UNDERSTANDING CASH WAQF: IT’S ROLE TOWARD ALLEVIATING POVERTY IN CONTEMPORARY CONTEXT

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ABSTRACT

Cash Waqf is one of the potential and effective means in contemporary society in alleviating poverty. From the Islamic Sharî'ah perspective, the establishment of the institution of waqf is permissible and the endowed cash can be utilized for the investment and income-generation in various sectors for socio-economic development. Instances can be found in the context of many Muslim individuals, non-government and government organizations who initiated to establish the institution of waqf for generating incomes, eradicating the poverty, creating new job market and helping poor and needy people. Given the context, there is a need to examine the legitimacy of cash waqf, its role and application. The paper will survey the meaning, necessity, and brief history of cash waqf and examine the roles of cash waqf in providing various services to the deferent sectors and finally, present the Islamic perspective on the issue. The paper also briefly reviews the responses of Muslim scholars with a textual analysis and inductive approach to analyze the prospects of formulating an Islamic stance on cash waqf in current context. It is also hoped that the ideas raised will ultimately contribute to understanding and clarifying the Islamic stance on the issue for both Muslim and non-Muslim communities in contemporary society.

Key words: Cash Waqf, Legitimacy, Islamic Stance, Socio-Economic Development And Nation-Building

1. INTRODUCTION

As a term and concept, “cash waqf” is not a new phenomenon in the Muslim world because it was the practice of the companions of the Messenger of Allah and the early periods of Muslims. In contemporary society, widespread cash waqf and its usage show its necessity and implementation for establishing the security, stability and wellbeing of human society. While

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cash \textit{waqf} in any form is generally permissible in all religions, some quarters try to use it in the name of religions as a resource for generating income and deviate from its main purposes. Islam does permit Muslims to strive for safeguarding and fulfilling the basic human rights and alleviating the poverty. Prophet Mohammad (peace be upon him), during his life time encouraged his companions to donate as much as they can that will increase his/her wealth. Furthermore, Allah will give rewards from seventy to seven hundred times. Cash \textit{Waqf}, as a potential means in contemporary context may help the community to overhaul poverty through the investment for socio-economic development.

Given the context, there is a need to examine the legitimacy of cash waqf, its role and application. The paper will survey the meaning, necessity, and brief history of cash waqf and examine the roles of cash waqf in providing various services to the deferent sectors and finally, present the Islamic perspective on the issue. The paper also briefly reviews the responses of Muslim scholars with a textual analysis and inductive approach to analyze the prospects of formulating an Islamic stance on cash waqf in current context. It is also hoped that the ideas raised will ultimately contribute to understanding and clarifying the Islamic stance on the issue for both Muslim and non-Muslim communities in contemporary society.

2. LITERATURE REVIEW

There are a number of writings on the issue of the cash waqf according to the Muslim scholars who focused on various aspects and usages of cash waqf for socio-economic development. Regarding the cash waqf, previous studies focus on the various aspects of cash waqf in a un-dimensional way, either focusing merely on single perspective which is influenced by the values of that particular ideology, or criticizing others’ perspective without analyzing the underlying context of that particular culture, or a juxtaposition of the classical exegetes and modern exegetes without any attempt to accommodate them. They only report the situations as they view it, without any serious attempt to correct those perspectives. In the course of completing this research, a wide spectrum of materials will be used. This research will also represent an analytical study on few Islamic literatures namely; Cizakca, M. (1998) \textit{Awqaf in History and Implications for Modern Islamic Economics}, Abul Hasan M. Sadeq,(2002) \textit{Waqf, perpetual charity and poverty alleviation}, Magda Ismail Abdel Mohsin, (2004) \textit{The Institution of Waqf: A Non-Profit Institution to Financing the Needy Sectors}, Muhammad al-Zuhaili, (2005) \textit{Istithmar Amwal al-Awqaf}, and Hassan Ŏabdullah al-AmÊn, \textit{al-Muqaddimah, FÊIdrÉt wa TÊthÊr MutÑallÊq al-AwqÉf} and so on. Some of the materials provide explanations on the meaning, historical background and application of cash waqf from an Islamic perspective. The sources of this research are based on various works that are relevant to this topic.

Cizakca, M. (1998) in his book, \textit{Awqaf in History and Implications for Modern Islamic Economics}, presents at length the history of the development of cash waqf. It contains a myriad of information on the basic ideas of waqf in general and cash waqf in particular. The
primary significance of this book is that it gives an extensive historical background, which helps the present researcher to understand waqf and its usages in depth. With regards to the current research, the book is a study of which gives comprehensive information about the development of waqf. However, the author writes quite extensively on the Islamic teachings generally and discusses the methods of the implementation of cash waqf while the present research aims the opposite.

These issues are partially highlighted in Abul Hasan M. Sadeq’s book, (2002) “Waqf, perpetual charity and poverty alleviation”, in which, he deals with the issues of cash waqf primarily discussed in Islam. The author, however, focuses on the process of Islamic waqf system but he pays more attention on a particular country. Although he mentions some aspects of cash waqf such as economic and social well-fare in Muslim society but still it is mainly to build an introductory remarks of the issue rather than preparing an extensive discussion. Furthermore, the main focus in this research is on the reconstructions of cash waqf in contemporary context. Regarding the Institution of waqf, Magda Ismail Abdel Mohsin, (2004) in his book “The Institution of Waqf: A Non-Profit Institution to Financing the Needy Sectors”, the author offers a broad discourse on the waqf institution as a whole. But the present research aims to study concretely on cash waqf for socio-economic development as revealed in the Quran.

