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WAQF AS A MEDIUM FOR COMMUNITY DEVELOPMENT: A REVIEW ON LITERATURE FROM 2010 TO 2020

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WAQF AS A MEDIUM FOR COMMUNITY DEVELOPMENT: A REVIEW ON LITERATURE FROM 2010 TO 2020

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Abstract

Nowadays, the application of *Waqf* in community has become more widespread as a source of community development. The objective of this article is to analyse and examine the related literatures on *Waqf* towards community development from 2010 to 2020. Descriptive research is employed as the methodology of this article based on a number of literatures on *Waqf* and community development within a ten-year duration. Exactly 100 articles were gathered from on World of Science (WoS), Scopus, Google Scholar, and Mendeley software using specific keywords, namely “*Waqf* and Community Development,” “*Waqf* and Economic Development,” and “*Waqf* + Community Development.” The selected articles were subsequently analysed using the Statistical Product and Service Solutions (SPSS) software. This study discovered several variables such as the number of publications by year, the number of authors, the subject area of articles, the methodology used, publications based on country, and classification of publications used by the respective researchers. The results showed that most of the previous studies which have discussed *Waqf* towards community development are more on managerial aspects, suggesting that wider areas need to be explored and discussed.

Keyword: *Waqf*, Community Development, Islamic Social Finance

1. Introduction

As a source of community development, *Waqf* has been successful in providing the society with social and public goods; for this main reason, *Waqf* practices need to be enhanced. Although Islam has stipulated various methods for ensuring social justice, such as *Zakat*, the effort to reduce poverty cannot be done through *Zakat* alone. Thus, *Waqf* is an alternative method for dealing with the critical issues of socio-economic problems among Muslims such as inequality, poverty, and the rising cost of living; hence, *waqf* promotes the well-being among society. This method exists in Islam for the purpose of eliminating poverty, providing equality, and bringing justice to income distribution. Allah S.W.T. mentions in the Al-Qur’an:

“And in their wealth (there are portions determined to be given) to the poor who beg, and the poor yet who refrain (from begging)”

(Adh-Dhariyat, 51:19)

Waqf can also benefit its donor, not only in this world but also in the hereafter. Prophet Muhammad S.A.W. said:

“Abu Hurairah reported Allah’s messenger as saying: When a man dies, all his acts come to an end, but three: recurring charity, or knowledge (by which people benefit), or a pious offspring, who prays for him”

(Muslim, 1992: Chapter 3, Hadith 14)

Waqf promotes a long-term investment and continuous benefits for the current generation and several generations to come. Based on a macroeconomic perspective, *Waqf* can involve a fiscal instrument that can become a resource for the development in government expenditure (Budiman & Kusuma, 2011). According to the basic macroeconomic theory, the national income is affected by household consumptions, firms’ investment, government expenditure, and net export. *Waqf* can influence household income through social benefits and can also increase investment, especially when some of the *Waqf* expenditures are managed by privately-owned entities. Investment can be increased through the development of *Waqf* assets mobilised by a private company. The government expenditure will also benefit through productive endowments and tax revenues. Therefore, changes in household consumption, firms’ investment, and government spending, can bring a positive result for the national income towards achieving a sustainable development.

A recent economic downturn due to the worldwide Covid-19 pandemic has increased poverty and affected government revenues for providing assistance to the poor. Thus, *Waqf* can be another source of funds that can support social developments such as basic infrastructure, public education, and health services during times of recession (Nurjannah, N., & Abdullah, M. W., 2020). Throughout this recession period, many people can fall into the traps of situational poverty, where they will suddenly become poor due to economic downturn (Sharath A.M, 2020). Therefore, *Waqf* fund can be a method to narrow social gaps and to lower inequality in the society (Shaikh, S. A., et al., 2017). Through *Waqf* fund, the society can share revenues by redistributing profits, so benefits will continue as long as the *Waqf* asset exists (Asmak Abd Rahman, 2009).

