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## Reviving the Waqf Institution: A Catalyst for Economic and Social Transformation

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## Abstract

**Waqf (Islamic endowment)** is one of the most enduring socio-economic institutions in Islamic civilization, rooted in Islamic law and designed to promote collective welfare. Historically, Waqf has functioned as an effective mechanism for social justice, wealth redistribution, and sustainable community development. By dedicating private assets for perpetual public benefit, Waqf institutions have supported a wide range of religious, educational, and social services, thereby alleviating poverty and strengthening social solidarity within Muslim societies.

This paper examines the conceptual foundations, legal framework, and historical evolution of Waqf, highlighting its alignment with the Maqāṣid al-Sharī‘ah (objectives of Islamic law). It further explores the economic and social role of Waqf in promoting equitable wealth circulation and sustainable development. The study also analyzes contemporary challenges facing Waqf institutions, including regulatory constraints, governance issues, and underutilized assets. Finally, it proposes strategic reforms—such as legal modernization, professional management, and integration with Islamic finance—to revitalize Waqf as a dynamic instrument for socio-economic development in the modern era.

**Keywords:** Waqf, Endowment, Economic, Social, Maqāṣid al-Sharī‘ah

### 1. Introduction

Waqf, an Islamic charitable endowment, is a perpetual and irrevocable dedication of property for religious, social, or philanthropic purposes. Rooted in Islamic law, it represents a distinct and well-established institutional framework that has functioned continuously since the earliest period of Islam. As a non-state, community-driven mechanism, waqf has historically played a central role in promoting social welfare, economic justice, and public benefit within Muslim societies.

Throughout history, wherever Muslims have settled, they have devoted portions of their wealth and property as waqf to support mosques, educational institutions, healthcare services, and other charitable causes. This enduring tradition reflects a deeply embedded culture of voluntary philanthropy and collective responsibility. In the contemporary context—marked by rising poverty, widening income disparities, and increasing social challenges—the revitalization, reform, and professional management of waqf institutions hold significant potential to contribute meaningfully to sustainable development and inclusive socio-economic progress.

### 2. Definition of Waqf

#### 2.1. Literal Definition of Waqf:

Linguistically, *waqf* means to stop, detain, or restrain something. Legally, it refers to the dedication of an asset in perpetuity for charitable purposes. As stated by Allāmah al-Zabīdī:

"وَقَفَ الدَّارَ عَلَى الْمَسَاكِينِ كَمَا فِي الْغُبَابِ وَفِي الصَّحَاحِ لِلْمَسَاكِينِ: إِذَا حَبَسَهُ" <sup>(1)</sup>

**Translation:** "*Waqafa al-dār ‘alā al-masākīn*," as mentioned in *Al-‘Ubāb* and in *Al-Ṣiḥāḥ*, means to dedicate or permanently withhold a property for the benefit of the poor, that is, to restrain or endow it so that it remains devoted to them".

Waqf is termed “**waqf**” because, in it, the endowed property is **restrained from proprietary transactions**, such as sale, purchase, gift, and similar forms of ownership transfer. In other words, the property is withheld from the owner’s personal disposal and permanently dedicated for a specified charitable purpose. <sup>(2)</sup>

## 2.2. Technical Definition of Waqf:

In Islamic jurisprudence, Waqf refers to the permanent dedication of a property in such a way that its corpus is preserved while its benefits are devoted to charitable or public welfare purposes. According to Imam Abu Yusuf and Imam Muhammad al-Shaybani, Waqf is defined as:

"حبس العين على حكم ملك الله تعالى فيزول ملك الواقف عنه إلى الله تعالى على وجه تعود منفعته إلى العباد"<sup>(3)</sup>

**Translation:** "To restrain the corpus of the property under the authority of the ownership of Allah Almighty, such that the ownership of the donor (waqif) ceases and is transferred to Allah Almighty, in a manner whereby its benefits are returned to the people."

Similarly, Ibn Qudamah also defined Waqf in the following words:

"تَحْيِيسُ الْأَصْلِ، وَتَسْيِيلُ الثَّمَرَةِ"<sup>(4)</sup>

**Translation:** "Waqf means to preserve and permanently retain the corpus of a property"

It means to preserve and permanently retain the corpus of a property while dedicating its benefits or yields for charitable purposes, particularly for the welfare of the poor.

