The Role of Islamic Institution in Achieving Equality and Human Development: Waqf or Endowment

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Abstract

Al-Waqf generally related to the religion and economic system of Islamic society which play a big role since the early of Islamic civilization history. This Islamic institution was well spread and was accepted as one of a sort to build the human society especially to provide the basic need and functioning as the system supporter as well as free infrastructure.

Al- Waqf or endowment plays an important role in bringing out the equality and human development for the nation. This institution was well known by the people since the early of Islamic civilization history. The Prophet Muhammad s.a.w. said about the waqf which narrated by Imam al-Bukhari through the saying of Caliph Omar r.a. said: Oh Prophet! I got wealth that I never got it before and I want to be closer to Allah through it. After that the Prophet answered: You tried to keep the origin wealth and making charity (by giving it to the needy people). Then the Caliph Omar r.a. donate his land which he get from the battle of Khaibar, seems the land can’t be sell, even to bought as well as to inherit it.

By this, we can learn that the concept of Waqf or endowment form a strong mechanism to arrange and change as well as manage the state of richness and wealth in Islamic society. Specifically the concept of Waqf also can be divided between the right of owner and consumer. The benefits which engaged from Waqf is the endless one and perpetual by referring to Prophet Muhammad s.a.w. saying as narrated by al-Bukhari and Muslim which means: When the son of the Prophet Adam a.s. passed away his good deeds will be cut off unless three things: The first: the endless charity (Sadaqah Jariyah), Second: knowledge which benefit for the people, and the last: the good son who always pray to his both father and mother.

By this, we can understood that the Waqf or endowment form an endless charity or Sadaqah Jariyah which continually giving the benefits to the people even after the death.
However, the people in initial time tried to apply the concept of Waqf in their society so as to upgrade their lives and offered many benefits to the people and societies. This Waqf or endowment also forms a strong and dynamic force in moving the society towards development and success.

In addition to that, the United State also agrees that the system of Waqf forms the best mechanism to rearrange and manage the state of richness between the rich and poor people in the society. This Waqf system is not only an Islamic Institution which can sweep out the bad attitudes such as greediness, jealousy, and the betrayal but it also be able to bring out the sense of love and sympathises toward each others in society as well as creating the quality people who respect the right of others by holding strongly good ethics and moral values.

According to a book recorded by Ibnu Batutah, one of the Muslim sailor men who had visited Damascus in the year 726 M approved those contributions and the great of the institution of Waqf in achieving harmony life for human society. In his book said that diversity and spending of Waqf was very peculiar. There were many types of Waqf delivered at that time such as Waqf for performing pilgrimage at Mekkah, Waqf for contributing to marriage or tie knot, Waqf for free of offence, Waqf for the food, Waqf for the cloth and Waqf for upgrading the infrastructure such as road facilities and etc.

Ibnu Batutah also mentioned in his record book: While I walked in Damascus city, I saw a slave broke unintentionally the Porcelain glass from China. This slave was afraid and surrounded by many people there. One of these people recommended this slave to collect the wreckage of glass to bring it to the person who is in charge about the Waqf. The slave finally brought the wreckage glass to him and accepted the equivalent payment with the broken glass.

About the importance and the great of the Waqf institution had mentioned in detailed by Sabra and Cizakca in their books: Poverty and Charity in Medieval Islam Mamluk Egypt 1250-51 and A History of Philanthropic Foundation: Islamic World from the Seventh Century to the present. Both of these two books analyzed and discussed in detailed about the attitude of Muslim people towards the problem of poverty and also shed light on the role of Waqaf institution in solving social problem among the people with regardless their status, position as well as their heredities.

According to Stilman, the most of welfares or charities and social services in Islamic world were contributed by the Waqf.

Al-Azhar University of Egypt was established in year 975M, forms as the oldest university in the world, also got fully financial support from Waqf which hereby to provide free education to the people from all over the world from elementary school until University. In the year 1986, it’s a provision about E 147,324,300 for this University to pay for education and building activities which comprise 55 faculties with 6154 academic staff including 849 professors, 819 associate professors, 1517 lecturers, 1456 tutors, and
1510 readers. Al-Azhar University was not only well known by its contribution to the Islamic knowledge but also its contribution as the propagator of belief activities all over the world. This was similar to the declaration of George Makdisi stated that education in Islamic world was based on Waqf.