Based on *Waqf* method, an owner dedicates or donates one’s assets for permanent societal benefits. The benefits of the assets will be a perpetual income for beneficiaries. Assets can be in the form of immovable assets such as real estate, buildings, houses, or land. It can also be movable asset such as vehicles, money, and shares. The cash *Waqf* generally can be in terms of pooled donations that will be used to build public goods and services, such as public schools, public hospitals, and orphanages (Sadeq, 2002). Besides, the cash *Waqf* can also be invested through profit-sharing arrangements (*Mudarabah*), and the profits generated can be spent for charity purposes (Mohsin, 2008). Thus, the role of *Waqf* in providing public goods and services, as well as in contributing to the development of community, is significant and important, especially in this pandemic. The method for community development must be leveraged by the government due to its potential socio-economic benefits.

2. The Role of *Waqf* in Community Development

The history of *Waqf* on economic development shows that this method has brought huge benefits throughout the century. In 1923, prior to the formation of the Republic of Turkey, over three-quarters of the arable land of countries were *Waqf* assets, whereas one-eighth of all cultivated soil in Egypt, and one seventh of Iran’s land were immobilised as *Waqf* property

(Heffening, 1936; Barkan et al., 1970). During the 18th century, the revenue from Ottoman *Waqf* of about 20,000 was estimated to be about one third of the state's revenue (Yediyildiz, 1984).

There is rich evidence indicating that even a single *Waqf* could bring a great economic impact. Seprillina, L., et al., (2020) discovered that *Waqf* fund can bring a positive and substantial impact on the improving the level of income and consumption of the *Waqf* recipients (*Mauquf alaih*) in Indonesia. However, ever since the nine-year establishment of free schools, *Waqf* fund has not yet effectively impacted the *Mauquf alaih*'s education levels. Compared to individual charity, *Waqf* can be more effective in reaching the right targets by offering more sustainable funds to its beneficiaries. Finding the right target is difficult because the social circles and extended families normally include people like themselves (Shaikh, S. A., et al., 2017).

The *Waqf* institution can also be a tool for providing training, since most of the poor lack the skills and the requirements of building the capacity for improving livelihood and achieving social mobility (Haneef et al., 2014; Obaidullah, 2008). Thus, the *Waqf* institution can enhance the mobility of beneficiaries by providing an effective and efficient funding for health and educational infrastructure. An improved facility for education and health institution originating from *Waqf* fund can increase skills; in the future, beneficiaries will not inherit the burden of poverty or be trapped in a vicious cycle because they will have a better job and income (Diallo, A. T., 2021). Furthermore, the *Waqf* institution can provide public utilities such as better roads, sewage system, educational institutions, and hospitals, all of which had been demonstrated in the history of past Muslims. Even in the modern era, the *Waqf* fund has directly affected the poor's socio-economy by providing educational scholarships and health services. Thus, this institution can increase the poor's capacity building and wealth creation through developing human intelligence and improving the physical and financial capitals (Jafari, M., 2019).

Furthermore, due to the sluggishness and the absence of supporting services on the supply-side, most poor people do not have access to financial services. For example, Saad and Anuar (2009) discovered that due to commercialisation, microfinance programmes usually miss the ultra-poor, making the programmes to become less effective in reducing poverty. This is supported by abundant evidence from countries with high penetration of microfinance, showing that poverty has not been reduced by much as well. Thus, Rahman dan Dean (2013) highlighted that the *Waqf* and *Zakat* institutions are important for community development of the poor. Their research also emphasised that *Waqf* fund can be utilised to fund and set up training and business support centres, which they can be used by the beneficiaries to acquire knowledge and improve their skills, enabling them to generate a higher income, and subsequently, become marketable clients for microfinancing. The recurring costs can be controlled by taking a fee-in-kind, such as requiring the skilled person to train another client. Therefore, there will be no monetary fee involved for training facilities if the trained person could further train other people, making the process financially sustainable. As a result, maximum leverage can be acquired from the *Waqf* funds for establishing these centres that can train the first several batches of people.

