



# The Role of Cash Waqf in Poverty Reduction: A Multi-country Case Study

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## Abstract

Poverty is a severely debilitating problem affecting many countries in the Muslim world. The fight against poverty and alleviating it from the society are imperative. Its reduction and alleviation not only depend on economic and social policies, population size and resource endowments but also on the types of economic undertakings being pursued. This case study explores the potential of faith-based endowments—cash *waqf*—to reduce the level of poverty in Somalia. It analyses critically the cash *waqf* models existing in two selected Muslim countries in relation to the socio-economic situation in Somalia. In line with existing literature, the study adopted the *waqf* shares scheme. This scheme seems to be appropriate to Somalia for several important reasons. It is relatively easy to raise funds from the public via traditional collections of money by cash or mobile payment systems which are widely used in Somalia. It is argued that the funds generated could be used to create employment opportunities, and as a result, many poor Somalis will be empowered financially, socially and educationally.

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## 1 Introduction

Poverty is a severely debilitating problem affecting many countries in the Muslim world. The fighting against poverty and alleviating it from the societies are imperative. Its reduction and alleviation not only depend on economic and social policies, population size and resource endowments but also on the types of economic undertakings being pursued. The focus should be on determining which policies contribute effectively to eliminating poverty. Such efforts align with the primary objectives of the *Shariah* to alleviate poverty and establish socio-economic justice and the equitable distribution of wealth.

Poverty is rampant in the Muslim world. Inequality and low productivity have contributed to poor standards of living. A significant number of Muslims in Africa, Asia and the Middle East are living below \$2 a day due to their abject and absolute poverty. In fact, the Muslim communities account for a significant number of poor and less privileged globally. This raises numerous questions that need answers to solve the problems threatening the Muslim world (Amuda & Embi, 2013).

The current condition of Muslims is deteriorating because of their financial restrictions and poverty due to unrestrained corruption. The economic challenge affecting numerous Muslims has an undesirable impact on their lives religiously, morally, socially and mentally and requires a solution. Many cannot afford necessities for their immediate families because of financial problems (Ali, 2012).

Given the current financial situation challenging several Muslim countries, there is an urgent need for poverty alleviation through *waqf* properties, *sadaqat*, and public funding. Poverty alleviation requires proper financial systems such as micro-financing, lawful businesses, agriculture, investment, large-scale enterprises and small and medium enterprises. Others include commercialisation, gifts, interest-free loans, partnerships, factories, construction and other lucrative investments (Adebayo, 2008).

Cash *waqf* (CW) is a viable type of Islamic endowment aimed at providing relief to the less fortunate citizens. Several countries such as Malaysia, Indonesia, Bangladesh, Singapore and Nigeria have established cash *waqf* systems and achieved some level of success. However, issues and challenges remain in the current practice of cash *waqf*. This chapter will begin by investigating issues and challenges in the *waqf* system. Secondly, it explores the potential of faith-based endowments to reduce the poverty level in Somalia. Historically, *waqf* in Somalia has not contributed to the development of all sectors. There are no functioning endowment institutions in Somalia that register and care for *waqf* properties. Even though *waqf* in Somalia is as old as the arrival of Islam, the perception of the society towards *waqf* is that it is solely a religious practice.

This study adopts a qualitative research design that draws on information sourced from previous literature, the Quran, Hadith, working papers and Internet sources. It analyses the existing cash *waqf* models in Muslim and Muslim minority countries in relation to the socio-economic situation of Somalia. In line with this, the study adopted the *waqf* shares scheme. This scheme seems to suit Somalia for several important reasons. It is relatively easy to raise funds from the public via traditional

approaches to collecting money by cash or by mobile payment systems which is widely used in Somalia. It is argued that the funds generated can be used to create employment opportunities to empower poor Somalis financially, socially and educationally. The result of this study shows that cash *waqf* is viable and can reduce poverty among less privileged Somalis.

## 1.1 Cash Waqf

Cash *waqf* is not as prevalent as property and land types of *waqf*. It is gradually increasing and getting attention. Among the reasons for the advent of cash *waqf* in recent times is due to its flexibility. The elasticity of cash *waqf* permits for dissemination of *waqf*'s prospective advantages to the poor irrespective of their geographical setting (Ali, 2012).