In fact, this definition is derived from the words of the Prophet Muhammad (صَلَّى اللهُ عَلَيْهِ وَسَلَّمَ), which he addressed to Umar ibn al-Khattab (May Allah be pleased with him)

"حَبَسِ الْأَصْلَ وَسَيَّلِ الثَّمَرَ"<sup>(5)</sup>

**This means:** "Retain the principal (property) and dedicate its yield for charitable use."

## 3. Objectives and Maqasid of Waqf

The institution of Waqf is closely aligned with the broader framework of Maqāṣid al-Sharī‘ah (the higher objectives of Islamic law). Its underlying purposes reflect key principles aimed at ensuring social welfare and economic balance within society. Among its primary objectives are the protection and preservation of wealth (*ḥifẓ al-māl*), the promotion of social justice and public welfare, the alleviation of poverty, and the creation of sustainable mechanisms for economic empowerment and community development.

The virtue and significance of waqf are evident from the fact that the Prophet Muhammad himself established charitable endowments and actively encouraged his Companions to do the same. For instance, when Umar ibn al-Khattab sought the Prophet's guidance regarding his orchard, the Prophet advised him to dedicate it as waqf. Similarly, the Prophet encouraged the purchase and endowment of the well-known as Well of Rumah for the benefit of the Muslim community. Acting upon this encouragement, Uthman ibn Affan purchased the well and endowed it as a waqf for public use.

In another instance, the Prophet encouraged Abu Talha al-Ansari to dedicate his famous garden Bayruha Garden as a charitable endowment. These and similar narrations will be discussed in detail in the sections on the historical development and legal legitimacy of waqf.

Furthermore, waqf represents a form of Ṣadaqah Jāriyah (ongoing charity), through which a person continues to receive reward even after death. In this regard, the scholar Ala al-Din al-Tarabulsi narrates a statement from Zayd ibn Thabit:

"لم نرى خيرا للميت ولا للميت من هذه الحبس الموقوفة أما الميت فيجرى أجرها عليه وأما الحي فتحبس عليه ولا توهب ولا تورث ولا يقدر على استهلاكها"<sup>(6)</sup>

**Translation:** "We do not consider anything more beneficial for the deceased or the living than these endowed properties. As for the deceased, their reward continues to reach them; and as for the living, they benefit from them. Such properties are neither sold, nor gifted, nor inherited, and they cannot be exhausted."

This statement highlights the enduring social and spiritual value of waqf: the donor continues to earn reward in the Hereafter, while society benefits from the sustained use of the endowed property for generations. <sup>(7)</sup>

#### **4. Historical Role of Waqf in Muslim Societies**

Historically, the institution of Waqf played a vital role in supporting social welfare and public infrastructure across Muslim societies. Many functions that are ordinarily regarded as the responsibility of the state were substantially supported through charitable endowments established by wealthy members of society. Through waqf, communities were able to contribute to the fulfillment of essential public needs such as education, healthcare, water supply, road construction, mosque building, care for persons with disabilities, support for orphans and widows, and even the establishment of military outposts for the protection of national borders. In this way, waqf served as a complementary mechanism that assisted governments in fulfilling their obligations toward the public.

##### **4.1. Urban Infrastructure and Public Utilities:**

During the eras of the Umayyad Caliphate and the Abbasid Caliphate, Muslim rulers actively promoted the institution of waqf to achieve these objectives. Administrative departments were established specifically to manage and protect endowed properties, while efforts were made to ensure transparency and accountability in their administration. This fostered public trust that waqf assets would be utilized strictly for their intended charitable purposes and safeguarded from corruption. As a result, individuals across society dedicated substantial portions of their wealth and property as waqf for the benefit of the community.