Waqf has also been the source for providing free education for the people. Although most of the purpose of *Waqf* spending is on religious education, in general, spending on education from *Waqf* revenues has been the second largest purpose. The most prominent example is the establishment of Al-Azhar University, where the fees had been totally from *Waqf* funds (Mohd Ramli & Mohamad, 2016). Through *Waqf*, the university has managed to maintain their expenses since their first establishment until now, and only imposes very low fees compared

to other educational institutions (Johari & Haji Alias, 2013; Mohd Ramli & Mohamad, 2013). Funding comes from activities such as construction, business centres, and *Waqf* hotels, where the profits gained are utilised for the development of education and health sectors (Usman, 2014). This model has been followed by other educational institutions such as Oxford University in UK, Cambridge University in UK, Madrasah Nizamiya in Baghdad, and Madrasah Al-Junied in Singapore, where the management and education costs are generated from *Waqf* fund investments (Mashitoh, 2006; Aziz, M. R. A., et al., 2013). Most of the *Waqf* funds are provided for professorial chairs, lecturing posts, scholarship schemes, student bursaries, and academic prizes. Furthermore, a university's alumni also provides full support by topping up the endowment funds, where a management department is formed to be responsible for managing the investments from funds and to provide investment management services for the benefits of the university, colleges, and charitable trusts associated with the university (Siti Mashitoh & Asmak, 2014).

3. Research Method

This study implements a descriptive analysis based on ten years (2010–2020) of literature on *Waqf* towards community development. 150 articles were gathered from World of Science (WoS), Scopus, Google Scholar, and Mendeley software based on keywords, namely “*Waqf* and Community Development,” “*Waqf* and Economic Development,” and “*Waqf* + Community Development.” However, after a scrutinising process for the final assessment, only 100 articles were selected, which discussed and emphasised on the role of *Waqf* on community development; the remaining 50 articles focused on other issues. The selected articles were then classified into four categories, namely *Waqf* management, *Waqf* on education, *Waqf* framework, and cash *Waqf*. The classifications was based on either the abstract or the content of the articles. Due to that, there is a possible overlap in some areas resulting from the scope and research interest of the specified journals. To overcome this problem, this present study further classified these articles based on the highest frequency of keyword citations and also the inclination of content towards management of *Waqf*, *Waqf* on education, *Waqf* framework, and cash *Waqf* categories. The selected articles were then analysed using the Statistical Product and Service Solution (SPSS) software. The descriptive analysis was done with the purpose of discovering several variables, such as the number of publications by year, number of authors, the subject area of articles, the methodology used, publication based on country, and classification of publications used by the respective researchers. The descriptive analysis would highlight the general trend of the articles reviewed. This present study would also reveal the strength of a compiled articles, whether they were research-based studies or library-based articles. The articles were analysed to extract information regarding the role of *Waqf* towards community development, which could highlight several issues that have been discussed so that attention and solution for these issues could be generalised by other scholars.

4. Results

The results of this study were based on the descriptive analysis of articles that have been published in the past 10 years, retrieved from World of Science (WoS), Scopus, Google Scholar, and Mendeley software; analysis was conducted using the SPSS software. Results deliberated on several categories extracted from *Waqf* and community development articles. The categories are i) the number of publications by year; ii) study area; iii) research types; iv) research approaches; v) publication classification; vi) number of authors; vi) number of citations; vii) most productive contributor; and viii) issues and subject area.

1. Number of Publications by Year

The number of publications shows that from 2010 to 2020, the years 2014, 2015, and 2018 showed the highest number of published articles related to *Waqf* and community development (12 articles each), while the years 2016, 2019, and 2020 showed 11 articles each, 2017 yielded 9 articles, 2013 had 8 articles, and 2011 produced 7 articles. There were 5 articles each for 2010 and 2012. Table 1 shows the number of published articles according to the year, varying from 2 to 12 per year.

Table 1: Number of Publications by Year

Year	Number of Articles	Percentage (%)
2010	5	5
2011	7	7
2012	2	2
2013	8	8
2014	12	12
2015	12	12
2016	11	11
2017	9	9
2018	12	12
2019	11	11
2020	11	11
Total	100	100

2. Study Area and Publications by Geographical Affiliation

Results on geographical affiliation in Table 2 (a) show that Malaysia produced the highest number of *Waqf* and community development studies (41 articles in 10 years). The second highest was Indonesia (16 articles), followed by Bangladesh (5), other countries (8), Nigeria (3), Singapore (2); some countries in the list contributed only 1 article within the 10 years.

