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ISTANBUL SABAHATTIN ZAIM UNIVERSITY
FACULTY OF BUSINESS AND MANAGEMENT SCIENCES
DEPARTMENT OF ISLAMIC ECONOMICS AND
FINANCE
ISTANBUL



**THE GLOBAL CASH WAQF: A TOOL AGAINST
POVERTY IN MUSLIM COUNTRIES**

MA THESIS

Adama Dembele

Istanbul
JANUARY 2019

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**Supervisor
Assoc.Prof. Dr Buerhan Saiti**

**Istanbul
January 2019**

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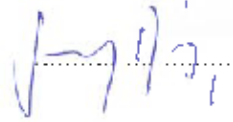
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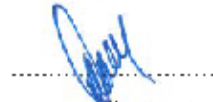


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**DECLARATION OF SCIENTIFIC ETHICS AND
ORIGINALITY**

This is to certify that this MA thesis “**The global Cash-Waqf: A Tool Against Poverty in Muslim Countries**” is my own work and I have acted according to scientific ethics and academic rules while producing it. I have collected and used all information and data according to scientific ethics and guidelines on thesis writing of Sabahattin Zaim University. I have fully referenced, in both the text and bibliography, all direct and indirect quotations and all sources I have used in this work.

Signature 

Adama Dembele

Istanbul, January 2019

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Adama Dembele

Istanbul, January 2019

ÖZET

ULUSLARARASI PARA-VAKFI: MUSLİM ÜLKELERİNDE YOKSULLUĞA KARŞI BİR ÖNERİ

Yüksek Lisans, İslam Ekonomisi ve Finans Bölümü

Tez Danışmanı: Doç. Dr. Buerhan Saiti

Ocak-2019, 65 Sayfa + XI

Aşırı boyutlara varan fakirlik, Müslüman toplumun olarak karşılaştığı problemler listesinin başlarında gelmektedir. Bu sorunun Müslüman toplumun değerleri ve kültürleri bağlamında çözülmesi için akademik bir yaklaşıma ihtiyaç duyulmaktadır. Bu çalışma, çağdaş sosyo-ekonomik problemlere İslami yaklaşımlar getirerek, Müslüman ülkelerde yoksulluğun azaltılmasında rol oynayacak pratik çözümlere ve bilgi üretimine katkı yapmayı hedeflemektedir. İslam, ilk devirlerinden bu yana ekonomik meselelere ciddi bir önem atfetmiştir. Bunların arasında Para Vakfı, ümmetin tarih boyunca karşılaştığı sosyo-ekonomik problemlerin üstesinden gelmesine aracı olarak, İslam ekonomisinin en önemli çözümlerinden birisini teşkil etmiştir. Böyle olduğu halde, bugünlerde Para Vakıflarının rolü Müslüman toplumun sosyo-ekonomik yaşamında gittikçe küçülmüştür. Müslüman toplumlarda vakıf sisteminin rolünün azalmasıdaki çeşitli faktörleri incelemek ve günümüzde bu anlamdaki uygulama fırsatlarını değerlendirmek bu çalışmanın iki temel amacını oluşturmaktadır. Birçok araştırma ve akademik çalışma yapan paydaşlar konuya önemli katkılar yapmasına rağmen, toplumsal problemlerin çözülmesi adına para vakıflarının kullanımı ve dünya çapında bu yöndeki eşgüdümlü çabalar yaygınlaşmamıştır. Bu nedenle, bu çalışma söz konusu boşluğu doldurulması için katkı yapmayı hedeflemektedir. Ayrıca bu çalışma, içerik analizi ve meta-analiz yöntemlerini kullanarak mevcut para vakfi yatırım modellerini eleştirel olarak incelemekle birlikte, Müslüman toplumdaki yoksulluk problemini çözmek adına uluslararası bir para vakfi modeli ortaya koymayı amaçlamaktadır.

Anahtar Kelimeler: Küresel, Para Vakfı, Fakirliğin Azaltılması, Müslüman Ülkeler.

ABSTRACT

THE GLOBAL CASH-WAQF: A TOOL AGAINST POVERTY IN MUSLIM COUNTRIES

M.A., Department of Islamic Economics and Finance

Supervisor: Assoc.Prof. Dr. Buerhan Saiti

January,2019- Page: 65 + XI

Rampant poverty is one of the top listing problems Muslims as a community facing today. This problem needs scholastic approach towards the solution based on the values and cultural contexts of Muslim community. This paper tends to contribute both the practical solutions and knowledge production in alleviating poverty in Muslim countries by adopting Islamic approaches to contemporary socio-economic. Islam gives important attentions to economic issues since the earlier periods of Islam Itself. Among the other, Cash Waqf is the most important principle of Islamic economics as a means of dealing with socio-economic problems that the ummah has faced throughout history. Even though, nowadays the role of Cash waqf has been dwindled in the socioeconomic life of the Muslim community. Looking at the various factors for the declining role of Waqf system in Muslim communities and windows of opportunities to implement it in present context are the twin objective of this work. Although there are a lot of contributions to the topic by many stakeholders who produced several research and academic works, the use of cash-waqf has not get widespread and coordinated efforts across the world to solving many social problems as it should be. Therefore, the present study tends to fill this gap. This study attempts to critically review the existing works on cash-waqf investment models, using content analysis and meta-analysis method while its aim is to discover and introduce a global cash-waqf model in order to tackle the problem of poverty in Muslim communities.

Keywords: Global, Cash-Waqf, Poverty Alleviation, Muslim Countries.

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Table of Abbreviations

A.D: Anno Domini

A.H: Anno Hegirae

AAOIFI: Accounting and Auditing Organization for Islamic Financial Institutions

AIDS: Acquired Immunodeficiency Syndrome

CEO: Chief Executive Officer

DEC: Disasters Emergency Committee

DFID: Department For International Development

ECHO: European Commission Humanitarian Office

ECOSOC: United Nations Economic and Social Council

GBV: Gender Based Violence

GCW: Global Cash-Waqf

GCWF: Global Cash-Waqf Fund

GCWFI: Global Cash-Waqf Fund Institution

GCWM: Global Cash-Waqf Model

HIV: Human Immunodeficiency Virus

ICRC: International Committee of the Red Cross

IDPs: Internally Displaced People

IFDD: International Fundraising Development Division

IFRC: International Federation of the Red Cross and Red Crescent

IMF: International Monetary Fund

IRCRC: International Red Cross and Red Crescent

IRUK: Islamic Relief United Kingdom Base

IRW: Islamic Relief Worldwide

MDGs: Millennium Development Goals

NGOs: Non-Governmental Organizations

OIC: Organization of Islamic Cooperation

PBH: Peace Be Up on him

S.W.T: subhanahu wa ta'alla

UK: United Kingdom

UNICEF: United Nations Children's Fund

UNWFP: United Nations World Food Program

USA: United States of America



INTRODUCTION

Background of the Study

Poverty becomes one of the barriers for human life development around the world. Poverty is affecting human life in developed, developing and as well as under developing countries around the world. However, Muslim countries have been highly affected by poverty than other parts of the world (Pinkovskiy & Sala-i-Martin, 2016), 579-631. Poverty is a multidimensional societal wonder, and it might vary by gender, age, culture, and additional public and monetary circumstances (Moletsane et al., 2010). An estimated 800 million people live below the international poverty line of \$ 1.25 a day (World Bank Group, 2016). Despite notable development in some Muslim communities, the percentage of poverty remains relatively high at 33.1% in 2011 (OIC Report, 2015). Efforts to alleviate poverty at national and as well as international levels have been seen in different parts of the world. One of the undertaken programs against poverty is Millennium Development Goals (MDGs). Moreover, there are also remarkable contributions for the poverty reduction programs at the level of Non-Governmental Organizations (NGOs), regimes and local organizations. For instance, social finance programs are implemented in this regard in many countries as tool against poverty by providing financial services to low-income enterprises and households as well (Bakhtiari, 2006), 65-71. Furthermore, interest-free loans were also provided for individuals to empower the financial situation of low-income client and for income generating activities (Ariful, Atanu, & Ashiqur, 2017), 34-44.

The *waqf* institution was also widely implemented as one of the organizations that have shown good path record in poverty alleviation. Since the first centuries of Islam, the institution of *waqf* has widely played a vital role in the betterment of the society. *Waqf* and *Zakat* were utilized by Muslims to combat poverty and enhance the social welfare (Personal, Archive, & Bello, 1971), 2498-2505. *Awqaf* were used to provide several services in the society free from any costs ranging from building mosques, hospitals, schools, *madrasas*, education, health care, libraries and other (Çizakça, 1998), 43-70. Although, the effectiveness of *awqaf* was recognized in providing a lot of social well-being services, it was only in immovable assets. For that reason, its mobilization was seen sometimes very complex, as it was not possible to reallocate it easily or without expenses. Due to these reasons and others, the application of cash-

waqf started in the former Ottoman period which had its capital in cash so-called. They established the cash-*waqf*, because of its flexibility in nature, it is easy to operate and opened for anyone to contribute in its fund. It is further argued that cash-*waqf* was successfully practiced by the Ottoman Empire for centuries as instrument for poverty alleviation (Ahmad, 2015), 63-74. Recently, there have also been commendable efforts to build on the Ottoman efforts particularly the investment models related to cash *Waqf*. Although, those precedent works have contributed a lot in the development of communities, their focus was mainly confined to local or national level. Thus, the fund mobilization remains a big challenge globally. The aim of this present study is to fill up this research gap by proposing a model of mobilizing fund through Global Cash-*waqf* institution. The study adopts content analysis to construct this Global Cash *Waqf* Model or GCWM for poverty alleviation in Muslim countries. The reason for choosing cash-*waqf* is its nature, because it is flexible and easy for anyone to contribute to its fund.

Problem Statement

The problem of Poverty in the Muslim World has been posing multifaceted challenges to the life of individuals and relations of people (Omotayo, Ogunniyi, Tchereni, & Nkonki-Mandleni, 2018), 27-38. Although this problem has been gaining scholarly attention and raised in relation to various issues ranging from social injustice, rampant corruption, societal instability, wide social polarization and insurgent movements that affect the regional peace and stability at large, neither effective economic mechanism proposed nor implemented to address the problem effectively. Thus, the condition of poverty needs a scholastic approach to devise alternative economic policy instruments towards the problem. In this regard, it is also important to appreciate the recent initiations in the field of Islamic economics to present optional view to the existing and alien economic models in the Muslim world. The proponents of the Islamic economic system and reorientation of the Muslim world's economy based on Islamic principles are not a mere criticism of the western systems (Farooq, 2009), 45-76. Rather it is based on timely need and living experience of the Muslim societies who suffer from prevalent poverty and deprivation of resources despite the existing system resources management (Jentoft, Onyango, and Mahmudul Islam, 2010), 345. The discrepancy furthered by the fact that most Muslim countries naturally endowed with plenty of natural resources. It is also a solid fact that throughout its history, Islamic

teaching gives much more values for social justice and the welfare of the society (Chaudhri, 2003). The difference between the availability of immense economic resources in the Muslim world, rich socio-cultural and economic values that proved to realize social justice in the history of Islamic civilization on the one hand and the living experience of Muslim countries in today's world call to rethink about and look for Islamic ways of solving the poverty problems. This work is particularly aimed at discovering an economic model that can address the problem of Poverty in the Muslim World based on the principles of Islamic economic system using the cash-*waqf* system.

Due to the complexity of the poverty issues, poverty alleviation has become a multi-dimensional phenomenon reflecting the attention of many academicians and agencies all over the world. To address the alarming poverty matters, many researchers and agencies have proposed cash-*waqf* as a solution for poverty eradication, and they have discussed several models of cash-*waqf* in this regard. Although their works and contributions were found useful and beneficial, they are still stay insufficient to solve the poverty problem facing the Muslim World. This is because of the narrow scope of their studies. More specifically all the previous studies on the topic try to solve the poverty problem at the national level only and none of them gives a try to solve it at the international level. Unlike those previous works, the researcher feels that there is a need to look at the matter of poverty as an international worry and how it should be solved with joint efforts among Muslim countries. Hence, this study proposes the establishment of a global cash-*waqf* fund model in the Muslim World to which Muslims should jointly contribute to reduce poverty in their countries.

Objectives of the Study

1. To study the existing cash-*waqf* structures and to examine their roles in Islamic microfinance.
2. To propose a global cash-*waqf* model which possible to reduce the poverty in Muslim countries.

Research Questions

This research study seeks to provide answers to the following research questions:

1. What are the existing cash-*waqf* structures and their roles in Islamic microfinance?

2. How to establish a global cash-*waqf* to reduce poverty in Muslim countries?

Research Methodology

A scholarly approach to any problem must rely on appropriate data and application of theoretical tools to analyze the data and substantiate it with theoretical claims. In this section, the study provides an insight on the research methods, specific sources of data and theoretical approaches that will be utilized to conduct this thesis with possible justifications for each. To achieve the research objectives and address the research questions mentioned above, the researcher will employ a variety of qualitative approaches mainly content and document analysis. The underlying reason to employ qualitative method is that dealing with the *waqf* system as a derivative of religious value necessitates addressing research questions by identifying human and societal experience. In other words, this study is to adopt social response, to address the economic crisis and to develop an economic model from this value. In this regard, Kuhn (1970) argued that any intellectual approach to the problems of human community should be understood in terms of social experiences. As this study will attempt to address research questions that involve *waqf* system as a social practice to poverty alleviation in the Muslim world, the researcher believes that numerical explanation is less relevant at least to this study.

