



# The Worldview of Islamic Ethical Wealth and Its Implications for SDGs: The Case of Waqf

*Ayman Bakr, Mohamed Cherif El Amri,  
and Mustafa Omar Mohammed*

## INTRODUCTION

There are many issues facing the Islamic ethical wealth. Currently, zakāh management suffers from a lot of inefficiencies and bureaucracies and is not compatible with today's challenges. Perhaps that is what led Kidwai and Zidani (2020) to call for a review of zakāh management. In comparison, waqf was subjected to various deteriorations from time-to-time commensurate with the requirements of each period in history. A lot has been said about the reasons for the deterioration of the waqf system since the fall of the Ottoman Caliphate. Bagby (2012, p. 24) and Kahf (1998,

---

A. Bakr · M. C. El Amri (✉)

Department of Islamic Economics and Finance, Istanbul Sabahattin  
Zaim University, Istanbul, Turkey

M. O. Mohammed

Department of Economics, International Islamic University Malaysia [IIUM],  
Gombak, Malaysia

p. 5), for example, talked about underfunding as the reason for this deterioration. Others like Abdullah Nadwi (2014, pp. 6, 8) and Rashid (2012, p. 135) discussed the issue from the perspective of mismanagement, misconduct, and corruption. Other reasons involve colonial abandonment and appropriation of waqf (Abdur-Rashid 2020, p. 26), aggression and lack of governmental support (Abdullah Nadwi 2014, pp. 5–6; Dogarawa 2010, p. 22), and legislative issues (Kahf 1998, p. 6; Nawa 2015).

Today, the issues are not less serious than the above-mentioned ones, albeit of a different kind. With more and more writings about Islamic ethical wealth, aberrations continue to crop in several works on Islamic ethical wealth. Such aberrations have created diversions and detachment from the true identity of the Islamic ethical wealth system. It is evident that this is happening partly due to lack of proper understanding of its worldview and partly due to the laxity of Shari'ah constraints on the topic. Yet, the literature has remained silent on the issue of aberrations. Therefore, this chapter fills in this research gap by investigating the extent of Islamic ethical wealth worldview.

## REVIEW OF RELATED WORKS ON WORLDVIEW OF ISLAMIC ETHICAL WEALTH

Islamic ethical wealth follows from the great ethical values established by Islam. The purpose is multi-folded. First, it creates a state of strong social ties among the people. Second, it helps eliminate hardships and poverty. Third, it establishes ways for Muslims to come closer to Allah. These outcomes are common to all the institutions and tools provided by the Islamic ethical wealth. But, since waqf stands out from the other institutions and tools in terms of its perpetual nature, it makes sense to visit the case of waqf in reviewing the related works on the worldview while bearing in mind that to some extent the same consequences follow for the other institutions.

There are volumes of literary works on waqf, for example (Bonine 1987; Çizakça 1995; Ariff 1996; Dogarawa 2010; Orbay 2012; Rashid 2012; Bulut & Korkut 2019). The focus of most of these studies is not linked directly to the worldview of waqf. The authors might have assumed that such worldview is implied and is a common knowledge to the reader. Yet spelling them out clearly makes great difference in putting arguments and issues into contexts and perspectives. On the other hand, few studies have discussed dimensions and worldviews related to waqf. However, in

some of the studies the discussion on the issues and dimensions is general, disjointed, and has not been contextualized within the scope of waqf worldview or at least a worldview framework. While some of the other studies have based waqf worldview on other worldviews such as Islamic worldview and Tawḥīdī worldview.

For example, in a study Abdur-Rashid (2020) mentioned interesting dimensions of waqf worldview, namely ‘ṣadaqah jāriyah’ (ongoing charity), perpetuity, and ownership. However, these dimensions were not articulated and contextualized into waqf worldview let alone the framework of the worldview. Abdur-Rashid (2020) explored the chronological transformations a philanthropic institution such as waqf had undergone. He explained that the desire for having an ongoing charity that extended beyond the donor’s life contributed to the creation of waqf as a separate and uniquely developed Islamic institution. More precisely, he maintained that Muslim scholars have interpreted ‘ṣadaqah jāriyah’ (ongoing charity) as a reference to Islamic waqf (Abdur-Rashid 2020, p. 8). He explained the formative phase of waqf, and in the process, he discussed the elements of waqf and its parameters such as perpetuity. He described the various scholars’ thoughts on perpetuity and ownership. Whereas he could identify critical dimensions of waqf worldview, his work was not able to develop them further. This constitutes an important gap in this group of literature.

Meanwhile, there are works that have used Islamic worldview in general to explain the motives for waqf. For example, Shaikh et al. (2017) mentioned Islamic worldview as a motive for charitable giving in Islam. This worldview underpins the importance of waqf in the Islamic redistribution framework to demonstrate the possibility of using waqf for financing and development. This Islamic worldview would in turn leads to the creation of a waqf institution. Other studies have used the Tawḥīdī worldview to explain waqf. The study of Mahamood and Rahman (2015) is one such example. They approach the waqf from a Tawḥīdī worldview to explain the motives for financing universities through waqf, though the study was not able to relate to all the dimensions of a waqf worldview.

In the same vein, Choudhury e al. (2019) studied waqf in Malaysia from the worldview of Tawḥīdī unity of knowledge. They attempted to isolate waqf from the ethically exogenous socio-economic treatment under “Sharī‘ah compliance”. They concluded that if there is a future for waqf as a truly Islamic institution with Tawḥīdī worldview, then it must return to the classical understanding of the underpinning principles of

sustainability and perpetuity (Choudhury et al. 2019, p. 791). This study is exceptional in that it has demonstrated a clear and strong sense for a worldview of waqf. The gap left in the study is, again, to articulate the worldview through the lens of dimensions related to the worldview of waqf.

In summary, the study has identified the following gaps in literature. Firstly, the vast literatures are general and descriptive. They have not linked their discussions directly to the worldview. Secondly, few literatures have either discussed the dimensions of a worldview or have used other worldviews to explain an Islamic ethical wealth. Those that discussed the dimensions were unable to articulate them and contextualize them to develop framework of a worldview. Similarly, those that have adopted other worldviews to explain an Islamic ethical wealth missed out on the dimensions of the worldview. The present study aspires to fill in these three major research gaps.