In terms of health, many hospital buildings and the centre of treatments as well as libraries, schools, colleges and universities were built and played by the Waqf institution as Magalia mentioned: “All the hospitals in the Islamic lands were financed from the revenues of pious bequests called Waqf. Wealthy men, and especially rulers, donated their properties as endowments, whose revenue went towards building and maintaining the institution. The property could consist of shops, mills, caravanserais, or even entire villages. The income from an endowment would pay for the maintenance and running costs of the hospital, and sometimes would supply a small stipend to the patient upon dismissal. Part of the state budget also went toward the maintenance of a hospital. The service of the hospital was to be free as though individual physicians might charge fee.

From the Waqf document researched also approved that the institution of Waqf also provided gratuity treatment for the patient: “The hospital shall keep all patients, men and women until they are completely recovered. All costs were to be borne by the hospital whether the people come from far or near places, whether they are residents or foreigners, strong or weak, low or high position, rich or poor, employed or unemployed, blind or sighted, physically or mentally ill, learned or illiterate. There are no condition of consideration and payment: none is objected to or even indirectly hinted at for non-payment. The entire service is through the magnificence of Allah, the generous one”.

This article attempts to discuss the role of Islamic institution: the Waqf or endowment in obtaining equality and human development to the nation. It highlights the history of the Waqf and endowment from the initial time. This article also sheds light on the definition of endowment, the Waqf from the view of al-Quran and al-Hadith as well as the four Islamic scholars. The western perspective towards endowment is also presented. Finally, this paper also presents the statistic of the endowment in Terengganu, one of the state in Malaysia.

**Keywords:** Islamic institution, Al-Waqf, Equality, human development.

**Introduction**

Waqf is generally related to the religion and economic system of Islamic society which play a big role since the beginning of Islamic civilization history. This Islamic institution was well spread and was accepted as one of a foundation to build the human society especially in providing the basic need and functions as system supporter as well as free infrastructure.
Waqf or religious endowment plays an important role in bringing out the equality and human development for the nation. This institution was well known by the people since the beginning of Islamic civilization history. Allah s.w.t. says in His Holy book in surah al-Baqarah verse 267 which means: Oh believers spent the best things of what you had obtained and what we had given out to you from the earth.

While translating this verse al-Syaikh Ali al-Sabuni said\(^1\): This verse means: Spent the lawful portions from your wealth that you had obtained, and from the best things that we had given out to you from the seeds and fruits. However the verse generally demonstrates about spending the wealth in the way of Allah s.w.t. in the form of welfare. Waqf or endowment is spending the wealth that you had obtained in the way of welfare.

The Prophet, Muhammad s.a.w. said about the waqf which was narrated by Imam al-Bukhari through the saying of Caliph Omar r.a., that sounded: Oh Prophet! I got wealth that I never got it before and I want to be closer to Allah through it. After that the Prophet answered: You tried to keep the origin wealth and make charity out of it (by giving it to the needy and the people who deserved it). Then Caliph Omar r.a. donated his land which he got from the battle of Khaibar, and the land cannot be sold, even to be bought as well as to inherit it.

By this we can understand that the Prophet Muhammad s.a.w. had asked to Omar r.a. to keep the origin wealth which he got from the battle of Khaibar and make charity out of it by giving it the needy and people who deserved it, the family members, guests and the person who is traveling to far-reached place. Hence, they can live their lives in good condition, calm and tranquility.

Jabir r.a. said\(^2\): No one of the Prophet Muhammad s.a.w.’s companion has any personal asset unless the one that they gave for endowment or waqf for God.

By this we can understand that the waqf or endowment is a form of an endless charity or sadaqah Jariyah which continually giving out benefits to the people even after the death of its original owner.