In terms of sources of data, this study will rely mainly on secondary materials and less primary sources. Secondary sources such as previous scholarship and relevant research papers in the field, books, newspapers, articles and journals, seminar and conference papers, report and policy documents on the topic, academic research gates, and online research engines, relevant and useful websites will be utilized to achieve the purpose of this study. In addition to these secondary sources, the study will also use instructions from experts and academicians in the area who will be selected based on the researcher's personal judgments.

Significance of the Study

The significance of this study broadly falls in the following categories:

It will serve as a reference and initiation for future researches. It will help entrepreneurs and researchers in conducting future research projects.

It might be submitted to *Waqf* institutions and other related stockholders to serve as policy directions. The model that this study intends to develop will help many Muslim countries to set up a cash-*waqf* institution in their countries which is crucial to enable the latter to effectively manage its resources and be independent of external assistance and related manipulations. Furthermore, the proposed model will give a solution to solve the widespread poverty in the Muslim world. There is also a hope that the study will assist different administrations in making their financial decisions, and the legal authorities, banks to implement new policies which benefit the whole society.

The model will facilitate the fund's mobilization among Muslim countries which in return achieves an Islamic goal of distribution and redistribution of wealth to assure the well-being of all humanities in the society.

To sum up, this study will show how cash-*waqf* can be used effectively for poverty reduction and to relieve the financial constraints facing Muslim countries.

Research Scope

In terms of the issues, this study will cover the role of cash *waqf* system in the problem of poverty reduction, while its geographical coverage tends to shed light on the Muslim world at a general level. Due to the high experience of countries like Turkey, Malaysia, Indonesia, and Bangladesh, the study might highlight examples of cash-*waqf* practices from these countries in poverty alleviation, to derive new model to cash-*waqf* in poverty alleviation based on their experiences. This research focusses only on the side of poverty alleviation using the cash-*waqf* system, and techniques of raising fund for cash-*waqf* institutions using Islamic economic methods.

While conducting this study the researcher might face several challenges. The first and foremost limitation will come from the limited time and financial resources. Since this is not an opened-end research project, there is a limited time given to complete it, and that can limit the researcher to collect a large quantity of data in the subject matter. Also, the cost of conducting interviews and surveys in every country in the Muslim World to gather more data is a big challenge for this research. For the limitations, this study to its most part will rely on detail analysis of secondary data from various case studies, academic research papers and books. Despite these limitations, the researcher will do his best to ensure and maintain the academic quality of the study based on inviolable research principles.

Organization of the Study

The study will be organized as follows. The first part, an introduction which gives an insight on the background of the study, the statement of the problem, the research objectives and questions, research methodology, the significance of the study, scope of the study and the literature review. The Second part Chapter One which will cover theoretical frameworks and related terms to cash-*waqf* and poverty alleviation. In this regard, the chapter will deal with definitions of some concepts and terminologies, the origin and development of cash-*waqf*, and factors leading to poverty in Muslim countries. The Second Chapter will basically focus on some existing models for poverty alleviation globally well-known. In this regard, the chapter will discuss the "Islamic Relief Worldwide" approach in poverty alleviation, the "Red Cross and Red Crescent Movement" contributions in this field. Similarly, the chapter will also include the "UNICEF" approach in fighting against the poverty in the world. There will be also a discussion about some cash-*waqf* models. The Third Chapter will propose the global cash-*waqf* model which possible to reduce poverty in Muslim countries. The chapter will mainly focus on how to structure the global cash-*waqf* institution. In addition, the chapter will give guidelines on how intact the original fund can be. Lastly, the chapter will explain who the beneficiaries of the proposed model will be. Last but not the least, the last part of the study will draw sound conclusions and forward plausible recommendations based on the findings.

Related Literature

There are multiple studies relevant and valuable to the topic and discourse of the present study. Some books, papers and academician works were proved to be useful for this theme while others, among those materials, have only partial relation to the recent research. Hereby, the researcher attempts to investigate some of them which are in line with the subject matter of this study. Therefore, to discover the knowledge gap in the research area which needs further study.

Aoun (2004), studies the poverty challenges and he concluded that the problem of poverty becomes the greatest challenge facing mankind in general and Muslim communities particularly. Although poverty is a huge and growing matter that affects the global community altogether, Meisami et al (2011) believe that it rapidly spreads in the Muslim World in recent years. Similarly, Kuzudisli (2017), mentions that

despite the poverty being a global worry in human life all over the world, but the Muslim countries are more confronted by a high level of poverty issues compared to non-Muslim ones. According to a conference which was held in Pakistan in the year 2011, there were approximately 1100 Million poor in Muslim countries earning less than \$2 per day (True Banking, 2011). Accordingly, the condition of poverty was attributed to either inadequate or exclusive access to financial services. Shirazi and Bin Amin (2009) examined the poverty issues in OIC and came up with the conclusion that 31% of the entire population in the 57 OIC (Organization of Islamic Cooperation) member countries live under the poverty line of USD \$1.25 per day, and other countries like in Africa, Indonesia, Pakistan, India etc.... also have serious poverty issues. Altwaijri, (2014) makes a crucial remark by saying that, the Muslim population only stands for 24% of the entire population of the world. In the same regard, this remark was supported by Akhtar and Arif (2000), stating that such a small population is indebted to half of the global poverty, even though it endowed with plenty of resources. Unlike the above explanation Pew Research center, (2011) examined the poverty causes in Muslim countries and believed that the high poverty level in the Muslim world is associated with its rapid population growth. On its report on Religion and Public Life, the Center revealed that Muslim countries have higher fertility rates than non-Muslim population. However, this explanation faces immense criticisms from scholars in the Muslim world as part of Western defamation of Islam and instrument of dominating the Muslim world. Regardless the above debate on single factor analysis the holistic examination of the issue provides multiple factors for the proliferation of poverty in the Muslim countries ranging from lack of access to high education, health care, increase in unemployment level, unproductive works, quick increase fertility, to rampant corruption and discrimination of sections of certain communities to job opportunities (Bruton, 2002). Whatever the case accountable, an immense suffering and deprivation are a reality cross Muslim society. Moreover, the widespread poverty and related problems like joblessness, lack of education and inequality in access to natural resources make young Muslims to be easily recruited by misleading organizations that advocate extremism which intern negatively affects the peace and stability of many Muslim countries (Kohut et al, 2005). In this regard Gallup (2005) argued that among the total numbers of victims of poverty (26%), 12% were involved in a war, violent conflict including terrorism. This was based on the survey he conducted in 68 countries.

Amid this problem, the mechanism of poverty alleviation in the Muslim world hunts the mind of both intellectuals of various disciplines and policy and decision makers alike. Similarly, the poverty alleviation has become the main concern of various stakeholders ranging from government and private sectors to civil society and non-governmental organizations since very recently. There is no single doubt that poverty is a widespread issue in the world, but even very worst in Muslim countries in general. The aim of this research is to examine the factors that lead to extreme poverty in the Muslim world and to explore effective and alternative mechanisms which can help in poverty reduction projects. Since the application of Cash-*waqf* is the main focus of this research study, it is important to write down few lines on *waqf* institutions in general and particularly Cash-*waqf*. *Waqfs* are religious endowments recognized by Islam as pious or charitable donations for the sake of God, and they can be immovables or movables (Yalawae and Tahir, 2008).

Cash-*Waqf* is one type of *waqf* institutions where the capital of *waqf* is cash money. Like other systems the establishment of cash *waqfs* is for a specific purpose, meaning the cash that is the capital of *waqf* is operated by Islamic methods, and the revenues derived from those operations is spent in the establishment purposes of the cash-*waqf* institution (Bulut et al, 2016). The *waqf* institutions were widely used by Muslims since the first centuries of Islam for various purposes including education, building mosques, and schools, taking care of orphans and widows, and many other activities for the betterment of the society. The existence of endowment or *waqf* can be traced back to the establishment of the first house of worship in Islam (*Al-Kaaba*) in *Makkah* as quoted in the Holy *Quran*: "*The first House (of worship) appointed for men was that at Makkah: Full of blessing and of guidance for all kinds of beings...*"¹.

Also, Chowdhury (2011) studied the economy of *waqf* institutions and confirmed that the first use of *waqf* was not confined in its immovable type only, like mosques, lands, buildings, but the movable *waqf* was also widely used and recognized by the Ottoman *Sultans* as they believed that the funds derived from the immovable *waqf* properties are meant to prevail the implementation of Islam in Western World. It is very clear through the forefront points discussed before, that the idea of *waqf* is not new. Similarly, the practice of the *waqf* system continues today in various areas with different applications. In this regard Khan, (2014) argued that Muslims established

¹ Surat-AL'Imran, ayat: 96

several types of *waqf* institutions for the wellbeing and betterment of societies in many areas such as health care, public utilities, education, funding research projects, scholarships for students at different levels, and funding for orphanages, houses for elderly people and needy (M. T. Khan 2014). The Ottoman Empire earned its wide reputation among nations by the successful practice of the *waqf* system in various areas in the society. For instance, it is argued by Ahmad (2015) that, the successful use of cash-*waqf* by the former Ottoman Empire for long period left its positive impact in the poverty alleviation, also the city of Fes in Morocco previously used the cash-*waqf* system in lending and borrowing. Again Topbas (2010) pointed out that *Waqf* institution in the Ottoman Era was not limited to serve humanitarian services only, but also the whole nature including animals and plants. However, this does not mean that other civilizations have not contributed to the development of the concept *Waqf* system. In this regard, Toraman, Tuncsiper, and Yilmaz (2007) studied the history of the *waqf* system and they concluded that cash-*waqf* started and was practiced since the ancient Mesopotamia, Greece and the Roman Empire. However, its full development and maturity have been realized by Muslim societies in the early 16th century, particularly among the Ottomans.

Likewise, many academicians and researchers in contemporary time strongly advocate for the applications of *waqfs* or endowments to ensure the welfare of Muslim communities and societies. Among them, Md. Mahmudul et al. (2018) insisted on the significances of *waqf* as a mechanism for rendering social welfare services in the social entrepreneurship context. In this light, Gundogdu et al. (2010) mentioned the use of cash-*waqf* as a public *waqf* which has become famous in the last decades in both Muslim majority and minority countries like Malaysia, Indonesia, Kuwait, and in the UK. Accordingly, the main objective of the *waqf* system in these countries was to raise fund from the public and then use that fund to support for the welfare of the society. More importantly, Saifuddin et al. (2014) identified cash *waqf* system as a prospering and effective tool of poverty eradication and reduction projects in different societies. For instance, the study by Hasan and Siraj (2016) about the complexities matters of *waqf* development in Bangladesh, came up with a conclusion as; "The centralization of *Waqf* administration in Bangladesh can result in communication barriers, possibilities of power misuse and inefficient supervision". Similarly, Mukhsin et al. (2016) conducted the study on the potential of creating cash-*waqf* for public welfare

in multi-religious country, and they concluded that cash-*waqf* is important for the entire public irrespective of religion, race or citizen in the sense that it provides fund for public services such as infrastructure projects in many countries.

This follows that despite immense attempts by the academic community of different disciplines on the topic of poverty alleviation, the problem continues to affect the lives of millions of Muslims at an alarming rate. This implies the need for further study in the area both to look at the gaps of previous researches and to come up with new findings that contribute to knowledge production and policy directions. Particularly, this study will attempt to show the fact that Islamic economic method; cash-*waqf* is a good alternative to provide solutions to poverty problems in Muslim countries. Yes, there have been many studies on the topic as seen throughout the above literature review. However, the researcher believes that the topic still needs further study. This is because of the limitation of previous researches in their research scope. As it can be clearly seen that the topic was studied only at a national level in all or not least in most of the previous studies. Unlike those studies have done previously, the motivation of this study is partly to make positive contributions to the topic in the context of the cash-*waqf* system at the international level not only at the national level. Therefore, the researcher aims to see the possibilities of establishing a joint global cash-*waqf* fund in a city of Muslim countries. This joint cash-*waqf* will play a role of providing support to any Muslim country if there are natural disasters or social instability or refugees supports needed in that country.

CHAPTER ONE: RELATED TERMS

This chapter examines the extant literature on Cash-*waqf* system and poverty alleviation. In this regard, the chapter gives a broad overview of Cash-*waqf* system and discusses its role in relation to poverty alleviation in Muslim countries. The chapter consists the definition of key terms, conceptual framework and the related literature on cash-*waqf* institutions.

