

## THE SIGNIFICANCE OF WAQF IN HISTORICAL AND TEORITICAL STUDIES

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### ABSTRACT

Rasulullah obligated waqf not only for places of worship such as mosques, but also productive facilities such as garden, wells and other. The aim is to drain the benefits of productive facilities for people who are less fortunate. Practically, waqf prove to be well understood by Western scientists. However, the implementation of waqf nowadays less than the maximum because the Muslim community's understanding of waqf and the governments attention are still lack of attention, also the lifestyle of the Muslim community which is too glamour. To revive waqf, it takes an understanding to the significance of waqf. The used in this paper is to study literature by examining the books, journals or papers to be understood, as the issue has been formulated. The result of this research is waqf contribute significantly to the welfare of the people. Moreover, waqf that caters to the public eternally. In history, waqf significantly have proven in helping the state for equipping the public facilities without imposition of the state estimate. Hopefully, waqf will be one of the good solutions for economy.

Keywords: Waqf, The Significance of Waqf, Welfare, Economic Solution, setting up schools and hospitals, providing graveyard for poor, providing scholars for the preachers, and supplying weapon for jihad. Nevertheless, the donors (wakif) are rarely ignored their family and surrounding. There is a condition in the certificate of endowment that allows the donor to set aside money for them and their dependents (Dumper, 1999).

### INTRODUCTION

Endowment (waqf) is one of the instruments in Islamic economy. Endowment is a social institution in Islam which had such important role in Muslim societies and the development of Moslem countries. In fact, endowment has been recognized by G.C Kozlowski within a very brief description.

He stated that endowment is a donation or commonly known as a gift which given to an individual or institution. In Islamic history perspective, it is a donation which prompted to fulfil the needs of Moslem's spiritual activities such building and maintaining masjid,

Since Kozlowski has conducted researchs on endowments, the acknowledgement of endowments has proven and could be understood by Western scientists. Mashlahah (See, Sholihin, 2010: 498) stated that waqf is a solution to overcome poverty in many countries, such as Turkey in the Ottoman

period, Singapore with Wazari, Malaysia with MUIS and Islamic Relief in UK (Assegaf, 2014). According to Umar Chapra, waqf institutions have played an important role almost in entire history of the Muslims. However, this huge potential had not grantedly used yet for some reasons. Those reason are hedonic lifestyle and unfair tax policies (Chapra, 2000: 300). The resurrection of this institution is expected to be able to reduce the burden on the government to fund social welfare projects.

The development of waqf in Indonesia is identically dealing with the setting up of masjid, graveyard, and school which could not significantly beneficial fo surrounding. In fact, other countries such Egypt and Bangladesh have developed the institution of waqf prominently, thus, it became an endless source of funding for economic development (Nasution, 2007:214). The insignificant of government role in developing waqaf is believed to be one of the factor. The role of waqaf is expected to increase the welfare of society within the publication of Law no.41 2004.

Indonesia has the widest land of waqaf in the world. According to Ministry of Religious Affairs, the endowment area in Indonesia is 38930.54 hectares and spread over in 238.711 areas (Ministry of Religion Affairs, 11 01 2016). Indonesia has a huge potential of endowment, especially cash waqaf. For example, assuming that the population of Indonesia is 240 million people and a Muslim population is 85% of the entire population, and then Muslim population could reach 200 million people. Assumed that half of the muslim were not poor, there will be 100 billion muslim who will do endowment. If however

every muslim will donate Rp. 1000 in each month, the endowment will reach Rp. 100 million every month. The collected Waqf money must be enormous and the benefits of the money could be used for various purposes. For example, build public facilities, such as schools, hospitals and etc.

Another example (Sukmana, 2015) in the newspaper *Republika*, when some of the richest people in an area are united to build a long-term investment like a toll roads. Assuming that the activity of distribution of goods is always passing through toll roads and in a crowded situation. It could be predicted that the revenue from toll road users will keep continue. The benefits from the endowed toll road could be altered to supply public health facilities. Thus, the government could be helped by the actions of the public endowments. In fact, the budgeted health fund could be transferred to another sectors since it is already covered by the endowment.

The illustration above is a simple description of waqaf potential in improving economic matters. This situation is expected to be applied suitably to overcome the economical problems in capitalist and socialist. Endowment will be an instrument in distinguishing those two principles, since both of them still could not provide a solution in improving economical matters, especially when it comes to the welfare of society. Capitalist always put the freedom above institution or individual to gain their welfare, meanwhile Socialist stated that the welfare is well planned by the government.

Nevertheless, there are still many people who do not know about waqaf as a instrument of Islamic economic. In fact, this instrument has not been popular. Thus, Muslim society in Indonesia has not realize the management of waqaf as a provider in improving economy (Munir, 2013: 164). Therefore, it is necessary to provide profound understanding about the endowment. The objective of this research is to analyze the significance of endowments based on some theories and its history. Hopefully, it could provide information like books, journals and papers, in order to raise the sense of developing endowment for activists of Islamic economics in particular and Muslims in general. As Islamic countries has a very huge potential of endowments, especially Indonesia, it is expected to evoke institution of endowments as a solution for economy matters. And hopefully Indonesia became the center of world endowments.

