

ISLAMIC ACCOUNTABILITY AND *WAQF* TOWARDS ACHIEVING EQUITABLE DISTRIBUTION OF WEALTH WITHIN THE ISLAMIC ECONOMIC FRAMEWORK

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ABSTRACT

The creation and distribution of wealth is a daily activity that we face. There are different ways and approaches in handling issues related to wealth. From the Islamic perspective, economic activities should be solved based on the *Shari'ah*. It is because we are indebted to Allah for bringing us into this existence and for entrusting us with the resources. Allah is the Creator of everything, including us. Hence, He is the absolute Owner while humans have only delegated ownership as the trustees of Allah. Since humans are not the real owners of the resources; rather they need to utilize the resources entrusted according to the will of the Allah. Humans are also accountable for any misuse of resources which is against the will of the real Owner. In order to discharge the responsibility as trustees of Allah in an accountable manner, humans need to meet the objective of Islamic economics, i.e. to achieve socio-economic justice. In addition, Islam encourages charity and donations, whereas *waqf* is one way of charity to show gratitude to Allah for what He has bestowed upon us. *Waqf* can fill the need of the society by providing free education, health services and others. It plays a significant role in achieving the objective of Islamic economy. Therefore, the aims of the paper are to highlight how economic problems are solved in the light of *Shari'ah* and to what extent *waqf* can play an important in uplifting the wellbeing of the society. The research method of this paper is based on library research. It is written solely based on secondary data, such as articles, books and online resources. This paper will be to the interest of researchers, donators, regulators and the public in general.

Keywords: Islamic economics, Islamic accountability and *Waqf*

INTRODUCTION

Islamic accountability starts with the Creation of humans. We are nothing if He does not bring us into this world. For that, we are indebted to Him. In addition, we are provided with an abundance of resources and are entrusted that we will fulfil what Allah wants, i.e. to have socio-economic justice. In Islam, Islamic accountability plays a significant role in our daily life decisions. Islamic accountability can be divided into two: i.e. primary accountability to Allah, and secondary accountability to other fellow humans because of contractual relationship. In making the decision, primary accountability is given priority if there is a conflict between the primary and secondary accountabilities. By nature, we are born to please Allah and to serve

Him, by following *Shari'ah* in order to create the fair and just economic society in this world and to achieve *falah* (eternal happiness) in the Hereafter.

Imams Bukhari and Muslim testified that A'isha said that the prophet Muhammad (peace be upon him) says: "Destroyed is the one who has his account settled on the Day of Resurrection" , A'isha said: "O messenger of Allah, did not Allah say "Then he who is given his records in his right hand soon will his account be taken by easy reckoning" (Surah Al-Inshiqaq, Verses 7 and 8) The Prophet (peace be upon him) replied: "This is the skimming through the deeds; and destroyed is the one who has his account settled on the Day of Judgment."

In another verse Allah mentions that:

Every soul will taste of death. And ye will be paid on the Day of Resurrection only that which ye have fairly earned. Whoso is removed from the Fire and is made to enter paradise, he indeed is triumphant. The life of this world is but comfort of illusion.

Waqf is one of the manifestations of our gratitude to Allah for the resources entrusted to us. Islamic economics is pro to solve economic problems, as in what to produce, how to produce, and for whom to produce. It focuses on how wealth should be earned and distributed among the people who can supply the resources, labor or capital under the framework of *Shari'ah*. More focus is given to the circular flow of resources in Islamic economics, while taking ethicality and the needs of the society into account. Regardless of whether the general public have resources or not, catering for the welfare of the society is the core essence of *waqf*. This is because there are many applications that can be carried out with *waqf* assets, such as providing interest-free loans to the needy, and offering philanthropic services to the wider community. The country's economy is boosted through this tool. Therefore, the objectives of this paper are to highlight how economic problems should be solved from the Islamic perspective and how *waqf* can uplift the socio-economic wellbeing of the community.

ISLAMIC ECONOMICS

Islamic economics can be defined as “the knowledge and application of injunctions and rules of the *Shari'ah* that prevent injustice in the acquisition and disposal of material resources in order to provide satisfaction to human beings and enable them to perform their obligations to Allah and the society.” (Zaman, 1984). In other words, Islamic economics is a study of how human beings make decisions on the production, consumption and distribution of products or services within the *Shari'ah* framework. The following paragraphs discuss the Islamic view on resources and economic decision making.