Table 2 (a): List of the Studied Area by Country

Country	Studied area
Malaysia	41
Indonesia	16
Bangladesh	5
Nigeria	3
Pakistan	1
Uganda	1
Africa	1
Philippines	1
Bosnia	1
Egypt	1
Singapore	2
India	1
Others	8
Total	82

Meanwhile, for the highest location of published papers, as displayed in Table 2 (b), Malaysia was the top country to have published *Waqf* and community development articles, with 25 articles having been published in Malaysian journals. The Netherland was the second highest location of publication (21), followed by Indonesia (14 articles), India (6 articles), China and the US (5 articles each), while the remaining countries in the list published less than 5 articles.

Table 2 (b): List of by Publication Area by Country

Country	Publication Area
Malaysia	25
The Netherlands	21
Indonesia	14
India	6
US	5
China	5
UK	4
Pakistan	3
United Arab Emirates	2
Singapore	2
Canada	2
Germany	2
Turkey	2
Africa	1
Taiwan	1
France	1
Australia	1
Others	1
Total	98

3. Research Types of the Publications

Figure 1 shows the types of research used for every article published in the 10-year period. The results showed that most of the articles employed four commonly used types of research; analytical, descriptive, empirical, and exploratory research, in line with Uma Sekaran (2013). The most preferred research type was analytical research (49 articles), which involved the evaluation of the facts and information relative to the research being conducted, and the attempt to explain the cause-effect relationships between variables. The second highest research type for *Waqf* and community development in the 10-year period was descriptive research (17 articles), which described, classified, measured, and compared the characteristics of the population or the phenomenon being studied. Meanwhile there were about 24 articles based on empirical research throughout the 10 years, which involved empirical observations or primary data collection process to answer particular research questions based on concretely empirical evidence. Lastly, there were about 8 articles of exploratory research, which investigated problems that were not clearly defined. An exploratory research is conducted to gain a better understanding of an existing problem, but does not provide conclusive results. Overall, the findings showed that most articles were analytical in nature, followed by empirical, descriptive, and exploratory research types.