## LITERATURE REVIEW

### The Definition of waqaf

Waqaf is an instrument of Islamic economy which applied by muslim in 1400 years ago. This situation results in decreasing governments role in facing economy matters and society has also thaking their part. They have a contribution to the government in improving society's welfare. In a brief way, endowment is contributed by society for the society and it supported by the government. Thus, both sides are synchronyzing in order to able to improve society's welfare.

In composing the definition of waqaf, Fiqh preachers have various

perspective. These differences are formed by the definition of money endowment which implicated to the status of endowment and the effects from endowments law.

In etymology, the plural form of waqaf is *awqafa*. Its an Arabic form of *waqafa yaqifu* and *mashdar*. *Waqafa* means to endure, stop or stay in an area. *Waqafa yaqifu waqfan* is similar with *habasa yahbisu tahbisan* (Al-Khâthib, 26). Munjid dictionary stated that *waqafa al-dâru* as *habasahu fi sabilillahi* which means those who bestow endowment in the name of Allah, and *waqafa an syaiin* means *mana'ahu anhu* (they are endured) (Aninimous, 1986:914). In another source, endowment has the meaning of *al-habsu* which means to endure and *al-man'u* as to block (Rozalinda, 2014:14). Therefore, the synonym of *al waqfu* is *al habsu* or to endure which means *al man'u* or to prevent. To prevent mean that waqf is preventing from destruction, bequested selling and unappropriate way of selling not accordance to waqf.

In terminology, Hanafiyah preachers determine the definition of waqf as the endurance of someone else behalf who are giving waqf and donate the benefit for others good now and then (Rozalinda, 2015). Based on the definition, the belonging of waqf property is still belonged to the wakif , evenmore wakif could took the property back and sell it If however wakif is dead, the waqf property will be an inheritance for its heir Therefore, it could be concluded that the effect of waqf is merely to donate its benefit.

From Malikiyah perspective, waqf is a bestowal from the wakif in the form of rental, or money (dirham) in a certain

*sighat* and period of time as the will of wakif (Rozalinda, 2015). In a brief way, waqf property is still belonged to wakif, and he / she still could detain it from its usage. Its similiar with previous explanation that only take the benefit from the waqf property . This perspective stated that, the endowment only applies to a certain time, and hence should not be implied as an eternal endowment.

The majority of Syafiiyah perspectives, they defines endowments by holding the assets that could be used with fixed objects, and could resist Waqif and the other from legal action which allowed is aim to favor and draw closer to Allaah (Rozalinda, 2015). Unlike the previous definitions of previous perspective, they have found the treasure that has changed the status in which belongs to Allah SWT. Thus when wakif dies, the irheirs can not take back the treasure that has been passed on. And the validity period of the waqf property is forever.

The majority opinion of scholars Syafiiyah based on hadith of the Prophet SAW:

*Narrated by Abdullah Ibn Umar, Ibn Umar Khatab actually said: O Messenger of Allah I have acquired wealth one hundred shares in Khaibar and I do not want to hang. And I want to draw closer to Allah. So, the Prophet said, "just save the main and donate the result." (HR. Baihaqi)*

Another perspective which originally same as Shafi'i definition, its very different in the term of the ownership of the waqf object. The ownership belongs to mauquf a'laihi (waqf recipient), although mauquf a'laihi is not permitted to act on the waqf objects, either sold or gave it away (Zuhaili, 7599).

In Indonesia, the rules governing the waqf during this stipulated in the basic agrarian law No. 5 of 1960, Government Regulation no. 28 in 1977 on land owned perwaqfan. Waqf definition in this regulation is the legal act of a person or legal entity that separates the majority of the wealth in the form of lands and institutionalize forever for the sake of worship or other public purposes in accordance with the teachings of Islam (Hasan, 1995: 71) .In addition, it also mentioned in the Compilation of Islamic law (KHI), based on the president's instructions number 1 in 1991. Recently, the legislative endowment legally start to get a stronger position, i.e the law number 41 of 2004 on endowments and the rules of Government in Indonesia number 42 year 2006 on the regulations in implementing the law number 41 of 2004 about waqf. In the legislation endowments, they defined a legal act for wakif to separate and give up some of their wealth to be exploited forever or in a certain period in accordance with their interests or for worship purposes and public welfare according to sharia.

In the Encyclopedia of Islam, endowments is defined by ceasing to transfer ownership of a property that is usable and durable in manner handed of the treasure to the manager, whether individuals, families and institutions to be used for the public interest for the sake of Allah (Islamic Encyclopedia, 1994: 70) .To understand the definition of waqf, it is in accordance with the state of Indonesian society, the definition is written in the law number 41 of 2004 that has been accommodated. In the definition, it is explained that people can follow the appropriate understanding of waqf based on madzhab that stating waqf was not timed or permanently. Thus, the government accommodate all

the waqf understanding expressed by preachers of various madzhab. And is expected to encourage the Muslim community in Indonesia to do waqf in all its forms.