## THE SOCIO-ECONOMIC ROLE OF ISLAMIC ETHICAL WEALTH AND THE HISTORY OF WAQF

The Islamic ethical wealth constantly provided support for the various facets of life throughout history. Its fundamental role in alleviating poverty, developing the non-profit non-governmental organizations, and contributing to the socio-economic welfare of the society has been acknowledged by many researchers. For example, many researchers discussed the socio-economic implications of waqf (Dogarawa 2010, p. 1; Haneef et al. 2015, p. 250; Kahf 1998, p. 9; 1999, p. 39). Similarly, many researchers delineated the socio-economic effect of zakāh and its role in alleviating poverty (Joan et al. 2019; Kidwai and Zidani 2020; Syed et al. 2020). Therefore, the Islamic ethical wealth possesses enormous potential to easily close the gap created by the other two sectors, the public and private sectors, in any economy. Mentioning waqf as the first example is of no surprise. This is because it possessed the space for huge and constant development and modifications while surviving over a span of more than a millennium. Thus, it is of utmost injustice to overlook its significance and how it had evolved. Therefore, it is inevitable that we mention a brief history of how waqf developed over time.

The Qubā' mosque in al-Madīnah formed the first waqf in Islam followed by the Prophet's mosque. These were waqfs for 'ibādah (worshipping), i.e., for religious purposes. However, scholars disagreed

on what was the first philanthropic waqf in Islam. According to Kahf (2003, pp. 3–4), the well of Rūmah bought by ‘Uthmān Ibn ‘Affān, the companion of the prophet (ﷺ), was the first one. Whether it really was or not, does not affect the great implications it had on the welfare of the Muslims as everyone started to have access to free drinking water since then. In 4 Hijri (ﷺ) himself had declared that the seven orchards given to him by Mukhairīq become a remainder charitable waqf (AlMunajjid 1979; Kahf 2003, p. 4). It is also narrated that ‘Ā’ishah, the wife of the prophet (ﷺ), said, “The prophet (ﷺ) made seven of his orchards in al-Madīnah ṣadaqah (charity) on the children of ‘Abd al-Muṭṭalib and the children of Hāshim” (Bayhaqī’s sunan al-kubrā: 11896). The latter marked a third type of waqf: the family waqf, though it is still philanthropical. Nonetheless, regardless of the type of waqf, the *sīrah* (biography of the prophet, pbuh, and his companions), is rich of similar examples where the companions of the prophet (ﷺ) have devoted their properties for waqf. Al-Shafī’ī has reported that he enumerated eighty of the Ansār companions who dedicated their properties for that purpose (AlMunajjid 1979).

Later during the Umayyad period, waqf was so prolific that they established an organization for supervising them, while the appointing of trustees (*mutawallis*) was tasked to judges (AlMunajjid 1979). The latter held the former accountable of their work. Judges also monitored the distributional channels of the returns. The ‘Abbasids added to their predecessors the position of *ṣadr al-waqf* (minister-like of waqf) who was responsible for managing waqf and recruiting assistants (AlMunajjid 1979). This continued on and during the Ottoman period waqf evolved tremendously. During their reign, the Ottomans developed complex managerial structures (AlMunajjid 1979) to further improve organizing waqf affairs, the outcome of which manifested itself with its widespread (Bulut and Korkut 2019, p. 8). Soon every facet of life was enjoying the benefits of waqf: feeding and caring for animals was reported like the waqf for cats and unwanted animals, both in Damascus (Kahf 2003, p. 10); Bulut and Korkut (2019, p. 8) listed that educational and religious institutions and infrastructural services, like sidewalks and bridges, were funded; hospitals and libraries were built; students, poor, needy, and orphans were supported; graveyards and cemetery ceremonies were financed (Dogarawa 2010, p. 8).

It must be clear, though, that the word ‘*waqf*’ was not used until around the middle of the third century in Islam (Abdur-Rashid 2020,

p. 9). Therefore, you will not be able to find that word in Qurān or Sunnah. Nonetheless, other words in Sunnah were used to refer to the act of endowment. The prophet (ﷺ) said to ‘Omar, “Sequester the principal [of the orchard] and devote its proceedings” (Narrated by al-Nasā’ī: 3603, and Ibn Mājah: 2397). So, what was common at their time was the word ‘ḥabs’ (seizure or sequestering) or any derivative of that word. Thus, ‘ḥabs al-aṣl’ or ‘ḥabs al-‘ayn’ would mean to seize the principal from being sold, gifted, or inherited. Also, the word ‘ṣadaqah’ and any form of its derivatives were also used for that purpose. However, by the early period of the ‘Abbāsīd dynasty, a terminological problem started to emerge (Abdur-Rashīd 2020, p. 13); different jurists employed different words to refer to waqf which could have caused great confusion. Notwithstanding, the jurists of all sects, except for Malikīs, eventually united by adopting the word ‘waqf’ going forward.

### ISLAMIC WORLDVIEW AND ITS SIGNIFICANCE TO THE COMPONENTS AND DIMENSIONS OF ISLAMIC ETHICAL WEALTH

In order to get a sound understanding of the Islamic worldview of the Islamic ethical wealth, it is critical that we refer to its original sources and the understandings of the former companions and scholars. The sources from Qur’ān and Sunnah will help us to identify the components and dimensions of the Islamic ethical wealth from an Islamic worldview. However, before delving further, it is worth noting that the various institutions and tools of the Islamic ethical wealth share almost the same components and dimensions except that the waqf exceeds them with a few more due to its nature. Therefore, studying the specific case of waqf first allows us to capture all the components and dimensions related to the Islamic ethical wealth and then it would be possible to generalize for the remaining institutions.

Two remarkable stories that help trace the worldview of waqf institution are worth mentioning here. The first was the narration of Anas ibn Mālik who reported that Abū Talḥah came to the prophet (ﷺ) when the following verse was revealed:

[But as for you, O believers,] never shall you attain to true piety unless you spend on others out of what you cherish yourselves; and whatever you spend - verily, Allah has full knowledge thereof. (*Qur’an* 3:92)

He came to him and said, “*O messenger of Allah, Allah says in His book (and recites Qur’ān [3:92]), and the dearest of my property is Bairuḥā’ so I have given it as ṣadaqah (charity) for Allah’s sake, and I anticipate its reward with Him; so spend it, O Messenger of Allah, as Allah guides you*”. Messenger of Allah (saw) said, “*Well-done! That is a profitable property, that is a profitable property. I have heard what you have said, but I think you should spend it on your nearest relatives*”. So Abū Talḥah (May Allah be pleased with him) distributed it among his nearest relatives and cousins. (Narrated by al-Bukhārī and Muslim—Riyāḍ al-Ṣāliḥīn: 297).