**Definition of Waqf or endowment**

1-Literally

Waqf came from Arabic word which means: make endowment of the land and give it to the needy\(^3\). It is a religious endowment, recognized by Shariah as religious, pious or charitable donation.

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1 Al-Syaikh Muhammad Ali al-Sabuni, Sofwat al-Tafasir, Juz. 1, Cairo, Dar al-Sabuni, P. 153-154
2 Prof. Dr. Wahbah al-Zuhayli, Al-Fiqh al-Islami wa A’dillatuhu, Juz. 10, Beirut, Dar al-Fikr, P. 7603.
3 Al-’Allamat Jamaluddin Ibn Manzur, Lisan al-A’rab, Vol. 6, Dar Sadir, Beirut, P. 477
Waqf also means: make endowment of houses and keep its gains in the way of God⁴. By this we can understand that waqf or endowment is to preserve or upkeep the original wealth, whether land or house etc and give its profit to the needy.

2-In term of word or phrase

The four eminent Islamic scholars have given different meaning of waqf or endowment as follows:

Al-Hanafi

Waqf is to preserve and upkeep the original wealth that belonged to someone else and give the profit to the need⁵.

By this we can learn that waqf is to preserve and upkeep wealth or something that can give benefit or profit, without being consummated by the original owner and give that benefit or profit to the needy.

Al-Maliki

Ownership of the profit from the origin of wealth which was given for endowment and gives it to whoever the endowment was meant for or the needy⁶.

By this we understand that waqf is giving the right to consummate the profit of wealth that was given for endowment to whoever the endowment was meant for or the needy.

Al-Syafi’i

Waqf is to keep the wealth that can give benefit, and keep it remaining in the same form while the original owner cannot consume it⁷.

We can learn that waqf is to keep the wealth that can give benefits to the needy, and that wealth remain in the same condition while the original owner cannot consume it.

Hanbali

Waqf is keeping the original owner from consuming wealth that he had endowed, wealth which produce benefit should remain in the same form⁸.

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⁴ Al-Munjid Fi Allughah wa al-I’lam, Beirut, Dar al-Maysriq, P. 914
By this we can understand that waqf is wealth that was kept from the consummation of the original owner and give its benefit to the poor and needy, and that wealth must remain in the same condition without being consummate by the first owner. From these four eminent scholars’s views we can learn that all scholars agreed that the waqf is to keep the origin wealth and use its profit for charity in order to help the poor and needy.

However, Prof. Ab. Manan defines that waqf is ownership of a property which was converted from private ownership to social ownership category by allocating a property together with its own income to a beneficial service.

Al-Waqf in the light of al-Qur’an and al-Hadith

1-Al-Qur’an al-Karim

As we all know Islam is the religion of welfare, kindliness and barakah, and always finding the best way to serve the ummah in achieving peace, calmness and good condition. Among the kindlinesses that mentioned is waqf. Allah s.w.t. mentioned indirectly about it in surah Ali Imran, verse 92 which means: You couldn’t achieved the kindliness until you give away what you love most.

While translating this verse al-Syaikh Ali al-Sabuni said: This verse means: You will not become a pious person and will not enter Paradise unless you spent your most precious possession or part from your wealth.

Allah s.w.t. also says in His Holy book in surah al-Baqarah verse 267 which means: Oh believers spent the best things from what you had obtained and from what we had given out to you from the earth.

While translating this verse al-Syaikh Ali al-Sabuni said: This verse means: Spent the lawful portions from your wealth that you had obtained, and from the best things that we had given out to you from seeds and fruits.

By this we can understand that Allah s.w.t. command us to spent the lawful portions and the best things from our wealth that Allah s.w.t. had given out to us whether it is from seeds of fruits.

2-Al-Hadith

The Prophet, Muhammad s.a.w. said as narrated by al-Bukhari and Muslim which means: When the son of the Prophet Adam a.s. passed away, his good deeds will be cut off except for three things: The first: the endless charity (Sadaqah Jariah), Second:

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knowledge which benefit the people, and the last one: the good son who always pray to both his father and mother.