### **The Division of Waqf**

Generally, the practices of waqf is divided into two models, namely family endowments (al-waqfu al-ahliyu) and public endowments (al-waqfu al-khairiyu). Waqf ahly or dzurri is intended for the benefit and social security in a family whether for is relatives or individuals (Sabiq, 1971: 378). As performed by Abu Talha to his nephew which instructed by Prophet Muhammad as stated in the hadith narrated by Imam Bukhari and Imam Muslim:

*It has been told Yahya bin Yahya, he said, "I tell you a hadith to Malik narrated from Ishaq ibn 'Abdillah, that he heard Anas Ibn Malik said," Abu Talha is a friend Ansar which has the widest date gardens in Medina. The most precious one is Bairaha ' which located in front the Nabawi masjid. The Prophet has entered into the fields to take Baihara' there, right after the descend of this verse, "Never one of ye will reach to the perfect of virtue before you spend most of which ye love" then Abu Talha replied, the treasure that I love the most is Bairaha '. It will be donated as Allah's commands, therefore, its you to put it in places that you want ". The Prophet said, I understand what you say, I think, you'd better give it to a relatives. We will do that the Messenger of Allah, Abu Talha replied, then he split them out to relatives and nephew (HR. Bukhari and Muslim).*

However, this circumstance emerges as the tendency of an endowment to be selfish, and the waqf property is often used only for relatives. For example, the waqf property is given to the heirs who do not care about society needs. In addition, because it is not continuously and hardly to determine the recipient of endowments. Reflecting to those problems, Syria and Egypt that originally allow the expert of endowment, now they do not permit anymore (Islamic Encyclopedia, 1994: 170). Egypt menghukuminya through Act No. 180 in 1952.

While waqf khairi is an endowments which intended for public use. For example, donations of land for the construction of the masjid or waqf land plot for educational institutions. Both of these models have done since long before the presence of Islam. But Islam provides economic system which are easier, more independent and more appropriate as described in al-Qur'an al-Karim:

*The likeness of those who spend their wealth in the Way of Allah, is as the likeness of a grain (of corn); it grows seven ears, and each ear has a hundred grains. Allah gives manifold increase to whom He pleases. And Allah is All-Sufficient for His creatures' needs, All-Knower. (QS. Al-Baqarah, 2: 261).*

On the other hand, specifically Mundzir Qohaf explained that the endowment is divided into several types based on the destination, time limit, and use of the goods (Qohaf, 2005: 161).

The varieties of waqf based on its purpose:

1. Social Waqf for the good of society. The purpose of waqf is for public interest, as well as waqf khairi.

2. Waqf family, the purpose of waqf is to benefit wakif, his family, his descendants, and certain people, whether rich or poor, sick or healthy, young or old.

3. Combination of Waqf musytarak, the waqf for common interest and family simultaneously.

The varieties of waqf based on a time limit

1. Waqf eternal, the form of the waqf is timeless, such as land and the buildings. The chattels which determined by wakif as a productive and eternal waqf, which has a result to be shared according to waqf purposes, while the rest of it as the maintenance costs to repair the damage.

2. Waqf temporarily, the form of the waqf is a perishable goods without giving the terms for replacing the damaged parts. Waqf temporarily is also used as the wakif want to give time limit to the waqf property.

The varieties of waqf based on the user

1. Direct Waqf, the form of the waqf is used to achieve its goals, such as a masjid for prayers, a school for teaching and learning activities, hospitals to treat the sick and so forth.

2. Productive Waqf, the form of waqf is used to production

activities and the results are given in accordance with the purpose of waqf.

The division of waqf above is also in accordance with the opinion of the experts of fiqh, they agree on various types of waqf, except the temporarily waqf which found only in Maliki fiqh (Athoilah, 2014: 31). Thus, to choose one of the opinion of some scholars is allowed.

### **The Legality of Waqf**

The basic law of endowment is based on the emigration of Prophet Muhammad emigrated to Medina. However, there are two opinions that developed among *fukaha* about who was first to carry about the Shari'a of endowments. According to some scholars, the first who defined the waqf law was Prophet Muhammad. Prophet Muhammad donated the land for the construction of masjid. This opinion is based on the hadith narrated by Umar Bin Syabah of 'Amr Bin Sa'ad Bin Mu'adh, he said:

*We asked about the first endowment in Islam, the Mujhajirin said it was Umar waqf, while the Anshar said it is the Prophet Muhammad's waqf (As Syaikani, 129).*

In the third year of Hijrah, Rasulullah had donated seven farm of dates in Medina. The four of them are garden of A'raf, Shâfiyah, Dalal, Barqah and other gardens (Mora, 2013: 4). The gardens are actually a gift from a Rabbi named Bani Nadir Mukhairik (Gusfahmi, 2011: 116). He had converted to Islam and give seven gardens to the Prophet, and the garden was endowed (waqf).

The opinions of other scholars said that the Shari'a commandment about endowments began when Umar ibn Khatab was donating the land of war in Khaibar. Most of the scholars said that the sharioiah of endowment is stated by Umar. As described by Ibn Abi Abi Shaybah, indeed the first who practice the waqf is Umar (Al Bassam, 1997: 252).