Cash *waqf* has been recognised for its potential to alleviate poverty. Poverty alleviation programmes require considerable funds, and governments are often unable to provide such financing. In this case, cash endowment can play its part. The cash *waqf* fund trustees or *Mutawalli* will gather the funds from the *waqf* founder or *Waqif* and invest the money in any Islamic-based investment fund or a genuine sector. The profit obtained from this investment can be used to finance enterprises that would assist the ordinary people as a means of poverty alleviation (Beik & Arsyianti, 2013).

Many people have expressed their support for cash *waqf*. Cash *waqf* is perceived to be extra “friendly” to the public, specifically to those who do not own any asset such as a building or land. Table 1 lists the advantages of executing cash *waqf*.

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## 2 Multi-country Case Study on Cash Waqf

This section examines the cash *waqf* practices employed by some Muslim countries such as Ottoman Times, Malaysia and Bangladesh. We evaluate the current cash *waqf* models of those countries and identify the problems and suggest possible solutions. However, before presenting the current situation in the mentioned countries, we want to give a general information on the heritage of the cash waqfs from the Ottoman times.

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## 3 Case Study 1: Malaysia

In Malaysia, cash *waqf* is progressively acknowledged and recognised. The implementation of cash *waqf* has increased its acceptance in Malaysia, partially on account of the advertisements prepared by Bank Muamalat Malaysia Berhad (BMMB), which is the pioneer of Islamic banking organisation to manage cash *waqf* alongside Perbadanan Wakaf Selangor (PWS) (Bank Muamalat Malaysia Berhad, 2014).

**Table 1** Advantages of cash *waqf*

1	It is easy-going and only needs a trivial amount of wealth which permits the involvement of a larger group of people
2	It has the capability to produce more resources for the benefit of asset development, for instance, <i>waqf</i> land that has not been developed
3	It could help educational institutions with the problems of cash flow by forming a temporary fund
4	It has the ability to decrease the reliance of Islamic institutions on the government. It simultaneously empowers them to be more autonomous
5	From the education sector's viewpoint, cash <i>waqf</i> has been established to perform an active role in assisting Islamic educational institutions. An outstanding example in the implementation of cash <i>waqf</i> in the educational sector is that of Al-Azhar University in Egypt, which was built with cash <i>waqf</i> funds
6	It has been active in instituting income-generating undertakings which are appropriate to help the physically challenged people, single mothers, uneducated and inexperienced workers. The income-generating activities will considerably help those persons who might encounter difficulties in getting jobs
7	It can also help in the growth of current <i>waqf</i> properties. An important amount of <i>waqf</i> properties is left wasting and unused because of a shortage of funds. Cash <i>waqf</i> can be restructured with the aim of <i>waqf</i> property development financing through <i>mudharabah</i> and <i>musharakah</i> methods (Beik & Arsyianti, 2013).

Note: Authors' own table, 2018

With the intention of improving its role as an Islamic bank, in 2012 Bank Muamalat Malaysia Berhad (BMMB) combined with Perbadanan Wakaf Selangor (PWS), a state *waqf* manager served as the major gatherer of cash *waqf*. The bank established a shared deposit account for accumulating cash *waqf*. It is also in charge of providing awareness to the Malaysian Muslims to take part in cash *waqf* collection. Since its incorporation in 2012, many donors began to inquire about the bank's efficiency in handling the fund. This is because of the absence of disclosure on the utilisation of the fund. Since the bank acts as the accumulator of the fund, it should make its cash *waqf* operation more transparent (Bank Muamalat Malaysia Berhad, 2014).

Cash *waqf* has become popular in Malaysia. For instance, the Malaysian National Fatwa Council passed the fatwa that allows cash *waqf* in the year 2007 (Yayasan Wakaf Malaysia, 2014). Furthermore, the massive cash *waqf* fund gathered by the Selangor State Religious Council (SSRC) provides many benefits such as settling of debts such as houses, providing loans for financing small and medium industry business, developing the Islamic economy and investment in property for Muslims (Kahf, 1998).

