Muslim Charitable Foundations in West Asia: Innovations, Lessons and Challenges

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Muslim charitable foundation or waqf (pl. awqaf; endowment) is formed through voluntary donation by the owner of a property dedicating the usufruct to some charitable ends for the duration of the property's existence. A waqf property must be suitable by its nature, by its legal status or by its accounting treatment to provide perpetual Heavenly rewards to its creator. The idea of waqf is based on an original endowment of real property, generating tangible wealth, with the intention of using it productively (Hoexter, 1998). It should be done within the framework of a moral economy, dominated by ethical notions of justice, equity and redistribution (Nagata, 2002: 6).

Throughout history, proceeds from awqaf have been dedicated to pious purposes – the maintenance of a place of worship, a school, a bathhouse, a soup kitchen, a water fountain, and the like. Experiences from different communities show that waqf funds, in many countries, have been used mostly for three main purposes related to social and human development: urban services, education, and health and hygiene (Hasan, 2007).

Over the years long time waqf properties have been misappropriated by individuals (within or outside the waqf) by diverting benefits away from the original purpose of public benefit (Hasan, 2007). To deal with the problem, in the recent past, many countries have introduced waqf law and ministry of waqf. In some countries a unified position of waqf administrator is created with much regulatory and supervisory authority to streamline waqf management and to arrest wholesale misuse of waqf properties.

A major tool of using Muslim endowment in social development of Muslim communities is being redeveloped in the recent past in the form of cash awqaf. The benefits from cash awqaf are provided to varied social development activities. Cash awqaf are less prone to mismanagement and misappropriation because it is placed within a guaranteed financial institution. Further unlike traditional awqaf, cash awqaf do not need to be dependent on the intelligence, expertise, and sincerity of the trustee (mutawalli) alone. Thus cash awqaf are not vulnerable to mutawalli inefficiency or dishonesty. Further, cash awqaf have become popular because people without much (immovable) property wish to get Heavenly rewards for the money ‘spent’ in the name of God.

Major recent initiatives in this regard are undertaken in Kuwait and United Arab Emirates. For example, Awqaf and Minority Foundation (AMAF) in the United Arab Emirates is an excellent example of reviving an old institution of Muslim philanthropy by encouraging people to be involved in cash awqaf for the benefit of orphans. The AMAF, in collaboration with some successful real estate developer in the country, have been constructing major residential areas for sheltering orphans with waqf funds.

This paper will analyse major advancement in the broadening of the concept and use of waqf for social development from three perspectives. Their theological and legal construction, the process of forming and managing waqf properties, and the tools of accountability ingrained in the new system. As it seems because of the latter two problems mentioned above, awqaf lost its credibility and failed to achieve the goals of public benefit. The analysis will be helpful in addressing issues related to regulating and managing awqaf in Muslim communities (a third or about 500m of which are living as minority in different parts of the world). The work thus has international relevance.

The work will be based on the review of some classical literature on the concept of waqf, primary documents of the respective awqaf bodies, and interviews with people involved in such outfits.

Bibliography