The Prophet, Muhammad s.a.w. also said about the waqf which narrated by Imam al-Bukhari through the saying of Caliph Omar r.a. sounded: Oh Prophet! I got wealth that I never got it before and I want to be closer to Allah through it. After that the Prophet answered: You tried to keep the origin wealth and making charity (by giving it to the needy people). Then the Caliph Omar r.a. donated his land which he got from the battle of Khaibar, and the land cannot be sold, even to be bought as well as to inherit it.

Actually among the endless charity is waqf of land, waqf of the mosque, school and so on. In addition to the good son who performed the right of God and the people.

By this, we can understand that the Waqf or endowment is a form of an endless charity or Sadaqah Jariyah which continually give out benefits to the people even after the death of the original owner.

**Waqf from four Islamic eminent scholar’s view.**

Hanafi

Waqf can give the kindliness for comrades in this world and will be rewarded by God for the good deeds in the day of resurrection.\(^\text{12}\).

Maliki

Waqf is an affair that suggested by Islam (Sunat).\(^\text{13}\).

Syafi’i

Keep the benefit of certain wealth and give its benefit to the needy or people who deserved it. It is also an affair that suggested by Islam.\(^\text{14}\).

Hanbali

Waqf is an affair that suggested by Islam and can make us nearer to God.\(^\text{15}\).

By this we can understand that all four eminent scholars have the same consensus that waqf is an affair that is suggested by God. Hanafi add that it can strengthens the relationship among the comrades. While hanbali said it can make us nearer to God.

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The History of Waqf or endowment in early period

People in initial time tried to apply the concept of waqf in their society so as to upgrade their lives and offer many benefits to the people and societies. This waqf or endowment also forms a strong and dynamic force in moving the society towards development and success.

According to a book recorded by Ibn Battutah, one of the Muslim sailor men who had visited Damascus in the year 726 M approved those contributions and the greatness of the institution of waqf in achieving harmony life for human society. In his book it was said that diversity and spending of waqf was very peculiar. There were many types of waqf distributed at that time such as waqf for performing pilgrimage at Mecca, waqf for contributing to marriage or tying the knot, waqf to free an offence, waqf for the food, waqf for the cloth and waqf for upgrading infrastructure such as road, facilities and etc.\textsuperscript{16}

Ibn Battutah also mentioned in his record book\textsuperscript{17}: While I walked in Damascus city, I saw a slave unintentionally broke the Porcelain glass from China. This slave was so afraid and was surrounded by many people there. One of these people recommended this slave to collect the pieces of glasses and to bring it to the person who was in charge and ask about the waqf. The slave finally brought the wreckage pieces of glasses to him and was given the equivalent payment of the broken glass.

About the importance and the greatness of the waqf institution had been mentioned in detailed by Sabra\textsuperscript{18} and Cizakca\textsuperscript{19} in their books: Poverty and Charity in Medieval Islam Mamluk Egypt 1250-51 and A History of Philanthropic Foundation: Islamic World from the Seventh Century to the present. Both of these two books analyzed and discussed in detailed about the attitude of Muslim people towards the problem of poverty and also shed the light on the role of waqaf institution in solving social problem among the people with regardless to their status, position as well as their heredities.

According to Stilman, most of the welfares or charities and social services in Islamic world were contributed by the Waqf\textsuperscript{20}.

Al-Azhar University of Egypt was established in year 975M, making it as the oldest university in the world, also got fully financial support from Waqf which the university hereby provide free education to people from all over the world beginning with elementary school until University. In the year 1986, the Waqf gave out provision of

\begin{footnotesize}
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\item[17] Ibid.
\item[18] Sabra, A., 2000, Poverty and Charity in Medieval Islam, Mamluk Egypt, 1250-1517, Cambridge, University Press.
\end{itemize}
\end{footnotesize}
about E 147,324,300 for this University to pay for education and building activities which comprise 55 faculties with 6154 academic staff including 849 professors, 819 associate professors, 1517 lecturers, 1456 tutors, and 1510 readers. Al-Azhar University was not only well known for its contribution to the Islamic knowledge but also its contribution as the propagator of belief activities all over the world\textsuperscript{21}. This was similar to the declaration of George Makdisi which stated that education in Islamic world was based on Waqf.