1.1. Definition of Terms

1.1.1. Definition of *Waqf*

1.1.1.1. *Waqf* in the Arabic Lexicon

The word *waqf* is taken from the root word in the Arabic language (*waqafa*) and its plural is *awqaf*. The word is used in Arab in the meaning of stopping or holding on, not to move (Muhamed, 2013), 4-5. In other words, to freeze something and prevent its movement regardless of the nature of that thing (Ali and Khanom, 2014), 43-64. The word *waqf* is also defined in the English Oxford Dictionary by the following definition: "*Waqf* Origins from Arabic, literally 'stoppage, immobilization (of ownership of property)', from *waqafa* 'come to a standstill'".

1.1.1.2. *Waqf* in the *Shariah*

In the *Shariah* perspective, the context of *waqf* was understood and defined by the four great fiqh schools differently. Therefore, the definition of each school regarding *waqf* will be followed:

a) *Al-Hanafi School*

Al-Hanafi's school is one of the four major legal *Sunni* school in Islamic legal reasoning in Islamic law. Its first leader was *Imam* Abu Hanifa he was born in 80 A.H/ 699 A.D and died in 150 A.H/767 A.D. This school is also known as the school of "*Mazahab Ahl- Ray*" meaning the reasoning school. They defined *waqf* as: "To keep a property as owned by Allah and give alms from its returns". The takeaway from this definition is that the ownership of *waqf* once established belongs to *Allah* (S.W.T), the

original property should be kept and only its revenue is spent for the purpose for which the *waqf* fund was established (Gaudiosi, 1988), 1231-1261.

b) Al-Maliki School

Al-Maliki's school like the *Hanafiya* is one of the four major legal *Sunni* school of Islamic law. It is the second school after the *Hanafiya* historically and the first one in term of documentation. Its first founder was *Imam* Malik born in 93 A.H/713A.D and died in 179 A.H/795 A.D, and it is also "*Mazahab Ahl-AL hadith*". They defined *waqf* as: "To give the returns of something as long as it is existent, and it has to be owned by the endower even if presupposed". This definition also like the previous indicates that only the returns are spent on the purpose of the establishment of the *waqf* fund. However, in the definition, one can understand that the owner of profits belongs to the beneficiaries of the *waqf* property. While the original property must be owned by the donor if the property continues in existence (Personal, Archive, and Elasrag, 2017), 2498-2505.

c) Al-Shafi'i School

Al-Syafi'i's school is the third school of the four schools of Islamic law and its first leader was *Imam* Shafi'I born in 150 A.H/767 A.D and died in 204 A.H/820A.D. *Waqf* was defined by this school as: "to keep the wealth that can give benefit, and keep it remaining in the same form while the original owner cannot consume it". Based on this definition, the endower is not allowed to consume the property. Rather it should be kept in existence and its purpose is to bring the endower closer to *Allah*. The property should be kept in the same form and should be profitable (Suleiman, 2016), 27-43.

d) Al-Hanbali School

It is the fourth school of Islamic law and was initiated by *Imam* Ahmed *Ibn* Hanbal born in 164 A.H/780A.D and died in 241 A.H/ 855 A.D. They defined *waqf* as: "To keep a capital and consecrate returns". Again, this definition also is not far from the previous definitions. It recommends the preservation of the original property and to create returns from it, which is spent for the initial purpose of the *waqf*.

It is understood from all the forefront definitions that the essence of *waqf* is to conserve an asset and disburse its returns or usufructs for charitable ends. The essence of *waqf* emphasizes the importance of perpetuity as well of the asset or the property by

protecting it from being consumed or transferred through any type of ownership transformation contracts. Therefore, in accordance with the above discussion, *waqf* can be defined as, it is the isolation of certain funds or properties which are productive and spending their benefits or returns for charitable purposes free from personnel disposal. Similarly, this definition implies the concept of cash-*waqf* also, only cash-*waqf* differs from the real estates by having cash money in its capital. So, cash-*waqfs* are *waqfs* which are formulated with cash money as capital (Bulut et al, 2016), 28-31.

1.1.2. Poverty Alleviation

1.1.2.1. Definition of Poverty and its Types

a) Definition of Poverty

The poverty alleviation requires a knowledge of the meaning of poverty and distinction of poor people. By defining poverty, it is easy to know who is poor and who is not. Thus, the following discussion will clarify the meaning of poverty and who are called poor.

Poverty is a physical deprivation of a person from multiple resources especially if he lacks what is necessary for human well-being such as food, shelter, land and other basic needs (Iqbal & Khan, 2004). Tolerance United Nations (1998) defines poverty as: "Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation". Some authors like Adam Smith went beyond this context and gave a conceptual definition to poverty by stating that: "not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without" (Smith, 1976), 743. Likewise, the Nobel prize-winner Amartya Sen argued that poverty is: "a standard at which one cannot "achieve adequate participation in

communal activities ... and be free from public shame from failure to satisfy conventions" (Sen, 1983), 153-169. Based on the forefront discussion, the concept of poverty is not only the inability to meet human physical needs, but it also implies the inability to fulfil our social needs in different aspects of the life. Therefore, the poor people are those who are socially or physically deprived of their needs. This elaboration indicates that poverty is diverse categories. The next section discusses the types of poverty in line with this explanation.

b) Types of Poverty

Due to the multifaceted character of poverty, it has diverse types and categories which require a deep understanding of their nature in any poverty alleviation project. As explained before a poor is someone who does not have the adequate income or necessary other economic resources required to preserve the acceptable or decent quality of life. This situation of being poor might be deferent in many circumstances depending on the status of the poor person and the lifestyle of the society in which he/she lives. Therefore, poverty can be classified into dissimilar types and dimensions but here in this study, the following terms are just some examples such as absolute poverty, relative poverty, situational poverty and generational poverty.

Absolute Poverty

The person is poor if he or she is completely deprived of all human basic needs such as foods, drinking water, shelter, clothing and all other necessities in humanity. Gordon (2005) defined the absolute poverty as: "Absolute poverty is a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services". This type is also known as extreme poverty or severe poverty because the person in this kind of poverty is unable to maintain the decent quality of life. If there is absolute poverty in existence, people lack capabilities to manage their own lives. Hereby, the poverty reduction projects need to play an immense role by initiating opportunities, empowering, securing and enabling people to manage their lives.

Relative Poverty

The relative poverty means if people lack a certain amount of income in relation to the overall distribution in the society (Wagle, 2008). Hence, a person is relatively poor if

he is below the average income standard in his society. Under this type, the person has all the basic needs of survival, he is just considered poor in relation to the overall distribution among the individuals in his community. In other words, a person is relatively poor, when he has been clearly allocated in a low situation, financially or socially, with regards other members in the environment or simply there is an unequal distribution in the environment (INE, 2009). Therefore, Islam discourages injustice in societies by preventing wealth to be a circle among rich people only.

Situational Poverty

The situational poverty is generally a result of an unexpected financial crisis, it includes incurrence of natural or environmental disasters, sudden divorces, sudden sickness, security problems and so on (Resources, 2008). It refers to people living in poverty for a short time or temporary as results of the above causes.

Generational Poverty

This type is quite different from the preceding one because it indicates staying in poverty at least for two generations, so its period is longer than the period of the situational poverty (Amos et al, 2015). Accordingly, the causes of generational poverty are linked to lack of enough access to full education and inability to think positively about techniques of development. In brief, the attitude is the key indicator to distinguish between the situational poverty and the generational poverty. In generational poverty, there is always a belief that the society owes its members a living while in situational poverty, the society is free from that duty (Saugstad, Jen, 2010). Like it has been noted before the preceding discussion was just an examination of a few concepts interrelated to poverty. Thus, the above discussion is a prerequisite for a better understanding of the concept of poverty and getting necessary information about who is poor and who is not, how the poverty problem should be treated and solved. In poverty alleviation program it is very important to provide full and enough picture of poverty status and the poor situation to make the alleviation process easier and efficient (Harvey, 2008). Therefore, a good understanding of the types of poverty and its multidimensional measures is crucial in this regard. To sum up this section, the poverty is a multidimensional concept, it differs accordingly from one country to another or from person to another based on the poverty line recognized by the economic measurements in each environment. Moving on, the following section will discuss the

legal framework of cash-*waqf* in line with scholar's opinions regarding cash-*waqf* in Islamic law of contracts.

1.1.3. Legality of Cash-Waqf

The endowments or the *waqf* institutions are Islamic charitable funds which get their inspiration from the Holy *Quran*, the *Sunnah* of prophet Muhammed (S.A.S), and from *Ijma'a*.

From the *Quran*

Although the word *waqf* did not occur in the *Quran*, there are many verses in the *Quran* emphasizing spending like verses on “*Sadaqah* and *Zakat*”. Therefore, the Islamic jurists deduced the legitimacy of *waqf* from the general implications of those verses by the way of analogy (*Qiyas*) saying that spending is a common feature which *waqf* shares with “*Sadaqah* and *Zakat*”. The following verses are few examples from which *waqf* institutions acquire their legitimacy in Islamic law:

Allah says in many verses in the Holy *Quran* which are interpreted as follow:

“*So, fear Allah as much as ye can; listen and obey and spend in charity for the benefit of your own soul. And those saved from the covetousness of their own souls, they are the ones that achieve prosperity*”².

“*You will not attain unto piety until you spend of that which you love. And whatsoever you spend, Allah is aware thereof.*”³

“*Say: Surely my Lord amplifies the means of subsistence for whom He pleases of His servants and straitens (them) for whom (He pleases), and whatever thing you spend, He exceeds it in reward, and He is the best of Sustainers*”⁴.

“*...and whatever good you send on before you for yourselves, you will find it with Allah; that is best and greatest in reward*”⁵.

Each one of the forefronts mentioned verses from the *Quran* calls fellow Muslims to spend for charitable ends and teaches them the importance of giving charities in

² Surat-At Taghabun, ayat: 16

³ Surat-Al'Imran, ayat: 92

⁴ Surat-Saba, ayat: 39

⁵ Surat-Al Muzzammil, ayat: 20

building a prosper environment. Moreover, the *Quran* invites all believers to compute in all kind of good deeds and *waqf* is one of the most beneficial deeds in Islam.

From the *Sunnah*

There are various *Ahadiths* (traditions of Prophet S.AS), encouraging the endowments in Islam and its role in achieving justice in wealth distribution and redistribution among members in the society. The following *Ahadiths* are some examples:

It is narrated from Abu Hurairah (r.a.) that the Prophet (s.a.s.) said: “*When a man dies his acts come to an end, except three things: ongoing charity, beneficial knowledge and pious offspring, who prays for him.*” [Narrated by Muslim, the book of bequests (*al-kitaab al-wassayah*), 14].

The ongoing charity here was interpreted by *waqf*, and it implies leaving behind, any beneficial product which continuously serve the society and humanity.

It was narrated from Ibn ‘Umar (r.a.) that when ‘Umar (r.a.) got some land in *Khaybar* he went to the Prophet (s.a.s.) and said, “*O Messenger of Allah, I have acquired a land in Khaybar which I consider as the most valuable from any I have ever acquired, so what do you command me to do with it?*” He replied, “*If you wish you may make the property an inalienable possession and give its produce as charity.*” So ‘Umar (r.a.) gave it as charity declaring that the property must not be sold, given away, or inherited, and he gave its produce as charity to be devoted to the poor, relatives, the emancipation of slaves, *Allah’s* path, travelers and guests, no sin being committed by the one who administers it if he eats something from it in a reasonable manner or gives something to someone else to eat, provided he is not making from it the source for his enrichment. [See *Bukhari al-kitaab al-wassayah*, 22, 28].

It was narrated by Anas (r.a.) that Abu Talhah (r.a.) was the one among the *Ansar* of *Medina* who possessed the largest property (palm gardens) and among his property he valued most was his garden known as “*Bairaha*” which was opposite the mosque, and the Messenger of *Allah* (s.a.s.) often used to visit it and drink from its finest water. When this verse was revealed: “*You will not attain unto piety until you spend of that which you love. And whatsoever you spend, Allah is aware thereof.*” [3:92]. Abu Talhah (r.a.) got up and approached to the Messenger of *Allah* (s.a.s.) and said: “*O Messenger of Allah, Allah revealed to you: “You will not attain unto piety until you spend of that which you love,” and the dearest of my property is Bairaha’. I’m giving*

it as endowment in the sake of Allah from Whom I hope for reward for it and the treasure with Allah; so, spend it, O Messenger of Allah, on whatever Allah guides you. The Messenger of Allah (s.a.s.) said: "Bravo! That is really profit earning property! That is really profit earning property! I have heard what you have said, but I think you should spend it on your nearest relatives". So, Abu Talhah (r.a.) distributed it among the nearest relatives and his cousins on his father's side. [See Bukhari Wassayah, 17].