Cash *waqf* is a donation of a certain amount of money, which is supervised and managed by cash *waqf* trustees (*Mutawalli*) to support a variety of charitable works financially. The pooling of cash in Malaysia will be transformed into a long-lasting property that will be used for the interest and welfare of the community, and it is supported by Yayasan Wakaf Malaysia. A *waqf* fund which is otherwise mentioned as Kumpulan Wang Wakaf is formed to save the donation of money and properties

or any other incomes or proceeds obtained from *Mawquf* or *Istibdal*, and it is administered by several statutes (Saad, Kayadibi, & Hamid, 2017).

Cash *waqf* has been presented by the State Islamic Religious Council (MAIN). For example, the State of Selangor Islamic Religious Council (MAIS) announced the formation of a *waqf* scheme called Skim Saham *waqf* (*waqf* Shares Scheme). The other states in Malaysia that also applied a related *waqf* shares scheme are Malacca Johor, Pahang, Terengganu and Penang. Cash *waqf* is easier to control than fixed assets such as land. Its manageable and distinguishing features allow for varied functions. Moreover, it has been utilised to sponsor development projects and can be capitalised in numerous Islamic investment instruments. The revenues generated from these investments can then be used to fund projects that will assist the Muslim community (Khan, 2010).

Cash *waqf* in Malaysia has numerous benefits because of its suppleness. Many Muslims donate case as *waqf*. Essentially, through cash *waqf* funds, the abandoned assets that lack financial support could be urbanised for the benefit of the Islamic economy. The cash *waqf* fund can also be used to fund institutions of education and Islamic religious schools that are facing financial difficulties in addition to supporting other Islamic assets (Lahsasna, 2010).

The enormous cash *waqf* fund provides many benefits in developing the Islamic economy. It could be utilised as loans for funding small and medium enterprises. It could also assist in relaxing debts comprising of assets such as house foreclosures and bad debts problems encountered by the Islamic community. Furthermore, the cash *waqf* supports the ownership of Muslim assets, as every asset acquired will be *waqf* (Mohammad, 2011).

Likewise, the cash *waqf* in Malaysia has the capability to support the development of the Muslim ummah. It is projected that the collection of cash *waqf* in Malaysia could reach a total of RM4.3 billion a year if every full-grown Malaysian Muslim contributed at least RM1 per day or RM30 per month to the cash *waqf* fund. Moreover, the state of Penang has a great prospect to improve a cash *waqf* fund because of its marketing and planning strategy that is utilised for advertising cash *waqf* funds. Ibrahim et al., (2013) projected that the cash *waqf* fund could extend to RM7 million per year, which could generate numerous opportunities for the Muslim community (Perbadanan Wakaf Selangor, 2014).

### 3.1 Problems Affecting Cash *Waqf* in Malaysia

1. There are many levels of the decision-making process of *cash waqf* in Malaysia that are time-consuming and do not allow for effective and efficient *cash waqf* accumulation.
2. Cash *waqf* processes are not consistent making coordination and evaluation difficult. Similarly, there are shortages of experienced personnel.
3. The management team of cash *waqf* in Malaysia are new. Instead of concentrating on primary projects, the cash *waqf* managers rely of cash *waqf* funds to execute

secondary projects which they are not supposed to. This situation fails to elicit the confidence of Malaysian population.

4. The lack of *Cash Waqf* Management Committee did not provide room for the development of *waqf* assets which fail to reinforce the Muslim economy.
5. There is lack of a good master plan on the cash *waqf* that is consistent with the Malaysian Vision 2020.
6. There is lack of proper public enlightenment campaigns by the State Islamic Religious Council (MAIN) on the issue of tax rebate provided to donors of *Dana Klinik Wakaf An Nur* by the Malaysian Board of Inland Revenue.
7. The various stakeholders in cash *waqf* affairs such as the State Islamic Religious Council (MAIN), the Department of *Awqar, Zakat* and *Haji* (JAWHAR) and *Yayasan Wakaf Malaysia* (YWM) failed to provide a wide range of media publicity in order to notify the general community about *waqf* expansion projects.