### **Dalil of Waqf**

The proposition that explains Shari'a endowments are as follows:

Dalil from the Quran:

*O you who believe! Bow down, and prostrate yourselves, and worship your Lord and do good that you may be successful. (QS. Al Hajj, 22:77).*

*By no means shall you attain Al-Birr (piety, righteousness, etc., it means here Allah's Reward, i.e. Paradise), unless you spend (in Allah's Cause) of that which you love; and whatever of good you spend, Allah knows it well. (QS. Ali Imran, 3:92).*

*O you who believe! Spend of the good things which you have (legally) earned, and of that which We have produced from the earth for you, (Q.S. Al-Baqarah, 2: 267).*

*...except that you do kindness to those brothers (when the Prophet joined them in brotherhood ties called Islam)... (Q.S. Al Ahzâb, 33:6).*

Hadith from Prophet Muhammad saw:

*Abu Huraira (Allah be pleased with him) reported Allah's Messenger as saying: When a man dies, his acts come to an end, but three, recurring charity, or*

*knowledge (by which people) benefit, or a pious son, who prays for him (for the deceased) (HR. Muslim)*

The scholars interpreted that the words charity in the Hadith as an equal to waqf.

*I was present at the house when 'Uthman looked out over them and said: 'I adjure you by Allah and by Islam, are you aware that when the Messenger of Allah came to Al-Madinah, and it had no water that was considered sweet (suitable for drinking) except the well of Rumah, he said: "Who will buy the well of Rumah and dip his bucket in it alongside the buckets of the Muslims, in return for a better one in Paradise?" and I bought it with my capital and dipped my bucket into it alongside the buckets of the Muslims? Yet today you are preventing me from drinking from it, so that I have to drink salty water.' They said: 'By Allah, yes.' He said: 'I adjure you by Allah and by Islam, are you aware that I equipped the army of Al-'Usrah (Tabuk) from my own wealth?'.....( HR. Bukhari, Tirmidzi dan Nasa'i.).*

This hadith is explained that Utsman bin Affan has bought a well in Medina, then he gave it as waqf for the society interest and himself also used it for everyday life(Hafidhuddin, 2003:122).

*Narrated from Ibn `Umar:Umar bin Khattab got some land in Khaibar and he went to the Prophet to consult him about it saying, "O Allah's Messenger I got some land in Khaibar better than which I have never had, what do you suggest that I do with it?" The Prophet said, "If you like you can give the land as endowment and give its fruits in charity." So `Umar gave it in charity as an endowment on the condition that would not be sold nor given to anybody as a*

*present and not to be inherited, but its yield would be given in charity to the poor people, to the Kith and kin, for freeing slaves, for Allah's Cause, to the travelers and guests; and that there would be no harm if the guardian of the endowment ate from it according to his need with good intention, and fed others without storing it for the future."* (HR. Bukhari, Muslim, Tirmidzi dan Nasa'i).

*Narrated `Abdullah bin `Umar: `Umar bin Al-Khattab gave a horse in charity in Allah's Cause and later he saw it being sold in the market and intended to purchase it. Then he went to the Prophet and asked his permission. The Prophet said, "Do not take back what you have given in charity." For this reason, Ibn `Umar never purchased the things which he had given in charity, and in case he had purchased something (unknowingly) he would give it in charity again* (HR. Bukhari).

As stated in the hadith, the charity is the waqf of a horse or the chattlers (Athoilah, 2014:12). Thus, to give a waqf within a chattlers is permitted.

### **Purpose of waqf**

Waqf is not like the usual donation, the rewards and benefits are bigger, especially for wakif. Because the reward of endowment will continue to flow as long as they can be used. As infak, zakat and sadaqah, endowments have two orientation purposes, namely *ḥablu mina al-Nas* and *ḥablu minallah*. A relationship with God is a form of obedience and a curiosity to obtain a good deeds continuously through waqf from Allah though he has died. It is also a form of human gratitude for the favors treasure that has been given by God to

him. While the relationship with humans is to create social awareness among fellow Muslims. Lessons of waqf is to facilitate eternally all the goodness for progress of Muslims (Ghazaly: 2015: 182).

Referring to the waqf which performed at the time of Rasulullah and khulafa al Rasyidin, it could be concluded that several purposes based on waqf they have done is as follows (Furqan, 2012: 52).

First, to achieve food security for the Muslim community, it is reflected in the waqf Abi Talha who endowed Bairuha gardens and make the profit for the poor and relatives. Also reflected in the well waqf Rumat by Uthman ibn Affan Islamic society so that water needs can be fulfilled.

Second, to strengthen the power and important position of Muslims, and protect themselves and defend the faith and religion. This goal is reflected in the endowments of weapons carried by the warlord Khalid bin Walid.

Third, the spread of dakwah islam, the place for the teaching of islam and for the Islamic generation. This objective is reflected in waqf masjid as the Prophet Muhammad did in Quba and Nabawi masjid.

Fourth, to provide a shelter for families, the poor and guests. This goal is reflected in the waqf house done by the shahabiyah.