Again, it was narrated by al-Baghaway that: "A man from Bani Ghifar had a well called "Rumah" which he was selling. Prophet (s.a.s.) said: "Give it to me for exchange of the well in Paradise." He answered: "O Messenger of Allah, I have nothing for myself and my family except this." As soon as this news reached Uthman (r.a.), he purchased it for 35000 dirhams and came to the Prophet (s.a.s.) and asked: "Do you promise me what you promised him?" He (s.a.s.) replied: "Yes". Uthman said: "I made it for Muslims"

From *Ijma'*

Waqf was very famous among the companions, in this regard Jabir Bin Abdullah (r.a.) says: "I do not know any Muhajir or Ansar wealthy enough who does not have an endowment" (Ibn Qudamah, Al-Mughni, vol. v:598). The scholars have understood from this statement by the fellow companion Jabir (r.a.) that there was a consensus (*Ijma'a*) among the companions on the legitimacy of *waqf*. Since the period of companions until now, the *waqf* institution is well-known and widespread among people and no one rejected it starting from its earlier centuries until now, so that makes it an *Ijma'a* among Muslim scholars.

1.1.4. Shari'ah Legal Framework to *Waqf*

1.1.4.1. Pillars of *Waqf*

Every *waqf* is formulated by five pillars some of them are like the pillars of any other contract in Islamic commercial law: expression of offer (*sighah*), founder (*waqif*), the subject matter of *waqf* (*al-mawquf*), the trustee (*al-mutawalli*) and the beneficiary (*al-mawquf alaihi*).

1.1.4.2. Expression of Offer (*Sighah*)

Necessity of Expression of Offer

The *sighah* implies both the offer and acceptance in *waqf* like in other financial contracts. The expression of the offer is required in *waqf*, however in the acceptance, the expression is not necessary in it. Therefore, the *waqf* is considered valid if the beneficiary does not accept the *waqf* while he has legal capacity to engage into contracts. However, the beneficiary will not be entitled to receive the benefit of the *waqf*, and it will be reallocated to charitable purposes if there are no other beneficiaries sharing with him that *waqf*.

Forms of *Sighah*

The expression of offer in *waqf* (*sighah*) is the evidence to show the consent to allocate an asset or property for *waqf* or to accept it and it can be either verbally or in writing or using any other customary means in line with *Shari'ah* rules.

Expression to give a property for *Waqf* in the future

It is acceptable to fix the *waqf* contribution to a future event for instance “I am giving this property to *waqf* the coming year” (Sharifah Zubaidah Syed Abdul Kader and Nor Asiah Mohamad, 2014).

Perpetuity of *Waqf*

The basis is that *waqf* is perpetual once it is done. However, temporary *waqf* is also accepted if the founder (*waqif*) clearly mention the period after which the ownership of *waqf* returns back to him (Act, 1985).

1.1.4.3. Founder (*Waqif*)

The *waqf* institution can be established either by a natural individual or by a legal entity. Therefore, if the founder of the *waqf* is a legal entity, its declaration should be done by the General Assembly and not only by the Board of Directors (Mohamad, Kader, and Ali, 2012). Moreover, if the *waqf* is founded by a natural individual, this person should possess the following qualities to make the *waqf* valid and legal:

- The founder should not be an insane person (*gayr aqil*), meaning he should be in full possession in his mental capacity which will grant him legal capacity to carry out financial transactions.
- The founder should be also an adult (*balig*), because if he is not adult will be under provision of another person and that prevent him to have legal capacity for certain financial contracts.

- The founder should be a free person (*hurr*) not under slavery for any person, because the slave and what he owns belong to his master (slaveholder).
- Lastly, the founder should be capable of transferring the ownership of the property or asset from himself to the ownership of *Allah* in lawful manner (Elkhatib, 2016).

1.1.4.4. The Beneficiary of Waqf (*Al-Mawquf Alaihi*)

The beneficiary of waqf is the recipient of its benefits or who should get the usufructs of the *waqf* endowment funds. According to Suleiman (2016), *waqf* should not be used for non-permissible activities in Islam, and it should be only used for good deeds without any condition in the contracting period. Approximately, this view was supported by other jurists by saying that it is permissible to give *waqf* to non-Muslim if it is not utilized in forbidden purposes (Nu et al, 2014). Furthermore, the existence of the beneficiaries is not a requirement at the time of the *waqf* endowment (Yusri, 2007), the *waqf* would be automatically transferred to charitable means if the beneficiaries are no more existing.

1.1.4.5. The Subject Matter of Waqf (*Al-Mawquf*)

The subject matter in *waqf* is the property or the asset allocated in charitable purpose for the sake of *Allah*.

a) Conditions of Subject Matter

There are some conditions which are required in any *waqf*, otherwise it will be invalid (see AAOIFI “Accounting and Auditing Organization for Islamic Financial Institutions” (2010). *Shari’ah* standard on Waqf (#33). Arabic).

- I. Valuable, recognized by the *Shari’ah*,
- II. Known (clarity of specifications),
- III. Full ownership of the property with no encumbrance⁶.

b) Nature of the Subject Matter

The subject matter can either be real estate which includes all movable assets attached to it, subjective to the intention of its perpetuity. Due to this, it is possible to endow

⁶ As in case of option (*khiyar*). If seller is given the right for *khiyar ash-shart* (conditional option), then the buyer cannot dispose the purchased asset until the specified period elapses.

movable assets regardless of whether they are attached to the real estate or not (Birkeland, Carr, and Lavin, 2013). Likewise, it is permissible to endow in cash-money because it is also a movable asset. However, it should be used in a way that does not lead to the consumption of its capital, like investing in lawful investments such as *mudarabah* contract, *sharia 'a* compliant financing. Only the profit earned from the investment is used for *waqf* purposes (Kahf, 2003).

1.1.4.6. The Trustee (*Al-Mutawalli*)

The trustee or *al-mutawalli* is the manager for *waqf* funds is defined as a person or a group of individuals or a group of institutions who are nominated by other trustees to manage and develop the *waqf* property (Gundogdu et al, 2010). According to Al-Musali and Ismail (2016), the *mutawalli* is responsible not only to manage the *waqf* property, but also to develop it and must conform with the *Shari'ah* rulings, and then with the stipulated conditions in *waqf* contract if there is no conflict with the provisions of the *Shari'ah*, and public interest. Furthermore, the trustee is expected to form, maintain and manage the given *waqf*, facilitate any financial operation related to *waqf* property or its usufructs. Similarly, as noted before it is the duty of the *mutawalli* to develop and expand the cash-*waqf* either by direct investment, through lawful financing modes (such as *mudarabah* contract) or by indirect investment by dealing with Islamic financial institutions. In brief, the *mutawalli* should manage and develop the *waqf* property properly, and he cannot violate any term stipulated in the *waqf* contract or conduct any dealing that goes against the provisions of *Shari'ah*.

1.1.4.7. The Ownership of *Waqf*

Kahf (2016) argues that once the *waqf* is established its ownership lies outside its founder who created it, and its ownership belongs to *Allah*. However, other jurists believe that the legal ownership belongs to *Allah*, while the beneficial ownership belongs to beneficiaries (Hari Candra and Asmak Ab Rahman, 2010).

1.1.4.8. Cash-*Waqf*

According to “Accounting and Auditing Organization for Islamic Financial Institutions”, AAOIFI (2010) *Shari'ah* standard on *Waqf* (#33), Arabic version, it is possible to donate *waqf* in cash. Then this cash must be invested in productive projects to keep it in existence, only the returns from the investment are spent for the

purpose in which *waqf* was established. *Shari'ah* compliant financing, investments based on such as *mudarabah* contract could be good choices to invest the cash received for *waqf*. More importantly to this view, *Imam Az-Zuhri* accepted when he was asked about endowing 1000 dinar as an investment with an entrepreneur, so the proceeds obtained from this investment would be transferred to poor or needy (Ahmad, 2015). In addition to what has been mention before, it was narrated by *Imam Shafi'i* by Abu Jafar that *waqf* on *dinar* and *dirham* is permissible (Diharto, 2016). This opinion of *Imam Shafi'i* is very crucial for the modern applications of *waqf* because most of its contribution is made in cash such as *waqf* certificates or *waqf sukuk*, etc.



CHAPTER TWO: THE EXISTING MODELS IN HUMANITARIAN RELIEF

This chapter reflects on different existing models of some international agencies in humanitarian relief. This is based on the believe that appreciating and close examination of existing body of knowledge and practical experiences boosts the academic quality of the work. For that purpose, the chapter presents three different humanitarian agencies here under; namely Islamic Relief Worldwide (IRW), International Red Cross and Red Crescent Movement, and United Nations Children’s Fund (UNICEF). These agencies have various natures ranging from secular motives, Christianity and Islamic motives despite their shared goal of assisting the poor and vulnerable sections of the society. Below elaborates the nature of the organization, purpose, functions and scope of these organizations. Far from mere reflection on these organizations, this study will draw important lessons from each and contextualize to the new model that the later aims to propose at the end.

2.1. Islamic Relief Worldwide

2.1.1. Historical Background

The Islamic Relief is a centralized Islamic charitable organization based in the United Kingdom (UK) working for the well-being of humanity worldwide. Founded in 1984 in Birmingham, United Kingdom, Islamic Relief has representative full-time branches and offices in over 25 countries, it offers assistance services to poor and needy people in more than 30 countries worldwide (Islamic Relief, 2013). The humanitarian services of the organization targets all people of the world regardless of race, political affiliation, gender or belief (Islamic Relief, 2013b). According to the annual report of Islamic Relief Worldwide in 2013, the organization focuses on sustainable livelihoods, education, health and nutrition, orphans and child welfare, water sanitation and hygiene, emergency relief and disaster preparedness, campaigning, integrated development. The Islamic Relief Worldwide aims to help vulnerable people in meeting their necessary needs, to empower them by providing

assistances to them with different services and projects, so they can become self-reliant to live confidently with complete dignity.

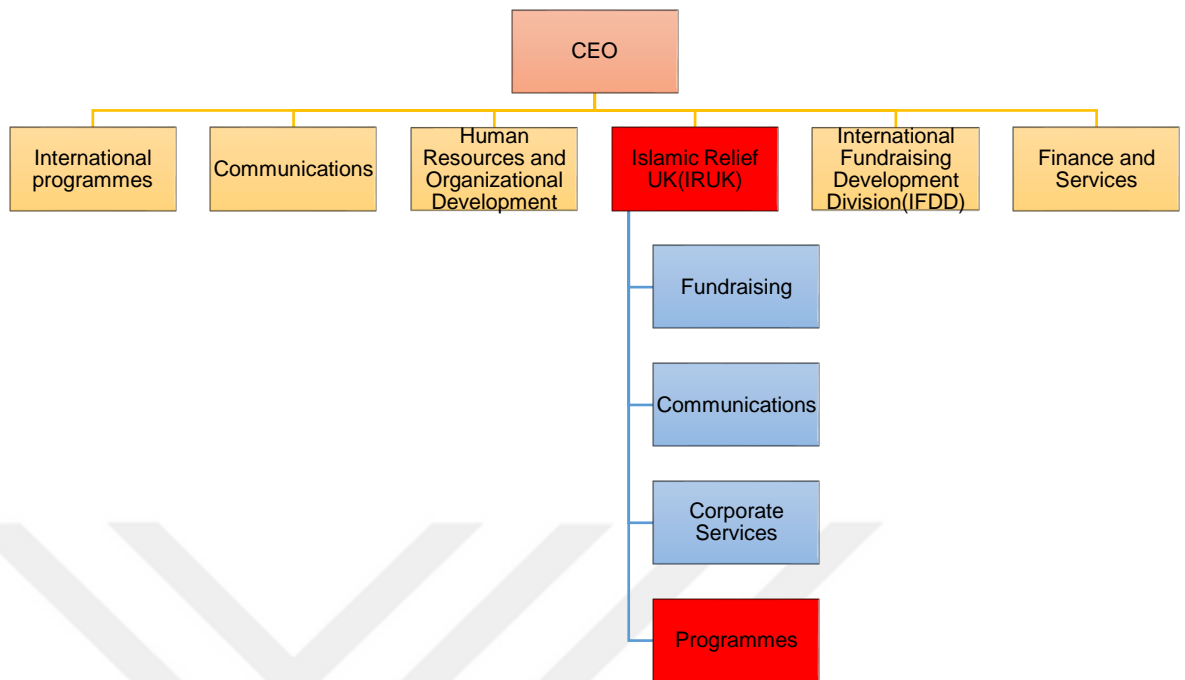
2.1.2. Organizational Structure

Organizational structure refers to the grouping of people and division of tasks in separate units of the same organization to develop coordination of communication, decisions and actions (Saqr ,2009). This means that there should be a close connection and togetherness during all the processes happening inside a specific organization, making it an efficient organization. As the existing model working in the same field of the present study, a good understanding of its organizational structure will be very helpful in the formulation of new models and structure of cash waqf. Bresser and Dunbar (1986) determine the centralization as the extent to which the power and all duties are placed in the top of the organization. Likewise the organizational structure of Islamic Relief places all its decisions on the Chief Executive Officer (CEO), that makes it a centralized organization (Islamic Relief, 2013). Islamic Relief Worldwide like any other humanitarian organizations cannot be run by one single person so that different branches and workers are needed to hold respective responsibilities.