Muhammad al-Zuhaili, (2005) in his book, Istithmar Amwal al-Awqaf, informs readers regarding the activities of waqf for the welfare of humanity. The author also informs how the Muslims can benefit from the waqf properties and wealth for nation-building and social welfare in contemporary time. The author makes an effort to highlight the contemporary situation of Muslim social status and discusses how to overhaul challenges facing men and society. Finally, he ends the book by mentioning the possible achievements of cash waqf, which is one of the major key issues of the expected outcomes of present research.

This research attempts to understand the views of the Muslim scholars and their contributions on the issue of waqf. It is hoped that, this attempt would serve a valuable role in one way or another in human society. Based on the previous works done on the issue, it is found that there have been several studies carried out on waqf. However, to my knowledge, any has done on the cash waqf and its application for eradicating poverty in contemporary time. Thus, the task of this humble work is to fill up this void.

3. DEFINING WAQF

The waqf (pl. awqāf), in the Mijallah al-Mujma` al-Fiqh al-Islamî (2004) is “to prevent or to restrain or to abstain from doing something”. In literal sense, it signifies “confinement or detention.” Ibn Qudāma defined al-Waqq as preventing the ownership on donated assets or properties, which are beneficial. The word ‘tasbī’ is also used in the same sense i.e. devoting some thing for the cause of Allah(swt) and it’s basic purpose is ‘good task’ for Allah (swt). From Islamic legal terminology, it is defined as refraining from the use and
disposal of any asset from which one can benefit or can use its proceeds for any charitable purpose as long as it exists. It prevents to become the property of a third person. To Abu Jahrah, al-waqqf is not denotable, sellable, buyable or and profitable but it’s afford can be spent or used according to the will of al-Wâqif (donor). According to majority Hanafi scholars, waqqf is “taking the corpus of any property out of ownership of Allah (swt), and dedicating its usufruct to others.” In the light of the language of contemporary law, it signifies the usufructuary donation, made in favor of a beneficiary for fulfilling the need of the poor people, or investing it for a great pious aim, or investing it in socio-economic development with some beneficial projects. It can also be defined as negotiable property dedicated to charitable purposes, once for all, or it is as a permanent dedication by a person according to Islamic religious faith and laws for charitable purposes. From the linguistic point of view, it is maintenance of one’s property to situation made by the WaqÊf’ or the person who owns the property such as “One said: I endowed something” i.e. inoperative it gave it as a charity or donated it eternally for Allah (swt). According to the Islamic SharÊÑah, waqf is a voluntary, permanent, irrevocable dedication of a portion of ones wealth, either in cash or kind for the cause of Allah (swt), which can not be gifted, donated, or inherited, or sold because the property of waqf belongs to Allah and its corpus always remains intact. This asset and its revenue through legal process may be utilised for pious or religious purposes in specific areas according to the guidance of the SharÊÑah. Based on the above definitions, it can be said that one’s ownership and his power of disposal with the stipulation should be endowed for religious and pious purposes for the sake of Allah(swt). Cash waqf is a form of cash, which can be utilized for financing the development of waqf properties such as real estates. The management of the fund utilizes the cash for financing the development of waqf with free of charge, except for the cost of administering the loans and other administrative expenditures according to the Shariah. The resources of cash waqf are from individuals and institutions including the government.

4. BRIEF HISTORY OF THE ROLE OF WAQF INSTITUTION FOR POVERTY ALLEVIATION

4.1 Waqf Institutions in the Early Period of Islam

The research shows that the predecessors of the waqf institutions could be found throughout the history of humanity. In the early period of Islam, waqf institutions had contributed in establishing educational institutions, health centers, centers for socio-cultural activities in the form of mosques and shrines, public goods like roads, bridges and so on and income generated institutions, run by poor people for poor in order to alleviate poverty. During the time of the prophet Mohamamnd (peace be upon him), companions of him were encouraged for fulfilling the needs of the people through creation of waqf. For instances, two mosques were built by his initiative, the Qubah Mosque and Masjid al-Nawawi in Madina, both used for Muslim daily prayers and a center for education and other socio-economic activities. Two lands had been dedicated by the prophet, one was in Madinah for the benefit of all Muslims and the second was in Khaibar for the benefit of the newly converted Muslims. During the
times of the four pious caliphs, Abu Bakar, Umar ibn Khattab, ÑOsma ibn ÑNAffan and 
ÑAIÊ Ibn Abi Talib who dedicated things in kind and cash waqf including women’s 
ornaments, when prophet Muhammad (saw) approached to them to dedicate for defending 
religion for the sake of Allah (swt). Land waqf donated by ÊUmar ibn al-Khattab (Hashim 
Kamili), Khalid bin Walid had dedicated his weapons as habs in the way of Allah (swt) and 
some companions bought the well of Rumah as waqf in order to supply free drinking water 
for people of the society.