Resources from the Islamic Perspective

The depletion and exhaustion of natural resources is a fine result of conventional economics; the whole production process fundamentally relies on these resources. The outcome as witnessed is that nature is depleted and gradually destroyed with no contribution towards it, while full benefit is utilized and monopolized by the providers of these natural resources. Global warming and climate change are byproducts of this human greed that caused the over-exhaustion of natural resources, hence owing much attention nowadays and leading to the

formation of multi-national coalitions to collectively find solutions for these environmental issues. In the midst of this endeavor many mechanisms were devised and proposed to alleviate the impact on natural resources. However, had it not been for the market mechanism, natural resources would have been rightfully treated as priceless, public property with no private ownership therein. That is because rightfully no human being has the right to assume direct ownership of natural resources. Such theories and principles give a price tag to natural resources leading to negative impacts on the environmental quality. For that reason, some mechanisms have been gradually developed to tackle this issue, such as introducing environment taxes.

These measures and steps are taken gradually after realizing that natural resources used in production can pollute the environment, and these resources are required to preserve for the future generations as well. Without proper control, the suppliers of natural resources will extract as much as they can in order to maximize their earnings. The current approach to control and preserve natural resources is based on human reasoning and is based on the past experiences.

In Islam, Allah (s.w.t), as the Creator of this universe, knows everything and He did not create it in vain. His intention of the creation is to see how human being will apply the knowledge of *Shari'ah* in using the resources entrusted to them. Allah (s.w.t) provided an abundance of resources for human beings to follow *Shari'ah* in their economic decision making and solving economic problems. It has been proven by the following sources of *Shari'ah*:

"Do ye not see that Allah has subjected to your (use) all things in the heavens and on earth, and has made his bounties on to you in exceeding measure, (both seen and unseen?" (Quran, 31: 20).

"And He has made the sun and the moon, constant in their courses, to be of service unto you, and He has made of service unto you the night and day. And He gives you all you seek of Him: If you would count the bounty of God, you could never reckon it." (Quran, 14:33-34)

Although resources are available and in abundance, the limited knowledge that we have makes us face situations as if resources are limited. This situation worsens when human beings has unlimited wants (Rosly, 2005). The nature of unlimited wants is recognized and acknowledge by the following source of *Shari'ah*:

"O men! The Prophet used to say, "If the son of Adam were given a valley full of gold, he would love to have a second one; and if he were given the second one, he would love to have a third, for nothing fills the belly of Adam's son except dust. And Allah forgives he who repents to Him." (Sahih Bukhari, Volume 8, Book 76, Number 446)

Economic Decisions from the Islamic Perspective

Human beings cannot escape from making economic decisions, especially if they are involved in business activities. Their decisions should be according to *Shari'ah*. To be more specific, *Shari'ah* based economic decisions go according to the level of the importance of what we should achieve in order to attain a fair and just society and to create a harmonious community. According to *Shari'ah*, three main things are required to consider and to fulfill according to hierarchy in conducting business activities, i.e. first: fulfilling the necessities to meet the minimum standard of living, second: fulfilling the need to remove hardship and to have

convenience in life, and third: to improve the quality of life for humanity, i.e. embellishment. This means that the available resources should be allocated to meet the necessities of the society and the balance should be allocated to fulfill the needs and finally to the fulfillment of a qualified life. By following this process, human beings are secured for their basic necessities, which is the basic foundation for having socio-economic justice. Any decision which does not follow this process will result in the misallocation of resources and will deviate from the teaching of *Shari'ah*.

Thus, the first economic decision for what to produce should be according to the fulfilment of necessity goods, then those goods of need, then the embellishment products and services accordingly. Islam recognizes the significant role of the market in making economic decisions. Demand and supply in the market can determine the quantities demanded together with their respective prices. However, the market cannot be left alone without interference from the government because there is a potential of creating fictitious shortage to increase the prices and control the market by monopoly and such. In this kind of market situation, the regulatory body (*Hisbah*) should monitor and correct the market behavior to ensure for a fair market. In addition, it is allowed for the government or regulatory bodies to offer subsidies to encourage the production of necessities and needs to maintain the social wellbeing of the citizens at the equitable level.

