

Waqf – Concept & Integration in Islamic Financial System:

Waqf in Quran and Hadith:

Waqf, in the language of Shariah, means the dedication of the corpus of property to Almighty God. The property thus transfers from the dedicator (waqif) to the ownership of Allah but its usufruct or benefit is dedicated to the poor, sick, travellers, or any other noble cause recognised by Islam.

The institution of waqf helps elimination of poverty, misery, disease, illiteracy and in this way promotes the cause of equitable distribution of wealth.

The institution of waqf in Islam gets its inspiration from the following verses of the Qur'an and Ahadith of Prophet Muhammad (PBUH):

- 1. Ye will not attain unto piety until ye spend of that which ye love. And whatsoever ye spend, Allah is aware thereof. (Qur'an 3: 92)*
- 2. Ibn 'Umar told that when 'Umar got some land in Khaibar he went to the Prophet and said, "Messenger of God, I have acquired land in Khaibar which I consider to be more valuable than 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 sadaqa." So 'Umar gave it as sadaqa declaring that the property must not be sold, given away, or inherited, and he gave its produce as sadaqa to be devoted to the poor, relatives, the emancipation of slaves, God's path, travellers 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 storing up goods (for himself). Ibn Sirin said, "provided he is not acquiring capital for himself." (Bukhari and Muslim)*

Concept of Waqf:

The institution of waqf, thus, got its roots when verse 92 of chapter Three of the Holy Qur'an was revealed and the well-to-do companions of the Prophet sought his guidance expressing their desire to donate their property in the path of Allah. So the followers of Islam throughout their history have been maintaining this institution to earn the pleasure of Allah in this world and in the Hereafter. As stated earlier, a Muslim can bequeath one-third of his property for charity after his death. But during his lifetime he has right to spend whole of his property in the way of Allah. According to law of gift, one can donate or gift as much of his property as he likes to any person during his life. Good-natured and virtuous believers, who are rich, exercise

their powers under the law of will or the law of gift and establish waqf for a charitable cause.

Waqf is a concept of Islamic Shari'ah which may also be defined as transferring of ownership over some financial or real assets by any person or party in favor of any person or party or a "trust created for doing things for the welfare of the whole society"

Broadly speaking there are two kinds of contracts acknowledge by Islamic Shari'ah, one is "for consideration" and the other one is "not for consideration". Waqf transaction falls under the category of contract "not for consideration". The purpose of contracts "not for consideration" in Islamic Shari'ah is sacrificing some one belongings just for the welfare of some person or party or a group of persons or parties or for the welfare of the whole society attracts blessings from Allmighty Allah according to the teachings of Holy Quran. This is why besides payment of Zakat and Ushr which are compulsory payments to be made by the person who crosses a certain limit of wealth there are other heads of donations through which a person can donate his belongings for the welfare of a person or a party or a group of persons or group of parties or for the entire society.

Integration of Waqf in Islamic Financial System:

Accordingly, one can waqf one third of his inherited assets to be used for the welfare of the society besides donating any amount of money or assets in his life for the welfare of the society. These guidance from the Islamic Shari'ah can lead to achieve the following objectives for the betterment of the society.

1. The waqf assets (including money) can be given to cultivators who do not own land and the land can then be utilized by them for cultivating profitable crops.
2. The bright young engineers who do not have any wealth to start their own business but have done some valuable projects during their studies can be handed over waqf assets to establish their own business in those territories where there is less employment so that by starting manufacturing of profitable out put the unemployed youth of that particular territory could avail employment opportunities
3. The bright young doctors who do not have any wealth to establish their own clinics can be given waqf assets to establish their clinics in those areas where the clinical/medicine facilities are lesser than the other areas, so that the population of the area could get proper health facilities like the other areas.

4. The young business graduates who got top positions in the management discipline but do not have any wealth can be handed over waqf assets to initiate some profitable ventures in those areas where other businessmen do not want to go due to certain reasons so that these neglected areas could also start wealth generation for their population.
5. The areas which need to establish educational institutions for the people can be established with the waqf assets to enhance literacy rate in these areas.
6. The areas which need hospitalization facilities for the poor people can be helped with waqf assets to establish hospitals so that the poor people could avail proper hospitalization facilities
7. Poor people who can not start any work due to not having any wealth can be given waqf assets to start establishing small business to create wealth generation with micro finance but at macro level.
8. The prisoners who can be released from the prison but do not have any funds to pay as damages can be helped out with the waqf funds to get released
9. Poor ladies who can not get married due to not having sufficient funds can get married with the waqf funds
10. The houses for children who have lost their parents can be constructed with the waqf funds and can be used by these children.
11. The houses for old citizens who have lost their children or even did not have any child can be can be constructed with the waqf funds and can be used by these people.

If we summarize the impact of above mentioned utilization of waqf funds we can safely conclude that it can change the whole economic scenario of the world. The poverty line can reduced, there may be proper distribution of wealth, the literacy can be high and the poor can prosper. Keeping in view the probable outcome of waqf funds on can say that there is great integration in between the waqf concept and the prosperity of the whole world.