The 2013 Islamic relief annual report explained the constitution of IRW and the role of the board of trustees, it tells that the organization is directed and controlled by the board of trustees. It is again the responsibility of the board of trustees to set the future aims and priorities through strategic planning and provision or governance. In addition to the above mentioned, the board of the trustees evaluates the organization performance and its progress in the undertaken programmes towards the poverty alleviation and disasters reliefs worldwide.

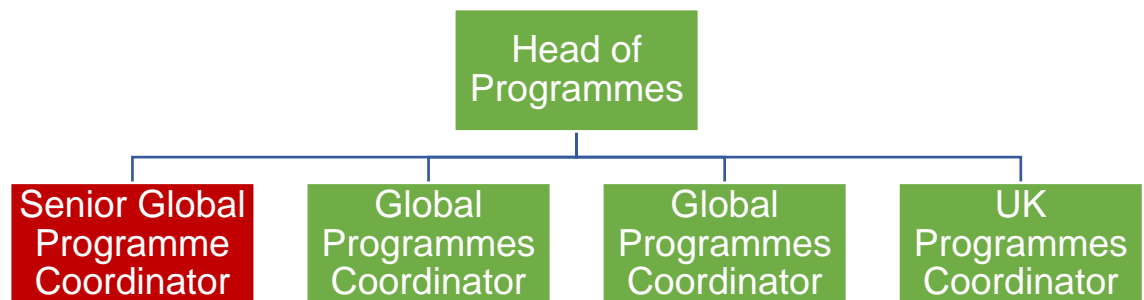
According to the above source, the Chief Executive Officer is the head of the Board of Directors and is charged of appointments or dismissals of his team to different positions. Likewise, the trustees are recruited or appointed voluntarily, and they are chosen based on their wide skills, knowledge and experiences needed to handle diverse challenges. The above elaboration about the organizational structure is presented in figure 2.1 below. Also, the department structure can be found in figure 2.2 below as well respectively.

Figure 22. 1: The organizational structure chart



Source: Islamic Relief Worldwide (IRW), Islamic Relief UK (IRUK)

Figure 2. 2: The department structure



Source: IRW, IRUK

2.1.3. Functions and Scopes

This section sheds light on the scope and operation of Islamic Relief Worldwide as enshrined in the organizations vision. Moreover, the section explains how this charitable organization delivers assistances to poor and needy, when and where. IRW has been implementing long-term and short-term projects to provide humanitarian missions and assistances all over the world in many fields ranging from protecting life

and dignity, empowering communities, campaigning for change, strengthening the Islamic Relief Partnership, personnel projects (IRW, n.d.-f). Moreover, Islamic Relief Worldwide as a charitable organization has worked to respond to emergencies for more than two decades around the globe. It works for sustainable development for those communities which are badly affected by disasters and poverty (IRWHA, n.d.).

2.2. International Red Cross and Red Crescent Movement

2.2.1. Historical Background

The International Red Cross and Red Crescent (IRCRC, hereafter) movement is a humanitarian relief movement worldwide which ties around 80 million people working together to provide helps and assistance to those individuals or communities facing disasters, conflict and health and social problems. It includes the International Committee of the Red Cross (ICRC, hereafter) the International Federation of Red Cross and Red Crescent Societies and the 191 National Red Cross and Red Crescent Societies (IRCRC, n.d.). Although these distinct organizations are independent from each other, they are gathered within the movement by common principles, aims, emblems, statutes and governing organizations (ibid).

The idea of IRCRC was born by the Swiss businessman and social activist Henry Dunant in 1859, due to the war that Europe was exposed to in 1859, between France and Austria, Henry found himself in front of the suffering of thousands of injured and killing soldiers in the battle area of Solferino (Bhushan et al., 2008). On the ground there was inadequate army medical services accessible, that pushed Henry to mobilize the local citizens of some small villages with whom he tried to provide basic helps to the wounded soldiers (ICRC, 2015).

Four years later, the International Committee of the Red Cross (ICRC), a private humanitarian institution was created in 1863, in Geneva (Switzerland), by Henry Dunant and Gustave Moynier with the intention to secure the protection and provide assistance for wounded during armed conflicts around the world regardless of race, religion, politic affiliation or other characteristics, working only for the development of humanitarian relief (ICRC, n.d.-a).

In 1919, the International Federation of Red Cross and Red Crescent Societies (IFRC) was founded in Paris as response to the need for close cooperation among Red Cross

societies which was shown by the world war I (IFRC, n.d.-a). It leads and organizes in close cooperation with national societies at the international level.

The National Red Cross and Red Crescent Societies, is available almost in every country offering humanitarian relief services globally, presently 191 National Societies are known and confirmed by the ICRC as full members of the Federation (ICRC, 2015). The ultimate objective of IRCRC regardless of its various distinct parts is to ensure the protection and adequate assistance to wounded people in armed conflicts and relief suffering from all human beings by providing enough health services to them or basic services needed.

2.2.2. The Fundamental Principles of IRCRC

The International Red Cross and Red Crescent Movement is guided by seven fundamental principles namely humanity, impartiality, neutrality, independence, voluntary service, unity and universality to offer humanitarian relief missions in efficient manner (Cross and Crescent, 2015). These are very crucial for the progress of IRCRC as they unite all Red Cross and Red Crescent activities into one central purpose to assist all people who suffer without any discrimination, and thus to transform the world from suffering to a peaceful life for all communities. Perhaps the elaboration of the fundamental principles will help in better understanding the policy of the organization in offering its humanitarian assistance. Therefore, in the following paragraphs, they are briefly explained for the reader guidance purpose.

a) The Principle of Humanity

The establishment and functioning of Red Cross Society is based on the universal principle of humanity regardless of differences in race, ethnicity, religion, and nationality. It specifies the origins of the movement starting with the desire to aid the wounded on the battle ground without discrimination, the hope for the double dimension of the movement in both the national and international level, it also declares the mission and the purpose of the movement, in brief the fundamental principle of humanity is a constant reminder about the objectives of the movement (IFRC, n.d.-b).

b) The Principle of Impartiality

The principle of impartiality means that IRCRC provides humanitarian assistance without any discrimination based on nationality, race, religious stand, political

affiliation. Its sole aim is to protect all individuals who are suffering from disasters or armed conflicts in any community worldwide as far as they are in need to be helped out, and the priority is always given to those who are in urgent positions (IFRC, n.d.-c). Thus the impartiality is based mainly on the basis of non-discrimination which is one of the most important elements while protecting human being in its different aspects whether in human rights law or humanitarian law or refugee law (Cross & Crescent, 2015). The priority of assistance is for those people whose vulnerability is high.

c) The Principle of Neutrality

In line with the forefront purposes of the movement, it is essentially important for IRCRC to be neutral in its movements to enjoy the confidence from everyone in the communities. The neutrality means that the organization is free from taking part in any hostilities or engaging in any kind of controversies politically or racially or religiously etc.(IFRC, n.d.-e). This also implies that there should not be any act in any way which could facilitate the conduct of hostilities by the parties involved. In short, the neutrality is the mindset and guide for the movement to assist everybody efficiently and easily at both national and international level.

d) The Principle of Independence

Independence is the key element that will allow the IRCRC to maintain their autonomy which facilitate and enable it to act in accordance with the fundamental principles of the movement. The whole idea of the principle of the independence is that IRCRC should not be influenced by any political, ideological or economic interference which can deviate it from acting in line with the requirements of humanity, impartiality and neutrality (ibid). Meaning the movement needs to act freely on the ground of assistance, its partial dependence on the political, economic and social conditions in any action will automatically hurt their autonomy.

e) The Principle of Voluntary Service

It indicates that the organization is only a volunteer movement to provide humanitarian relief services and should not be prompted for seeking any gain or profit from the people who have been helped. The voluntary service is indispensable in any society, so if it does not recognize its value in assisting beneficiaries, it might lose its touch with a vital source of motivation, inspiration and initiative (IFRC, n.d.-g).

f) The Principle of Unity

The unity indicates that only one Red Cross and Red Crescent is allowed in every country, and the states have the obligation to maintain this principle by preventing the establishment of any other society on their territory once they recognize the existence of a national society of IRCRC(IFRC, n.d.-f). For the efficiency purpose, the movement needs to recruit its members freely from any discrimination, therefore, the recruitment should include all ethnics, social and other groups and the principle would be violated if any discrimination appears in the membership recruitment(International Federation of Red Cross and Red Crescent Societies, 2013). As noted, before in the principle of impartiality, the society needs to be active in all parts of the country focusing on parts where the needs are the highest and urgent.

g) The Principle of Universality

The principle of universality tells us that the IRCRC is a worldwide movement in which all societies deserve equal status, equal responsibilities and duties in helping each other (Bhushan et al., 2008). One of the most important principles of universality is that the decision-making is advocated by all the Movement's societies by caring one vote at the Federation's General Assembly, the Council of Delegates and the International Conference, irrelevant of their size or wealth (ICRC, 2015).

2.2.3. The Functions and Scope of IRCRC

IRCRC is one of the world largest humanitarian relief organizations, that works in many countries around the world to respond emergency issues and to help people who are vulnerable to armed conflicts and disasters in conflict zones (ICRC, n.d.-e).

Supporting communities affected by disasters and emergency issues has always stayed on the top of the agenda of IRCRC worldwide, it supports people with disabilities to enable them playing an important role in the society in several countries. For instance, the organization has a fund called "Move Ability" a special fund of ICRC to aid people with disabilities, preferably in low and middle-income countries. With this fund, the organization facilitates the necessary convalescence procedures, and empowers people to speechless the difficulties they confront in their life (ibid).

The international Committee of the Red Cross is also working globally to secure the human treatment in helping prisoners, irrespective of the motives for their arrest and

imprisonment, because of the economic crisis in many countries, many families are not able to support their relative in prison and that leads to a big loss of energetic lifeline for various prisoners, then they become more secluded than before (ibid) .

The ICRC has implemented a broad picture of refugees, to cover all human beings who abandon their communities and move to other countries seeking safety and better life because of ongoing armed conflicts in their countries and other instability issues, and most people are always in distress and need quick protection and humanitarian relief missions (ICRC, n.d.-c).

2.3. The United Nations Children’s Fund (UNICEF)

2.3.1. Historical Background

After the world war II, there were millions of children suffering in Europe due to consequences of different conflicts and economic crises left behind the war. Then there was a need of creating an emergency agency to meet the challenge facing children in Europe specifically and in other parts of the world generally. In this concern, “The United Nations International Children’s Fund” (UNICEF, hereafter) as the first international organization founded on December 11, 1946, during the first meeting of the United Nations General Assembly with the purpose of addressing the world’s children issues and look after them to grant them meaningful life (UN General Assembly, 2007). At this first session of the United Nations General Assembly, the organization got its name as well “The United Nations International Children’s Emergency Fund” unanimously preferred by all participants in the meeting, and this name was later changed to “The United Nations International Children’s Fund” but the symbol remained always the same “UNICEF”.

UNICEF is an international humanitarian agency based in New York (USA), it now employs 5,600 people, working globally to protect all disadvantaged children in emergency cases such as all kind of disasters, victims of war in armed conflicts, extreme poverty, and all forms of injustices towards children, (“The UNICEF Vision and Mission for Children,” 2015).UNICEF offers humanitarian assistance services in over 190 countries around the world, striving to reach all the most vulnerable children, trying to save as much as possible the life of those who are in the danger because of poor health services, shelter, clothing, malnutrition and to secure the availability of

education opportunities for children with a consistent supervision of children's situation worldwide (UNICEF WEB, n.d.).

UNICEF is helping to save and protect children's lives than other humanitarian organizations, this is seen through its diverse services to put children first before others, by offering them health services and immunizations, clean water and sanitation, nutrition, good educational system, assistance for emergency relief and other (Dowdell, 2010). According to UNICEF annual report 2017, UNICEF USA plays a vital role in UNICEF's works and programmes by supporting it with its huge fundraising for education purposes and wellbeing of children, the report mentioned that UNICEF USA since its creation in 1947, raised in cash more than \$ 7.2 billion for helping children's life style (UNICEF USA, n.d.).

UNICEF has its regional offices in several countries worldwide, it operates services in every region through the respective regional offices which are as follow: The Americas and Caribbean Regional Office, allocated in Panama City, Europe and Central Asia Regional Office, based in Geneva, East Asia and the Pacific Regional Office, in Bangkok, Eastern and Southern Africa Regional Office, in Nairobi, Middle East and North Africa Regional Office, in Amman, South Asia Regional Office, in Kathmandu, and lastly through The West and Central Africa Regional Office, in Dakar (Office and Asia, 2016). In brief, UNICEF is striving in partnership and corporation with other humanitarian agencies to improve the life of the more disadvantaged children around the world especially in the developing countries and the most affected countries by natural disasters, armed conflicts, extreme poverty and other crises which can cause damages to children's lives if no precaution is taken before they happen.