One notable example is the famous Zubaida Canal, established by Zubaida bint Ja'far, the wife of Harun al-Rashid. She financed and endowed this canal to ensure a reliable water supply for the residents of Mecca as well as for pilgrims visiting the holy city. <sup>(8)</sup>

##### **4.2. Health and Medical Services:**

Similarly, in 682 AH a remarkable hospital and medical teaching institution known as the Bimaristan al-Mansuri was established in Cairo as a waqf. According to references cited by Ali Gomaa from the travel accounts of Ibn Battuta, the magnificence of this institution was such that “those who attempt to describe its virtues fall short.” The hospital contained specialized wards for different diseases, and its endowment covered all operational expenses, including beds, bedding, food for patients, physicians’ salaries, and the costs of the associated medical school. Importantly, neither patients nor students were required to pay any fees. <sup>(9)</sup>

Another similar medical institution was founded in 963 AH in Damascus by the wife of Suleiman the Magnificent, which also included a medical training facility supported through waqf funds. <sup>(10)</sup>

##### **4.3. Educational Development:**

Waqf also played a significant role in the advancement of education. Wealthy benefactors dedicated properties to establish institutions for both religious and secular learning. In 641 AH, Najm al-Din Ayyub endowed an educational institution in Baghdad known as *Madrasa Şālihiyyah*. Later, in 683 AH, Al-Mansur Qalawun founded the renowned Mansuri Madrasa, a major center for medical education, along with an astronomical observatory. Substantial waqf properties were dedicated to support these institutions. Remarkably, endowments were not limited to general education; even prisons benefited from waqf funds that provided educational opportunities for inmates. <sup>(11)</sup>

These charitable endowments played a pivotal role in the widespread dissemination of knowledge throughout the Muslim world. Indeed, during a period when much of Europe was experiencing intellectual stagnation, regions under Muslim rule were flourishing centers of scholarship and learning.

The scientific and intellectual heritage developed in these societies later contributed significantly to the intellectual revival of Europe.<sup>(12)</sup>

#### 4.4. Support for the Poor and Orphans:

Beyond social services and education, waqf also contributed to economic development. Wealthy individuals financed the construction of canals, roads, reservoirs, rest houses for travelers, and water storage facilities in arid regions, thereby facilitating trade, travel, and agricultural development.

Muslim rulers also encouraged the establishment of waqf for the defense of Islamic territories. As a result, the state did not always need to rely solely on its own financial resources to establish military posts in every region. According to Ali Gomaa, citing Ibn Hawqal, major cities across the Muslim world—such as Kerman, Azerbaijan, Iraq, Yemen, Syria, Egypt, and Morocco—contained large houses endowed by local residents for the accommodation of Muslim soldiers. Whenever these soldiers passed through such regions, they could reside in these endowed facilities.<sup>(13)</sup>

Thanks to the Waqf during the Ottoman Empire, a person would have resided in a Waqf house, slept in a Waqf cradle, ate and drank from Waqf properties, read Waqf books, taught in a Waqf school, received his salary from a Waqf administration, and eventually when he died, he would be put into a Waqf coffin and buried in a Waqf cemetery.<sup>(14)</sup>

These examples represent only a small portion of the extensive historical record of waqf. In reality, Islamic history is replete with such initiatives. If these services had been funded solely by the state, enormous public expenditure would have been required. Waqf institutions therefore significantly reduced the financial burden on governments while simultaneously fostering a spirit of cooperation and civic responsibility among the public.

### 5. Economic Role of Waqf

The institution of **Waqf** has historically played a significant role in the economic life of Muslim societies. Beyond its religious and charitable dimensions, waqf functions as a powerful socio-economic instrument that promotes equitable wealth distribution, poverty alleviation, employment generation, and sustainable development. Classical jurists viewed waqf not only as an act of devotion but also as a mechanism for achieving broader public welfare (*maṣlaḥah ʿāmmah*), which is among the central objectives of Islamic law.

#### 5.1. Redistribution of Wealth

One of the fundamental economic objectives of waqf is the **redistribution of wealth** within society. Islamic teachings strongly discourage the concentration of wealth within a small segment of society. The Qurʾān explicitly states:

" كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ " (15)

**Translation:** So that it does not remain a circulation of wealth exclusively among the rich among you."

This phrase is from the Qurʾān (59:7) and conveys the principle that **wealth should not become concentrated solely in the hands of the wealthy**, but should circulate more broadly within society.

Waqf provides a practical institutional mechanism to realize this principle. When wealthy individuals dedicate assets such as land, buildings, farms, or commercial properties as waqf, the ownership of these assets is effectively removed from private circulation and their benefits are directed toward public welfare. Classical jurists defined waqf as<sup>(16)</sup> " تَحْيِيسُ الْأَصْلِ، وَتَسْبِيلُ الثَّمَرَةِ " —that is, preserving the corpus of the property while dedicating its benefits for charitable purposes.