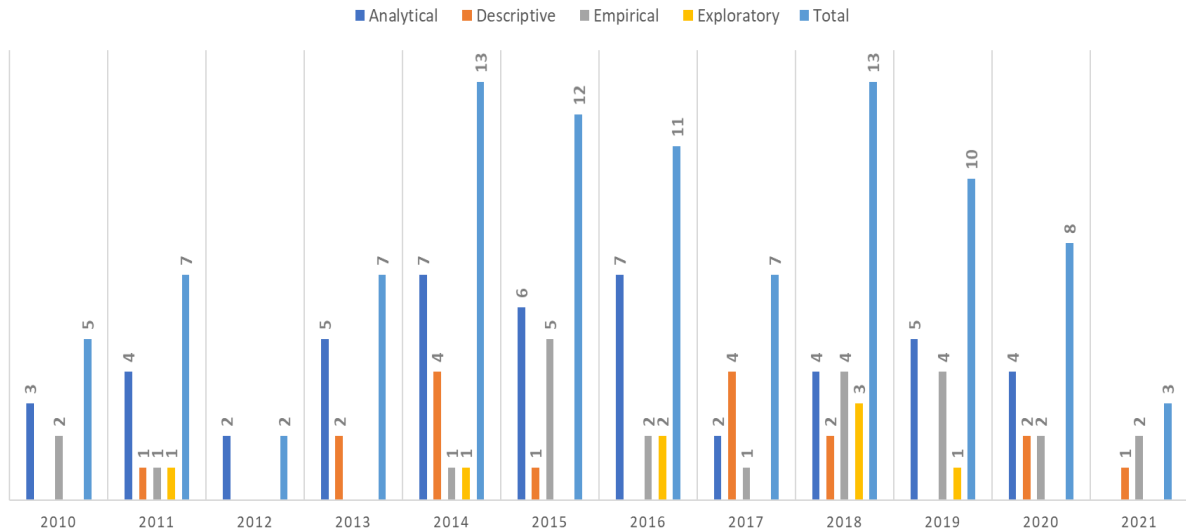


Figure 1: Research Types of the Publications

4. Research Approaches of the Publications

The research approaches can be qualitative (subjective approach), quantitative (numerical analysis), or mixed-method (combination of both approaches) (Punch, 2013). Based on Figure 2, out of 100 published articles, 90 articles used qualitative methods and the qualitative approach was used each year, whereas 8 articles applied quantitative methods, and 2 articles used mixed-methods.

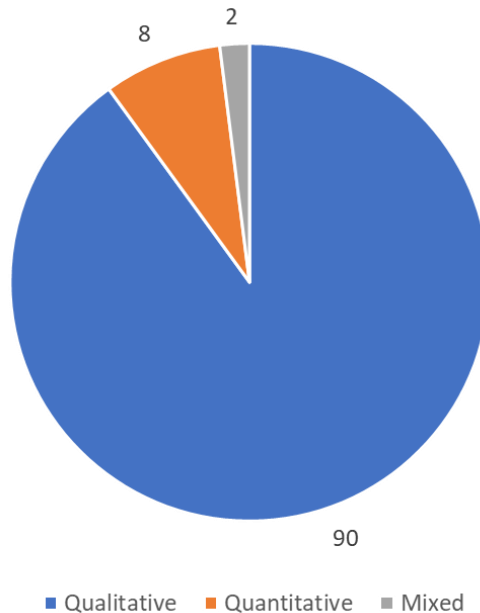


Figure 2: Research Approaches of the Publications

5. Publication Classification Based on Research Methods

The classification based on the research methods (Table 3) shows that the content analysis research method was mainly used in *Waqf* and community development articles, with a total of 60 papers, followed by thematic analysis and descriptive statistics, with 18 and 12 papers,

respectively. The regression analysis methodology was used in 3 articles; while the Structural Equation Modelling (SEM) method, factor analysis method, and preliminary analysis method were used in 2 articles, respectively. Finally, only 1 article used Data Envelopment Analysis (DEA).

Table 3: Publication Classification Based on Research Methods

Classification of Research Methods	Number of Papers	Percentage (%)
Content Analysis	60	59.6
Thematic Analysis	18	18.3
Descriptive Analysis	12	12.5
Regression Analysis	3	2.9
Factor Analysis	2	1.9
Preliminary Analysis	2	1.9
Structural Equation Modelling (SEM)	2	1.9
Data Envelopment Analysis	1	1
Total	100	100

6. Number of Authors for Publication

The number of authors that contributed to the *Waqf* and community development articles in the 10-year period is divided into four categories, namely i) single author; ii) two authors; iii) three authors; and iv) four authors or more. Results from Figure 3 show that articles with four authors or more have the highest frequency throughout the 10 years, which encompass 29 percent of the overall articles, followed by 3-author articles (27%), and two-author and single-author publications (22 % each).

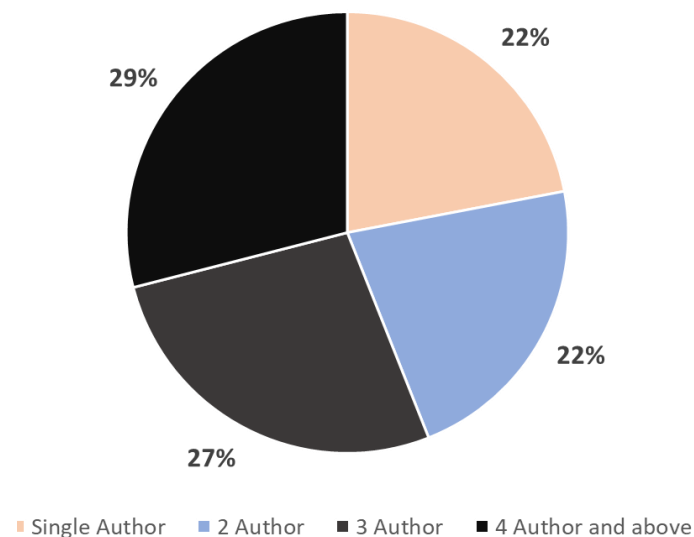


Figure 3: Number of Authors for Single Publication (%)