The second economic decision is related to how to produce. Conventionally, there are four factors of production, i.e. land, labor, capital and entrepreneur. In terms of return, the land provider (i.e. resource provider) receives income from supplying the resources. The labor force receives wages or salaries for their effort and services provided to the businesses. The capital provider will receive interest and the entrepreneur earns profit. The contradicting issue with Islam is mainly concerned with the interest. As a business, it needs financing which can be accumulated either from borrowing or the issuing of shares. When the business borrows money, interest needs to be paid to the lender. It involves interest which is not allowed in Islam. The main reason for prohibiting interest is that its practice cultivates an unfair and unjust socio-economic environment. In addition, the entrepreneur focuses to maximize profits, and hence, the resources will be allocated to produce products which will maximize his or her profit, rather than focusing to allocating resources according to the hierarchy of priority, i.e. necessity, need and then embellishment. These two conventional ways of economic practice are not in line with *Shari'ah*.

In order to be in line with *Shari'ah*, the practice of interest can be avoided by replacing it with *Shari'ah*-compliant contracts such as *Mudarabah* or *Musharakah*. *Mudarabah* is the contract in which a financially strong person will provide the capital and the entrepreneur will perform the daily activities of the business. The profit will be shared between the capital provider and the entrepreneur according to an agreed ratio. In the case of loss, the capital provider bears the loss, unless the loss is due to the negligence of the entrepreneur. In *Musharakah*, two or more partners will invest their money for the business. The profit of the business will be shared according to the agreed ratio and the loss will be borne according to the capital contribution ratio. Replacing interest with *Mudarabah* or *Musharakah* practices brings back socio-economic justice. This is because the loss in *Mudarabah* will be borne by the capital provider and the efforts and time spent by the entrepreneur will not be paid for. Similarly, the loss in *Musharakah* is borne according to the ratio of the capital invested in the business. On the contrary, the practice of interest does not provide the fair result. When the business is in loss, the lender will be still guaranteed for the interest income. The lender does not bear any risk yet gets the guaranteed interest as an income. If the business is making profit, the lender will receive only the interest and will not share the profit from the business. It is not fair for the business when it incurs loss and it is also not fair for the lender when the business is making profit.

For the entrepreneur, profit maximization should not be the sole motivating factor for their economic decisions. It does not mean that Islam discourages profit maximization, but *Shari'ah* requires that profit is earned within the moral and ethical framework in order to attain socio-economic justice. This can be achieved by allocating resources according to *Shari'ah* requirements. By doing so, the whole society will not need to be worried so much about their necessities while also unhealthy business practices will be reduced to a certain extent.

The third economic decision focuses on 'for whom to produce'. Islam acknowledges and recognizes the role of the market in knowing the demand and supply of products and services. The market mechanism is a good indicator in deciding for whom to produce, provided that the market is free from any kind of manipulation. The market is only for private goods and services. In the case of public goods, the government should provide them. In Islam, *zakat* and *waqf* play the significant role for the distribution of wealth. For example, *zakat* money can be used to distribute in order to help the poor and the needy.

Islamic economics focuses on how to fully utilize resources and how to distribute the income to be equitable among societies while observing the rules of *Shari'ah*. It does not directly involve in fulfilling the needs of the societies who do not have resources at all. This lacking part can be fulfilled by injecting the role of *waqf* in society which will consequently flow into the economy as a whole.

THE DEFINITION OF *WAQF* AND ITS BACKGROUND

The attainment of kindness, affection, and brotherhood among the members of one society is a main objective in Islamic economics. Islam focuses on socio-economic improvement through encouraging mutual support within each society, hence it has introduced many mechanisms to achieve that. One of these institutions that has existed throughout Islamic civilization is known as *waqf*. This type of institution serves the general public in the form of hospitals, mosques, schools, and even roads whose benefits are can be yielded by either the general public or specific beneficiaries. *Waqf* has always served as a mechanism that assures the wealthy and affluent that their donations will be wisely utilised for the benefit of the less-financially fortunate in society.

To define the word *waqf*, it is helpful to analyze its etymology. Ibn Manzur (1990) stated that this word originates from the Arabic root word *waqafa* which can be translated as: to stop, to preserve, and to contain. From the technical sense, it is the irrevocable and permanent yet voluntary dedication of a portion of a one's wealth, either in the form of cash or kind, for the benefits of either the general public or designated beneficiaries for the sake of Allah (s.w.t).