According to the definitions given by jurists such as Imam Abu Yusuf and Imam Muhammad al-Shaybani, waqf entails “**detaining the asset while channeling its benefits to the servants of Allah**”,<sup>(17)</sup> thereby ensuring that wealth continuously serves the broader community rather than remaining concentrated in private hands. Historically, this mechanism enabled wealthy benefactors to transform private property into a permanent public resource, contributing to economic balance within society.

### 5.2. Poverty Alleviation

Another key economic function of waqf is **poverty alleviation**. Throughout Islamic history, waqf endowments have funded a wide range of welfare programs aimed at supporting the poor and vulnerable segments of society. These included stipends for the poor, food distribution programs, educational scholarships, healthcare services, and financial assistance for widows, orphans, and travelers.

From a contemporary perspective, waqf assets can also serve as a source of **sustainable financing for microfinance initiatives and small-scale entrepreneurship**. Income generated from waqf properties—such as rental income from commercial buildings, agricultural yields from endowed lands, or profits from managed investments—can be utilized to establish interest-free financing programs that empower low-income individuals to start small businesses and achieve economic independence. In this way, waqf contributes not only to immediate relief but also to long-term economic empowerment.

Classical scholars such as Ibn Qudamah emphasized that the purpose of waqf is to **preserve the principal while continuously distributing its benefits**,<sup>(18)</sup> thereby ensuring a sustained flow of support to the needy. This structure makes waqf particularly effective as a long-term poverty reduction mechanism.

### 5.3. Employment Generation

Waqf institutions also contribute significantly to **employment generation**. The management, maintenance, and development of waqf assets require a wide range of professional and administrative roles. Historically, large waqf institutions employed administrators (*mutawallīs*), accountants, teachers, physicians, caretakers, and various service staff.

For example, hospitals, schools, and public infrastructure funded through waqf required large numbers of employees, thereby creating **direct employment opportunities**. At the same time, waqf-funded projects—such as agricultural estates, markets, caravanserais, and water systems—stimulated broader economic activity and generated **indirect employment** across various sectors of society. As stated by Ala al-Din al-Tarabulsi:

"لا يولى إلا أمين قادر بنفسه أو بنائبه لأن الولاية مقيدة بشرط النظر وليس من النظر تولية الخائن لأنه يخل بالمقصود وكذا تولية العاجز لأن المقصود لا يحصل به .... لو وقف رجل أرضا له ولم يشترط الولاية لنفسه ولا لغيره ذكر هلال والناطفي أن الولاية تكون للواقف"<sup>(19)</sup>

**Translation:** "The administration of a waqf should only be entrusted to a trustworthy and capable person, either personally or through a competent deputy. This is because the authority of administration is conditioned upon proper supervision and sound judgment. Appointing a dishonest person is impermissible, as it would undermine the intended purpose of the waqf. Likewise, appointing an incapable person is not appropriate, since the objectives of the waqf cannot be fulfilled through him... Furthermore, if a person dedicates his land as waqf but does not stipulate the administrative authority for himself or for any other individual, then, according to the opinions reported by Hilāl and al-Nāṭifī, the authority of administration remains with the donor (the wāqif)."

This demonstrates that waqf not only supports charitable activities but also functions as an important **economic catalyst**, strengthening local economies and promoting productive engagement within communities.

#### 5.4. Sustainable Development

Perhaps one of the most distinctive features of waqf is its ability to support **sustainable development**. Unlike ordinary charity, which may provide temporary assistance, waqf is designed to preserve the principal asset permanently while distributing its recurring benefits. This structure allows waqf institutions to provide **long-term and stable financing for public welfare projects**.

From a development perspective, waqf assets—such as land, real estate, or commercial ventures—can generate continuous revenue streams that finance education, healthcare, social services, and infrastructure over generations. Because the endowed asset itself cannot be sold, inherited, or consumed, it ensures the **perpetual sustainability of the charitable objective**.