During the periods of Umayyad and Abbasid, Muslims individuals, organizations and states 
had created land waqf and cash waqf and endowed for the purposes of poverty alleviation. As 
Islam spread, the demand and necessity for more Islamic knowledge increased to educate 
newly converted Muslims. So Muslim rulers and individuals created land waqf as well cash 
waqf in order to not only establish educational institutions but also for helping orphans, 
single mothers, handicapped people, needy and poor people in the form of houses to shelter 
them including social services. In the periods of Umayyad, and Abbasid, it was fact that there 
were no organized structures of waqf institutions as specific departments or ministers for 
taking care of public works, roads, bridges, mosques, schools, libraries and hospitals in order 
to cover those public needs. Zubaidah, the wife of Harun al-Rashid, as an individual, made 
land as well as cash waqfs in order to construct high ways from Baghdad to Makkah, bridges, 
and shelters for helpless. She also dedicated agricultural lands for the purpose of poverty 
alleviation and water supply project from Baghdad to Makka in scientific, technological and 
health sectors, initiative was taken by the state as well as individuals for establishing 
scientific centers and hospitals to produce scientific equipment, technological instrument and 
proper medical treatment such as DÊr al-ÑIllm, DÊr al-×ikmah, JÊmÊÑ al-Azhar in 
Egypt(400-4005A.H.). It has been estimated that there were 50 hospitals in Cordova alone, 
which were built as waqf hospitals. Cash Waqf revenue also financed to publish medical 
treats and scholarly books, written by Muslim scientists and intellectuals such as the “KitÉb 
al-KulliyÉt fi-al-Êüib” by Ibn Rushd, translated into different languages, ‘al-KitÉb al-×awÊ fi 
al-Êüib” by Ibn Sina, translated into different languages and considered them in European 
universities as text books. Many scholars and scientists achieved their various positions and 
contributed in various fields by using waqf revenues. The revenue of waqf institutions also 
had been used for establishing animal’s hospitals for the treatment. From the 15th to 19th 
centuries, the Otoman rulers and sultans created numerous of waqfs in the form of 
educational institutions with scholarship, hospitals with free medication for the poor, 
mosques based primary schools for Islamic teachings and agricultural lands for socio-
economic development. In the middle of nineteenth century, endowment property such as 
aricultural land constituted half of the size of land in Algeria, whereas it amounted to one-
third in Tunisia in 1883 and one-eighth in Egypt in 1949 In Morocco, the University of al-
Qarawiyin in Fes founded in 245AH/859 CE by a woman Fatimah Fihriyyah. Al-Azhar 
University in Cairo founded in 970 CE (Ahmed Nabil Amir).
The large-scale of endowment land, which was three fourths of land during the Otoman empire had also become source of poverty alleviation and such endowments were among the basic support given to the authority of the caliphate in meeting the educational and health needs of society. It has also been estimated that the ratio of people employed by the waqf institutions to those employed directly by the state Turkey in 1931 was 8.23% to 12.68%, which encouraged many princes and government high officials to establish more waqf institutions, were known as “al-Awqaf al-Sultanah” for poverty alleviation.

Besides land assets, cash waqf was another source of poverty alleviation invested or loaned out to earn income and the target projects were financed by the earned income. Ottoman caliphate, Cizakca described, had financed all their gifts and endowments for establishing health centers, educational institutions and well-fare activities. From historical perspective, Muslim individuals, organizations and the states made land waqf, cash waqf, and waqf in kind, invested for income generation, or loaned out to earn income for the purposes of poverty alleviation from the early period of Islam until the beginning of the 19th century for needy and helpless people. However, today’s turmoil situation forces the Muslim’s governments, organizations, institutions and individuals to initiate and establish waqf institutions for alleviation poverty and solving challenges and obstacles facing man and society today. Now, cash waqf is being used by many religious groups/religious personalities in the way of Allah for the cause of human development, such as:

4.2 Waqf Institutions in the Contemporary Muslim World

In the contemporary Muslim world, a good number of waqf institutions exist, which is financed by the cash waqf for alleviation of poverty in the society. Such as: The establishment of religious-based educational institutions, as one of the examples, in Bangladesh, where more than 8,000 educational institutions are based on waqf. Orphanages that shelter poor orphans provide their livelihood and education. Many Maktab based Mosques, endowed cash waqf in Bangladesh, provide socio-cultural activities, especially in rural Bangladesh where about 90 per cent of the population live. More than 123,000 mosques are based on waqf, which also provide educational and social facilities, especially in imparting religious education. In Bangladesh, there are many charitable clinics, medical centers and medical establishments for the poor people such as Hamdard Foundation (a large establishment of herbal medicine based on waqf) finances a University in Karachi, a large research institution and many other social welfare-oriented organizations Pakistan, India and Bangladesh. There are commercial centers and shopping complexes, which are based on waqf to generate income for financing target projects such as Baitul Mukarram shopping complex, which provides employment to a large number of people and finances a publication house, a large auditorium for many sorts of activities and the national mosque.
Many countries have established departments for public administration of waqf estates. Some countries have even started ministries to deal with waqf properties. Let us give a specific example from Bangladesh, officially conducted a survey of waqf estates in 1986 according to Bangladesh Bureau of statistics. the total number of waqf estates in the country is 150,593, out of which 97,046 estates have registered deeds; 45,607 estates are based on oral waqf, and the rest are waqfs by use like mosques. A good number of institutions have been developed on these waqf estates. The waqf estates house 123,006 mosques; 55,584 Eidgah (fields designated for Eid prayers); 21,163 graveyards; 8,317 madrasahs (Islamic educational institutions); 1,400 dargah, and 3,859 other institutions. This is a list of waqf estates existing from before, which are in real estates. In fact, most of the waqf endowments are in real estates even in other cases such as in Turkey, Jourdan, Egypt and Malaysia. Interestingly enough, there is a new sign of revival of the institution of waqf in the recent past in Bangladesh and other parts of the Muslim world with its new forms and purposes. These are cash waqf, and waqf in intellectual property. The cash waqf, which created some endowment funds, has recently been instrumental in establishing some institutions of higher learning, especially some private universities for example, International Islamic University Malaysia established an endowment fund in order to help for poor students from all over the world. This brief exposition of waqf in the contemporary world, and in particular in Bangladesh, provides some indications as to what potentials the institution of waqf does possess in making contributions to poverty alleviation and the socioeconomic development agenda of a country.

4.3 Waqf Institutions in the Developed Countries

During the last few decades, voluntary institutions in the developed countries have received more attention from the government and the media than ever before. The experience of the non-profit institutions in the United States, the United Kingdom, Sweden, France, Germany, and Australia has shown a significant role in different areas. Below are some examples of this role:

The number of the non-profit institutions in Sweden is about 200,000 institutions in the world. This sector is heavily dependent on government subsidies and receives relatively little financial support from the private sector. The institutions have three main activities; social reform, recreation and personal development, the promotion and protection of institute’s interests. The profits of most charitable organizations are donated to poor countries in Africa and Asia.