It is worth noting that Bairuḥā’ was a large grove owned by Abū Talḥah where the prophet (saw) used to visit and drink from its sweet water. It is also worth noting that, although many refer to this specific ḥadīth as evidence for waqf, this case didn’t actually form a waqf since Abū Talḥah transferred full ownership of the grove to his relatives.

The other story happened during the 7th year of Hijrah when the Muslims came from Khaybar with booties. ‘Omar Ibn Khaṭṭāb went to the prophet (saw) seeking his advice about what he should do with the orchard of palm trees called Thamgh. The prophet (saw) said, “Donate its corpus [land and trees], [so that the corpus] will neither be sold, nor given as a present, nor inherited, but the fruits are to be spent in charity” (Narrated by al-Bukhārī: 2764). ‘Omar made the donation of this waqf for Allah’s Cause, the emancipation of slaves (fī al-Riqāb) and the needy, guests and wayfarer (Ibn al-Sabīl), kinsmen (Dhī al-Qurbā), and who administers the waqf. It is clear from the above that the benefits of waqf are not restricted to the poor and needy only, rather it can be declared to any beneficiary, or it can be confined to certain beneficiaries; there is no limit on the category of the beneficiary. We also deduce the importance of appointing a trustee (Nāzir or Mutawallī) to overlook the waqf and the significance of having a clear and explicit declaration of the waqf asset and its beneficiaries.

While the above two stories outlined the components of waqf from an Islamic worldview, we have a plethora of evidence in Qurān and Sunnah that delineate the dimensions of waqf. Perhaps the ḥadīth narrated by imām Muslim is one of the clearest. The prophet (saw) said, “If a human-being dies, his work comes to an end, except for three things: except for ongoing charity, or knowledge benefitted from, or a pious child who prays for him” (Narrated by Muslim: 1631). The ongoing charity, or ṣadaqah jāriyah, suggests a sustainable benefit to the community and thus an ongoing reward in the Hereafter, in other words, one that is intended for

perpetuity. In fact, scholars regard the ongoing charity, *ṣadaqah jāriyah*, the one that actually alludes to waqf.

Apart from the above social effect of waqf (perpetuity of the benefits), we have already provided in the previous section many examples that demonstrated the philanthropical dimension of waqf and briefly discussed its tremendous contributions toward the socio-economic welfare of the people. Beyond this are two things. Firstly, is the goal of achieving true piety. In Qur'ān [3:92], attainment of true piety is tied to expending from one's properties that which he cherishes the most. Such a goal was the driver for the companions of the Prophet (saw) to make waqf such as the story of Abū Talḥah and 'Omar above. Secondly, is the act of altruism that is derived from waqf practice. The act gives the donors the sense of satisfaction that stems from the belief that such acts would not go unrewarded. However, the reward sought is not a worldly one but rather one that is saved for the Hereafter as stated in the following verse of the Quran.

The example of those who give their wealth in the way of Allah is like a grain of corn that sprouts seven ears, in every ear a hundred grains. Allah multiplies to whom He will, Allah is the Embracer, the Knower. [*Qur'ān* 2:261]

The Quranic verse above has far-reaching implications for waqf world-view. For example, the act of solidarity will not only ensure sustainability for the poor and needy but reinforce and strengthen social ties as well. The affluent and poor are brought together under the umbrella of mutual care. Economically, waqf acts as an institution that helps in the distribution and circulation of wealth thereby eliminating any possibility of its concentration in the hands of just a few. And so, does the remaining institutions and tools of the Islamic ethical wealth.

To tie up everything together, we attempt to put the Islamic world-view of Islamic ethical wealth into context. It needs to fulfill the religious, social, and economical aspects for which it was initiated for. For waqf, perpetuity is furthermore added. In other words, before attempting the practice of an Islamic ethical wealth, the religious dimension is only attainable when the donor purely seeks Allah's blessings and satisfaction. Thus, there should be no element of hypocrisy nor there should be any violation to Shari'ah laws. The social dimension is achieved by the solidarity created for the community and by ensuring that the beneficiaries are receiving

their complete rights without any loss or reduction. For waqf, the social solidarity should be sustainable. Attaching ‘sustainable’ to ‘solidarity’ was purposefully intended here in order to ensure that the perpetual dimension of waqf is realized and in order to set it apart from normal charity. Finally, the economical aspect of the Islamic ethical wealth is realized by the continuous circulation of wealth in the society.

### THE WORLDVIEW OF WAQF AS DISTINCT FROM OTHER TYPES OF ISLAMIC ETHICAL WEALTH

Waqf worldview has often been marred by the question of how this institution differs from charity or the other types of the Islamic ethical wealth, which also help to distribute and circulate wealth, create solidarity in the community, provide a means for sustainability among the poor and needy, and indeed promote a sense of caring and solidarity. It is obvious that waqf is an act of charity. But what sets it apart from other Islamic ethical wealth charities is the dimension of perpetuity and the continuous recurrence of the benefits. When one declares a property as a waqf property, it is understood that the charity here is perpetual and should accrue benefits to the beneficiaries forever. For example, the benefits of mosques for worshipping Allah are perpetual. The perpetuity worldview also has implications for other dimensions of waqf. It is embodied in the Shari’ah rulings the waqf’s nature, characteristics, and purpose. Other kinds of charities do not require similar rulings. They can be included in the current general Shari’ah laws. Perpetuity of waqf also has implications for its management, which requires record keeping, governance structure, maintenance, and investment of the waqf assets for sustainability. This is in addition to waqf manager/trustee who needs to be appointed to carry out these tasks and to liaison with the governmental entity and other relevant waqf stakeholders.

In addition to perpetuity and its implications, there are other features that differentiate waqf from other types of the Islamic ethical wealth. One of these features is ownership. With waqf, does the ownership transfer? If indeed it does, to whom does it transfer to? If it doesn’t, can the benefactor revoke the waqf? All these questions make waqf a highly delicate subject and an intricate institution. For other Islamic ethical wealth charities, the donation simply changes hands from the benefactor to the beneficiary and the worldly act ends here; nothing else needs to be made. Therefore, the status of ownership provides yet another distinguishing

feature. A consequence of the issue of ownership is that no individual, party, or entity has the right to claim or destroy waqf property. While these questions are jurisprudential in nature, it is necessary to understand that, from a worldview perspective, ownership of the usufruct should remain in the hands of the beneficiaries.