### 3.2 Solutions to the Problems of Cash *Waqf*

1. The numerous levels of decision-making of cash *waqf* should be substituted with smaller and fewer time-consuming processes in order to make it well-organised and operational.
2. The cash *waqf* processes should be consistent and standardised. This is essential to produce harmonisation and easy assessment. It will also assist in producing experienced and well-informed staff. The staff should also be provided with training to increase collection and its productivity.
3. The cash *waqf* management is in a developing stage. Therefore, there should be a subordinate project to assist in funding the main project so that the supervisors do not have to rely on cash *waqf* funds. Subordinate projects will also increase the status of the supervisors and promote confidence among the Malaysian public.
4. A Baitul Mal and Cash *Waqf* Management Committee (CWMC) should be established to make sure that all the *waqf* assets can be promoted consistent with the objective of the contributors in addition to producing income and revenue to the State Islamic Religious Council (MAIN) and reinforce the Muslim economy.
5. Donations should not be limited to buildings or land; the Muslim community should be encouraged to donate cash *waqf* to produce additional revenue and increase the properties and assets of the Muslim community.
6. To make sure that the cash *waqf* development plan is pertinent to the country's transformation policy, a good master plan which corresponds with the Malaysian Vision 2020 should be established. The plan should be the foundation of any future cash *waqf* expansion project to ensure the funds spent on the growth of *waqf* will have robust impacts on the economy of the Muslim community.
7. There should be proper public enlightenment campaigns by the State Islamic Religious Council (MAIN) on the issue of tax rebate provided to donors of *Dana Klinik Wakaf An Nur* by the Malaysian Board of Inland Revenue so that people will be additionally encouraged to donate funds for charitable projects.

8. The State Islamic Religious Council (MAIN), the Department of *Awqaf*, *Zakat* and *Haji* (JAWHAR) and *Yayasan Wakaf Malaysia* (YWM) should engage a wide range of channels, for instance, through the print media, publications, seminars and forums, to notify the general community about waqf expansion projects so that they obtain exact information on the role and support of *waqf* in advancing the development and socio-economic status of the nation.

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## 4 Case Study 2: Bangladesh

Cash *waqf* came into existence in Bangladesh in the year 1995 by Social Investment Bank Ltd. (SIBL). The bank introduced the Cash *Waqf* Certificate which was regarded as a fresh product in Bangladesh banking history. This system has been well received by the public for its outstanding features. The Social Investment Bank Ltd. as an inventor of this ground-breaking monetary product of social capital mobilisation received both local and international endorsement. When a person opens a Cash *Waqf* Deposit A/C, he can provide welfare services. People are encouraged to volunteer to gather cash *waqf* deposit with the intention of generating profit, which may be used for the benefit of the people (Thoarlim, Rahman, & Yanya, 2017).

The development of cash *waqf* in Bangladesh is a growing trend, and many people are aware of cash *waqf* in Bangladesh. Cash *waqf* finances many private universities in Bangladesh. The cash *waqf* funds are reserved in the investment fund of an Islamic bank which functions on the foundation of *Mudarabah*. The profits are used for accomplishing stipulated Islamic goals. The cash *waqf* management has a distinctive characteristic that is conceptually dissimilar to the management of charities, donation or foundation funds (Ahmad & Safiullah, 2012).

In Bangladesh, cash *waqf* permits people to provide little contributions to *waqf* institutions. Cash *waqf* pool and management are operated by numerous Islamic banks. The contributors can open the *waqf* cash account by putting a fixed amount or by paying a minimal amount every month which they are not permitted to withdraw (Aziz, Yusof, Johari, & Sabri, 2014).

The banks usually invest those deposits in *Shariah*-compliant investment alternatives and allocate the proceeds to recipients according to their needs or by donors' intentions. The achievement of Social Islamic Bank in distributing and handling the cash *waqf* has led other Islamic banks in Bangladesh to introduce related accounts of cash *waqf* for the benefit of Muslims and non-Muslims. Other banks that have joined include Exim Bank Bangladesh, Prime Bank, Al-Arafah Islami Bank Limited, Shahjalal Islami Bank Limited and Islamic Bank Bangladesh Limited (Abdul Karim, 2010).

It is a common practice in Bangladesh to use banks as agents for collecting cash *waqf*. Consequently, using Islamic banks is viewed as the starting point for collecting cash *waqf* in Bangladesh (Ameen, 2004).

