency reliability (Cronbach's alpha and composite reliability (CR); both measures should exceed 0.70);
- convergent validity (average variance extracted (AVE)  $\geq$  0.50);

- discriminant validity (cross loadings);
- effect size or  $f^2$  (0.02, 0.15 and 0.35 for weak, moderate and strong effects); and
- path coefficient estimates.

### Reliability and Validity Analysis

Table 2. presents the criteria used to evaluate the reliability of this study. These criteria include Cronbach's alpha, composite reliability and average variance extracted (AVE). The Cronbach's alpha value for all indicators was more than 0.7, denoting the reliability of the items used. Moreover, the Dillon–Goldstein's rho, values for all indicators are more than 0.7, confirming the reliability of all the items. As for composite reliability values for all indicators are more than 0.7, representing reliable items. In terms of AVE to be significant, its value needs to be higher than 0.50; as noted in Table II, all AVE values for the constructs were higher than 0.50, indicating acceptable convergent validity. Finally, this study also tested the variance inflation factors (VIF), of which values for all variables were below 3.3, indicating that multi-collinearity is not severe [12].

**Table 2:** Reliability and Validity

Variables	Items	Mean	SD	CA	DG rho	CR	AVE	VIF
Sharia Compliance	6	5.921	1.104	0.822	0.842	0.842	0.752	1.011
Sharia Governance	4	5.785	1.028	0.791	0.802	0.802	0.732	1.011
Takaful implementation infrastructure	10	5.527	0.981	0.92	0.931	0.931	0.791	1.011
Risk sharing	8	5.422	0.974	0.837	0.858	0.858	0.766	1
Takaful development	10	5.38	1.008	0.772	0.795	0.795	0.701	1
instruments								
Sustainable	9	4.952	1.013	0.918	0.933	0.933	0.811	-
development based on Shariah								

**Source:** Authors' data analysis

**Notes:** CA = Cronbach's alpha; DG rho = Dillon–Goldstein's rho; CR = Composite reliability; AVE = Average variance extracted; VIF= Variance Inflation Factors

Indicators were also checked for discriminant validity and considered reliable when outer (component) loadings were higher than 0.7. Furthermore, a construct's loading should be higher than all of its cross-loadings. Component loading with a value of 0.5 is also acceptable if the AVE value is higher than 0.5. As presented in Table III, all the indicator loadings are higher than 0.7, which is also higher than the entire cross-loadings, thereby confirming discriminant validity [13-16].

The Fornell–Larcker criterion assesses the discriminant validity at the construct level. The Fornell–Larcker criterion in Table 3. is largely unable to detect any lack of discriminant validity. Furthermore, the heterotrait–monotrait ratio (HTMT), an estimate of the correlation between constructs parallels the de-attenuated construct score creation. Using a value of 0.9 as the threshold, this study concludes that there is no evidence of a lack of discriminant validity, and all the constructs meet the aforementioned criteria [17-21].

**Table 3:** Outer model loadings

Variables-items	SHCO	SHGO	TIMI	RISH	TDEI	SUDE
SHCO- 1	0.774					
SHCO- 2	0.835					
SHCO- 3	0.781					
SHCO- 4	0.811					
SHCO- 5	0.791					
SHCO- 6	0.78					
SHGO- 1		0.761				
SHGO- 2		0.838				
SHGO- 3		0.796				

SHGO- 4		0.791				
TIMI- 1			0.861			
TIMI- 2			0.818			
TIMI- 3			0.78			
TIMI- 4	0.791					
TIMI- 5	0.881					
TIMI- 6	0.83					
TIMI- 7	0.798					
TIMI- 8	0.744					
TIMI- 9	0.787					
TIMI-10	0.817					
RISH- 1		0.804				
RISH- 2		0.844				
RISH- 3		0.79				
RISH- 4		0.871				
RISH- 5		0.791				
RISH- 6		0.808				
RISH- 7		0.881				
RISH- 8		0.811				
TDEI- 1			0.901			
TDEI- 2			0.878			
TDEI- 3			0.82			
TDEI- 4			0.781			
TDEI- 5			0.882			
TDEI- 6			0.843			
TDEI- 7			0.788			
TDEI- 8			0.864			
TDEI- 9			0.797			
TDEI- 10			0.867			
SUDE- 1				0.87		
SUDE- 2				0.872		
SUDE- 3						0.821
SUDE- 4						0.874
SUDE- 5						0.883
SUDE- 6						0.799
SUDE- 7						0.915
SUDE- 8	SUDE- 9	0.828				0.932
Fornell–Larcker criterion						
Sharia Compliance	0.81					
Sharia Governance	0.645	0.792				
Takaful implementation infrastruc- ture	0.58	0.717	0.844			
Risk sharing	0.633	0.685	0.812	0.691		
Takaful development instruments	0.711	0.75	0.743	0.62	0.73	
Sustainable development based on Shariah	0.596	0.637	0.761	0.644	0.689	0.722
Heterotrait–Monotrait Ratio (HTMT)						
Sharia Compliance	—					

Sharia Governance	0.661	—				
Takaful implementation infrastructure	0.595	0.731	—			
Risk sharing	0.651	0.701	0.828	—		
Takaful development instruments	0.73	0.761	0.765	0.641	—	
Sustainable development based on Shariah	0.611	0.652	0.781	0.661	0.708	—