2.3.2. Aims and Objectives of UNICEF

The protection of children's lives has always been the key focus of UNICEF activities throughout its programmes, therefore, it strives with the corporation of governments and non-government organizations (NGOs) to make the survival, protection and enhancement of children as universal development essentials that lead to anthropological advancement ("The UNICEF Vision and Mission for Children," 2015). One of the vital reasons of creating UNICEF is to help children to reach all their rights as deserve in the community. According UNICEF humanitarian action study

2017, that in line with its objectives, UNICEF responded to 337 humanitarian situations in each of the following areas: 119 situations of natural disasters (hydro-meteorological and geo-physical), 118 situations of health crisis (acute nutritional crisis, epidemic, influenza-human pandemic), 67 situations of Socio-political crisis (acute economic crisis, conflict/civil unrest, human rights crisis), 33 situations of other humanitarian situations (UNICEF, 2014). Even recently, the ambition of UNICEF is to achieve greater results in providing assistance for children all over the world by working together with its partners to implement its ambitious new strategic plan 2018–2021, which will help to reach the 2030 sustainable development goals leading to a world in which no one is ignored, to achieve this greatest goal UNICEF does not limit its activities to businesses as before, rather it goes beyond to include other innovative investments and construct efficient partnerships that facilitate the way to meet every child in need around the world (UNICEF, 2018).

2.3.3. Functions and Scopes of UNICEF

Before going through the details and elaborations, it is very important to notice here that UNICEF focuses essentially on the five following areas in all its activities: Child survival and development, Basic education and gender equality, HIV/AIDS and children, Child protection, Children with disabilities (UNICEF, n.d.-c). In the coming paragraphs each one of these five areas will be briefly explained to give the reader a clear idea about the organization main functions.

To conclude, this chapter compares the existing models of humanitarian relief agencies to grasp the commonalities and challenges as a part of efforts to draw important lessons and integrate them in the model to be developed and proposed by this study. As stated at the very objective of this study the purpose is to propose a model which can assist Muslims globally, and each one of these agencies has been offering assistances to human beings around the world even though their goals and scope might be different from the actual research focus area. Knowing how they perform their services to help people might give the researcher a wide understanding about how the idea works and how to implement his model. Moreover, studying the existing models in the research scope enables the researcher to identify the knowledge gaps in the area and to contribute in a direction to fill, what are the strengths and weaknesses of the existing models, why there is a need for new model despite their availability.

Lastly, these agencies have been performing services for humanitarian assistances since centuries, they have succeeded in some zones and failed in others, and they have also been appreciated in one hand and criticized on the other hand. So, a detail investigation of their operation guides the new model how to take succeed lessons and to take care of their faller.

Although, the three agencies are well-known in performing humanitarian assistances during emergencies in communities worldwide, they differ from each other in term of services providing, values, and principles and even in vision. All the agencies play an important role in the wellbeing of the societies. Of course, there may be challenges faced by one agency to deliver services in specific communities while another is most well come there. It is due to the perception of the community members towards that agency's origins, values, and visions.

Regardless of such constraints all these agencies have been playing undisputable roles in the improvement and empowerment of different communities' life in various parts of the world. Equally important each of these agencies has its own weaknesses that negatively affect its effectiveness. To start with, Islamic Relief Worldwide agency, it inspires its values from Islamic teachings, and that is one of the most important criteria which qualified it over other agencies in humanitarian relief and more compatible with the present research objectives and goals. So, the IRW is acceptable in term of the authenticity of its values. On the other hand, IRW model is seen to be problematic, because the organization lacks the neutrality in the provision of their services which is one of the most principles in The International Red Cross and Red Crescent agency. The neutrality means that the agency should not take any political or sectarian stand in the process of offering services for humanitarian assistance. IRW is recently facing many criticisms from diverse authorities for having connections with some sectarian and political groups, such as Muslim brotherhood, Hamas (fighting group in Gaza combating against Israel forces). Although, IRCRC is a neutral agency assisting human being internationally, it lacks the Islamic aspects in its principles and values; therefore, it is seen unreliable in Islamic point of view. In addition to the above point the organization was founded by non-Muslims and is still mostly managed by them, it would not be good option for Muslims to rely on them in emergency assistances forever. Yet the same remarks for IRCRC are also applicable to UNICEF with addition that UNICEF focuses on the wellbeing of children more than other community

members. In this regard, at least in terms of purpose IRW has hand in hand motives and aspirations with this research having the general purpose of delivering humanitarian assistances to Muslim communities across the world. However, it also has non-Muslim partners through which, it offers services in certain communities. Again, IRW receives its funds from the contribution of individual donors, governments, including non-Muslim governments from Europe and other Western countries. Therefore, funding source can influence the agency performance and can impact on it as well. In the last few years most of those governments which are funding IRW announced officially their withdrawal from list of IRW donators due to the organization's involvement in sectarian and political stands as criticized by many investigators. This is the reason which claims the need for a pure Islamic model funded by Muslim individual volunteers and Muslim governments only, free from any political or sectarian position. Hence, the contribution of the present study is to fill up this gap, by proposing a model which can help to raise funds from Muslims contributors only and assist needy Muslim countries only during emergencies. The summary of advantages and disadvantages of the above organizations is presented in Table 2.1.

Table 2. 1: Summary of key notes from the above investigation

Organizations	Advantages	Disadvantages
Islamic Relief Worldwide (IRW)	<p>No discrimination to anyone in service providing.</p> <p>Authenticity of its values.</p> <p>Its philosophical foundation is based on Islamic faith and its divine values.</p> <p>Insisting on the concept of brotherhood among society members.</p>	<p>It is not independent in implementing its services.</p> <p>Its funders can Influence its performance.</p> <p>Decisions depend only on the CEO alone.</p> <p>lack of neutrality in managerial issues.</p>
International Red Cross and Red Crescent Movement (IRCRC)	<p>No discrimination to anyone.</p> <p>It is a neutral organization and does not take part in any hostilities or controversies.</p> <p>It is an independent organization not influence by any political, ideological economic inference.</p> <p>Decisions are made by vote.</p>	<p>Only one RCRC office is allowed in every country.</p> <p>The inability to serve a country entirely, due to the limited capacity of coverage.</p> <p>No authenticity in its values.</p> <p>Founded and managed by non-Muslim.</p>
United Nations International Children’s Fund (UNICEF)	<p>Protection of children rights globally.</p> <p>Working to improve education quality for every child around the world.</p> <p>No discrimination its service providing.</p> <p>Promotion of the rights of children with disabilities.</p>	<p>Focus limited to children only.</p> <p>Does not assist in certain cases outside its focus area.</p>

2.4. Cash-Waqf Contribution: The Case of Perbadanan Wakaf Selangor.

It is a cash-*waqf* institution based in Malaysia which was founded on the 3th February in 2011, this was result of a preplanned project which started in the year of 2009 (Sanusi & Shafiai, 2015). This was a declaration given by the Royal Highness of Selangor, *Sultan* Sharafuddin Idris Shah Al Haj Ibn Almarhum Sultan Salahuddin Abdul Aziz Shah on the 30th October 2009. This declaration came as reason to a decision which was taken in 2005 stating that *Waqf* unit must be transferred to the Selangor Islamic Religion Council, the Royal Highness therefore had declared that the Council should launch its own *Waqf* entity, which will aim to enhance the effectiveness of its operations and management (Md. Shahedur Rahaman Chowdhury, 2011). The section 8 of the Selangor Islamic Regulation Enactment 2003 set the legal origin of Perbadanan *Waqf* Selangor. The *waqf* institution is led the *Sultan* Selangor, chaired by Dato Ramli bin Mahmud. Tuan Abu Bakar Bin Yang is appointed as a Chief Executive Officer for the management of Perbadanan *Waqf* Selangor (Art, 2013).

Before the establishment of Perbadanan *Waqf* Selangor in 2011, all *Waqf* properties were under the management of *Majlis* Agama Islam Selangor (MAIS) (“Utama - Laman Web Rasmi Majlis Agama Islam Selangor (MAIS),” n.d.). Hence, the aim of Perbadanan *Waqf* Selangor was to develop and optimize the *waqf* properties which have the potential and capability to enhance the economic life of Malaysian Muslim society (Bakar, Hussain, & Hamed, 2017).

The Perbadanan *Waqf* Selangor comprises four main departments which are: Administrative Department, Financial Department, Marketing and *Dakwah* Department and Research and Investment Department. However, another Internal Audit Unit was included later as new department (Mohamad Suhaimi, Ab Rahman, & Marican, 2014). The PWS has in total 54 stall assigned in the different respective departments (Abdul Majid Tahir, Murshamshul Kamariah, & Yusuff Jelili, 2018). It offers a range of different *waqf* products whereby, every product targets a specific segment within the society. For instance, they introduced the *Waqf* Gold which targets the woman, this *waqf* allows woman to contribute with their gold accessories or their gold bar (*Wakaf*, Sosial, & Muslim, 2015). In the same regard the *Waqf* Art was established targeting anyone who is working in the art ground (Bakar et al., 2017).

Accordingly, the inclusion of those working in business areas was done by launching a Corporate Friends Program as a platform, through which business organizations or companies can contribute to the *Waqf* institution from their annual profit. The aforesaid indicates that the initiation of the Perbadanan *Waqf* Selangor has increased the rate of the *waqf* collection in Malaysia. This is because they managed to include every and each segment in the *waqf* fund collection by creative activities in the *waqf* applications in several communal sectors which attract everybody to contribute in the appropriate sector to him or her.



CHAPTER THREE: THE PROPOSED GLOBAL CASH- WAQF

This chapter gives a comprehensive description of the global cash-*waqf* fund. In this regard, the chapter clearly explains the three different parts involved in the global cash-*waqf* operations. These chapters include the source of income for the global cash-*waqf*, the investment projects of the fund donated to the global cash-*waqf* fund institution and the distribution of the funds in line with the pre-determined objectives for the global cash-*waqf* fund establishment (poverty alleviation programmes).

In addition to the above point, the chapter also proposes the global cash-*waqf* fund model pointing out the inter-relationship between the three different parts mentioned in the paragraph before this. It further elaborates the components of the model starting by the fund collection side, then the investment projects and the disbursement process of the revenue received from those investment projects.

The last discussion of the chapter focusses on the governance issues of the fund which includes the headquarter of the global cash-*waqf* fund (where the GCW should be based), the managerial board of the property donated (who should be included in the board of trustees). The objective of this global cash-*waqf* will be to assist Muslim countries which are in crisis due to unexpected reasons. It is expected to work for the betterment of societies with full cooperation among Muslim countries.

3.1. Source of Income of the Global Cash-Waqf Institution

The source of income here means where the global cash-*waqf* fund institution (GCWFI) gets funds from to implement the intended projects. It is well defined in the objectives of this study that the GCWFI is expected to provide services and activities for the welfare of Muslim World. This implies that there should be a collective participation or contribution and donations from different benevolent bodies to facilitate the implementation of effective projects for this huge purpose. Furthermore, anyone can contribute for this fund, because it is collected in cash-money. According to Saifuddin, Polat, Fidan, and Kayadibi (2014), the flexibility of Cash-*Waqf* gives the chance to everyone to donate in a minimum sum of contribution for the *waqf* institution. This is because its contribution amount is not determined, so both rich people and low-income people no matter how much they earn, can also participate if

they want to do so. Due to this flexibility nature, the GCWFI is suspected to get funds from different categories of donors including cash-donations from individuals, contributions from OIC countries, contributions from corporations, contributions from religious organizations and associations. Moreover, the *Quran* and the tradition of the Prophet (PBH) encourage the more fortunate people in the society to give donations to improve the economic life of less-privileged people. For instance, *Allah* says (interpretation of meaning): “*O you who believe! Spend of that with which We have provided for you, before a Day comes when there will be no bargaining, nor friendship, nor intercession. And it is the disbelievers who are the Zaalimoon (wrongdoers)*”⁷. Also, in another verse in the same Surat He says: “*Those who spend their wealth in the Cause of Allah, and do not follow up their gifts with reminders of their generosity or with injury, their reward is with their Lord. On them shall be no fear, nor shall they grieve*”⁸.

The Prophet (PBH) was also narrated to have say: “*Whoever gives charity equal to a date from good (halal) earnings – for Allah does not accept anything but that which is good – Allah will take it in His right hand and tend it for the one who gave it as any one of you tends his foal, until it becomes like a mountain.*”⁹.

Abu Hurairah (may Allah be pleased with him) narrated that the Prophet (PBH) said: “*There is no day on which the people get up but two angels come down and one of them says, ‘O Allah, give in compensation to the one who spends (in charity),’ and the other says, ‘O Allah, destroy the one who withholds.’*”¹⁰.

These injunctions from the holy *Quran* and the tradition of the Prophet Muhamad (PBH), attract the Muslim individuals and corporations to contribute in charitable ways. This is because they believe that there will be higher rewards for them in the day of judgement and in the paradise in return for all their donations in this life.

The Table 3.1 presents a brief description for each one of these contributors to the GCWFI.

⁷ Al-Baqarah 2:254

⁸ Al-Baqarah 2:261-262

⁹Narrated by al-Bukhary, 1344; Muslim, 1014.