In the United Kingdom, in 1979, the government realized that all problems facing man and society can not be solved by the state. So the state started to support any voluntary or charitable institutions for social services through tax deduction, special mail rates and tax deductions for donors. In 1980 and 1981, the income of registered charities was $7.8 billion, approximately 3% of the Gross National Product (GNP). By 1985, that figure had topped $12.6 billion, or 4.1% of the GNP. These charities came from two sources, voluntary income
such as legacies, other gifts, and voluntary fund raising, and from other income such as trading, sales of good and services, local and central governments grants, rent, investment and general income. In 1988, the recipients of charities valued them at $996 million. The largest recipient groups of these charities were “Medicine and Health” with $343 million, direct services to needy people with $268 million, international aid with $193 million, religious and missionary work with $54 million, animal protection with $47 million, preservation of heritage and the environment with $70 million, youth and children with $12 million, arts with $7 million and education with $2 million. Most of the income of these charities came from grants, donations, commercial activities, rent and investment.

In the United States, the government encouraged nonprofit institutions and provided very special privileges that give them sufficient advantages for doing welfare activities in the society. They are exempt from Federal, state, and local taxation and from many regulations. They also receive preferential postal rates and other subsidies, and they often have preference in obtaining government grants and contracts. Moreover, for donors, there are many advantages. The nonprofit institutions played a vital role for reducing the gap between poor and rich and in 1987, they represented 59% of the total social services in the public sector. In 1989, they donated to the health sector with 56% of the total services. They also financed 3427 hospitals in the country.

In 1990, their income was $315.9 billion, which increased to $621.4 billion in 1996. in 1989. Their permanent employees were estimated at 9.3 million that is 6.7% of the total number of people employed. Those employed in the philanthropic sector obtained an estimated income of $169.9 billion which equivalent to 5.2% of the total income earned by those employed in America. Non-profit institutions also represented 49% of institutions and universities at a cost of 34% of the total expenditure on higher education, and accounted for 20% of registered students. Moreover, they sponsored 24% of the elementary and secondary schools at a coast of 8% and a number of places for students, which represent 11% of the total places available.

In France, voluntary associations increased from 22,000 in 1974 to 47,000 in 1983. These associations play an important role in employment, whereas employment was in stagnation in the France public and private sectors in the early 80s, voluntary associations of all kinds had 770,000 full time employees, which are almost 4% of the national employment work force.

In Germany, the German welfare associations run more than 60,000 units that provide health care and social services. The fund has been raised by individuals, organizations and the state and the profits have been distributed for the welfare of the society such as a share of 70% of all family services, 60% of all services for the elderly, 40% of all hospital beds, and 90% of all employment for the handicapped. The number of employments is 580,000 people, which is 2.7% of the total employed national work force full time. In France, these voluntary associations also helped tremendously for the welfare of the state, for example, the non-profit sector’s share of total employment increased from 1.62% in 1982 to 1.88% in 1985.
In Australia, both the local and central government of Australia proved an intensive technical and logistic supports to the non-profit institutions for the welfare of the community. For examples, tax exemption from their incomes, donations from the public and private donors who get tax’s reduction from the government. Many local bodies will pay no or a low rate of local taxes. They also get other facilities such as rent free premises from local governments. All these assistants made the success of the role of the institutions in Australian welfare society today. For example, one third of primary and secondary schools pupils attend private non-profit schools. 12% of all hospital beds are provided by non-profit institutions, which provide more than half of all welfare services. These include family support services, emergency accommodation, and hostel accommodation for elderly people, and services for people with disabilities. Besides, non-profit institutions organize almost all sports.

Based on the above discussion, it gives us an impression that the institutions of cash waqf or land waqf, during the early and contemporary Islamic civilization and the non-profit institutions in the developed countries at the present time played an important role for poverty alleviation and the welfare of their societies at large without inflicting any cost on the governments. However, it is remarkable that the non-profit institutions in the developed countries, have emerged recently within the last three decades, but they are not able yet to attract voluntary donors, even though, the huge amount of income collected by them from the government. It is undeniable that their efficiency in distributing the profits to needy people and areas, and recruiting employees are remarkable. While in the Muslim countries, Muslims are far behind from those activities effectively. At present time, Muslim individuals and some Islamic financial institutions have initiated to create cash waqf for alleviation poverty but it is very unfortunate that no effective initiatives exist in the Muslim countries and the government’s supports is not encourage able.