Due to the aforementioned, it is clear to say that morality, kindness, goodness, and empathy are all virtues realised through the institution of *waqf*. It has been observed by Kahf (2011) that Islam gives preference to the non-profit sector that is free from self-interest and concentrates on the economic improvement of the society, where available resources endowed under the *waqf* are utilised for social and economic development. Islam highly encourages the practice of *waqf* as manifested in many sources of *Shari'ah*, such as follows:

"It is not righteous that ye turn your faces toward East or West, but it is righteousness to believe in Allah, and the Last Day and the Angles, and the Book, and the Messengers, to spend of your substance out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves, to be steadfast in prayer and practice regular charity. (Quran, 2:177)

"By no means shall ye attain righteousness unless ye give (freely) of that which ye love; and whatever ye give, of a truth God knoweth it well. (Quran, 3:92).

“When a man dies, his acts come to an end, except three things: recurring charity, or knowledge (by which people benefit), or pious offspring, who pray for him.” (Narrated by Abu Hurairah)

The practice of *waqf* by the companions is also encouraged by the Prophet (peace be upon him) and it can be seen as follows:

“Umar gave in charity some of his property, a garden of date palms called Thamgh. ‘Umar said “O Allah’s Messenger! I have some property which I prize highly and I want to give it to charity”. Prophet (peace be upon him) said, “Give it in charity (i.e. as an endowment) with its land and trees on the condition that the land and trees will neither be sold nor given as a present, nor bequeathed, but the fruits are to be spent in charity.’ So Umar gave it in charity, and it was for Allah’s cause, the emancipation of slaves, for the poor, for guests, for travelers, and for kinsmen. The person acting as its administrator could eat from it reasonably and fairly and could let a friend of his eat from it provided he had no intention of becoming wealthy by its means.” (Narrated by Abdullah bin Umar, Sahih Bukhari, Kitab Al-Shurut (The Book of Conditions), Hadith no. 2532).

Historically, the establishment of *waqf* was started during the time of the Prophet since the mosque *Quba’* at Madinah was founded by the Prophet himself in 622 (Kasim et al., 2016; Gil, 1998; Cizakca, 200; Kahf, 2003; As-Sadhan, 2006). It has been widely practiced by the companions of the Prophet. ‘Umar bin Al-Khattab (may Allah be pleased with him), who was a companion of the Prophet (peace be upon him), donated his land from which the fruits were given to the poor, guests and travelers. Similarly, ‘Uthman bin ‘Affan (may Allah be pleased with him), who was also a companion of the Prophet (peace be upon him), used to buy wells and provide free water for everyone. During the time of the Ottoman rule, *waqf* assets were used to provide education, health and welfare to the general public. The first *waqf* asset was used for religious purposes, i.e. for building mosques. The second *waqf* asset was used to fulfill the needs of the society. Starting from the time of Ottoman rule, *waqf* assets were used for the socio-economic wellbeing of the society as a whole. As-Sadhan (2006) mentions that the recording of *waqf* properties was established as early as during the time of ‘Umar bin Al-Khattab (may Allah be pleased with him).

Following the era of the companions and the companions’ companions, *waqf* was deeply enshrined in the fabric of Muslim societies. One of the earliest institutions founded by *waqf* is the Al-Azhar University in Egypt that functions until this day. Furthermore, *waqf* contributed to the establishment of many graveyards in India. *Waqf* was so important in the lives of Muslims that in the earlier 19th century during Ottoman rule, special laws of *waqf* were enacted under the auspices of a ministry dedicated to *waqf*. The *waqf* law spread to the various territories under Ottoman rule such as Turkey, Iraq, the Levant, Palestine, and modern-day Saudi Arabia where they remained intact for many years.

Waqf is not only confined to non-movable assets but can also be done with movable asset as well. This has led to the popularity of cash *waqf* throughout history, especially nowadays, serving as a powerful tool in the alleviation of poverty. During Ottoman rule, one of the micro financing mechanisms applied in funding the needy in their activities was through cash *waqf*. Unlike the case of fixed assets that require wealthy landowners, cash *waqf* is much more flexible in comparison because the donators need not to be wealthy, meaning they can contribute to the *waqf* with even a small amount of money, enabling them to yield the benefits of participating in a cash *waqf* contribution. This is done by collecting money from cash *waqf*

donators which will be held by a trustee, and this trustee will utilize the accumulated funds in real investment that would generate profits to be distributed to deserving beneficiaries.