This concept closely aligns with the Islamic principle of **Ṣadaqah Jāriyah (ongoing charity)**. If a person gives a simple charity, the beneficiary may benefit temporarily, but once the charity is consumed, the benefit ceases and the ongoing reward for the donor also ends. In contrast, waqf preserves the original asset while distributing its recurring benefits. Consequently, the reward for the donor continues indefinitely, and the needs of the beneficiaries are met on a sustained basis.<sup>(20)</sup>

In this regard, Shah Waliullah Dehlawi writes that the enduring nature of waqf ensures both continuous social benefit and perpetual spiritual reward for the benefactor.

"وَمِنَ التَّزَكَّاتِ الْوَقْفُ وَكَانَ أَهْلُ الْجَاهِلِيَّةِ لَا يَعْرِفُونَهُ، فَاسْتَنْبَطَهُ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ لِمَصَالِحِ لَا تُوجَدُ فِي سَائِرِ الصَّدَقَاتِ، فَإِنَّ الْإِنْسَانَ رُبَّمَا يَصْرِفُ فِي سَبِيلِ اللَّهِ مَالًا كَثِيرًا، ثُمَّ يَفْنَى، فَيَحْتَاجُ أَوْلِيَّكَ الْفُقَرَاءَ تَارَةً أُخْرَى، وَيَجِيءُ أَقْوَامٌ آخَرُونَ مِنَ الْفُقَرَاءِ، فَيَبْقُونَ مَحْرُومِينَ، فَلَا أَحْسَنَ وَلَا أَنْفَعَ لِلْعَامَةِ مِنْ أَنْ يَكُونَ شَيْءٌ حَبَسًا لِلْفُقَرَاءِ وَأَبْنَاءِ السَّبِيلِ تَصْرِفَ عَلَيْهِمْ مَنَافِعَهُ، وَيَبْقَى أَصْلُهُ عَلَى مَلِكِ الْوَأَقِفِ" (21)

**Translation:** “Among the voluntary charitable acts is Waqf. The people of the pre-Islamic era were not familiar with it; rather, it was introduced and established by the Prophet Muhammad for benefits and public interests that are not found in other forms of charity. This is because a person may spend a large amount of wealth in the way of Allah, but that wealth may soon be exhausted. Consequently, the poor who benefited from it may again fall into need, and other groups of poor people may arise who remain deprived.

Therefore, nothing is better or more beneficial for the public than that a property be restrained (as an endowment) for the poor and for travelers, so that its benefits continue to be spent on them while its principal remains preserved under the ownership of the donor.”

In the modern context, revitalizing waqf institutions through professional management, transparent governance, and innovative financial models can significantly contribute to sustainable socio-economic development while remaining fully aligned with the ethical and legal principles of Islamic law.

### 6. Challenges Facing Waqf Institutions

Despite the significant historical role and socio-economic potential of **Waqf (Islamic endowment)** institutions, many contemporary waqf systems face a number of structural, legal, and administrative challenges. These challenges have often limited the ability of waqf assets to effectively contribute to modern socio-economic development. Scholars of Islamic economics and jurisprudence have highlighted several key issues that require urgent attention and reform.

#### 6.1. Legal and Regulatory Hurdles

One of the major challenges confronting waqf institutions today is the **complex and often outdated legal and regulatory framework** governing waqf administration. In many Muslim countries, waqf laws were shaped during colonial or early post-colonial periods and do not adequately address the requirements of modern economic and financial systems.

For example, strict regulations regarding the **immutability of waqf assets** sometimes prevent the redevelopment or restructuring of endowed properties, even when such measures would significantly increase their productivity. As a result, valuable waqf lands or buildings often remain idle or underdeveloped.

Classical jurists emphasized the importance of preserving the corpus of waqf property while allowing flexibility in managing its benefits. For instance, Ibn Qudamah in his renowned work *Al-Mughni* explains that the purpose of waqf is “*to preserve the principal while dedicating its benefits for charitable purposes.*”<sup>(22)</sup> This principle suggests that legal frameworks should facilitate productive utilization rather than immobilizing waqf assets.

Modern scholars such as Monzer Kahf have argued that reforming waqf legislation and introducing professional governance structures are essential for revitalizing the institution and aligning it with contemporary economic realities.<sup>(23)</sup>

### 6.2. Mismanagement and Corruption

Another critical challenge is **mismanagement and, in some cases, corruption in the administration of waqf properties**. Historically, waqf institutions were managed by trustworthy administrators (*mutawallīs*) who were appointed based on integrity and competence.