#### 4.1 Problems Affecting Cash Waqf in Bangladesh

There are problems that affect the development of cash *waqf* in Bangladesh. The problems include:

1. Insufficient manpower.
2. Lack of administrative and organisational experience.
3. Unregistered cash *waqf* properties.
4. Lack of provisions in the relevant laws.
5. Lack of social consciousness.
6. Unlawful misappropriation and occupation of cash *waqf*.
7. Possibilities of power exploitation and ineffective supervision. All the decisions for both private and public *waqf* institutions are made by the headquarters which reduces the divisional employees' opportunities to take part in the decision-making.
8. Lack of *Shariah* and advisory board.
9. The aptitudes and qualification of *Mutawallis* in effectively managing cash *waqf* for the continued flow of funds for their sustainable future are questionable.

All these problems bring about serious apprehensions in Bangladesh about the governance structure of the cash *waqf* institutions. They need to resolve the growth and sustainability of such institutions.

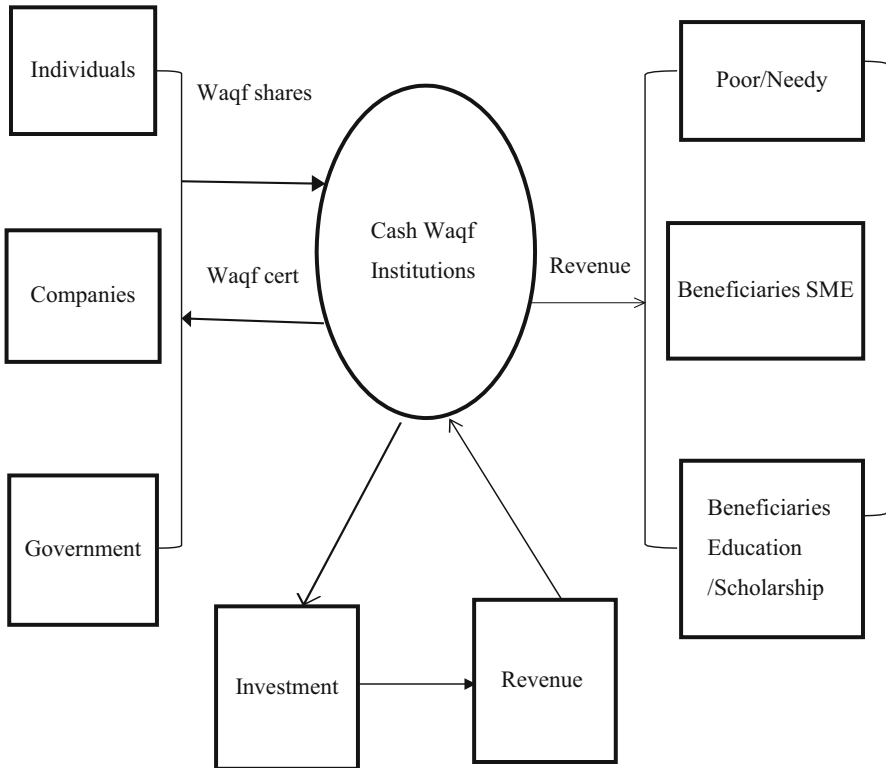
#### 4.2 Solutions to Some of the Problems

1. Cash *waqf* administration in Bangladesh should be decentralised to enhance proper communication.
2. The government should employ sufficient experienced staff to monitor the activities of cash *waqf*.
3. Cash *waqf* should be registered.
4. Relevant laws on cash *waqf* must be enacted to guide the management of the funds.
5. A *Shariah* advisory board should be established for cash *waqf* for every institution.
6. The government should employ qualified and experienced *Mutawallis* for effective management of cash *waqf*.

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### 5 Model Building: Cash Waqf Model for Poverty Reduction in Somalia

This *waqf* model proposed for Somalia is developed in a way that makes it possible for *waqf* fund to be managed and invested at the same time so that it will be sustainable. The model is adopted from different cash *waqf* models practised in the Muslim minority and majority countries.



**Fig. 1** Conceptual framework of cash *waqf* model in Somalia (Note: Authors’ own figure, 2018)

The Somali government has pursued several initiatives to reduce poverty. Besides seeking international help, the government established a national committee as a trustee to collect funds from Somalis in the country as well as in the global Somali diaspora. Although the idea works to some extent and helps the poor who have lost their livelihood, it is worth mentioning that this method of handling problems is not sustainable and calls for researchers and policymakers to come up with models that are reliable and, above all, sustainable. In line with the government objectives, we have proposed a cash *waqf* model as an addition to the existing strategies and policies. The structure of this model is presented in Fig. 1.