¹⁰ Narrated by al-Bukhary, 1374; Muslim, 1010.

Table 3. 1: Source of income for the GCWFI

Contributors	Descriptive information
Cash donations from individuals	Beyond the religious obligatory donation (Zakat), individuals can still make some benevolent contributions as highly encouraged in Islam. Therefore, they can contribute in the GCWFI with cash donations under their capacity to get big reward in the hereafter as narrated from the holy Prophet (PBH).
Contributions at governmental level	The poverty is very common and rampant among Muslim nations. Due to this fact, the OIC countries should provide collective and concrete efforts to improve the conditions of poor Muslims worldwide by contributing in the GCWFI, which is expected to work for the benefit of all Muslims regardless of their color, gender, nationality or political affiliation since Islam implies unity.
Contributions from the corporations	The corporations are the cornerstones in any society, they play an important role in many issues ranging from human rights and others. They can be most effective in helping the poor by contributing in the GCWFI with donations. This can be done by allocating a part their annual profit for cash-donation.
Contributions from organizations and associations	The religious organizations like “NGOs” are known as non-governmental organizations which have unique contributions to the redefinition of a just society. They can also realize this objective through contributions to the GCWFI for the benefit of Muslim Ummah in general.

3.2. Investment of the Collected Fund

Once the GCWFI received the donations from the different bodies mentioned before, it becomes automatically responsible for the investment of the fund in fruitful projects to make it productive. The cash-*waqf* fund has the potentiality to handle various projects for poverty alleviation if it is managed and invested properly. Therefore, the GCWFI as *mutawalli* (trustee) of the fund is obliged to keep the collected cash from the *waqifs* (donors) growing through successful investment programmes. In this concern, Masyita & Febrian (2004), argued that the *mutawalli* or *nadzir* is obliged to keep the cash-*waqf* fund from going below its initial amount. To do so, the GCWFI acting as a *mutawalli* has the legal authorization to invest the collected money in the real sectors such as investments in both Small and Medium-sized schemes, or in any lawful-based investment opportunities. For example, the fund can be invested in Islamic Banks, Islamic Bonds, Islamic Stocks, Precious Commodities, and any Profitable Businesses. Proposing this multiple sector of investment choice is for diversification purpose of the fund. If we assume that there is no risk-free business, the diversification in these different sectors will help in protecting a part of the fund invested. Some of the chosen sectors may suffer financial crisis, but still the portfolio invested can be protected since all the eggs were not put in one basket as it is commonly said. In this concern (Wilmington, 2016) argued that even though the diversification cannot completely eliminate the volatility related the investment process, it reduces it. Moreover, the reward is justified by taking some risk, and the asset allocation in no way skips from this fundamental truth. This indicates that diversification is just a clever way to manage the natural risk. In the Table 3.2, the investment process in these sectors is explained shortly.

Table 3. 2: Investment process of the collected fund.

Sectors of investment	Investment projects
Islamic Banks	The religious teachings should make Islamic Banks more concerned about justice in financial transactions and this implies that none of the parties involved in contracts is manipulated by the other. Furthermore, Islamic Banks are supposed to be far away from all Riba dealing which is the main source of any kind of exploitations. All these factors and others determine that Islamic Banks are more Shari'ah compliant. Admitting this criterion, the GCWFI can enter in Mudarabah investment contract with Islamic Banks in which the Islamic Banks are the Mudarib(manager) and the GCWFI is the Rab al-mal (capital provider) and the profit is shared accordingly. The GCWFI as a depositor benefit from some protection of its returns during the downturns in the economy.
Sukuk	The GCWFI can also invest the collected fund in Islamic Bonds (Sukuk). Sukuks are desirable instruments for fund raising projects.
Islamic Stocks	The Islamic Stock Markets or Islamic Stock Exchanges are other options in which, the fund can be invested under the conditions of Shari'ah, and basic Islamic principles of investment in Stock Markets.
Precious Commodities	The investment can be also through trade in precious metals because low availability among people. The scarcity of these precious metals makes them more valuable and more demanded in the societies. The precious are like Gold, Silver, Platinum, and so on.

3.3. Distribution of the Funds

Although, this global cash-*waqf* institution is mainly founded for poverty reduction purpose from the Muslim World, it should be also well understood that it serves at the same time the fund mobilization. The funds are mobilized globally either from the donors through collection, or to the beneficiaries through distribution. For this reason, after receiving the donations from different contributors, the GCWFI will invest the fund in specified sectors mentioned in the section before this. The profit earned from undertaken investment projects will be used to alleviate poverty in Muslim countries. Initially, the profit should be distributed according to the donors' preference, but since they have assigned the GCWFI as trustee, the institution can divide the revenue into three parts, for example in the case of Malaysia it is argued that (75%) from the revenue for poverty eradication programmes, a part for administration fees (15%) for instance, and the rest (10%) of the revenue is reinvested to keep the capital growing and to protect it from economic crises including inflation and all other market disasters (Md. Shahedur Rahaman Chowdhury, 2011). This is justified in the case of Malaysia as disclosed by *Waqf* institution A¹¹, on its cash-*waqf* scheme. It explains that *Waqf* Institution A collaborates with an Islamic Bank in Malaysia to manage cash-*waqf* scheme funds (Che Azmi & Hanifa, 2015), a Joint Management Committee (JMC) was initiated between the cash-*waqf* institution and the Islamic Bank for managing the funds. Furthermore, the committee is under the control of *Waqf* Council charged in reporting directly to the State Ruler. The role of the Joint Management Committee is to allocate the received cash-donations in the appropriate projects for the fulfillment of the cash-*waqf* objectives. Moreover, the funds are invested through the Islamic Bank as a manager of the cash-*waqf* funds. Thus, the proceeds of the investments are distributed in the following method: 25 percent of the investment returns are allocated to the cash-*waqf* institution to cover the administration fees and to protect the original capital from going down, while the rest 75 percent is utilized to achieve the cash-*waqf* objectives. The disbursement practice of cash-*waqf* fund revenue is shown in Table 3.3 below.

¹¹ Refers to waqf guideline issued by Securities Commission of Malaysia (SCM).

Table 3. 3: Distribution of the funds

Total revenue: 100%	Allocation of the revenue
75%	1.To help in case of natural disasters. 2.To empower poor Muslim people, low-income enterprises and individuals. 3. In providing interest-free loans, micro-credit.
15%	Spent for the administration fees involving in the managerial activities undertaken by the GCWFI.
10%	To be reinvested to keep the original capital increasing and protect it from inflation and market crises.

3.4. The Global Cash-Waqf Model

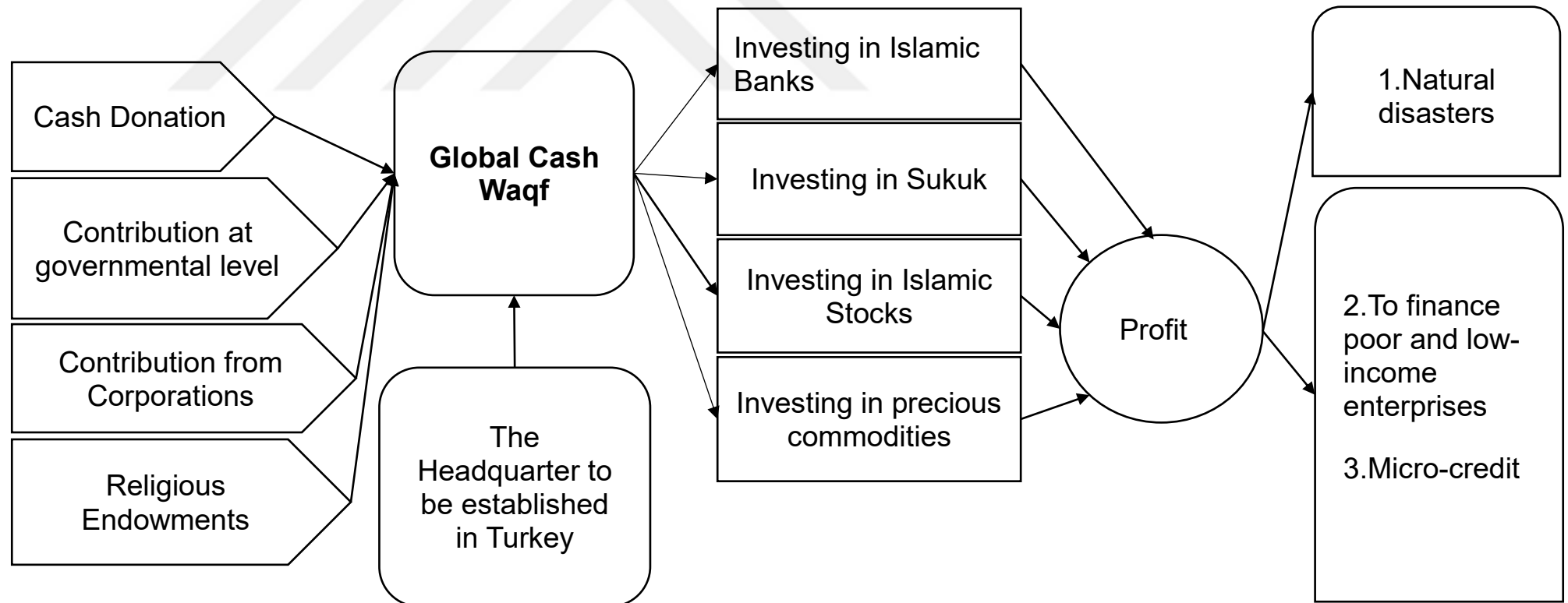


Figure 3.1: The proposed global cash waqf model

Source: own proposed model

We can see from the above graph that the global cash-*waqf* model has five main components which include the collection side, the headquarter of the global cash-*waqf* institution, the investment side, the profit generated from the investment projects, and the beneficiaries of the fund which stand at the distribution side in the model. The model depicts that the global cash-*waqf* institution gets donations from cash donors, contributions from the OIC countries, contributions from corporations and as well as from religious endowments. After receiving these donations, the institution invests the fund by diversifying it in various financial and business sectors to maintain the original capital. The revenue generated from the investment is utilized to reduce the poverty, to rescue Muslim countries suffering from natural disasters, to settle necessary fees demanded in the fund management activities. The following section discusses the headquarter of the global cash-*waqf* fund institution, the need for it and its qualification for the success of the institution.

3.5. The Headquarter of the Global Cash-Waqf Fund Institution

The headquarter of the global cash-*waqf* fund implies that the main offices of the institution should be established in a place. This is to facilitate the governance issues for the fund protection. Moreover, the position and previous experience of this headquarter are some of the most qualifications for the effectiveness of the GCWFI. The cash-*waqf* system was widely practiced among the Ottomans since the 15th centuries for long period and the encouraging influence in the reduction of the poverty was realized and this practice of cash-*waqf* is still very well known among the Turkish citizens even in these days (Ahmad, 2015). Due to this historical background of cash-*waqf* system in Turkey, this study proposed Turkey as the headquarter of the GCWFI. In addition to the above point mentioned, Turkey is qualified with some other factors which are not met in many other Muslim countries such as:

The historical background of cash-*waqf* system in Turkey: Turkey has a wide experience in operating *waqf* generally in different areas, and more specifically cash-*waqf* is one of the most well-known social finance instruments in the Turkish communities since the Ottoman period up to now. According Özdemir (2017), the cash-*waqf* system was approved and used by the Ottoman since the beginning of the fifteenth century, and its system and application was popular across the whole empire from that historical era and still remaining popular among the modern Turkish citizens throughout the entire country. Similarly, Çizakça (1998), noted this phenomena in his

writing entitled “the history of the cash-*waqf* institution and its implications in the Turkish community” and he concluded that the *waqf* institutions have a historical practice in Turkey and still continue attracting the attention of the Turkish people even in these days.

Cash-*waqfs* are mostly used in Turkey in helping others: Turkey has been implementing the cash-*waqf* system since many years to help the needy and poor people such as refugees, giving scholarships to poor students, to help poor communities by providing them “*Qurban*” during the ceremony of “*Eid-Al adha*”. It is worth mentioned that the Turkish government provides every year five thousand (5000) scholarships to international students from over 160 countries around the world (Thepienews, n.d.). Accordingly, the number of applications for scholarship grants which Turkey donates to help foreign students increased from 42000 students in the year of 2012 to 120000 students in the year of 2016.

Political stability of Turkey: another reason is the political stability of Turkey, Merz (2018), argues that not only the geographical location makes Turkey a main player among its neighboring region but also the political stability of the country is one of key reasons.

Increasing Economic Confidence: The country has had to make major concessions and implement reforms for domestic policy to continue borrowing from the International Monetary Fund (IMF) (ICD Thomson Reuters, 2013). The Republic last borrowed in 2008 and its IMF debt was repaid in full in May 2013. Unshackled from debt and with its economic engines humming, Turkey has transformed from a borrower to a lender, pledging USD5 billion to the IMF in 2012 to help with the European debt crisis. Rallied by strong economic growth in the past decade following the 2001 economic crisis, the Republic has set a target of becoming one of the world’s top 10 largest economies by 2023, from its present 18th position. The development of Istanbul as an international financial centre forms part of the strategy for its continued economic growth (ICD Thomson Reuters, 2013).