In terms of health, many hospital buildings and centre of treatments as well as libraries, schools, colleges and universities were built and paid by the waqf institution as Nagamia mentioned\textsuperscript{22}: “All the hospitals in the Islamic lands were financed from the revenues of pious bequests called Waqf. Wealthy men, and especially rulers, donated their properties as endowments, which revenues went towards building and maintaining these institutions. The Waqf properties could consist of shops, mills, caravanserais, or even entire villages. The income from an endowment would pay for the maintenance and running costs of the hospitals, and sometimes would supply a small stipend to the patient upon dismissal. Part of the state budget would also go towards the maintenance of the hospitals. The service provided by the hospital was to be free as though individual physicians might charge some fee.

From the Waqf document researched it was also approved that the institution of Waqf also provided gratuity treatment for the patient: “The hospital shall keep all patients, men and women until they are completely recovered. All costs were to be borne by the hospital whether the people come from places far or near, whether they are residents or foreigners, strong or weak, low or high in position, rich or poor, employed or unemployed, blind or sighted, physically or mentally ill, learned or illiterate. There are no condition of consideration and payment: none is objected to or even indirectly hinted at for non-payment. The entire service is through the magnificence of Allah, the generous one\textsuperscript{23}”.

By this we can learn that the waqf provide many advantageous in order to achieve equality and human development for the nation.

\textbf{Western perspectives towards Waqf or endowment}

In fact that waqf is also being adopted by western communities. Waqf is also an important basic for developing their societies. They used various named such as endowment, trust fund, foundation, and estate planning. In conjunction to this Sago


\textsuperscript{22} Husain Nagamia,1992,Islamic Medicine History and Current Practice, Chairman International Institute of Islamic Medicine, President of Islamic Medical Association, University of South Florida Medical School, Tampa ,Florida.

\textsuperscript{23} Ibid.
said\textsuperscript{24}: The origin income endowment could be used only according to the principle mentioned such as paying for professorships, chairs, scholarship, operation affairs which no endable.

In this context there are many educational institutions in USA, England and European countries have big endowment sources. The research made by the Sutton Trust found that, there are 10 famous universities in U.S.A and England which each of them have collected RM.176.32 Billion and R.M. 29.25 Billion in the form of endowment. The research made by National Association of the Colleges and University Business Affairs found that the of sum RM 737.2 Billions endowment was collected at 120 universities in U.S.A. Harvard University had collected RM 68.4 Billions in the form of endowment which was used in paying education activities and researches, library affairs, and students’ financial aid.

In addition to that, the United State also agrees that the system of waqf forms the best mechanism to rearrange and manage the state of richness between the rich and poor people in the society. This waqf system is not only confined to Islamic Institution which can sweep out bad attitudes such as greediness, jealousy, and betrayal but it also able to bring out the sense of love and sympathises toward each others in society as well as creating equalities among the people who respect the right of others by holding strongly to good ethics and moral values\textsuperscript{25}.

The establishing of welfare association or foundation concerning with the concept of waqf was well spread and widespread in western countries. The objective behind this is to support craft activities, children welfare, corporate environment education, journalism, medical, and religion researches.

The Alfred P.Sloan foundation was established in year 1934 have assets worth RM. 5.2 Billions which it’s objectives is to contribute and support in developing science and technologies, upgrading the economy level also life, education and civic program\textsuperscript{26}.

However, the owner of the natural resources in America and Britain also used public trust. This public Trust is of course a form of endowment.

The trust for public land (PTL) and the national park trust (NTP), which was established in year 1972 and 1982 in America also had played a crucial role to help the community having green print for grow by keeping it save and promoting the importance of public land\textsuperscript{27}.

\textsuperscript{24} Ezzat Abouleish,1990, Contribution of Islam to Medicine, UK.
\textsuperscript{25} Rozali Othman, Op.cit, P.102
\textsuperscript{26} Ibid.
\textsuperscript{27} Ibid.
Refkin also suggested the importance of this section to be used as an alternative to reduce government obligations towards nation building as a whole\textsuperscript{28}.