The conclusion that can be drawn from some of the objectives of the practice of waqf performed by the Prophet and his companions, they try to find sources that remained stable for the needs of the community, in the fields of

religion, clothing, food, housing, education, economics, health and security (Furqan, 2012: 53). In addition, to strengthen the brotherhood among the Muslims.

## **The History of Waqf**

### **The Appliance of Waqf Before Islam**

The practice of waqf has been known since long before the presence of Islam brought by the Prophet Muhammad, although with different names and terms. It is an evidence that many places of worship are maintained and taken care, then the profit is to finance the maintenance of them and to honor the preachers. Before Prophet Muhammad bestow to earth, there are many places of worship, such as the Masjid al -Haram and Masjid al-Aqsa. Both of these places have stood before the presence of Islam. The place is not the property of anyone, but belongs to Allah SWT for the benefit of the people. Based on its history, as mentioned in the Quran, that endowment has been run since the prophetic Ibrahim (Huda, 2012: 312). At the time of the prophet Ibrahim built the Kaaba as a form of sacrifice and devotion to Allah, this place is the first worship place. The construction was done by the people at that time, to worship Allah. This was stated in the Qur'an:

*A house in which initially built for the man to (place of worship), is Baitullah which Bakka (Mecca) blessed and a guidance for all mankind (Qur'an, Ali Imran, 3:96).*

Over countries around the world, there has been similiar type of waqf before the presence of Islam. As an example, there are Egypt, Rome (Italy),

and Germany (Mora, 2014: 7). The practice of waqf in Egypt done by the second Raja Ramsi in setting a place of worship "Abidus" where the area is very spacious. As in the tradition of ancient Egypt, the people who manage the property left by mayyit (inheritance), the result is given to his family and his descendants. And so on, the managing can take part of the results of such property, but the property should not be the principal property of anyone. However, the meangement of such property should be in a circle, by means a rotating and alternating system from the eldest to the youngest on the condition that should not be owned. Muamalah practice is actually not an endowments, but the principle can be said to be very similar to the practice of family endowments (al-waqfu al-ahliyu).

In Germany, there are rules that provide capital to one family in a certain period of time to its management. In which the treasure belongs to the family or ownership alternately starting from the family of the man and then the woman's family with the requirement such property may not be sold, and should not be passed on and not be granted. But the authority of such property can only be managed and retrieved results.

### **Waqf in the Era of Rasulullah saw**

Endowments have a long history since the beginning of the development of Islam. In the previous history of waqf, the Prophet had practiced it before the law of endowments has emerged. Endowments started simultaneously with the commencement of the prophetic period of Muhammad in Medina, which is marked by the construction of Masjid Quba (Rozalinda, 2015: 13). This is seen as the first of Islamic waqf. Then, it was

proceed with the construction of the masjid of the Prophet on the land of orphan purchased and endowed by the Prophet Muhammad. Further implementation is followed by Uthman Bin Affan who purchased wells and waqf to the interests of the Muslims. Even the endowments from Usman Bin Affan is still maintained until now by the ministry of endowments in Saudi Arabia.

Abu Talha is also donating his beloved treasures, this situation was the cause of the emerged of 92 verse in surah Ali Imron.

*Said Abu Talha Al-Ansari: O Messenger of Allah, verily my favorite treasure is Bairaha '(a cozy well water) and it is expected to be sadaqah kindness and reward from Him. Then take advantage of her ya Rasulallah, in accordance to which God showed to you !. The Messenger said: Good, good! It is a treasure that beneficial, give as waqf and produce (reward) (Al-Sibaiy, 1985: 114).*

Another waqf which is conducted in early Islam, Umar Ibn Khattab waqf to the land of the spoils at Khaibar, in the year 7 H. In fiqh, this event was considered to be the first in the Islamic waqf. When Umar as the khalifah wrote waqf document that suggests some elements of production, namely land, the management of waqf (Nazhir), and the slaves who worked the land (Al-Harith, 2014: 96). Thus, Nazhir is a basic element in the activities of waqf. The existence of Nazhir is a must, even if the wakif did not require nazhir not to managed their waqf, then it is not permitted or canceled.

In addition, another companions who also flocked to do endowments, as well as Abu Bakr Al-Siddiq is donating a plot of land in Makkah for the offspring who come to Makkah. Uthman donated his wealth in Khaibar. Ali Bin Abi Talib endowed his prosperous land. The companion Muadh ibn Jabal also donating his house, which is popular as Dar al-Ansar. Then the implementation of other friends endowments followed by Anas Bin Malik, Abdullah Bin Umar, Awwam Bin Zubair and Ayesha wife of the Prophet.

### **Waqf in the Era of Islam Dynasties**

In Islam history, there's a lot of dynasties that controlled the various regions in the world. Some of the dynasties were the Umayyad, Abbasid, Mamalik, Ottoman Turks and others. At the time of the Umayyad and Abbasid many people are flocking to apply waqf rules. At that time, waqf is not only for the poor, but also for the development of educational institutions, libraries, and payment of the salaries of workers and teachers, evenmore the endowment for scholarships for students. The enthusiasm of the community in implementing waqf has attracted the attention of the government of that time to set the management. Therefore, the management waqf is undertaken by the government. At that time, the government made waqf as a sector to build the social and economic solidarity.