The flawless description of the components and dimensions in the previous section derived from the Islamic worldview of the Islamic ethical wealth and the clear distinction between waqf and other charities makes it very significant for several reasons. Donors of Islamic ethical wealth, establishers of Islamic ethical wealth entities, cooperatives, and organizations, Islamic ethical wealth trustees, Islamic ethical wealth investors, and Islamic ethical wealth researchers can all measure themselves against those dimensions. Performing against these dimensions guarantees setting the proper set of activities and tasks within the guidelines of Shar‘īah. This way it will help guide the objectives, develop the required activities, measure them, guide the direction on how to use māl, and guide the overall behavior and caring.

## DEVELOPING THE ISLAMIC ETHICAL WEALTH WORLDVIEW FRAMEWORK

Stagnation in the Islamic ethical wealth knowledge and mechanisms, especially zakāh and waqf, is not desired because, obviously, drastic changes had occurred in people’s way of life since the introduction of the Islamic ethical wealth over a millennium ago. The development and evolution in waqf and zakāh management, for instance, are thus strongly recommended and deemed inevitable. But it is imperative that they should not be on the expense of digressing from the intended objectives for which they were established for by Islam, that is, an Islamic worldview. In essence, a worldview is a well-defined philosophical conception of the intended’s world, clearly defining its components and outlining its dimensions. Fundamentally, a worldview will provide clear objectives, as well as serve to ensure all work or innovations in the intended field/thing do not digress from the original philosophical conceptions and objectives. The authors believe that this is where Islamic worldview of Islamic ethical wealth turns out to be handy, providing an answer to the problem in the aforementioned paragraph. The Islamic worldview of Islamic ethical wealth will set the path straight and help keep sight on the actual objectives. But before delving any further, the authors again take the example

of waqf in order to calibrate the understanding of the components of Islamic ethical wealth and discuss their practices.

Waqf consists of five components: the donor/benefactor, the donation (or waqf asset), the beneficiary/s, the explicit statement, and the trustee. For the other Islamic ethical wealth tools and institutions, there are three main components (donor/benefactor, donation, and beneficiary/s). This is so, because the explicit statement is not necessary for the other types of Islamic ethical wealth; there is no requirement for detailing the donation and to whom it should go and how should it be managed because the donation is not continuous/perpetual. However, the components of the other types of Islamic ethical wealth can become four if an agency, or government, carries out the responsibilities of distributing it; in which case the fourth component will be the trustee. The donor needs to be a free, sane, and mature person who has passed puberty. As for the waqf asset, ‘ulema’ originally stipulated that it should be of an unconsumable type. The reason for that condition is to ensure that the asset provided benefits perpetually. However, today we have the form of cash waqf where cash is consumable, nonetheless because it is fungible and can be grown via legal transactions, equivalent cash plus profits can compensate for perpetuity. Therefore, a waqf asset should be an existing, legal, and specific object that is capable of creating benefits in perpetuity; it can either be of a type that you can sequester its corpus and make its usufruct perpetual (e.g., agricultural land), or it can be of a type that can be invested and grown continuously (e.g., cash waqf). These conditions are not required for the donations of the other types of Islamic ethical wealth. In contrast, the beneficiary of a waqf is not restricted to the category of the poor and needy as in most of the other types of Islamic ethical wealth. For zakāh, the beneficiary/s are restricted to the eight categories outlined in Qur’ān [9:60], whereas the beneficiaries of a waqf are unrestricted, unless restricted by the donor, and can also be families, warriors in the way of Allah, and even animals. The purpose of the explicit statement is to explicitly and clearly declare the waqf, with the pure intention, and delineate what constitutes the waqf asset and who are the beneficiaries, in addition to appointing the trustee. The trustee, on the other hand, should be an experienced, truthful, and trustworthy person/entity who/that is capable of managing, preserving, and growing the waqf for its best interest.

While the trustee’s role in a zakāh agency is confined to daily managerial tasks and distribution works, the trustee’s role of a waqf involves one

extra responsibility. Being perpetual necessitates the development of the waqf asset. Therefore, the management of a waqf property involves two aspects: administrative and developmental. With the former, waqf practices involve optimally preserving the properties in hand and ensuring that the revenues of the beneficiaries are maximized (Kahf 2003, p. 5). To realize such a potential, the trustee needs to nurture an environment of competition among the staff for the management of waqf. The latter, i.e., the developmental aspect, implies considerations for financing. There are many financing modes trustees can seek to finance the waqf property they are appointed for. Traditional forms of finance available include financing by introducing new waqf properties, replacing a waqf property by another with a higher usufruct, and borrowing on the waqf with repayment from the net revenues. Kahf (1999, p. 40) outlines new forms of financing based on Islamic financial institutions. In these modes, the trustees can utilize financial instruments such as *murābaḥah* to the purchase orderer, *istiṣnāʿ*, parallel *istiṣnāʿ*, leasing, and *Muḍārabah* by the trustee. Yet, another, not less important, way of financing is restoring the concept of investment waqf and encouraging Muslims to create these types of waqf properties (Kahf 1998, p. 9). Such waqf involves the investment of waqf assets and using the generated income to develop and grow the existing waqf. Henceforth, we attempt to develop a worldview-based waqf definition that aids in setting the path straight and helps keeping sight on the actual objectives of an Islamic ethical wealth. Later, from the worldview-based waqf definition we can develop a framework for Islamic ethical wealth worldview.

Captured by our quick survey of the literature of waqf, Table 2.1 summarizes the reasons for digressions from waqf worldview since its first

**Table 2.1** Reasons for digressing from waqf worldview

<i>No.</i>	<i>Reasons for digressions</i>
1	Confusing waqf with charity
2	Unjustified bias and intervention to make a deed fall under waqf's definition
3	Confusing waqf with investment leading to the distribution of profits on establishers and shareholders
4	Confusing waqf partner investors with waqf beneficiaries
5	Violating Shari'ah laws

occurrence until this date. The first two reasons are directly related to the lack of understanding of the definition of waqf. The third and fourth reasons again follow, albeit not directly, from the lack of a proper and accurate definition of waqf. The definition of waqf in literature ranged from a mere one-word translation (e.g., endowment) to a description of waqf as a perpetual philanthropical charity that can alleviate poverty. There is no single comprehensive, accurate, and universal definition for waqf that captures its worldview dimensions. Hence, why we have four of the five reasons for digression is related to definition issues. The remaining reason can be alluded to the misunderstanding, even ignorance, of the Islamic commercial laws.