5. CASH WAQF: A TEXTUAL ANALYSIS OF THE VIEWS OF THE MUSLIM SCHOLARS

Understanding cash waqf is essential in the present context in order to protect the human dignity through alleviating the poverty from Islamic perspective. The verse 2:185 of the Qur’an commands that Allah (swt) intends every facility for you, He does not want to put you in difficulties. Resources gifted by Allah to man belong to Him but a trust given by their God, Allah. Human beings are allowed to utilize and protect them, which are the divine order, let not to misuse or destroy. Cash Waqf according to religion is a means for alleviating poverty, which cause justice and peace against injustice and social ills. In Islam, Allah encourages Muslims and advises to give charity out of what Allah provided for them secretly and openly. The Qur’an declares: “Spend in charity out of what We have provided for them, secretly and openly, hope for a sure trade-gain that will never perish. That He may pay them their wages in full, and give them even more out of His Grace. Verily, He is Oft-Forgiving, Most ready to appreciate good deeds and to recompense”.(35:29-30) it also emphasizes to give charity secretly to the poor rather than openly because that is better for them and Allah will forgive
them as mentioned in this verse: “If you disclose your charity, it is well, but if you conceal it, and give it to the poor, that is better for you and Allah will forgive you some of your sins”.(2:271) Islam makes all resources as sacred and hallowed and condemns not to waste it, destroy and misuse it because wastage is a great sin in Islam as the Qur’an says: “Verily, spendthrifts are brothers of devils and devil is ever ungrateful to his lord”. (17:26) No matter how much Muslims waste as being done against the divine order, they must safeguard and protect the Allah-gifted wealth and blessing for the benefit of the entire humanity. They must have faith in Allah and spend their properties as He wishes, not as their desire wants. In another verse, “And let not your hand be tied like a miser to your neck, nor stretch it forth to its utmost reach like a spendthrift, so that you become blameworthy and in severe poverty”. (17:29) Allah warns Muslims to give charity before their death because after death wealth will not help them as the Qur’an admonishes: “And spend in charity of that with which We have provided you, before death comes to one of you and he says: “My Lord! If you only would give respite for a little while, then I should give charity of my wealth and be among the righteous”.(63:10)

Prophet of Islam often motivated and warned Muslims to give more and more charity, which would help them in getting the blessing of their Creator. A hadith narrated by Abu Hurairah, Prophet of Islam said: “When man dies, his deeds cease to continue except for three things: Continuous charity, beneficial knowledge and a pious son who supplicates Allah for him”. (Muslim: The Book of Waqf: p.500)

In Islam, instances of the institution of waqf can be found during the time of the prophet Mohammad (peace be upon him), his companions and followed by their successors for the benefits of the entire humanity. Waqf was made by the companions even during the life time of the prophet(peace be upon him) as Zufar argued that jewelry was donated by the wife of the prophet and the daughter of ÑOmar, who dedicated her jewelry to her relative. MuÎammad al-ShaÊbanÊ (d.189 A.H.) and al-SarakhsÊ (490A.H.) had approved all moveable properties not only subject to the existence of custom during the prophet time, but to customs that arise in another time and other countries. Malik b. Anas considered waqf as confinement for the sake of Allah (swt), which agrees with the view of AbÊ Yusuf in terms of the irrevocability and perpetuity of waqf. Moreover, MÊlik also agreed on both immovable and moveable properties as a subject matter of waqf even if it is cash waqf. Muhammad b. Idris al-ShÊfiÑÊ (150-204 AH) and Ahmad ×anbal(164-239 AH) defined waqf as the confinement of the property and the pledge of its usufruct in perpetuity for the cause of Allah(swt). They also agreed on the validity of both immovable and moveable properties as a subject matter of waqf. Based on the above discussion, it is understood that all the four schools of thought agreed upon the irrevocability and the perpetuity of the waqf once it is established. Moreover, regarding moveable properties as a subject matter of waqf it gives flexibility in creating such property as waqf, especially cash waqf. Since most of the socio-economic problems in the Muslim countries stem from the shortage of funds, it is believed
that the creation of cash waqf, for accumulation of the capital, is most needed in the Muslim world at the present time.

According to classical Scholars of Hanbalite, Shafi’ite, Hanafite cash waqf is not permissible, because cash waqf is not profitable but it can be used for fulfilling the expenses of poor and needy people. The cash waqf here means as gold, silver, foods and drinks. According to contemporary Muslim scholars of four madhahib, cash waqf is permissible because it can be spent for alleviating poverty through investing the waqf properties for generating income. Ali Afendi and Zufr argued that if a man or woman made cash waqf, it is permissible through Mudaraba financing, and revenue should be used for the purposes of waqf in alleviating poverty e.g. establishing educational institutions and shelter for homeless. According to the scholars of Malikite, cash waqf is basically permissible. Ibn Taimiyyah quoted from Ahmad bin Hanbal and said that cash waqf is beneficial through utilizing it. In order to make validity of waqf, it is essential that the waqif (donor) should be capable of declaring his will and should have the faculty of disposition over his property. As for the subject of the endowment, it must be of such a kind that can be made use of perpetually. Therefore, the object of the endowment may not consist of aliments with certain exceptions. For instance, ambergris, mask and the like would be valid if these are taken as pleasure, but not as nourishment.

6. PRESERVATION OF WAQF PROPERTIES AND ITS DEVELOPMENT

Preservation of waqf assets both moveable and immovable is an obligation for Muslims, which must be carried out by the waqf administrator (nÉÐir). This responsibility obliges on, whether he is the donor of that waqf or not, or whether he has achieved that administrative power as a judge or caretaker (mutawallÊ) or a government officer (dÊwÉn) or an official administrator (naÐÉrah) or a minister (wazÉrah). Moveable asset preservation means the maintenance of the infrastructure, which is endowed by waqif, or safeguarding the money or wealth. Immovable asset preservation means securing the waqf papers and documents of the institution. QÉÌÊ Tawbah ibn Namr in his judgment during the period of Hisham ibn ‘Abd al-Malik (125A.H.) commented that, “The revenue of Awqaf properties is only for the needy and poor people (fuqara wa al-Masakin). So I feel that waqf, either land or cash waqf, must be protected from being ruined and inheritance by others”. MurginanÊ also emphasized on protecting the waqf properties by saying that it is the responsibility of the administrator to maintain the waqf properties, whether it is instructed by the waqif, or not because, the main purpose of waqif is to generate income permanently from the asset of awqaf”.

Kamal ibn Humam explained that NazÊr (administrator) should maintain awqaf properties and pay the salaries for administrative staff, security staff, farmers, and workers of agricultural projects and teachers of educational institutions, for achieving the regular income from the properties”.