In terms of its emergence, cash *waqf* can be traced far back to the 8th century, but it was not institutionalized until the 15th century by the Ottoman courts. *Waqf* on movable assets was legalized in 1946 in Egypt. As observed by Cizakca (2011), among the modern-day states that allow the practice of cash *waqf* are Malaysia, Singapore, India, Pakistan, despite the fact that the concept and practice of cash *waqf* has been in wide-spread practice for a very long time (Osman, 2014; Rahaman Chowdhury et. al, 2012).

Waqf has a long legacy of astonishing achievements in enhancing general welfare and in serving the needs of the needy. Due to its importance, *waqf* has been formulated into various forms for numerous purposes, inclusive of the *waqf* of public utilities, cash *waqf*, education and research *waqf*, and health care *waqf*. It was so widespread at times that even *waqf* of grain to be used as seeds was initiated, in addition to *waqf* that serves as a financing tool in making supplementary services and income available for those with low-income, and in offering loans to individuals who need financing for their activities.

In contemporary times, *waqf* in various areas has been given keen attention by numerous Muslim countries, not only in pursuit of enhancing its administration and management, but also to boost its potential (R Hassan et al, 2017). One of these countries is Saudi Arabia, where care for *waqf* has emerged therein since the desert Kingdom was founded more than a century ago. One clear sign of Saudi Arabia's interest in *waqf* is the establishment of a specialised ministry to manage the affairs of endowments, entitled the Ministry of Endowments, Islamic Affairs, Advocacy and Guidance. In pursuit of *waqf*, many other Muslim countries imitated this method by either establishing governmental ministries dedicated to the affairs of endowments or by founding special departments dealing with such. That can be a main factor contributing to the sharp increase in charitable *waqf* institutions around the world today.

How *Waqf* Has Contributed To Society

Waqf serves to establish a sector distinct from both the private and public sectors, and rightfully can be termed as the 'third sector', since the former two are either authority-based or profit-motivated. In that sense, the responsibility of conducting various tasks that are free from the influences of profit motives and authority practices helps strongly to attain its objectives. Kindness, goodness, righteousness, mercy, benevolence, and empathy are all virtues actualized through the institution of *waqf*. Islam highly recognizes the vital role played by the non-profit sector in socio-economic development, hence bringing about a form of institution that is autonomous from both governmental interference and self-interest motives by offering this sector the legal and institutional protection it needs. Furthermore, resources are allocated to this sector in a way that it can grow into a major factor in Muslims' socio-economic lives, bearing functions that operate outside the scope of the economy's traditional public and private sectors. Due to this, in Muslim societies the sectors of health, education, social welfare and even environmental welfare were assigned the *waqf* institutions. They sometimes even served in offering defense services.

Regarding the health of the society, return from *Waqf* assets can be used to provide salaries to physicians and their helpers, to hospitals and their equipment, and to schools of medicine and pharmacy, and as stipends to students. There were instances where *waqf* institutions were established for catering hospital patients with food and medicine, and others specialized in supporting medical schools of chemistry research. Surprisingly but not shockingly, some *waqf* even served for the entertainment of patients. This involved hiring

people specialized in offering psychological assurance to patients by convincing them their ailments are curable and mild.

In addition to focusing on health care such as the provision of hospital services, physicians' salaries, and medications, *waqf* foundations have also been heavily relied upon in the Muslim world for the provision of education and cultural services in the form of lecturing, libraries, and scientific research of all kinds of materials and religious sciences. For instance, it has been transmitted that under Islamic rule the Island of Sicily's 300 elementary schools were all built through the means of *waqf* who catered for the revenues of school supplies and teachers.

Waqf also served to saturate tertiary education too, as it can be witnessed from the myriads of ancient universities established in major Islamic cities such as Al-Quds, Baghdad, Cairo, Nisapur, and Damascus, some of which were specialized in particular disciplines such as chemistry, Islamic studies, and medicine. *Waqf* establishments served in supplying these universities not only in their building construction but even in maintaining them with scientific books, teaching materials, salaries for teachers, and even dormitories and stipends for both single and married students. Among them are those as far east as Al-Nizamiyah in Al-Mustansiriya in Baghdad, those as far west as Al-Qurawiyun in Fez, and those in the heart of the Muslim world such as Al-Azhar in Cairo.

In line with the educational functions of *waqf*, they also served in the construction and maintenance of libraries dedicated to experimental sciences, supplying them with myriads of volumes, ranging from the books of Al-Haytham bin Hayyan to the publications of Ibn Sina. Furthermore, specialized *waqf* for scientific research in pharmacology medicine and other sciences also existed within the Muslim polities throughout various epochs of history. Huge revenues derived from rentable buildings and plantation orchards served to suffice as endowment assets in paying for the scribes, supervisors, and employees who worked at the libraries.