A clear and accurate definition then becomes urging. But before we attempt to put forth such a definition a few things have to be clarified. The first reason in Table 2.1 dictates to have a clear distinction between waqf and other types of Islamic ethical wealth (non-waqf) in the definition. For that we have to note that waqf is a more intricate venture which involves continuous management and development to ensure perpetuity, whereas the other types of Islamic ethical wealth cannot fulfill such a description. Thus, the word ‘institution’ can be used for this purpose alongside some keywords that demonstrate perpetuality like ‘sustainable’ and ‘develop’. Nonmaterial-based charities like volunteer services with time, effort, and expertise cannot be sustainable because they end with the end of each project/job/task and end by the volunteer’s death, unless these are materialized like in a book that is turned into waqf. In order to eliminate the second reason causing digression, the donation has to be of a type that generates continuous benefits or can be developed or increased. A phrase like ‘can be sustainable’ can suffice for such a purpose.

From the outset of the definition, ṣadaqah (charity) has to be stressed in order to avoid reason 3. Reason 4 can be easily overcome by observing that no return should be requested from the beneficiaries of the waqf. Although difficult to incorporate in a definition, mentioning Sharī’ah laws within the definition can help remind of the importance of compliance and consultation with scholars. Lastly, but not least, the definition should include the key players in waqf: donor/benefactor (wāqif), trustee (mutawallī), and beneficiaries. The reason is twofolds. First, it can help provide a further distinction between waqf and non-waqf Islamic ethical wealth. Second, when developing the concept of waqf, these key players form an essential framework that helps to avoid deviating from waqf

worldview. By now, we are ready to present the following worldview-based waqf definition:

Waqf is a *ṣadaqah* (charity) institution whereby the *wāqif's* (donor) donations are such that they do not violate *Sharī'ah* laws and can be sustainable by the *mutawallī* (trustee) who will trustfully develop them and ensure that they are distributed among the intended beneficiaries with no return from them whatsoever.

The above definition helps to capture the dimensions of the worldview of waqf where the religious aspect, social solidarity, and economic objective can be indirectly deduced. Donors of waqf and establishers of waqf entities can observe the Islamic worldview dimensions of waqf using the worldview-based definition of waqf above. That will help them to guide setting their objectives and measure their activities.

We can further develop this definition into a framework, the effect of which can further reduce the possibility of departing from the actual worldview of waqf. This is followed by a generalization to develop an Islamic ethical wealth worldview framework. Table 2.2 depicts the waqf worldview framework at the heart of which sits *Sharī'ah* compliance. The framework looks at both the components of waqf and the dimensions of a waqf worldview. Similarly, we can modify Table 2.2 to generalize the framework into a one that incorporates the components and dimensions of an Islamic ethical wealth worldview in general. This is illustrated in Table 2.3.

In essence when forming or practicing an Islamic ethical wealth, the individual or entity creating or performing it will need to ensure that the components are in place while observing that the dimensions are met. The framework can be used to measure certain Islamic ethical wealth that are in existence. Hereafter, since waqf has more components and details than the rest of the institutions or tools of Islamic ethical wealth and without loss of generality, we will utilize a couple of the current waqf practices and measure them against the worldview framework. Doing so will help to easily identify issues with a future endeavor to correct them or even avoid them.

Table 2.2 Framework of the Islamic worldview of waqf

<i>Shari'ah compliance</i>				
<i>Waqf worldview dimensions</i>				
<i>Waqf worldview components</i>				
<b>Religious</b>	<b>Wāqif</b>	<b>Waqf asset</b>	<b>Beneficiary</b>	<b>Mutawalli</b>
<ul style="list-style-type: none"> <li>• No hypocrisy (Riyā')</li> <li>• Paradise is the return</li> </ul>	<ul style="list-style-type: none"> <li>• Free</li> <li>• Sane</li> <li>• Mature</li> <li>• Puberty</li> </ul>	<ul style="list-style-type: none"> <li>• Material-based</li> <li>• Existing</li> <li>• Legal</li> <li>• Specific</li> <li>• Continuous or capable of growing</li> </ul>	<ul style="list-style-type: none"> <li>• Declared by wāqif</li> <li>• Observes philanthropy</li> <li>• No return is expected whatsoever</li> </ul>	<ul style="list-style-type: none"> <li>• Experienced</li> <li>• Truthful</li> <li>• Trustworthy</li> </ul>
<b>Economic</b>			<b>Explicit statement</b>	
<ul style="list-style-type: none"> <li>• Wealth circulation</li> <li>• Continuity of usufruct</li> </ul>			<ul style="list-style-type: none"> <li>• Detail waqf asset</li> <li>• Detail the beneficiaries</li> </ul>	
<b>Social</b>				
<ul style="list-style-type: none"> <li>• Solidarity in the community</li> <li>• Beneficiary &amp; his rights</li> <li>• Benefactor &amp; his obligations</li> <li>• Trustee &amp; his responsibility</li> </ul>				

**Table 2.3** Framework of the Islamic worldview of the Islamic ethical wealth

<i>Shari'ah compliance</i>					
<i>Islamic ethical wealth worldview dimensions</i>					
<i>Islamic ethical wealth worldview components</i>					
<b>Religious</b>	<b>Donor</b>	<b>Donation</b>	<b>Beneficiary</b>	<b>Explicit statement<sup>a</sup> (Only waqf)</b>	<b>Trustee<sup>a</sup> (In case of agency)</b>
<ul style="list-style-type: none"> <li>• No hypocrisy (Riya')</li> <li>• Paradise is the return</li> </ul>	<ul style="list-style-type: none"> <li>• Free</li> <li>• Sane</li> <li>• Mature</li> <li>• Puberty</li> </ul>	<ul style="list-style-type: none"> <li>• Existing</li> <li>• Legal</li> <li>• Specific</li> </ul>	<ul style="list-style-type: none"> <li>• Observes philanthropy</li> <li>• No return is expected whatsoever</li> </ul>	<ul style="list-style-type: none"> <li>• Detail waqf asset</li> <li>• Detail the beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Experienced</li> <li>• Truthful</li> <li>• Trustworthy</li> </ul>
<b>Economic</b>					
<ul style="list-style-type: none"> <li>• Wealth circulation</li> </ul>					
<b>Social</b>					
<ul style="list-style-type: none"> <li>• Solidarity in the community</li> <li>• Beneficiary rights</li> <li>• Benefactor obligations</li> <li>• Trustee responsibilities</li> </ul>					