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7. ESTABLISHMENT OF A FINANCIAL CASH WAQF INSTITUTION

With regard to moveable waqf, people at all levels of society must to be encouraged to establish cash waqf institutions that can be utilized for income-generation, poverty alleviation and socio-economic development. From religious perspective, cash waqf consists of an amount of money deposited by the founder, as a waqf with the stipulation that the revenues should be used for social welfare and pious purposes for the sake of Allah (swt) and humanity. The aim of introducing cash waqf, with the minimum amount of money is to encourage them to participate in the welfare of their societies. This brings us to ask the following questions. How to create cash waqf? How to invest cash waqf? And, how to distribute its revenue to needed areas? All this questions will be answered in the following sections. The establishment of a financial cash waqf is not unbelievable and unreachable for Muslim countries for poverty alleviation and socio-economic development. Looking at the role of the non-profit institutions established by developed countries for eradication of poverty and social welfare is really encourageable for Muslim community. However, if we look at the Muslim populations in the whole world, we will realize that Muslim population in the different countries range 1 million up to 195 millions, and the labor force are range from 50 thousands up to 60 millions. On the basis of assumption, now let us take a few examples from the different Muslim countries and see how Muslims can create a financial cash waqf with minimum amount of money as they can donate according to the ability once in a lifetime. It is needless to say that the Muslim governments must encourage rich and middle class people for the establishment of the institution of cash waqf and provide all types of logistic and technical supports as in the developed countries with many privileges.

7.1 Case one Malaysia

For example, the Muslim population of Malaysia is 22 million. If we assume that the Muslim labor forces are about 5 million. One million over five million only is wealthy who can afford to crate cash waqf of $1000 per year and that 4 million are middle class who can afford to crate cash waqf of $100 per year. The total contribution will be $1.4 billion in one year for creating cash waqf, which can be seen from the following calculation.

<table>
<thead>
<tr>
<th>Category</th>
<th>Contribution per Year</th>
<th>Total Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rich people</td>
<td>$1000 x 1 million</td>
<td>$1.0 billion</td>
</tr>
<tr>
<td>Middle class people</td>
<td>$ 100 x 4 millions</td>
<td>$0.4 billion</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$ 1.4 billion</td>
</tr>
</tbody>
</table>

7.2 Case Two Egypt

In Egypt, the Muslim population is 70 millions. If we assume that the Egyptian labor forces are about 20 millions. Five (5) million are only wealthy who can contribute to create cash waqf of $1000 per year and that 15 millions over 65 from middle class can contribute to create cash waqf of $100 per year. The total contribution is $ 6.5 billions in one year for the
establishment of a financial cash waqf institution as can be seen from the following calculation.

Rich people $1000X5 millions=$5.0 billions  
Middle class $100X15 millions =$1.5 billions  
Total $6.5 billions

7.3 **Case Three Pakistan**

In Pakistan, the Muslim population is 165 million. If we assume that the labor forces are about 35 million and that only 5 million are wealthy who can endow to create cash-waqf of $1000 per year and that 30 million are middle class who can endow to create cash waqf of $100 per year. The total contribution is 8 billion in one year, which can be utilized for the establishment of cash waqf institution. It can be shown from the following calculation.

Rich people $1000 X 5 million = $5 billion  
Middle class people $100 X 30 million = $3 billion  
Total $8 billion

7.4 **Case Four Indonesia**

In Indonesia, the Muslim population is 195 million. If we assume that the labor forces are about 50 million and that only 10 million are wealthy who are able to endow to create cash waqf of $1000 per year and that 40 million are middle class who may able to create cash waqf of $100 per year. The total contribution will be $14 billion in one year to create cash waqf institution as can be seen from the following calculation.

Rich people $1000X10 million = $10 billions  
Middle class people $100X40 million = $4 billions  
Total $14 billions

7.5 **Case Five Bangladesh**

In Bangladesh, the Muslim population is 140 million. If we assume that the labor forces are about 25 million and that only 5 million are wealthy who are able to endow to create cash waqf of $1000 per year and that 20 millions are middle class who can endow to create cash waqf of $100 per year. The total amounts will be $7 billion, which can be utilized to establish the institution of cash waqf. It can be seen as follow:

Rich people US1000X5 millions= $5 billions  
Middle class people $100X20 millions= $2 billions  
Total $7 billions
From the above, we have found on the basis of assumption the huge amounts, which can be utilized to create a financial cash waqf institution for poverty alleviation and socio-economic development in Muslim countries. In order to establish the cash waqf institution, the Muslim governments, organizations, institutions, and individuals must initiate to develop such institutions and provide them the technical supports. Moreover, we also realize that our assumption in this case is to encourage people to create cash waqf using minimum amount they can give and once a year. If we could encourage people to create more cash waqf and for many times especially the rich people, double or triple of these amount can be collected as cash waqf, which can really cover all the public services needed in the Islamic societies without inflicting any cost on the government and without forcing the government to borrow from other resources on the basis of interest in providing such services.