At first, the motive for endowing is only a gratitude or charity as the rich receive their wealth. The implementation was managed individually without a definite rules. However, after the Islamic society concern on how much the benefit from the endowments, the set to manage the endowment is formed. The

establishment of waqf agency is arose in which, set the management, maintenance and use of waqf property, generally for masjid, individual or family.

At the time of the Umayyad dynasty, Tauba Bin Ghar Al-Hadramy strongly supports the development of waqf. He was a judge in Egypt at the time of Hisham bin Abdul Malik. To develop the endowment, Tauba had established waqf institutions under the supervision of a judge (Mora, 2014: 12). This agency is the first endowment established in Egypt, even the first among all of Islamic countries. At that time the management of waqf carried out by the Justice Ministry, and the benefits distributed to the eligible and needy. In this case, the institution of waqf role in eliminating poverty, misery, disease, illiteracy, creating uneven distribution of wealth (Chudhry, 2012: 92).

Abbasiyah dynasty has waqf institutions named Sadr al-Wuqûf, which act as a caretaker administration and management staff of the institution selectors waqf (nadzir). Thus, the use of endowments has been set up well during this dynasty. As a result, waqf is the formation of social facilities such as schools and hospitals. As another social facilities such are building dormitories and hotels for the travelers and poor people (Al Sibaiy, 1985: 115). Therefore, the endowment fund at the time it was used to finance a wide range of charities.

In Egypt, when the Ayyubid dynasty ruled the area, the development of waqf is quite promising, since almost all the agricultural land in Egypt are endowed and all managed by the state. In fact, since the waqf of

land is out of rage, Salahuddin Al Ayubi intend to submit most of the lands as the maintenance for religious and social foundations. It could be said that the state of society in the region is very prosperous. As waqf stands for a complement of zakat, only those who have fulfilled zakat that able to practice it.

When the era of Mamluks, the endowment is also quite promising. At that time, everything which results in advantage could be include as waqf. Even the bondsmen is a waqf. Usually, they are endowed to be treated in the religious institutions (Mora, 2006: 9). Buldings and lands are the most waqf property to be endowed.

At the era of the Ottoman dynasty which controlled most of the Arab region and Europe, they also developed waqf. The accounting of regulation is one among the laws issued by the Ottoman dynasty to implement endowment. The law was issued on 19 Jumadil Ukhra 1280 H (Mora, 2006: 10). The contents of the law is to regulate the registration of endowments, endowment certification, management of waqf and explanations the goal of institutionalization endowments. Institutionalization is to attempt the realization of waqf in terms of administration and legislation. In the next year, in 1287 H, Ottoman Empire summoned to publish the laws that describe the position of the lands and the productive lands in Ottoman rule the status of waqf (Mora, 2006). Thus, the endowment could be used as a variety to facilitate the public. As an example, the establishment of houses for the poor to be inhabited by anyone who can not buy or rent (Al Sibaiy, 1985: 115).

## **Waqf in Other Countries**

### **Waqf in Egypt**

One of the most developed waqf management until this year is Al Azhar University, Cairo, Egypt. More than 1000 years old of its age, this university has very huge waqf property. Its not only the endowment of land, building and farm evenmore, the endowment of money. This various waqf, Al-Azhar university is able to finance the operational of its eduaction over centuries without depent to the governments funding and the tuition fee. Furthermore, this university is able to provide scholarships to more than thousands student over centuries from all over the world. In addition, Kairo has enormous numbers of masjid which is built from peoples waqf. Thus, this city is known for the city of hundreds towers or masjid. This university has also become the rolemodel and an inspiration in managing the development of waqf in Indonesia (Muallim, 2015:119).

In history, to organize and manage the waqf property and make plans to manage endowments productively, the Egyptian government established a Diwan al-Auqaf. This department was formed on November 20, 1913 and the issue of waqf in Egypt is administered directly by the Ministry (wizârah al-Awqaf) (Religious Affairs, 2014: 18). In 1971 the Egyptian government formed Waqf Board (Badan Waqf). The agency task is to handle the waqf property and development in accordance with Egyptian law No. 80 of 1971. Its authority is to plan, distribute and report the waqf property to the state and society.

The result of the development of waqf endowments by the agency,

Egypt was able to provide assistance to the lives of the poor, orphans, small traders and others. Also for the improvement of public health, the establishment of hospitals, and the provision of medicines to the public. And last but not least to the development of science and technology.

### **Waqf in Saudi Arabia**

Saudi Arabia is a historical country as Islam has bestowed. Therefore, the endowment which is taught in Islam automatically become the priorities in economic development. Through the decrees No. 574 in16 Rajab 1386 H and royal decree No. 35 in 18 Rajab 1386 H, the endowments department was officially established. The department is in charge of waqf property and manage them productively. As a follow up, the chairman of this department is the Ministry of Hajj and endowments.