3.6. The Board of Trustees

The board of trustees is responsible for the fund management and making it productive, efficient to cover all the needed projects in the alleviation of the poverty in Muslim

nations. Thus, there is a need to settle all the governance issues pertaining to the fund for the success of the institution.

The cash-*waqf* fund is a voluntary fund and most of the times, such a charitable fund is subject to poor management. This is because the cash-*waqf* fund does not belong to a specific person who can take care of it by putting extra effort in its supervision. According to many writers including Saifuddin, Polat, Fidan, and Kayadibi (2014), the voluntary nature of cash-*waqf* is one of its weakness to be subject for poor administration. This voluntary nature disturbs usually the completion of the specific agenda of the cash-*waqf* fund in the predetermined time. In addition to the above point, Khalid (2018), clearly explains in a book review entitled “*Waqf* laws and Management”, that appointing unqualified *mutawalli* (*waqf* fund manager) is another challenge facing cash-*waqf* institution. Furthermore, Khalid (2018), emphasizes in his book review that the incompetency of the *mutawalli* is reason of many other problems in the cash-*waqf* fund administration for instance, leaving cash-*waqf* fund ineffective. That ineffectiveness may cause cash-*waqf* funds to suffer from corruption of individuals, lack of investment of the fund in productive projects. Nurrachmi (2012), believes that one of the major problems in managing cash-*waqf* is that many cash-*waqf* institutions only know how to distribute the fund and do not know how to increase it with successful investment projects. Meaning that the institution only lends the accumulated fund to borrowers generally for consumption purpose. Consequently, there should not be any additional fees while paying back according to Islamic law. The inclusion of any additional fees in such a lending and borrowing contract will make the process like the loan services which conventional banks provide and will be a way of “*Riba*”.

To protect the global cash-*waqf* fund (GCWF) from the forefront challenges in the cash-*waqf* management, there is a need for an efficient and competent Board of Trustees. The contributors as *wakifs* (donors) of the cash-*waqf* fund have the right to appoint the suitable *mutawallis* (managers) for *waqf* institution (Saifuddin et al., 2014). Initiating from this legal right, the donors can fix the Board of Trustees to assure the public interest. The Board of Trustees will be responsible for all leadership functions. This leadership position includes launching and providing profile to the mission of the Cash-*Waqf* institution, the projects to be achieved for the societies, the limitations of the institution and methods to be used which could be delegated to Chief Executer of

the GCWFI or its President. Therefore, this fact leads us to the discussion of the roles and responsibilities for the Board of Trustees within a charitable institution in the following subsections.

Fundamental Responsibilities

The Board should fully be a non-profitable function, and the role of any non-profit board is centralized on some basic obligations to serve the organization with reliable governance, fiduciary and planned surveillance, and control (Corbett Anne & M. Mackay James, 2013). This means that the board is required to supervise the operations of the charitable institution, to make sure that the populace's trust is defended, the mission of the organization addresses the social welfare, the Islamic requirements and ethics are protected during all activities. The Board is responsible for securing the organization from deceptions and other corruptions.

Legal Obligations

The legal obligations are the *Shari'ah* standards which guide the Board of Trustees in administering the cash-*waqf* fund and any violation to these standards will be considered against the Islamic law. According to the British Charity Commission (2005), these obligations are classified into the three coming categories:

- a) The Duty of Care: this duty wants from the Board members to discharge all activities in good manner, and with extra care than any other careful person.
- b) The Duty of Loyalty: it implies that the Board members are required to act for achieving the best interest of the non-profit duty than acting in their own interest or the benefit of other individual or organizations.
- c) The Duty of Obedience: means that the Board members are not allowed to take any decision which will violate the mission of the cash-*waqf* fund institution. Every act should be upheld by laws, policies, functions, should be always done in consistence way in line with the objectives of the GCWFI.

The Roles of the Board of Trustees

The Board of Trustees must fulfill many roles for the management of the cash-*waqf* fund to make efficient in the alleviation of the poverty. However, (Knill, 2017), gathers the main roles in the following points:

- To work for the performance of the fund in a proper way, correctly and legitimately in the benefit of its members in line with its structure;
- To make sure that the undertaken activities match with the *cash-waqf* fund objectives;
- To protect the fund from being utilized in any needless activities;
- To ensure the openness, transparency, and the accountability of the institution in all the activities in accordance with the underlined purposes of the fund for the public benefit;
- To make the institution integral and independent;
- To improve and be consistent with the strategy and policies of the institution;
- To decide a financial plan and supervise financial accomplishment;
- To ensure the adequacy of the institution in implementing the intended activities;
- To compare the liabilities of the institution with its assets, and guard liabilities against exceeding the assets.
- To appoint, help and evaluate the performance of (senior) workers;
- To be available, and ready to serve all the donors and beneficiaries in an efficient and proper way;
- To keep up-to-date with appropriate proficiencies and information;
- To give details truthfully and at least every year to the *waqifs* (donors).

In conclusion, it can be seen from the previous discussion that the global *Cash-waqf* fund model is based on three main sides. The first one is the contribution side which appoint the GCWFI as a trustee to manage their charitable donations. The GCWFI as a trustee act on the behalf of the donors, to invest the fund in profitable financial sectors (second side). The profit generated from the second side is utilized to help and finance the beneficiaries (third side), to settle the administration fees and protect the fund from all economic crises and market risks. The location of headquarter is very important for success and effectiveness of the institution. Finally, only a competent board of trustee can mobilize the fund to solve the poverty problems in Muslim countries through good governance.

CONCLUSION

This chapter provides some concluding remarks and the key findings of the work. Moreover, the chapter discusses the theoretical implications, and recommendation for upcoming researches.

4.1. The Summary of the Study

Many studies propose cash-waqf system as a solution for tackling poverty and suggestions of different models on cash-waqf to poverty reductions were given through previous works. However, most of the existing models on Cash-waqf are either national or regional, lacks universal dimensions. The regional and national Cash-waqf fund is problematic; because of being local it cannot address the global magnitude of poverty. Moreover, there are differences in the level of development in various Muslim countries. For instance, if the Cash-waqf fund is mobilized in countries such as Qatar, Bahrain, Saudi Arabia, United Arab Emirates and so on, where the poverty level is relatively low, they may not be able to utilize the fund fully. In this case there is no need for the fund in such countries. Therefore, there is an urgent need for fund mobilization to assure balance level between countries. Although, those precedent works have contributed a lot in the development of communities, their focus was mainly confined to local or national levels. Thus, the mobilization of funds globally remains a big challenge to Cash-Waqf system, and the poverty is still an unsolved problem in the Muslim countries. This suggests that previous studies were insufficient to address the poverty issues as required to be. As discussed before in the previous chapters, the World Bank Report in the year of 2016 indicates that there is still an estimated 800 million people live below the international poverty line of \$ 1.25 a day, again in the year of 2015, the report of OIC (Organization of Islamic Cooperation) member countries determines that the poverty is still an unsolved issue in Muslim countries as the percentage of the poverty remains relatively high at 33.1%. Moreover, the issue which attracts more the researcher's attention, is that most of the researches which have been done in this area, are local or national, therefore they cannot address the magnitude level of poverty, especially in the Muslim World which is the focus of the present study.

For this reason, the "Global Cash-Waqf Model" was proposed as an alternative that could be implemented and used to overcome the poverty matter in Muslim countries. It is assumed that the "Global Cash-Waqf model" as proposed in chapter four will

facilitate the fund mobilization among Muslim countries which in return is going to assure full distribution and redistribution of wealth to eradicate the poverty in the Muslim World. The model was structured with a global vision in both the collection side and the distribution side. This globalization aims to mobilize funds from those Muslim countries which have surplus in their economy to serve those where there is a remarkable shortage in the economic life. Furthermore, the present study has contributed to the literature on cash-waqf. The study is probably the first to propose a global cash-waqf model to fight against poverty in Muslim countries.

4.2. Discussion of Key Findings

The focus of this section is to discuss the key findings based on the above research objectives in the introduction. As highlighted, there are two research objectives that this study seeks to examine, and these are discussed one after another in Chapter Two as well as in Chapter Three for the formulation of the global cash-waqf which is the initiate objective of this research and the literature review was useful for achieving these two objectives. The conduction of literature review rendered the theoretical conceptual framework more comprehensive for the researcher. Using Cash-waqf as a tool to finance public welfare and other societal projects is consistent in several other studies crosswise dissimilar socio-economic settings.

On the first objective of the study which is about the examination of the existing cash-waqf models and the humanitarian relief organizations. It was found that there have been done many studies on model building pertaining to cash-waqf and more particularly in the poverty alleviation projects. Moreover, all these studies were found to be local or national-based in their research scope. Due to that fact they were unable to address the challenges of poverty in other places out of their own locations. On the other hand, there have been found a few organizations providing humanitarian relief assistance at the global level, due to this relevance with the current study some of them were included in the study as discussed in the investigation of existing models in humanitarian relief at the local level as well as the global level. The study investigated three well-known organizations globally working for poverty reduction around the world, these organizations are: Islamic Relief Worldwide (IRW), International Red Cross and Red Crescent Movement, and United Nations Children's Fund (UNICEF). In addition, these three other previous Cash-waqf models were included but only at

national level. It was discovered that these organizations have different dimensions in providing services for humanitarian relief. However, their approach and focal area differ from each other based on the underline missions and visions of each organization. The Islamic Relief Worldwide for instance, focuses on societal improvement projects by providing micro-credit to low-income people to develop their productivity, helping environments affected by some natural disasters. Moreover, it was realized that IRW, is not independent in their financial decision making because its funds come from several authorities including the non-Muslim governments. For this reason, their focus is not limited to Muslim countries only. In addition to the above argument, the neutrality is missing in this organization which is expected to assure the continuity of the organization as discussed before in Chapter Two. The second organization “International Red Cross and Red Crescent Movement”, is mainly focusing on health issues during specific circumstances, its scope is well defined and cannot be confined only to Muslim nations. Furthermore, it is mostly owned by non-Muslims, they can decide any policy in their activities any time they want even if that policy goes against the Muslim World choice. The third organization “United Nations Children’s Fund (UNICEF)”, it provides services for worldwide children and does not include other services in their financial decision. In this regard, its contribution in poverty alleviation projects in Muslim countries is only partial. Thus, this research proposes a global cash-*waqf* model which is established in the Muslim World and fund by Muslim only to solve excessive poverty in Muslim countries. Accordingly, the global cash-*waqf* model is neutral and independent from any authority or sectarian or political institutions which can affect its performances. It is based on volunteer contributions from individuals, organizations and corporations, who mostly are donating their funds for the sake of *Allah*. Similarly, these funds are managed by Muslim through lawful projects and the revenue is distributed in the predetermined poverty eradication programs. One of the most ambitions of the global cash-*waqf* is to unite the Muslim Ummah through mutual helps during the occurrence of disasters and financial constraints. This is in accordance with the concept of brotherhood, which God and His messenger have strictly required its achievement in every Muslim society. The global cash-*waqf* institution attempts to play a representative role like the role of “*Baitul-mal Muslimin*”, in the earlier centuries of Islam. The mobilization of funds within the Muslim nations is the target point of the global cash-*waqf* institution, which in its turn will facilitate and ensure a just distribution and redistribution of property

among communities in the Muslim World. Furthermore, this institution strives to balance the level life standards which is very different between the rich people and poor in many Muslim countries.

4.3. Limitations of the Study

As repeated, the purpose of this study is to propose a global cash-waqf model which possibly contribute in poverty alleviation in Muslim countries. In the course of undertaking this study, several limitations are noticed, and these are discussed in this section. The chief among these limitations was the time and cost constraints. The limited time required to complete this research has limited the researcher's ability to collect more data which would enable him to generalize the findings of this study. Another aspect of this limitation is the cost of travelling to several organizations, industries or even to countries in the Muslim World has also restricted the researcher from conducting surveys, interviews and empirical analysis. By implication, the above limitations have limited the data collection to only to content and meta-analysis and personal experiences, and this might lead to bias the results and distort the representative picture of this study. Finally, the researcher has employed only a qualitative research design. A mixed methods research design which would have integrated both quantitative methodology and qualitative methodology should have increased our understanding about the issue of interest of the present study.

4.4. Recommendation for Future Studies

As a first attempt to discover a global cash-Waqf system this study tends to stimulate future researchers in the area. Firstly, this research focuses mainly on how to raise funds for the global cash-waqf institution, it does not go into details about the fund's investment and distribution, the future researchers can use this model and elaborate the different phases of the investment as shown in the model. Secondly, the researcher recommends the future studies to focus on how to use the profit generated in poverty alleviation projects. Last but not the least, while this research relies on qualitative method and secondary sources to underpin the idea of global cash-waqf system, future researchers are recommended to support and develop the concept by including combinations of quantitative methods and primary data.

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