However, the concept mentioned above which used different phrase or words has already used in Islamic countries through waqf more than 1400 years ago. Before existing in material form "The Doctrines of Trusts and uses in English Law, the Muslim nation already have well know about endowment, trust fund foundation, estate planning, and the concept of Philanthropy such as giving, donation, and charitable fund.

By this we can learn that the western and USA have used the concept of endowment or waqf in building their nations towards development and successful.

\textbf{The role of Waqf or endowment in obtaining equality and human development to the nation.}

As we know that waqf is a welfare that has many benefits for the whole society or people. It plays an important role during lifetime of Islamic state since long time ago. It also forms a crucial source to develop Islamic countries, especially in term of general infrastructure, it is free of charge, when that country develops, the nation will also benefits from its development and success. By this we can see that the concept of waqf plays an important role in upgrading and developing Islamic countries and its nation. This is because waqf has closed and indirect relationship with the economy.

However, in Islam through waqf it can contribute and help the distribution the wealth between the nations in Islamic countries. The best prove is that: The Prophet, Muhammad s.a.w. said about the waqf which narrated by Imam al-Bukhari through the saying of Caliph Omar r.a. sounded: Oh Prophet! I got wealth that I never got it before and I want to be closer to Allah through it. After that the Prophet answered: You tried to keep the origin wealth and making charity (by giving it to the needy people). Then the Caliph Omar r.a. donated his land which he got from the battle of Khaibar, and the land cannot be sold, even to bought as well as to inherit it.

Waqf can help the needy, family members, guests and person in travel and so on. Waqf can provide them to go on with their lives with more happiness, calmness, like the rest of the society. This is among the best ways that we can develop human society.

Waqf not only distribute the wealth to the needy but make them to have at least a basic live foundation, such as wealth, loan distribution of healthy, food, libraries, school, universities, hospitals, welfare house for guests and person who is in traveling and infrastructures. These concepts of course provide calmness and tranquility for the nation and coincidently cohere with Islamic concept.

In addition to establishing hospitals and the center of emergency for medical treatment as described by Nagamia\(^{29}\): The hospital shall keep all patients, men and women until they are completely recovered. All costs are to be borne by the hospital whether the people come from far or near, whether they are residents or foreigners, strong or weak, low or high, rich or poor, employed or unemployed, blind or sighted, physically or mentally ill, learned or illiterate. They are no conditions of consideration and payment: none is objected to or even indirectly hinted at for non payment. The entire service is through the magnificence of Allah the generous one.

This hospital can produce many medical students and these students become referee for the western in term of medical until the end of eighteenth century such as al-Razi (841-926) al-Zahrawi (931-1013) Avenceen (980-1037) Ibn Rusyd (1126-1198) Ibn al-Nafis (1208-1288). These hospitals also was equipped with the best equipment for it to become a reference for medical students\(^{30}\).

The Ibnu Thuloon hospital in Egypt had many books in term of medical which counted for about 100000.00 thousands books, and this was in the fourteen century. And the same time University of Paris which had the biggest library in Europe at that time only has 400 books\(^{31}\).

However, there are many role of waqf or endowment in obtaining equality and human development to the nation as Manan (Year) mentioned as followings\(^{32}\):

1-Effecting the distribution of wealth, redistribution of national income, increasing of employment and distributions of sources that will causes a stable economy.

2-Providing improvement of infrastructure for rapid development.

3-Improving the social structure or process of development.

4-Participating in health education, Urbanization and public works investments and by transferring government budget to economic investment influence on strengthen of state.

5-Raising life comfort of the poor and widening middle class, provides social and political stability and also reinforces the stability which is necessary for economic development.

6-Affect distribution of wealth is based on its characteristics because establishment a Waqf means that to fulfill a service previously an immovable prosperity must no longer belong to ownership of the person allocating it. There is a significant discrepancy between distribution of wealth by waqf and contemporary wealth distribution policies.