Endowment in Saudi Arabia has many forms, such as hotels, land, buildings for residents, shops, gardens and places of worship. The endowments are various, some of them are managed and designed specifically for the two holy cities, Mecca and Medina. This specificity applies to waqf property around Masjid al-Haram and Masjid al-Nabawi. The benefits of these endowments deliberately preferably for the two cities, as a welcoming guest from Allah, to those who go to Mecca for the hajj. In addition, endowments in other countries in middle east are destined for communities in need. The management was carried out by a direct Nazhir reported on its implementation and management to the kingdom (Mamlakah) (Athoillah, 2014: 50) (Djunaidi, 2006: 37).

### **Waqf in Bangladesh**

In another Muslim countries, such Bangladesh, endowments became one of the Islamic economic instruments developed. In this modern era, Prof. Dr. M. A. Mannan formed cash waqf to establish an agency called SIBL (Social Investment Bank Limited) in Bangladesh. SIBL introduced the Certificates of Endowments Cash (Cash Waqf Certificate) for the first time in the history of banking. SIBL raised funds from the rich to be managed and distributed the profits to the poor (Nasution, 2007: 216). In addition, beside the Certificate Endowments Cash, SIBL also developed another Islamic financial instrument, those are Bonds Development Tools Endowments (Waqf Properties Development Bond), Certificate of Endowment Family (Family Waqf Certificate), Bonds Development Tools Masjid (Masjid Community Share), Certificate Paying Zakat (Zakat / Ushar Payment Certificate), Certificate of Deposit Hajj (Hajj Saving Certificate), and others (Athoillah, 2014: 50).

In Bangladesh, waqf property is managed by the Administration of Waqf and the foundations which registered in the administrative of waqf in Ministry of Religious Affairs Bangladesh. In these countries there are 8317 Islamic educational institutions, 123,000 masjid, the ground for the Eid prayer 55 584, 21 163 burial grounds, and other social institutions 3,859 which belong as waqf property (Rozalinda, 2015: 386). The endowments in the country has made a significant contributions to the society to get the right education, health care and other social services.

### **Waqf in Malaysia**

The endowment is quite different in neighbor country Malaysia. Fiduciary waqf affairs is the Ministry of Religious Affairs. The type of waqf in Malaysia is divided into two called waqf 'âm and khâsh. Waqf 'âm is a treasure for the benefit and socio-economic development for Muslims. Wakif is not requiring a certain thing on the waqf property, but it is the nazhir who responsible on its waqf. While waqf khash is waqf that included a certain conditions by the wakif. As an example, the person who is donating a special treasure to school, mosque or other means.

As the development of waqf, Malaysia invested the waqf property through sukuk instruments. Sukuk are used to develop the benefits of waqf property in the collaboration with Malaysian capital market. The sukuk issuance is done by Suruhanjaya Security in February 2001. In addition, the published of the waqf shares in some areas such as, Johor, Malaka and Selangor. This is applied in accordance with the decision of Majma 'Islamic Jurisprudence on November 24, 2005 (Chik 2007). As a guarantor of cash waqf, this country formed Slow Takaful Endowment (Pelan Takaful Waqf) by Syarikat Takaful Malaysia Berhad in 1997 with the principle of mudaraba.

Beberapa contoh waqf yang berhasil di Malaysia dan bertahan sampai sekarang adalah, Madrasah Al-Attas yang didirikan pada tahun 1860 di Pekan Pahang, dan berkembang di daerah Johor pada tahun 1912. Sekolah Agama Arab Al-Masriyah yang didirikan pada tahun 1908, Madrasah Khairiah Islamiah di Pulau Pinang, Ma'had Al-Yahwiyah di Perak, Maktab Mahmud, Kolej Islam Malaya (Zaki, 2008:42). Yang

mana dengan beberapa sekolah tersebut telah menghasilkan banyak alumni yang berperan dalam kemajuan negara Malaysia. Dan ini merupakan bukti bahwa sektor pendidikan merupakan prioritas utama dalam pengembangan waqf di Malaysia. Seperti yang disebutkan oleh Anwar Allah Pitchay dalam penelitiannya pada tahun 2014. Berdasarkan penelitiannya, sektor yang paling diminati oleh seorang wakif dalam pengembangan waqf tunai di Malaysia adalah pendidikan. Peringkatnya adalah 1. Pendidikan, 2. Kesehatan, 3. Masjid dan Madrasah 4. Kesejahteraan Sosial, 5. Perdagangan, 6. Lingkungan, 7. Infrastruktur dan 8. Kesenian dan warisan kebudayaan (Pitchay, 2014:13).

### **Waqf in Non-Muslim Countries**

As waqf is applied Muslim countries in, waqf in non-Muslim countries are also practiced. The rules of waqf is also done by Muslims in those countries. In the United States, endowments used for public interest, such as the needs of humanity, and endowments for special interests such as education, health, scientific research, and etc. In New York city, the endowment is managed by the Kuwait Awqaf Public Foundation (KAPF) which involving Al Manzil Islamic Financial Service for the investment. The form of the waqf which applied in the United States are waqf companies, endowments families, endowments for religious minorities, such as the North American Islamic Waqf foundation that was built specifically for the Muslims in 1971. The foundation of endowments are not profit-oriented, but rather than focus on religious services, physical education, health and others.