<sup>a</sup>Not applicable

## ANALYSIS OF SELECTED ISSUES BASED ON WAQF WORLDVIEW FRAMEWORK

By observing the timeline of waqf since the period of the prophet (ﷺ) until today, we find that the first crucial deviation from the worldview of waqf was the introduction of cash waqf during its initial stages. These cash waqfs operated on interest-based lending (Abdur-Rashid 2020, p. 24). Çizakça (2004, p. 2) reported that a borrower of cash waqf during the Ottoman period would provide a big collateral, usually his house. Although the borrower would remain in his own house, however he will be paying its rents during the borrowing period until full repayment of the debt. The way it was described shows that the rents were a condition for borrowing. This cannot be viewed except as a clear usury because any debt that leads to a benefit is usury (Ribā). Needless to say, that there are many narratives during the time of the prophet (ﷺ) demonstrating the same. Projecting this case on the worldview framework discussed in the previous section reveals that it doesn't fulfill the condition of being confined to Shari'ah laws.

Today, a lot of innovations happened on waqfs and cash waqfs which also have their own problems. Perhaps the most inexplicable and eccentric of these problems is the idea of creating waqf through nonmaterial contributions, e.g., Iman and Mohammad (2017). In essence callers of these models introduce time waqf, knowledge waqf, expertise waqf, and skills waqf! Knowledge can become waqf if for example one dedicates a material-based item like a book to be waqf for the general public to benefit from. However, the waqf concepts they intend here are nonmaterial-based and, thus, are really very confusing; it is very difficult, if not impossible, to see how they fall under the general understanding of waqf. Proponents of such ideas explain that people can provide volunteering services as a charity by offering their time, knowledge, expertise, or skills for a project free of charge. It must be reminded that, although a charity by itself, waqf is set apart from any other kind of charity with the characteristics that we have delineated before. What becomes very clear here is that these people are, indeed, confusing waqf with other types of Islamic ethical wealth (non-waqf charity).

In contrast, Iman and Mohammad (2017) attempted to segregate the nonmaterial-based contributions from normal charity by giving these volunteer services monetary value; the reason being is to add the perpetual dimension to them. Unfortunately, the tweaking provided is

an unjustified bias that is not substantiated by any evidence. Otherwise, we can attach a monetary value to any *ṣadaqah* made and claim that it is *waqf*. By analogy, then, everything in life can be considered a *waqf*! How is this monetary value determined is yet another ambiguous case and therefore the proposal is further weakened.

Projecting time *waqf* and volunteer services on the framework, it is found that it doesn't satisfy the concept of the *waqf* asset which necessitates that the *waqf* should be material-based and continuous or capable of growing. To be continuous the asset should be of the type that has a corpus which can be sequestered and a usufruct which continuously gives non-terminating benefits. Or it could be of a type where it can be invested and continuously grown. Moreover, such act can't be a *waqf* because it doesn't satisfy the component of possibly appointing a trustee. Therefore, such a volunteer act is a general charity.

Another group that digressed from the real worldview of *waqf* introduced *waqf* bank, integrated cash *waqf*, cash *waqf* cooperatives, and corporate *waqfs* (e.g., Haneef et al. 2015; Mohd Thas Thaker 2018). Unfortunately, with these models the system becomes purely that of investment where, on the worldview framework, the social and religious dimensions are missing. The philanthropical dimension is restricted to the act of lending cash to microenterprises and requestors of microfinance and any profits earned from such investments are only distributed to shareholders and establishers of *waqf*. Besides these issues, the economic dimension is violated by the misconduct in corporate *waqfs*, for example, where low profits go to developmental projects while the huge chunk of *waqf* goes into the pockets of the shareholders. Following is a presentation of what went wrong in the evolution of cash *waqf*.

Integrated *waqfs* (IW) and integrated cash *waqfs* (ICW) defy the purpose of *waqf* from a couple of points of view. First, while the principal is preserved, in fact increased through various modes, there is no sign of use of 'usufruct' or any foreseen benefit. In other words, the increase over the principal, alongside the principal itself, is repumped for financing purposes with the expectation of a return on investment! The very legitimate and essential question here is who is the beneficiary of this investment then? The perception that the requestors of funds for purchase purposes, business financing, or carrying out their projects, whatever the purpose is, the perception that they are the beneficiaries is untenable. The simplest reason is that such practice is one where these fund requestors are expected to return the funds fully with a markup—hence violating the

worldview framework condition which states that no return is expected from beneficiaries whatsoever. Second, indisputably, those in charge of managing the cash waqf are entitled for a share of the waqf in return for their efforts. However, the concept of distributing the profits of the investments among the establishers of IW and ICW is a great violation to what the waqf was established for on the first hand. The least that can be said about this situation is that there is a major misinterpretation and misconception of the matter. In this case, the donors of the cash waqf would have not attained their purpose of seeing their money go into the hands of those who deserved it. Saying that the whole system is flawed is unequivocal. Rather, the microenterprises and receivers of microfinances should be viewed as investment partners with waqf. The return on investment should then be distributed among the beneficiaries as determined by the fund contributors of the waqf. Distribution among establishers of waqf should only be on the basis of covering costs and paying for efforts and work done. As a matter of fact, establishers and trustees of waqf funds are, indeed, considered a special case of beneficiaries.

Some argue that the philanthropical dimension is indeed fulfilled by allowing the microenterprises to enjoy the ‘usufruct’ of the cash a period of time, after which the money will be returned, similar to having people benefit from the usufruct of a rented machinery. It is easy to say that this argument is flawed too. First, in the case of cash the microenterprises are expending the money and not returning the same original chapter money that was given to them. Second, even if for the sake of argument, we do not take the first point into consideration, conspicuously the amount returned is more than the principal given; in other words, the case of cash cannot be likened to the case of rented machinery. Third, in the case of cash, constraints are relaxed in terms of who deserves to receive the financing and any microenterprise can apply regardless of their need or whether the donors wanted it or not. In summary, this kind of ‘waqf’ doesn’t fulfill the economic and social dimensions for the simple fact that the return on investment is only repumped for financing purposes and not for any foreseen beneficiary. The entrepreneurs and small businesses benefitting from the finance provided by the integrated cash waqfs can’t be the beneficiaries since they are expected to give some return. They are only venture partners who will help the waqf asset to grow.