**Source:** Authors' data analysis

**Notes:** SHCO = Sharia Compliance, RISH = Risk sharing, SHGO= Sharia governance, TDEI = Takaful development instruments, TIMI = Takaful implementation infrastructure, SUDE= Sustainable development,

### Analysis

The path coefficients between Sharia compliance and Risk sharing are positive and statistically significant, at the chosen 5 per cent level of significance. Similarly, the path coefficients between Sharia governance and Takaful development instruments are positively and statistically significant at the chosen 5 per cent level of significance; the path coefficients between Takaful implementation infrastructure and Takaful development instruments are positively and statistically significant at the chosen 5 per cent level of significance; the path coefficients between risk sharing and Takaful development instruments are positively

and statistically significant at the chosen 5 per cent level of significance [22-26]. Finally, the path coefficients between Takaful development instruments and sustainable development based on Shariah are also positive and statistically significant at the chosen 5 per cent level of significance. As for the mediating effects of Takaful development instruments, this study demonstrates that the indirect effect of Sharia governance, Takaful implementation infrastructure, and risk sharing on sustainable development based on Shariah are positive and statistically significant ( $p\text{-value} < 0.05$ ), which indicates a partial mediation of Takaful development instruments (Figure 1 and Table 4.) [27-30].

**Table 4:** Hypothesis testing

Hypothesis Path	beta	t-value	Sig.	CI – Min	CI - Max	f2	Decision
H1 SHCO >> RISH	0.414	6.371	0.000	0.264	0.291	0.258	Accepted
H2 SHGO>> TDEI	0.341	4.085	0.000	0.221	0.248	0.211	Accepted
H3 TIMI>> TDEI	0.289	2.876	0.000	0.112	0.141	0.108	Accepted
H4 RISH>> TDEI	0.512	6.997	0.000	0.298	0.328	0.284	Accepted
H5 TIMI >> SUDE	0.470	5.352	0.000	0.245	0.271	0.238	Accepted
H6 SHGO>>TDEI>>-SUDE	0.339	3.051	0.000	0.157	0.186	Partial	Mediate
H7 TIMI >> TIMI >>SUDE	0.320	2.971	0.000	0.087	0.132	Partial	Mediated
H8 RISH>> TDEI >>SUDE	0.408	5.144	0.000	0.238	0.265	Partial	Mediated

**Notes:** SHCO = Sharia Compliance, RISH = Risk sharing, SHGO= Sharia governance;,TDEI = Takaful development instruments, TIMI= Takaful implementation infrastructure, SUDE= Sustainable development, CI = Confidence interval

**Source:** Authors' data analysis

### Conclusion

The results of this research show that the factors calculated in the exploratory paradigm model are effective in realizing sustainable development in the form of using the Takaful model as a systematized structure within the framework of Shariah standards, and these factors regardless of the priority and delay of the implementation of each of them to the calculated items resulting from the research method (the process of conducting interviews with experts and the implementation of the GT method) has a role in the realization of sustainable development according to the confirmation of the research hypotheses and paying attention to each of the calculated factors in order to achieve the goals resulting from the implementation Sustainable development is important.

Thus, the adaptation of the Takaful model to Sharia and the difference in its execution method in practice compared to the conventional underwriting in the form of the implementation of the risk sharing process instead of risk transfer and the growth and

development of this model in Muslim and non-Muslim countries and paying attention to the penetration rate of Takaful among The Muslim world is developing and using Islamic financial tools and paying attention to the four factors that influence the acceptance of this model among Muslims as Islamic insurance, including the absence of defects in conventional insurance, such as the absence of usury, the absence of gambling, the absence of Gharar and the transfer of risk. Considering the variety of Takaful implementation models, as well as the issues that were mentioned in connection with the role of insurance in sustainable development through the methods of applying risk management and covering emerging risks and using new technologies, attention to the implementation of Takaful was favorably evaluated.

Paying attention to the consequences and positive effects of Islamic finance and taking advantage of the features of this process in realizing justice through the implementation of micro-Takaful projects and supporting the weak and stability and good governance for all people of the world, both Muslim and non-Muslim,



regardless of type of religion and belief is available, and according to the factors calculated in the form of the presented model, factors such as risk sharing, Takaful implementation requirements, Sharia governance, compatibility and compliance with the holy Islamic law and Takaful development instruments in the shadow of Islamic financial industry linking with the growing Islamic economy, it puts more power for sustainable development resulting from the implementation of Takaful; And on the other hand, Islamic finance provides suitable opportunities for the exploitation of accumulated funds in the Islamic world which according to the indicators of sustainable development should be given serious attention by competent authorities in the field of finance and insurance, especially among Islamic countries be placed.

### Recommendation

According to the results of the study, it is appropriate for the insurance policy makers in Islamic countries, especially the insurance supervisory institutions, with regard to the calculated factors regarding the realization of the calculated factors in each sector and its subsets, according to the identified items. In connection with each of the extracted related factors and issues, form specialized working groups and provide implementation platforms for sustainable development. Also, according to the statistics of the identified factors, they should consider the ranking of the factors in the realization of sustainable development in Islamic countries in the form of applied research, and finally, considering the identification of the effective factors in this study and taking advantage of other related studies in this regard, take action in the realization of sustainable development and provide the necessary planning and research and implementation platform to realize this important according to the priorities, which are suggested to be the items on the agenda of the competent authorities, especially the supervisory institutions in the implementation of the model of Takaful and Re-Takaful and communication with economic activists in the international arena should be placed among Islamic and non-Islamic countries.

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