8. INVESTING CASH WAQF AS PRIMARY AND SECONDARY BASED PROJECTS FOR GENERATING INCOMES

This section aims to elaborate how to invest cash waqf for establishing primary and secondary projects for alleviation poverty with the views of Muslim scholars. Islam from its early stage encouraged all levels of the people of the society to endow cash waqf as well as land waqf for institutionalizing them as income-generating projects for poverty alleviation. Primary projects mean here the target projects, which may consider as the principle projects such as establishing a hospital. The secondary projects mean supportive projects, which support the principle projects for generating a regular flow of income, which can be raised voluntarily from cash waqf. It then, can be utilized for operating the primary projects for poverty alleviation. From Islamic legal perspective, Muslim Fuqahá (jurists) opined that cash waqf must be irrevocable, valid and definite and waqif does not have the authority to revoke his decision. Abú Yáusuf argued that when Prophet Muhammad (saw) endowed his property, and his personal property, rights became null and void. Four caliphs and the companions of the Prophet never reversed their decision for endowed properties such as the establishment of a waqf fund by the second caliph of Islam Ómar ibn al-Khattab. Abú Óanáfa agreed with condition that the founder of waqf and his descendents are allowed to revoke the original decision with the court decision and peril situation. Muhammad Šábéen also opined that waqf must be definite and irrevocable. However, in Islamic history, there are many examples of the establishment of cash waqf by Muslim rulers, organizations and individuals for alleviation poverty in the society. It is, therefore, necessity today to establish cash waqf institution, which may enhance its role to finance in more sectors and to provide more services needed by man and society. In modern context, we would like to propose a mechanism to make cash waqf an effective institution of poverty alleviation in a deliberate and planned manner to establish and support such planned projects by making it an organized voluntary activity to finance in various high investment portfolios such as:

1. Educational sectors
2. Health sectors
3. Social welfare sectors
4. Agricultural sectors
5. Environmental sectors
6. Defense services sectors
7. Public utilities sectors
8. Investing the cash waqf in Sharī'ah (non-interest) banking products of both domestic and overseas banks.
9. Financing small and medium scale enterprises (short and long terms).

In the process of the investment, the relevant authorities (ministry of waqf, trust body, organization, institution i.e. Islamic financial institutions) will plan some high priority projects for poverty alleviation and socio-economic development. These projects will be directed to the waqf administration body of the country concern i.e. under the supervision of private or public waqf institutions. After preparing project files, the authority will invite voluntary cash waqf to finance the planned projects and then issue the waqf certificates of different denominations against the planned projects, which will be bought by a number of individuals, or institutions for financing the projects. Let us elaborate a bit on some of these specific projects below:

1. Educational sectors

The endowed cash should be invested or loaned out to earn income in educational sectors such as establishing madrashah (religious institutions), International Integrated schools, colleges and specialized universities such as medicine, engineering, architecture, and sciences, social and human sciences including Islamic studies. During the golden of Islam, al-Quds, Damascus, Baghdad, Cairo, Cordova, and Nisapur was center for all the branches of knowledge where scholarships for students, salaries for teachers, free books of religion and sciences, hostels for students, accommodations for married couples were provided from the profits of waqf funds. Translation centers and scientific libraries can be established for producing valuable publications and payment for employees, administrative expenditures, translators, script writers and other relevant expenses will be mitigated from the profits of the produced productions. Muslim jurists agreed on permissibility of moveable assets for cash waqf and also establishing specialized educational institutions for scientific research by Muslim rulers as well as organizations was a witness in the history of Islam, which can be inspiration for the contemporary Muslim community. The profits from these projects may partially be distributed for fulfilling the needs of students, other necessary administrative expenditures including salaries of teachers, and remaining part may be invested to other similar income-generating projects or programs for alleviation purposes. It is therefore, permissible for Muslim community to be used educational institutions as a tool for income generation for productive distribution of property and poverty alleviation in globalized world for the benefits of the entire humanity.
2. Health sectors

The endowed cash can also be utilized for the development of health services in the Muslim countries for poverty alleviation. Medical colleges, hospitals, medical centers, charitable clinics, medicine industries and specialized medical schools for research such as cancer, diabetes and crucial diseases, are needed to finance for income-generation and socio-economic development. The profits from these projects also may partially be spent for providing stipends for medical students, salaries for physicians and their subordinates, buying necessary medical equipments and instruments, distributing free-medicines and food for poor and needy hospital patients.

3. Social welfare sectors

The endowed cash can be used in social welfare sectors as a tool for general social well-being, income-generation and poverty alleviation. The secondary waqf projects can be utilized as resources for target generation-projects such as establishing shopping complex and so on, for poverty alleviation and common people well-being. Although the whole waqf system is specific for a particular group of people but the benefits of awqāf in social welfare sectors are common beneficiaries for all i.e. Muslims as well as non-Muslims in the society. Establishing the flood control dams, shelters for the victims of flood, Tsunami, cyclone, hurricane, tornado and other natural disasters is an essential for protecting humanity. The second caliph of Islam, ņOmar ibn al-Khattab had used Khaibar waqf land for social welfare activities i.e. both Muslims and non-Muslims. During the golden period of Islam, there were specific awqāf sectors for alleviating poverty, removing burden and difficulties from people lives such as awqāf for orphans, for widows, for single mother, bearing all expenses for unmarried couples, home furnishing for poor and needy families, for nursing old parents, for people traveling on the roads etc. In this sector, cash waqf may be used as a source of income generation by the poor for the poor. The relevant authority may establish income generating project which are suitable to be operated by handicapped people, single mothers, illiterate and unskilled workers and so on, such as handicraft producing enterprises. Simple training will equip them with the minimal required skills to work in such handicraft establishments. They will earn their leaving from this waqf financed project. This will be an income generating source for them. The profit generated by these properties may partially be distributed among the working poor themselves, and the remaining part may be used to fiancé other similar income generating projects for the poor, and also as a source of regular transfer income for the incapable handicapped people and for the poor students to finance their educational expenses. In this way, waqf proceeds may be used to finance income generating projects for the poor by the poor. The waqf projects, financed by endowment contribution from the rich, may thus be an instrument of upgrading economic conditions of the poor with obvious implications for the productive distribution as well as transfer type redistribution in perpetuity.
4. Environmental sectors

The endowed cash can be utilized for the protection of environment, income-generation and poverty alleviation in the society. Mineral water project for drinking, animals and bird care centers for food and medicines, repairing river banks, saving environment from air pollution, water pollution, and industrial pollution, and establishing the frontiers fortification should be available.