## IMPLICATIONS FOR SDGs

In 2015, all United Nations member states adopted the sustainable development goals (SDGs) to end poverty in the world and ensure that everyone enjoys peace and prosperity by 2030 (UNDP 2020). This came by as an answer to the already failing Millennium Development Goals (MDGs) which extended from 2000 to 2015 (Khan 2019). Only four years later from its launch, the SDGs program was declared by the UN Deputy Secretary-General (2019) as not being on track for the target date of 2030. The UN Deputy Secretary-General (2019) further announced that the financing gap is US\$2.5 trillion per year! The Islamic ethical wealth possesses huge potential to fill the gaps needed for the SDGs. After all, and as mentioned previously, waqf is estimated to be worth billions of dollars (Rashid 2012, p. 105) while the potential size of the annual zakāh pool has been estimated between US\$200 billion and US\$1 trillion (Rehman and Pickup 2018). However, such potential is undermined by the various obstacles, issues, and challenges that face the Islamic ethical wealth. Most of these issues are caused by the aberrations and digression from its worldview. The worldview framework developed in this chapter will help to eliminate these challenges and release the full potential of the Islamic ethical wealth institutions and therefore have the utmost positive effect on the SDGs program.

From the perspective of its dimensions, the worldview framework has several contributions to offer. For instance, the social dimension necessitates social solidarity within the society. So, by maintaining the rights of the beneficiaries while the benefactors fulfill their obligations and the trustees trustfully and efficiently observe their responsibilities, the Islamic ethical wealth can help to “promote... inclusive societies” and “access to justice for all” (United Nations 2020) which are the requirements for attaining sustainable development goal 16: ‘peace, justice, and strong institutions’. In contrast, the sustainable development goal 10, which is ‘reduced inequality’, can be supported by the economic dimension demonstrated by the wealth circulation of the Islamic ethical wealth. Goal 10 stipulates reducing “inequality within and among countries” (United Nations 2020) and that is exactly what wealth circulation of the Islamic ethical wealth can achieve. The effect is multiplied as both the social solidarity and wealth circulation of the worldview framework contribute to Goals 1 to 4: ‘no poverty’, ‘zero hunger’, ‘good health and well-being’,

and ‘quality education’, to which waqf support has been proven over several centuries.

Yet, the effect of the religious dimension of the worldview of the Islamic ethical wealth is far more reaching than the other dimensions. This is so because the religious dimension is the driver for the other dimensions. The altruism dictated by the expectation of return, not in this world, but in the Hereafter ensures the continuity of wealth circulation and social solidarity. As such, the worldview of Islamic ethical wealth has more to offer than the 17 goals sought by the United Nations. While the target goals are the same, the SDGs do not aspire to solve the root cause of the actual issues. One of these root causes is the current flawed economic system. On the other hand, the worldview framework of the Islamic ethical wealth exactly tackles the root cause of the issue by stipulating wealth circulation, the concept which the current economic system fails to recognize and in fact plays a big role in increasing the inequality gap within the societies of a country and between countries.

## CONCLUSION

Islamic ethical wealth possesses an enormous potential for solving today’s SDG challenges and issues as it is worth billions to trillions of dollars. It has been proven throughout history that the Islamic ethical wealth has contributed heavily to the welfare of the society as it affected every facet of life: alleviating poverty, helping the poor and needy, providing education, building the infrastructure, supporting scholars, financing orphanages, providing care for the elderly, widows, and single women, caring for animals, and providing health services and health supplies, just to mention a few. Thus, it is quintessential to have it revitalized, while innovating new models of it is not less important. Unfortunately, a quick screening in the history of waqf development and evolution and other institutions of the Islamic ethical wealth revealed that people eventually started to digress from its original understanding—the understanding that once the companions of the prophet (ﷺ) possessed and contentedly applied. While stagnation in Islamic ethical wealth development is not desired, it should not happen on the expense of diluting its intended purpose and sloughing off its true identity.

The authors believe that the main reason for this diversion is losing sight of the Islamic worldview of the Islamic ethical wealth. The significance of having a worldview is manifested in guiding people’s objectives

and providing them with a means to measure their activities. In this study, we aimed to contribute in laying down a simple, yet very effective, Islamic worldview-based definition of waqf, a specific worldview-based framework of waqf, and a general worldview-based framework of Islamic ethical wealth. The developed frameworks combine worldview dimensions [religious, economic, and social] and components [donor, donation, beneficiary, explicit statement (only for waqf), and trustee (for waqf or if an agency exist for the other institutions/tools)] in a way that helps to preserve the declared Islamic ethical wealth from digressing from its original worldview. It is hoped that the definition and framework discussed in this chapter will be a reference going forward for Islamic ethical wealth-related economics.

## REFERENCES

- Abdullah Nadwi, M. (2014). Fate of Awqaf in India: A Critical Appraisal. SSRN, 1–8. <https://doi.org/10.2139/ssrn.2384283>.
- Abdur-Rashid, K. (2020). *Financing Kindness as a Society: The Rise & Fall of Islamic Philanthropic Institutions (Waqfs)* (pp. 1–27). Yaqeen Institute for Islamic Research.
- AlMunajjid, S. (1979). *al-Waqf ilhya' Sunnah*. Retrieved January 25, 2020, from <https://almunajjid.com/lectures/lessons/202>.
- Ariff, M. (1996). The Islamic Voluntary Sector in Southeast Asia. *Islamic Economics*, 8, 73–77.
- Bagby, I. (2012). *The American Mosque 2011: Activities, Administration and Vitality of the American Mosque*.
- Bonine, M. E. (1987). Islam and Commerce: Waqf and the Bazaar of Yazd, Iran (Islam und Handel: Waqf und der Bazar von Yazd, Iran). *Erdkunde*, 41(3), 182–196. Retrieved from <https://www.jstor.org/stable/25645162>.
- Bulut, M., & Korkut, C. E. M. (2019). Ottoman Cash Waqfs: An Alternative Financial System. *Insight Turkey*, 21(3), 91–112. <https://doi.org/10.25253/99.2018EV.07>.
- Choudhury, M. A., Pratiwi, A., & Hoque, M. N. (2019). Waqf, Perpetual Charity, in a General System Theory of Tawhidi Metascience. *Thunderbird International Business Review*, 61(5), 777–792. <https://doi.org/10.1002/tie.22039>.
- Çizakça, M. (1995). Cash Waqfs of Bursa, 1555–1823. *Journal of the Economic and Social History of the Orient*, 38(3), 313–354. Retrieved from <https://www.jstor.org/stable/3632481>.