7. Number of Citations

The classification based on the number of citations for *Waqf* and community development topics in Table 4 shows that poverty alleviation and economic empowerment (700 citations)

were the highest. Microfinancing and entrepreneurship were the second highest, with 515 citations; whereas management was the third highest, with 467 citations. The cash *Waqf* topic yielded 323 citations, the education topic produced 266 citations, and corporate social responsibility (CSR) topic had 200 citations. Additionally, the topic on corporate *Waqf* had 169 citations, the topic on history generated 108 citations, and the topic on perception only saw 10 citations in the 10-year period. The number of citations for each journal was obtained from Google Scholar on 26th May 2021.

Table 4: Classification of Publications based on Number of Citations

Topic	Number of Citations
Poverty alleviation/Economic Empowerment	700
Microfinancing/Entrepreneurship	515
Management	467
Cash <i>Waqf</i>	323
Education	266
Corporate social responsibility (CSR)	200
Corporate <i>Waqf</i>	169
History	108
Perception	10

8. Most Productive Author

Based on 100 analysed articles, about 250 authors contributed to the topic area of *Waqf* for community development. The authors who often conduct research on *Waqf* for community development are Asmak Ab Rahman (5 papers), followed by Muhammad Hakimi Mohd Shafiai, Mohamed Asmy Mohd Thas Thaker, Mustafa Omar Mohammed, Wan Kamal Mujani, Mohd Syakir Mohd Taib, Mohamad Khairul Izwan Rifin, Linda Seprillina, Vika Annisa Qurrata, and Nor Ermawati Hussain (3 papers each), whereas Ogunbado Ahamad Faosiy, Bagus Shandy Narmaditya, Mochammad Arif Budiman, Khairil Faizal Khairi, Muhammad Ridhwan Ab. Aziz, Nur Hidayah Laili, Muhamamd Noorissuddin Nooh, Muhammad Yazis Ali Basah, Hisham Sabri, and Wan Zahari Wan Yusoff published 2 papers each. Overall, about 229 authors published 1 paper, 10 authors published 2 papers, 9 authors published 3 papers, and 1 author published 5 papers related to *Waqf* and community development (Figure 4).