The model resembles *waqf* shares schemes. According to Ismail Abdel Mohsin (2013), this scheme is a kind of public participation of *waqf* fundraising. Such a *waqf* scheme is practised by many countries such as Kuwait, Malaysia, Indonesia and the UK. The purpose of this scheme is to raise funds from the public and support the common good of the society. Generated income will finance different lawful activities as per Islamic law. The collected *waqf* fund in this scheme will be invested in businesses that generate good returns, and then the profit generated will be directed to the beneficiaries. Moreover, Ismail Abdel Mohsin (2013) stated that

perpetuity as one of the principles of *waqf* could be achieved if only the profit is channelled to poverty alleviation activities, but the collected fund should be intact as much as possible.

## 5.1 Modus Operandi of the Proposed Model

1. It can be established by any specified institution or company, private or public, and handled by the management of the fund as a trustee or *Mutawalli*.
2. The institution then issues *waqf* shares in various denominations and calls for donors to donate for the specified project. This will make it easier for all, not only for the rich class, to participate.
3. Donors can buy shares according to their ability.
4. Contributors in return will be given a *Cash Waqf Certificate* that shows they purchased shares in a specified project and indicates the amount paid.
5. The amount collected from contributors will be managed and invested by the Cash waqf Institution (CWI) as trustee/*Mutawalli*.
6. Finally, the generated income from the investment will be channelled to the beneficiaries accordingly.

Furthermore, this model is perceived as one of the successful *waqf* institutions for poverty reduction, and it will be suitable to be adopted in Somalia as the first attempt at a *cash waqf* institution. This model is developed to upgrade and help the poor who were affected by the droughts in Somalia. Through the best practices of good governance, the CWI institution will prosper if proper management were to be employed. In Somalia, most of the corporations fail due to the lack of good corporate governance. Also, the publication of detailed annual reports, the appointment of an independent board of directors, external auditors, and the use of an effective information management system can be practised. These are the tools that can guarantee an effective environment for *waqf* institution development that is transparent, accountable and sustainable.

## 5.2 The Components of the Proposed Cash *Waqf* Model

This proposed model suggests solutions to the current challenges of supporting the internally displaced people in Somalia due to severe droughts and lack of financial support. The model consists of planning a successful *waqf* project, followed by the president's office for the nomination of the committee (*Mutawalli*) to act as a trustee and to manage the collected *cash waqf* fund. This committee, as a board of directors, should appoint a competent CEO to manage the fund in the best interest of the beneficiaries. It must also fulfil the conditions given by the *waqif* (donors) and ensure sustainability of the fund. Finally, there must be checks and balances. Donors and the beneficiaries are also key components of the model.

**Government Approval** In this proposed model, since there are MPs in the elected committee as discussed earlier in this chapter, they can easily forward a bill to the House of Legislatures to pass a law that will govern the *waqf* institutions in the country.

**Donors** Donors can be government, businesses and individuals. It is expected from the government to encourage its employees to contribute to the nation-building process by contributing to the *cash waqf* fund. This will help the government's plan to fight poverty and the country's rebuilding process. A properly managed *waqf* will not only improve the life of the society but also reduce the government's expenditure. As of now, the Somali government heavily depends on foreign aid and debts to cover its basic infrastructure. If *waqf* institutions are fully supported, they will have positive impacts on the country.

Businesses and private companies can play essential roles to contribute to the *waqf* fund so that the CWI will have sufficient funds to improve the lives of the vulnerable in the society. Cash *waqf* institutions can cooperate with other financial institutions like Islamic banks and telecommunication companies for greater benefits since engagement of corporate social responsibility (CSR) is required from businesses.

**CWI** This is the governing body of a cash *waqf* institution. The people who will be appointed should be like-minded because they are the ones who make the decisions. The primary objective of the cash *waqf* institution is raising funds from the donors and issuing cash *waqf* certificates in return. The donors will expect no return from the CWI but reward from Allah since they are helping the needy. The certificate will be useful for recording the transactions and as a transparency tool. The other function of CWI is to invest the collected funds into businesses that will yield a good return. Other operational activities and managerial skills should be done with due diligence.