Many scholars of Islamic jurisprudence even made an exception to copies of the Qur'an and scientific books when relating to making mobile assets into *waqf* property, lending to the vital importance of books and libraries in Muslim societies. Hence it is no matter of dispute between scholars of Islamic jurisprudence that making these two kinds of mobile assets into *waqf* is purely permissible. Scholars of Islamic jurisprudence even ruled that no collateral is to be taken from book borrowers even if such a provision exists as a stipulation in the *waqf* document. This is as a way of removing all obstacles in front of researchers and scholars to borrow books, rendering any collateral stipulation by the *waqf* founder as void.

Moreover, *waqf* establishments serve a major role in building and maintaining mosque for worshippers, graveyards for the diseased, funeral facilities, and monasteries for devotees of worship. As indicated in the Qur'anic verses, *waqf* can be made by donating any type of asset or amount of money during one's lifetime, in addition to allocating up to a third of inheritance assets upon the endower's demise. By following the guidance of the Shari'ah, *waqf* has provided uncountable benefits at the micro and macro levels of society. However, as observed by Htay et al., (2014) cited by Chaudary and Baig (n.d.), the following points serve as a glimpse of what can be attained for the advancement of society at large from various aspects:

- Countries where educational institutions are scarce can be allocated *waqf* assets to enhance literacy and education rates for the local population there.
- Countries where hospitalization facilities for financially challenged people are scarce can be allocated *waqf* assets in order to fund such hospitals, offering the needy a safe haven during their ailments with adequate hospitalization facilities.

- Financially challenged individuals who are unable to set up any work due to a deficiency in wealth can be given *waqf* assets to assist them in starting up small businesses which serve as a micro finance mechanism that creates wealth and subsequently improves the macro level.
- Financially challenged individuals who do not have enough provision to attain wedlock can get married with the help of funds provided by *waqf*.
- Incarcerated individuals who are allowed to be released from jail but lack sufficient funds to settle damages can be assisted out of their calamity with the help of *waqf* funds.
- Senior citizens either have no child to care for them or have lost their children can be given homes and the care they deserve by the blessing of *waqf* funds.
- Orphan children who have lost their parents can be catered for and given a real life and good education by the help of *waqf* funds.
- Cultivators who own no land can be provided with *waqf* assets such as land and money to get them working on cultivating profitable crops.
- Outstanding doctors who lack sufficient wealth to set up their own clinics are eligible for *waqf* assets to help them establish their clinics in counties where clinics are scarce, hence saturating the needs of the local population by providing them access to adequate health facilities like other counties.
- Outstanding engineers and other educated professionals and experts who lack the necessary wealth to set up their own business with ground-breaking projects during their studies are eligible for *waqf* assets so they may establish their own business in those countries where unemployment is high, hence manufacturing with profitable output, and even creating employment opportunities for the youth who are unemployed.
- Outstanding business graduates who scored high in their field of management but lack necessary wealth are also eligible for *waqf* assets to start off profitable ventures in those fields where regular businessmen are not willing to venture into. This helps to cultivate neglected fields and also serve to bring in wealth for the local population.

CONCLUSION

This paper intends to enhance the knowledge of the readers regarding Islamic economics and the essential role of *waqf* in our community. Although resources are abundant, due to the limited knowledge that people have, they regarded them as limited resources, hence the need to solve the economic problems faced on daily basis. This paper highlights how economic issues should be resolved according to *Shari'ah*, and reemphasizes the important role of *waqf* in our life. *Waqf* funds can be used for the betterment of the public, such as education, health, research, and public transport. *Waqf* serves as evidence that Muslims can discharge their duties as trustees of Allah and demonstrate how they are accountable for these entrusted resources by donating their wealth for the benefit of the community. *Waqf* funds can be used to help beneficiaries through *mudarabah* or *musharakah* contracts. In this context, *waqf* institutions can serve as an alternative form of financial institutions in providing capital required (either under *musharakah* or *mudarabah* basis) to run the profit generated projects or business activities. The beneficiaries then pay back the initial capital and share the profit with the *waqf* institutions. In this manner, *waqf* can promote the economic development of countries in general and uplift the economic and financial status of the beneficiaries in specific.

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