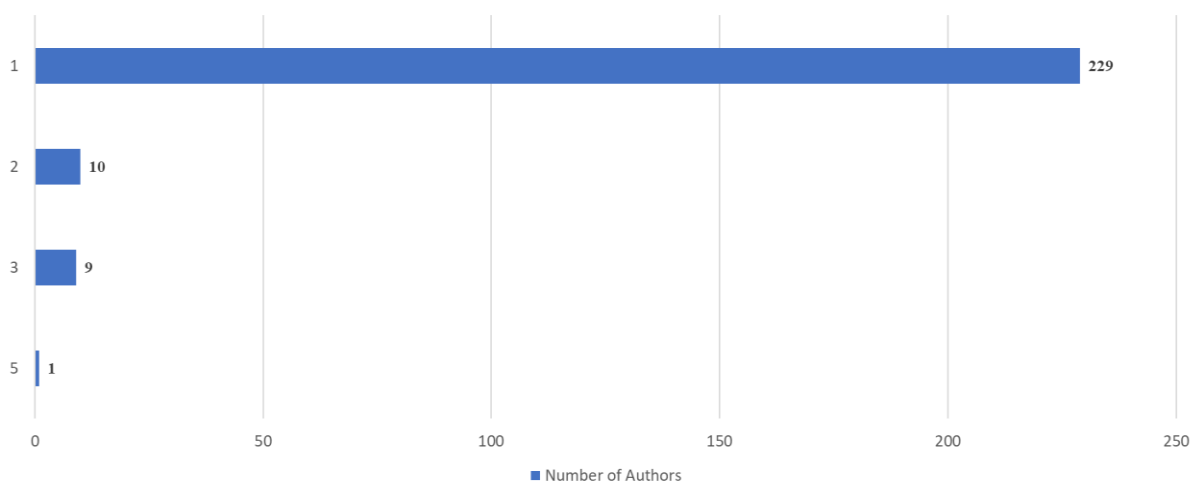


Figure 4: Publication Classification Based on Author Name

9. Issues and Subject Area of Articles

During the course of analysing the *Waqf* and community development articles, this present study discovered multiple issues that had been discussed by the different authors. However, 10 main issues had been seriously discussed and focused by the researchers, which were identified from the initial keywords of the respective articles. Results in Table 5 show that among the major issues or subjects that had been discussed in the 10-year period, most articles were associated with *Waqf* management on community development (35%), followed by the application of cash *Waqf* for community development (16%), the education through *Waqf* (15%), and administration (13%). Nevertheless, other articles had also discussed poverty alleviation (7%), corporate *Waqf* (5%), history (4%), corporate social responsibility (CSR), and perception (1%). The results indicated that the *Waqf* and community development management issues had been the main focus among the selected published articles in the 10-year period. This is important since good management can contribute to societal needs and create social well-being through *Waqf* in the future.

Subject Area	Number of Articles	Percentage
Management	35	35
Cash <i>Waqf</i>	16	16
Education	15	15
Administration	13	13
Poverty alleviation	7	7
Corporate <i>Waqf</i>	5	5
History	4	4
Micro-finance/Entrepreneur	3	3
Corporate social responsibility (CSR)	1	1
Perception	1	1
Total	100	100

Table 5: Issues and Subject Area of Articles

5. Discussion

An analysis of the articles related to *Waqf* and community development, which had been published from 2010 to 2020, provides the following:

- The role of *Waqf* towards community development has been extensively discussed. During the course of the 10-year period, there had been a large number of published articles in this area, involving various issues. The highest number of published articles was in 2012, with 17 publications.
- Malaysia had been the most preferred study area, and also the most preferred country of publication among authors in terms of articles on *Waqf* and community development.
- Most authors preferred the empirical research method to answer particular issues on *Waqf* and community development in countries or study areas. Only a handful of authors used the descriptive and exploratory methods for this area of study.
- The highest cited articles on *Waqf* and community development were on topics related to poverty alleviation and economic empowerment, followed by microfinancing and entrepreneurship, management, cash *Waqf*, education, and corporate social responsibility (CSR). Due to the nature and purpose of *Waqf* in developing the community through poverty alleviation and economic empowerment, these issues had been mostly cited.
- Most papers had used mixed-methods, since the topics involved calculating figures and analysing thoughts from previous Muslim scholars.

- The highest number of articles was regarding *Waqf* and community development management issues, since they addressed the main purposes of *Waqf* collection and distribution.

Results from this study showed that the issues of *Waqf* towards community development are still intensively discussed by Muslim scholars. The number of published articles on *Waqf* and community development has been increasing, with several issues being quite popular, such as management issues, signifying a crucial area in achieving the purposes of *Waqf*, i.e., to develop the ummah and reduce poverty among Muslims.

6. Conclusion

Efficient *Waqf* management is the key success factor for community development. Thus, focusing on issues and current interests in *Waqf* and community development can allow for a better *Waqf* management. The purpose of this present study is to stimulate efforts for a more successful community development in the future. Studies on *Waqf* and community development had not been intensively discussed in the past 15 years ago; they were not indexed by Scopus. On top of that, this present study has managed to gather 100 papers which focused on *Waqf* and community development, eventually addressing the loopholes and study gaps, so that future scholars may explore more on *Waqf* and community development. In conclusion, with the era of this Covid-19 pandemic, studies on *Waqf* and community development should focus more on critical areas such as poverty, microfinancing, entrepreneurship, and Corporate Social Responsibility (CSR), in order to develop better tools for improving communities. This study is expected to provide future scholars with many avenues for further research and development.

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