- Çizakça, M. (2004). *Incorporated Cash Waqfs and Mudaraba, Islamic Non-bank Financial Instruments from the Past to the Future*. MPRA Munich Personal RePEc Archive.
- Dogarawa, A. B. (2010). Poverty Alleviation Through Zakah and Waqf Institutions: A Case for the Muslim Ummah in Ghana. *SSRN*, 1–27. <https://doi.org/10.2139/ssrn.1622122>.
- Haneef, M. A., Pramanik, A. H., Mohammed, M. O., Bin Amin, M. F., & Muhammad, A. D. (2015). Integration of waqf-Islamic microfinance model for poverty reduction: The case of Bangladesh. *International Journal of Islamic and Middle Eastern Finance and Management*, 8(2), 246–270. <https://doi.org/10.1108/IMEFM-03-2014-0029>.
- Iman, A. H. M., & Mohammad, M. T. S. H. (2017). Waqf as a Framework for Entrepreneurship. *Humanomics*, 33(4), 419–440. <https://doi.org/10.1108/H-01-2017-0015>.
- Joan, K., Pambudi, B. C., & Adjie, D. P. (2019). Blending Islamic Microfinance and Productive Zakat to Support SDGs in Fisheries Sector. *International Journal of Islamic Economics*, 1(2), 136–150. <https://doi.org/10.32332/ijie.v1i02.1805>.
- Kahf, M. (1998). *Awqaf of the Muslim Community in the Western Countries: a Preliminary Thoughts on Reconciling the Shari'Ah Principles with the Laws of the Land* (pp. 1–25). Retrieved from [http://monzer.kahf.com/%5Cnhttp://monzer.kahf.com/papers/english/AWQAF\\_OF\\_THE\\_MUSLIM\\_COMMUNITY\\_IN\\_WESTERN\\_COUNTRIES.pdf](http://monzer.kahf.com/%5Cnhttp://monzer.kahf.com/papers/english/AWQAF_OF_THE_MUSLIM_COMMUNITY_IN_WESTERN_COUNTRIES.pdf).
- Kahf, M. (1999). Financing the Development of Awqaf Property. *American Journal of Islamic Social Sciences*, 16(4), 39–68.
- Kahf, M. (2003). The Role of Waqf in Improving the Ummah Welfare. *The International Seminar on Waqf as a Private Legal Body*, 2–24. <https://doi.org/10.1108/IMEFM-08-2013-0094>.
- Khan, T. (2019). Reforming Islamic Finance for Achieving Sustainable Development Goals. *Journal of King Abdulaziz University, Islamic Economics*, 32(1), 3–21. <https://doi.org/10.4197/Islec.32-1.1>.
- Kidwai, A., & Zidani, M. E. M. (2020). A New Approach to Zakat Management for Unprecedented Times. *International Journal of Zakat*, 5(1), 45–54. <https://doi.org/10.37706/ijaz.v5i1.207>.
- Mahamood, S. M., & Rahman, A. A. (2015). Financing Universities Through Waqf, Pious Endowment: Is It Possible? *Humanomics*, 32(4), 430–453.
- Mohd Thas Thaker, M. A. B. (2018). A Qualitative Inquiry into Cash Waqf Model as a Source of Financing for Micro Enterprises. *ISRA International Journal of Islamic Finance*, 10(1), 19–35. <https://doi.org/10.1108/IJIF-07-2017-0013>.

- Nawa, F. (2015). *Internal Struggles at US Mosques Seep into Secular Courts*. Retrieved January 25, 2020, from Reveal website: <https://www.revealnews.org/article/internal-struggles-at-us-mosques-seep-into-secular-courts/>.
- Orbay, K. (2012). Financial Development of the Waqfs in Konya and the Agricultural Economy in the Central Anatolia (Late Sixteenth-Early Seventeenth Centuries). *Journal of the Economic and Social History of the Orient*, 55(1), 74–116. <https://doi.org/10.1163/156852012X628509>.
- Rashid, S. K. (2012). Measures for the Better Management of Awqaf. *IIUM Law Journal*, 20(1), 103–138.
- Rehman, A. A., & Pickup, F. (2018). *Zakat for the SDGs*. Retrieved September 5, 2020, from United Nations Development Programme (UNDP) website: <https://www.undp.org/content/undp/en/home/blog/2018/zakat-for-the-sdgs.html>.
- Shaikh, S. A., Ismail, A. G., & Mohd Shafai, M. H. (2017). Application of Waqf for Social and Development Finance. *ISRA International Journal of Islamic Finance*, 9(1), 5–14. <https://doi.org/10.1108/IJIF-07-2017-002>.
- Syed, M. K, Mustafâ, R. R., & Thalassinos, Y. E. (2020). An Artificial Intelligence and NLP Based Islamic FinTech Model Combining Zakat and Qardh-Al-Hasan for Countering the Adverse Impact of COVID 19 on SMEs and Individuals. *International Journal of Economics and Business Administration*, VIII(2), 351–364. <https://doi.org/10.35808/ijeba/466>.
- UN Deputy Secretary-General. (2019). *Citing \$2.5 Trillion Annual Financing Gap during SDG Business Forum Event, Deputy Secretary-General Says Poverty Falling Too Slowly*. Retrieved September 5, 2020, from United Nations Meetings Coverage and Press Releases website: <https://www.un.org/press/en/2019/dsgsm1340.doc.htm>.
- UNDP. (2020). *Sustainable Development Goals*. Retrieved August 27, 2020, from <https://www.undp.org/content/undp/en/home/sustainable-development-goals.html>.
- United Nations. (2020). *The 17 Goals*. Retrieved September 22, 2020, from United Nations website: <https://sdgs.un.org/goals>.