Classical jurists emphasized strict ethical requirements for waqf administrators. For example, Ala al-Din al-Tarabulsi states in *Al-Is'af fi Ahkam al-Awqaf* that:

"لا يولى إلا أمين قادر بنفسه أو بنائبه لأن الولاية مقيدة بشرط النظر وليس من النظر تولية الخائن لأنه يخل بالمقصود وكذا تولية العاجز لأن المقصود لا يحصل به.... لو وقف رجل أرضاً له ولم يشترط الولاية لنفسه ولا لغيره ذكر هلال والناطفي أن الولاية تكون للواقف"<sup>(24)</sup>

**Translation:** "The administration of a waqf should only be entrusted to a trustworthy and capable person, either personally or through a competent deputy. This is because the authority of administration is conditioned upon proper supervision and sound judgment. Appointing a dishonest person is impermissible, as it would undermine the intended purpose of the waqf. Likewise, appointing an incapable person is not appropriate, since the objectives of the waqf cannot be fulfilled through him... Furthermore, if a person dedicates his land as waqf but does not stipulate the administrative authority for himself or for any other individual, then, according to the opinions reported by Hilāl and al-Nāṭifi, the authority of administration remains with the donor (the wāqif)."

However, in many modern contexts, weak governance systems and inadequate oversight mechanisms have led to cases of mismanagement, lack of transparency, and misuse of waqf assets. According to research by Islamic Research and Training Institute, ineffective administrative practices have been a major factor limiting the impact of waqf institutions in many Muslim countries.

### 6.3. Underutilized Waqf Assets

A large number of waqf assets around the world remain **underutilized or economically unproductive**. These include agricultural lands that are no longer cultivated, urban properties that generate minimal rental income, and historic buildings that remain vacant due to lack of investment.

According to estimates cited in studies on Islamic economics, vast areas of waqf land exist across countries such as Turkey, Egypt, Pakistan, and India, yet many of these assets do not generate significant economic returns.

Scholars argue that modern management techniques, property development strategies, and investment models could significantly increase the productivity of these assets. For example, Monzer Kahf in his work *The Role of Waqf in Improving the Ummah Welfare* highlights that properly managed waqf

properties could generate sustainable income streams capable of funding education, healthcare, and poverty alleviation programs on a large scale. <sup>(25)</sup>

#### 6.4. Lack of Integration with Modern Finance

A further challenge is the **limited integration of waqf institutions with modern Islamic financial systems**. In many countries, waqf assets operate independently from Islamic banks, investment funds, and other financial institutions. This lack of coordination prevents waqf assets from fully benefiting from modern financial instruments and investment opportunities.

Contemporary Islamic finance scholars have proposed innovative solutions such as **cash waqf, waqf-based sukuk, and investment partnerships between waqf institutions and Islamic financial institutions**. These mechanisms could mobilize dormant waqf resources and channel them into productive economic activities. <sup>(26)</sup>

In summary, while waqf has historically been one of the most powerful instruments for social welfare and economic development in Muslim societies, its contemporary effectiveness is constrained by several challenges, including **outdated legal frameworks, governance weaknesses, underutilized assets, and limited financial integration**. Addressing these challenges through **legal reforms, professional management, transparency, and innovative financial models** can unlock the vast potential of waqf institutions and enable them to play a transformative role in addressing modern socio-economic issues.

### 7. Strategies for Revitalizing Waqf

In the contemporary socio-economic environment, revitalizing the institution of **Waqf** has become increasingly important for enhancing its role in sustainable development, poverty alleviation, and social welfare. Scholars of Islamic economics and jurisprudence emphasize that while the classical framework of waqf remains sound, modern administrative reforms and innovative strategies are necessary to unlock its full potential. The following strategies are widely discussed in academic literature as key measures for strengthening waqf institutions.