\(^{29}\) Husain Nagamia, Op.cit, P.
\(^{30}\) Rozali Othman, Op.cit, P.101
\(^{31}\) Ibid.
\(^{32}\) The influence of Awqaf on economic development
Today the wealth consists of economic and fiscal cautions, has transferred from rich groups to groups who are poor and without prosperity.

7-Waqf’s health and education service causes to provide equal opportunity, moreover equal opportunity encourages social justice advancing people according to their ability. As a result it causes incensement of total productivity. Furthermore waqf affects first wealth distribution. In other words it provides more than just prosperity distribution.

8-The prosperity is no longer private ownership. Also it’s not belong only to the state. It is allocated to society supplying the certain needs of society. Thus waqf contain a specific social prosperity category between private ownership and state ownership.

9-Waqf provides an equilibrium position in distributing sources between individual and society needs. The important point in a society is to provide a balance between individual profit and social input, also between private and social marginal revenue. Waqf seeks to reach this aim in under developed countries where the cost of free market economy and rapid- development are causing unequal prosperity and social injustice.

The Role of Islamic Institutions in Achieving Equality and development through Waqf

To enable us to understand the role of Islamic Institutions in initiating waqf funds to achieve equality and development, let us look at some of the case study undertaken by Sabit et. al. (2005) on the three states in Malaysia; Melaka, Johore and Negri Sembilan.

In Melaka for example, Majlis Agama Islam Melaka established under Section 4 of the Administration of the Religion of Islam (State of Melaka) is the sole trustee of the waqf properties in the state. Similar management is done in Johore and Negeri Sembilan. These three states managed waqf properties for example school, graveyard, mosque, land and buildings. Specifically, these waqf funds are divided into general waqf and the special waqf. Examples of special waqf are mosque, Islamic Schools (madrasah) and graveyard, while general waqf is created to support activities for example rental accommodation, shop-house, petrol station and car park.

From the three cases cited from the work of Sabit et. al., (2005), we find that Islamic institutions, in this case the state religious institutions play an important role in managing the waqf properties whether special or general awqaf to assist the Muslims in the way of Allah. It is worth mentioning that financing the projects is done either through government, Baitulmal, or shares contribution. These waqf shares have been used as a tool of development of waqf property or investment to achieve not only equality but development for the benefits of the ummah. Another kind of waqf used is cash waqf.

In a keynote address made by the Bank Negara Malaysia, at the 2007 INCEIF Global Forum said “A stronger zakat and waqf system would not only complete the equation for a comprehensive Islamic financial system, that supports a more equitable distribution
of wealth to ensure fairness and equity, it will also become the user of the Islamic financial services particularly in the management and investment of the zakat and waqf funds. In addition, access to Islamic financial services to micro enterprises would bring such activities into the economic mainstream and improve their level of performance”.

Thus, from the keynote address made by the Governor, zakat and waqf could support equitable distribution of income achieving equality and consequently the development of the ummah.

Conclusion

Waqf is a charitable foundation. It improves life by using the effect of moral and religious motivation. Due to the fact that Allah s.w.t. encourage human beings to help each other in his Holy al-Qur’an and with the example of his prophet, waqf is to prominently improved in the Muslim world and plays a significant role in social, political, and economic life in the Muslim society.

Islam is the first religion which implemented the concept of waqf. It was form as a prime vehicle in causing and to push the society in achieving calmness and tranquility, providing good meal, good high education, serving offering free healthcare and so on.

By this waqf not only make endowment of the wealth to get closer to God but it also sympathizing the hardship of others as well as respecting their rights. This is suggested and encourage by Islam, Muslim are encourage to practice waqf. By implementing the concept of waqf, our societies can become more develop and successful. This is because waqf contribute much in building human’s life, from the beginning until the day we die. How important waqf is in human’s life!

This paper is a modest attempt to explore what Islamic institutions could play to achieve equitable distribution of income for the benefits of the ummah. More work has to be done to improve the paper and perhaps to include the empirical analysis, investigating the perspectives of the Islamic institutions for example the State Religious Department in Malaysia on how Islamic Institutions could contribute their parts.

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