**Sustainability** There is a need to ensure sustainability after formation of a successful cash *waqf* institution. Sustainability can only be realised in the form of investment. Investment of the capital can be real estate, transportation or investing in *Shariah*-compliant shares and *sukuk*. It can also be invested in participating financing through lawful transactions like *Murabaha*, *Istisna'* and *Salam*. Riskier investment can also be engaged through *Musharakah* and *Mudarabah* with a small percentage to minimise the risk.

**Beneficiaries** The main objective of the cash *waqf* institution is that the profit will be channelled to projects according to the wish of the *Waqif* (donors). It can be for poverty alleviation, needy people, orphanages and poverty alleviation programmes such as microfinance projects and reducing the burden of those who are indebted.

## 6 Concluding Remarks

The main objective of the study is to examine the impact of cash *waqf* on poverty alleviation. Among the motives of the current advent of cash *waqf* is its flexibility. The research finds that many people appreciate the importance of cash *waqf* as the structures of *cash waqf* are perceived to be extra “friendly” to the community specifically to those who do not have any asset such as a building or land. The advantages of implementing cash *waqf* are as follows:

1. Cash *waqf* is easy-going and only requires a little amount of money which permits participation of a larger group of people.
2. Cash *waqf* can decrease the reliance of Islamic institutions on the government, which simultaneously empowers them to be more autonomous.
3. Cash *waqf* has been known to be conceivably active in introducing income-generating activities which are suitable for the physically challenged people, single mothers and uneducated and inexperienced workers.

These are few points of what cash *waqf* can contribute to humanity to reduce the burden of the less privileged. We have seen the impact of cash *waqf* on poverty alleviation, and the researcher is very optimistic that this method of *waqf* would help Somalia if it is implemented properly.

Finally, another objective of this study is the proposed cash *waqf* model for Somalia for poverty reduction. The study sheds light on how cash *waqf* started and its development in those countries. The researcher modified the above models so that it will be appropriate for Somalia. It is worth mentioning that it is tough to find how the collected funds are invested by these institutions but the projects have great impacts on the society. In line with this, the study adopts the *waqf* shares scheme. This scheme seems to be suitable for Somalia for several important reasons. It is relatively easy to raise funds from the public via the traditional way of collecting money by cash or by mobile payment system, which is widely used in Somalia. The problem with the corporate scheme is that the culture of a corporation is not properly practised as most of the businesses are retail. Cash *waqf* through deposit scheme will also be problematic because most of the people in the country do not use banks. Therefore, this model is believed as one of the fruitful *waqf* institutions for poverty alleviation, and it will be appropriate to be adopted in Somalia as the first attempt at forming a cash *waqf* institution.

The present research offers recommendations for future research. Somalia needs to create awareness about *waqf* to revive the noble culture of helping one another and call for its development and renewal, especially, cash *waqf* societal development. There is the need for coordination between cash *waqf* institutions and other relevant organisations as well as government bodies. For Somalia’s *waqf* development, it should cooperate with other cash *waqf* institutions globally to benefit from their successful policies.

Also, there is the need to prepare well-trained human resource to handle cash *waqf* to make it a robust institution. Efforts should be made towards developing

managerial skills, advertising *waqf* and making sound investment plans while using knowledgeable persons in all the fields involved. They should take advantage of the flexibility in Islamic law and not be confined to previous opinions. *Fiqh* councils and *waqf* conferences produce many insights that can help *Awqaf* to flourish. Technology should be used for greater participation and more fund collection through crowdfunding platforms and mobile banking. To avoid negligence of the *waqf* fund, the respective authorities should lay down detailed rules and regulations of *waqf*. These rules should include accounting, administration and all necessary information.

To conclude, cash *waqf* is essential to help the poor develop. Having considered the models of cash *waqf* in selected countries, the study indicates that a similar experience could be replicated in Somalia if the above recommendations are implemented properly. Consequently, if the problems faced by the structures of the studied countries can be avoided, greater benefits will be achieved. Lastly, effective cash *waqf* management can improve the standard of living and reduce the poverty level in Somalia.

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