#### 7.1. Legal Reform

One of the most crucial steps toward revitalizing waqf institutions is the **reform of legal and regulatory frameworks** governing waqf administration. In many Muslim countries, waqf laws were codified during colonial or early post-colonial periods and often fail to address modern financial and governance requirements. <sup>(27)</sup>

Legal reforms should aim to ensure **transparency, accountability, and efficient governance** while preserving the fundamental Shari'ah principles of waqf—namely the permanence of the endowed asset and the dedication of its benefits for charitable purposes. <sup>(28)</sup>

Classical jurists emphasized the importance of protecting waqf assets from misuse while allowing flexibility in their administration. For instance, Ibn Qudamah in his famous work *Al-Mughni* explains that the essence of waqf is “*the preservation of the principal and the dedication of its benefits for the welfare of people.*” <sup>(29)</sup> Modern legislation should therefore enable the **productive development and reinvestment of waqf properties** while ensuring that their original charitable objectives remain intact. Contemporary scholars such as Monzer Kahf argue that updated waqf laws can empower institutions to participate in development projects, public-private partnerships, and investment ventures while maintaining compliance with Islamic legal principles. <sup>(30)</sup>

#### 7.2. Digitalization

Another important strategy for revitalizing waqf institutions is the **digitalization of waqf administration and asset management**. Many waqf properties across the Muslim world remain poorly documented due

to outdated record-keeping systems. Digital technologies can play a transformative role in improving transparency, efficiency, and accessibility.

Digital databases can help create **comprehensive registries of waqf assets**, including land, buildings, and financial endowments. Geographic Information Systems (GIS) and blockchain technologies can also assist in monitoring property ownership, preventing illegal encroachments, and ensuring transparent financial management.

Modern scholars of Islamic economics highlight that digital platforms can facilitate **online waqf contributions**, crowd funding initiatives, and public participation in charitable endowments. Scholars such as Çizakça (2000)<sup>(31)</sup> and Mohsin (2009)<sup>(32)</sup> have called for the digitization of *waqf* management, which would enhance transparency, accountability, and efficiency in the administration of *waqf* properties. The use of digital platforms can allow for real-time monitoring of *waqf* assets, ensuring that they are properly maintained and used for their designated purposes.<sup>(33)</sup>

### 7.3. Professional Management

Historically, waqf institutions were managed by administrators known as **mutawallīs**, who were expected to possess integrity, competence, and administrative capability. Classical jurists placed significant emphasis on the qualifications of the waqf administrator.

For example, Ala al-Din al-Tarabulsi in *Al-Is'af fi Ahkam al-Awqaf* states that the administration of waqf must be entrusted only to a **trustworthy and capable person**, since the objectives of the waqf cannot be fulfilled through an incompetent or dishonest administrator.<sup>(34)</sup>

In the modern era, professional management practices are essential for maximizing the productivity of waqf assets. This includes employing **qualified professionals such as financial experts, legal advisors, urban planners, and asset managers** to oversee waqf development projects. Transparent governance structures, regular audits, and performance evaluation systems can further enhance the credibility and efficiency of waqf institutions.

Scholars emphasize that adopting modern management techniques can transform waqf institutions into **sustainable development organizations capable of supporting large-scale social initiatives**.<sup>(35)</sup>

### 7.4. Integration with Islamic Finance

Another promising strategy for revitalizing waqf is the **integration of waqf institutions with modern Islamic financial systems**. Traditionally, waqf assets were primarily used for funding religious institutions, social services, and public infrastructure. However, contemporary Islamic finance provides new opportunities to mobilize waqf resources for broader economic development.

Innovative financial instruments such as **cash waqf, waqf-based investment funds, and waqf-linked sukuk** have been proposed by scholars to enhance the financial sustainability of waqf institutions. These mechanisms allow waqf assets to generate stable income streams that can finance education, healthcare, housing, and poverty alleviation programs.<sup>(36)</sup>

For example, waqf funds can be invested through Sharī'ah-compliant financial instruments, and the profits generated can be directed toward charitable activities. This model allows waqf to function not only as a charitable institution but also as a **sustainable financial mechanism for long-term development**.<sup>(37)</sup>

## 8. Reviving the Waqf Institution: Practical Pathways Forward

The revitalization of the **Waqf institution** requires a comprehensive and strategic framework that harmonizes the classical principles of Islamic endowment with the demands of contemporary socio-economic realities. Historically, waqf functioned as a powerful instrument for public welfare, education, healthcare, and economic development in Muslim societies. In the modern era, however, unlocking its

full potential requires institutional reform, professional governance, and innovative development strategies. The following measures represent practical pathways for restoring waqf as a dynamic and transformative mechanism for sustainable development.