In UK, there is an organization which dealing with endowment called Islamic Relief. Islamic Relief is an organization which managing cash waqf endowments that able to collect money every year not less than 30 million pounds and equivalent to 600 billion rupiah. The cash waqf funds professionally managed and distributed to 5 million people in 25 countries. Indonesia is one of the countries that obtain the funding of these endowments. The endowment fund is intended for community development, in cooperation with Bait al-Mal Muammalât. One of the distribution is to develop the Bait al-Mal wa Tamwil (BMT) in ten rural villages in Banten province (Rozalinda, 2015: 390).

### **Waqf in Indonesia**

The development of waqf in Indonesia is in accordance with the spread of Islam in Nusantara. Aside in the name of dakwah, the preachers have also taught endowment rules to Indonesians. As the necessity of worship place, muslim in Indonesians are required to donate their land as waqf property. In fact, the rule of waqf had spread along Nusantara. It is proven by the existence of enormous historical masjid that built as the name of waqf.

There are several submission form for public interest which similar to waqf in Indonesia. In the era of Empu Sendok in Ponorogo, it is called as *Huma* (Rozalinda, 2015:236). *Huma* is area of land or forest which bestow from the king to his people for the sake of humanity, such cattle animal, firewood collection and etc (Praja, 1995:34). The similarity to waqf, people could obtain the benefit from the land. Thus, the welfare is not only belong to the king,

but also belong to the people. Another similarity to waqf is called *Huma Serang*. In Banten, *Huma Serang* is a land which belonged, took care and harvested for common interest (Hasanah, 1997:127). In Lombok, there's also a tradition land called *Tanah Pareman*. Its land which exempt from tax submission and freely given to villages and, Subak or to the temples for the common good (Ali, 1998:94). *Tanah Pusako Tinggi* another form of waqf in Minang. Its land which belong to the tribe that managed hereditary and utilized together to finance the economic needs of the family (Rozalinda, 2015:237). As the spread of waqf form in Indonesia, it could be stated that waqf or another term has been applied by almost people in Indonesia. The existence of waqf and its benefit could guarantee the welfare for people in general.

The history management of waqf in Indonesia is divided into three major phases (Antonio 2007). The first phase is a transitional period, which put the endowments as religious teachings (*mahdhah*) (Rozalinda, 2015: 238). Waqf objects are mostly only for physical development as masjid, schools and burial ground. Due to the existence of these facilities, people could live their lives nicely. In this period the endowment has not contributed extently in social due to the consumtive lifestyle (Antonio 2007). However, the welfare of society in terms of religion and intelligence have been adequately fulfilled, because the public has been able to practice their religion in peace and obtain a proper education.

The second phase is a semi-professional period which the management of waqf property

developed by endowments empowerment patterns productively, yet has not been maximum (Antonio 2007). As an example, the development of waqf productive deals with business unit to support educational activities that leads to educational institutions which independently developed by its institutions. It has been practiced in Pondok Modern Darussalam Gontor since its establishment in 1926.

The third phase is the professional period. In this period the waqf property is empowered its potential to become a productive endowments. The empowerment of waqf property was supported by professionals human resources and well managed report. And finally, the arisen of some waqf institutions, such as Tabung Waqf Indonesia, Republika Dhuafa Wallet and Endowments Money Muamalat Baitul Maal Muamalat. In terms of political will, the government supports it with the publication of Law No. 41 of 2004 about waqf. Then it followed by the establishment of Indonesian Waqf Board (BWI) based on the decision of the President of the Republic of Indonesia Number 75 of 2007. According to the Law No. 41 of 2004, Indonesian Waqf Board (BWI) is an independent agency which duty to develop the endowment in Indonesia. This results in the development of public facilities which is funded by the waqf institutions, such as hospitals, schools, water facilities, electricity and others.

## CONCLUSION

Islam has inherited all kinds of knowledge that exist in the world, including economics. Waqf is a legacy to help communities in economic terms. Islamic state and Islamic society should

be able to practice and even develop such heritage. The system has been applied before Islam come and was developed by the Prophet Muhammad, as well as continued to be applied during the khulafâu ar-Rashidun, Islamic dynasties, until the Islamic countries today. It could be concluded that this system has mingled with the public and could be received by the society. From the above description, it could be concluded that endowments contribute significantly to the welfare of the people in general. Moreover, the endowments which publicly or eternally system. Historically, the significance of endowments have proven to help countries, particularly Muslim countries in the provision of public facilities without charged from the government budget. The countries are helped by the waqf system, all the infrastructure could be built with an independent budget from the public. The benefits from the infrastructure could be transferred to the poor. As a result, the economy will also be encouraged because of the speed of the funds (velocity of money), especially from the wakif to the poor. Later on, Waqf is expected to be one of the solution for the economy of a country.

In fact, this writing is only a general description of the significance of endowments. There are still many of shortcomings. It is expected for the next author to review the different methods, as well as focusing on one product of endowments, such as hospitals, schools, water facilities and other or one of the waqf institutions. Thus, the significance of endowments more clearly visible.

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