5. Agricultural sectors

The endowed cash can also be invested in agricultural sectors for income-generation and poverty alleviation in the society. Irrigation projects and agricultural products can be produced from the waqf land or rental land, which may help to alleviate poverty.

9. DISTRIBUTION AND UTILIZATION OF THE REVENUES AND PROFITS OF CASH WAQF FOR ALLEVIATION POVERTY IN THE SOCIETY

The revenues and profits of cash waqf institution can be distributed and utilized from Islamic perspective for alleviating poverty and socio-economic development by cash or in kinds. Such distribution and utilization of profits may spend for the following purposes:

1. Poor employees and administrative purposes
2. Educational and cultural facilities
3. Health and sanitation facilities
4. Poor family rehabilitation and orphanage center
5. Physical infrastructures and utilities
6. Reinvestment for a new employment and income-generating projects

1. Poor employees and administrative purposes.

The profits of cash waqf can be used for recruiting poor employees for running primary and secondary projects for alleviation poverty. It is also possible to pay the salaries for the administrative staff and fulfilling all other expenses.

2. Educational and cultural facilities.

Educational facilities can be provided for badly needed poor countries in where the ratio of illiterate population is high. The main purposes are to develop skilled human resource and for alleviation poverty. The facilities are supplying free books, funding relevant research projects, publishing books and journals, supporting innovative projects for scientific and technological development, improving educational programs, providing scholarships for poor students, giving grants for establishing mosque based maktab, religious schools, institution of
Tahfiz al-Qur'an, schools, colleges, vocational institutions, and universities, establishing libraries, and preserving and developing cultural values and supporting all sorts of cultural activities.

3. Health and sanitation facilities

Health and sanitation situations are very condition in the Muslim countries. There are billions of unhealthy people living without proper treatment and medications, which cause unhealthy, low productivity, low income, handicapped, disabled, poverty, and so on. The vast number of the population lives in the rural areas who are deprived negligible of proper medical facilities but the population of the urban and sub-urban areas may enjoy the medical facilities. In these situations, the profits of cash waqf institutions can be utilized for establishing health centers, hospitals, medicine factories, providing cheap medicines with appropriate quality.

4. Poor family rehabilitation and orphanage center

There is millions of poor population who are homeless and who live below the poverty line because of natural disaster i.e. Tsunami, flood, volcanic, hurricane and tornado in every year in many countries like Bangladesh.

5. Physical infrastructures and utilities

In the community, physical infrastructures and utilities are needed for alleviation poverty, which help, not only poor and needy people but also affected people live together with the situations. The main purpose is to make life less burden and flexible. The facilities are: Building roads, bridges, culverts, irrigation dams, and flood control devices etc.

6. Reinvestment for a new employment and income-generating projects

The revenues and profits generated by the cash waqf institution may partially be distributed among working poor themselves and remaining portions may be used to finance other similar income-generating projects for the poor, which will be a regular transfer income for the incapable handicapped people or homeless people or students who are badly needed. The reinvestment projects may be an instrument of upgrading alleviation poverty programs and socio-economic development with productive distribution as well as transfer-type redistribution in perpetuity. However, the development and investment of cash waqf cannot be achieved without facing obstacles and challenges such as administrative as well as legislative hurdles. In these turmoil situations, one of the operational tasks needed to adopt modern management techniques in order to adjust with the contemporary economic trends. Similarly, there is a need to formulate judicial frame works in accordance with the contemporary environment of the Muslim community.
Based on the above discussion, it is clear that cash waqf is perceived as one of the means from religious point of view. Wealth is not the private property of an individual and it is therefore guided for him to donate it. Cash waqf in Islam is a *sadaqah jariyah* for the sake of Allah in order to protect life, religion, wealth, and dignity and honor because when a person donates his/her property in the way of Allah in a mission, he is deemed a good donator. Today it is essential for Muslim scholars to make a clear declaration to all communities about the issue of waqf in Islam in order to alleviate poverty and to safeguard humanity.

10. CONCLUSION

Cash waqf is an old conception though the methods, instruments and justification have changed over the history. In the contemporary world in general and in the Muslim world in particular has developed tremendously as a means used by individuals, organizations, non-government organizations and government agencies for poverty eradication. Cash waqf must be utilized for human development as a resource and no excuse to permit it for other personal interest. However, cash waqf and its investment is one of the potential ways to alleviate poverty, which can be made an effective means to overcome the poverty problem. A developing country experiences large claim on public sector resources for poverty alleviation and socio-economic development by providing basic facilities to the people, including education, medical and social welfare etc., which the public sector is unable to provide adequately. These services and facilities cannot deliver commercially by the private sector for the obvious reasons. According to author, the institution of waqf can do a useful and good job in this scenario. Waqf is an institutionalized form of charity in perpetuity in the Islamic ethical system, but it is beneficial for the entire community. It can be used to generate continuous and regular income for the poor and needy. The provision of such facilities from waqf will require organized waqf in a planed way, since the existing voluntary waqfs, which come in a random and scattered manner, will not be able to do the job. The above suggested waqf has been called ‘organized voluntary waqf’. In making waqf more effective, the waqf administration will plan both primary and secondary projects. Primary projects are those which are themselves the targets of the projects, for example, a flood control dam. The waqf administration will finance such primary projects by raising cash waqf with the help of issuance of waqf certificates of different denominations. The secondary projects are those which are not primary targets of the waqf, but rather they will generate cash flows to finance the regular operational expenses of the target projects, for example, developing a shopping complex as a secondary project for generating income to finance an educational institution for a primary project. Such secondary projects may be created by waqf projects. This will need a proactive waqf administration with capable, skilled and committed personalities in its leadership. With this, the institution of waqf can potentially play a vital role in the poverty alleviation and socio-economic development in the Muslim society as well as Muslim minority society.
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