### 8.1. Policy and Legislative Reform

A fundamental step toward revitalizing waqf institutions is the **modernization of legal and regulatory frameworks** governing waqf administration. Many existing waqf laws are outdated and lack the flexibility required for contemporary asset management and investment. Governments and regulatory bodies should introduce reforms that provide **legal clarity, institutional autonomy, transparent governance structures, and efficient dispute-resolution mechanisms**. Such reforms must remain consistent with the classical juristic principles of waqf while enabling productive utilization and development of waqf assets.

### 8.2. Capacity Building and Institutional Development

The effectiveness of waqf institutions largely depends on the competence and integrity of those responsible for their administration. Therefore, **capacity-building initiatives** are essential to professionalize the waqf sector. Structured training programs should be developed for **waqf administrators (mutawallis), financial managers, legal professionals, and Shari'ah scholars**, focusing on areas such as asset management, governance, Islamic finance, and strategic planning. Strengthening human capital within waqf institutions will enhance their efficiency and credibility.

### 8.3. Public Awareness and Community Engagement

Public awareness plays a crucial role in expanding the culture of charitable endowments. Many individuals remain unaware of the long-term social and spiritual benefits associated with waqf. **Educational campaigns, academic programs, and community outreach initiatives** can help revive the spirit of philanthropic endowment by informing the public about the historical importance and contemporary relevance of waqf. Increased awareness can encourage individuals and corporations to establish new endowments, thereby strengthening civic participation and social responsibility.

### 8.4. Strategic Development of Waqf Assets

A large portion of waqf assets in many countries remains **idle or underutilized**, which significantly limits their socio-economic impact. Strategic development policies should focus on transforming these assets into **productive, income-generating projects**. Investment in sectors such as **affordable housing, healthcare facilities, educational institutions, and commercial real estate** can create sustainable revenue streams that support charitable objectives while stimulating economic growth.

### 8.5. Technology, Transparency, and Governance

The adoption of **modern digital technologies** can greatly improve transparency, accountability, and efficiency in waqf administration. Digital registries, blockchain-based record systems, and **Geographic Information System (GIS) mapping** can help accurately document waqf properties, prevent illegal encroachments, and ensure transparent financial management. Such technological innovations can significantly reduce the risks of corruption and mismanagement while strengthening public trust in waqf institutions.

### 8.6. Alignment with Global Development Goals

In the contemporary global context, waqf institutions can play an important role in supporting international development agendas. In particular, waqf-based initiatives can contribute meaningfully to achieving the United Nations **Sustainable Development Goals (SDGs)**, especially in areas such as **poverty alleviation, quality education, healthcare, and social welfare**. By aligning waqf programs with these global development objectives, Islamic endowments can emerge as powerful partners in

addressing modern socio-economic challenges while remaining firmly grounded in Islamic ethical and legal principles.

## 9. Conclusion

The institution of Waqf represents one of the most remarkable and enduring socio-economic mechanisms developed within Islamic civilization. Rooted in the principles of charity, social justice, and public welfare, waqf has historically served as a powerful instrument for supporting education, healthcare, infrastructure, and poverty alleviation across Muslim societies. By preserving the principal asset while dedicating its benefits for the common good, waqf embodies the Islamic ideal of sustainable philanthropy and collective responsibility.

Throughout history, waqf institutions played a transformative role in shaping the intellectual, social, and economic landscape of the Muslim world. Mosques, schools, hospitals, roads, water systems, and numerous public services were financed and maintained through charitable endowments established by rulers, scholars, and ordinary members of society alike. This tradition not only strengthened communal solidarity but also reduced the financial burden on governments by mobilizing private wealth for public benefit.

In the contemporary era, however, the full potential of waqf remains largely underutilized due to legal constraints, administrative inefficiencies, mismanagement, and the lack of integration with modern financial systems. Addressing these challenges through legal reforms, professional governance, technological innovation, and strategic investment is essential for restoring the vitality of waqf institutions.

If properly revitalized, waqf can once again emerge as a dynamic and sustainable model for socio-economic development. By aligning traditional Islamic values with modern institutional practices, waqf has the capacity to contribute significantly to poverty reduction, economic empowerment, and long-term social welfare. Ultimately, the revival of waqf is not merely a matter of institutional reform; it represents a broader effort to reaffirm the Islamic vision of a just, compassionate, and socially responsible society.

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