

Full Length Research Paper

Economics of *Cash WAQF* management in Malaysia: A proposed *Cash WAQF* model for practitioners and future researchers

Md. Shahedur Rahaman Chowdhury^{1*}, Mohd Fahmi bin Ghazali¹ and Mohd Faisal Ibrahim²

¹University Malaysia Sabah, Malaysia.

²University Sains Islam Malaysia, Malaysia.

Accepted 25 August, 2011

Cash Waqf is a trust fund established with money to support services to mankind in the name of Allah. The gifted capital was “transferred” to borrowers who after certain period returned to the waqf the principal plus a certain “extra” amount, which was then spent on all sorts of pious and social purposes. It is recognized that there is no ample study in the area of *Cash Waqf*. Again literature is very scanty relating to the *Cash Waqf* management. The exiting studies identify various facets of the *Cash Waqf* and its management issue to explore different aspects of theoretical dimensions and practices. Thus, the motivation of the study in essence is to identify and explore the innovative avenues for managing *Cash Waqf* systems and making a hybrid viable *Cash Waqf* model for generating more benefits for all involving parties of the society with sustainability characteristics. The main objectives are (I) to study the features of existing *Cash Waqf* management systems in the light of the Malaysian context (II) to find out and evaluate the factors and extent of their impact on the performances of the *Cash Waqf* management System (III) to develop a *Cash Waqf* Model based on the analysis for increasing the overall performance of the Waqf sector of Malaysia and integrating them with the symbiotic nexus among different financial sectors (IV) to assist practitioner and future researcher to develop a better hybrid *Cash Waqf* model. Thus, the present study will contribute amply in this direction. It would also help to reform the present institutional setup and their networking relationship throughout the country with a view to increasing their performance in the direction of the efficient and need based dynamic management of the waqf affairs and systems. As a consequence total policy dimensions at micro and macro perspective can also be framed to meet the diversified objectives of innovations and development in the waqf management systems complying with the Shariah guidelines.

Key words: Economics of *Cash Waqf*, management, *Cash Waqf* model, Malaysia.

INTRODUCTION

The word waqf is derived from the Arabic root verb waqafa, which means ‘causing a thing to stop and standstill’. It also takes the meanings of ‘detention’, ‘holding’ or keeping. Waqf (pl. Awaqaf) is called Boniyad in Iran and Habs (pl. Ahbs) in North and West Africa. However, by taking its different meanings into consideration waqf can be applied to non-perishable property whose benefit is extracted without consuming

the property itself.

Although, waqf is not specifically mentioned in the Holy Quran, the concept of wealth distribution is strongly emphasized therein. Distribution of wealth is a key issue in the modern economy to make it more dynamic, prejudice free and entrepreneurial. However, a hadith narrated by Abu Huraira [May Allah be pleased with him (R)] is considered as the origin of this institution in the world of Islam. “Abu Huraira (R) reported Prophet Mohammad [Peace be upon him (pbuh)] as saying: when a man dies, all his acts come to an end, but three; recurring charity (*sadaqa jariya*) or knowledge (by which people are

*Corresponding author. E-mail: cmsrahaman@gmail.com.

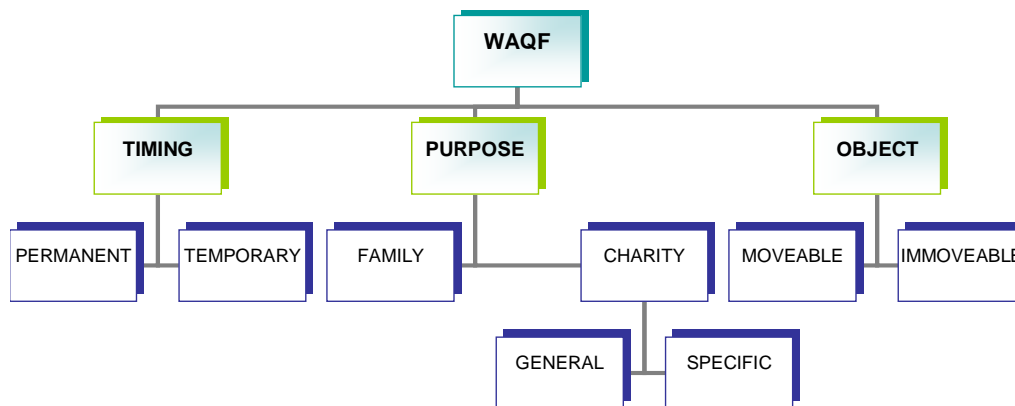


Figure 1. The categories of Waqf in Islamic Jurisprudence.

benefited), or a pious offspring, who prays for him”.

It is also evidenced in the Sunnah (practices of Khairul Karun) that many great personalities of Islam had waqf their properties in different form.

Categories of WAQF

Generally, waqf can be classified into several categories on the basis of three diverse aspects that is, timing, purpose and the object of waqf (Jalil and Ramli, 2008) (Figure 1). In Islamic law, waqf must be permanent. But, it could be temporary in accordance to the *Malikiyyah* (Al-Zuhayli, 2000). On the other hand, on the purpose of the waqf, the *al-waqif* (donor) can waqf for his/her family or to the public. Charity to the public may be general or specific (e.g. religious education). In addition Waqf assets can also be immovable or moveable (e.g. cash waqf). In *Cash Waqf al-waqif* (donor) endowed cash instead of real estate. *Cash Waqfs* begin in primeval Mesopotamia, Greece and the Roman Empire. In fact, in the eighth century, Imam Zufar had approved *Cash Waqf* in the Islamic World for the first time. According to him *Cash Waqf* would be invested through *Mudarabah* and profits would be spent for charity. Nevertheless, cash waqf did not expand and mature until the 16th century and after that century it became popular, especially among the ottomans.

Although there was controversy on the legality of *Cash Waqf* among the Shariah scholars but thousands of *Cash Waqf* continued to be endowed. In particular, *Cash Waqf* was supported by the Ottoman Sultans, because funds were financed in the expansion of Islam in Europe (Cizakca, 2004, 2010). In fact, in Malaysia, the Fatwa Committee of the National Council for the Religion of Islam confirmed the legality of *Cash Waqf* at its 77th meeting on 10 to 12 April, 2007. The exact wording of the fatwa is as follows: “In Islam, performing waqf in the form of cash is allowed” (www.e-wakafjohor.gov.my, www.mais.net.my) (Cizakca, 2009).

Significance of Cash WAQF over other types of WAQF especially land

Previously, Islamic activities were successful because in all activities there was participation from all Muslims including ordinary Muslims. Though wealth has established mosques, hospitals, libraries, schools and similar institutions, the ongoing success of these institutions for centuries has only been possible due to the small continued donations made by immense number of ordinary people enlightened in the spirit of Islamic charity. Having said that, in this century population has increased in enormous number but real property has not augmented. Therefore, many Muslim did not get chance to participate in Waqf endowment because there is a wrong perception among Muslims that there may be waqf endowment through only land not in cash. They believe land can fulfill the three conditions of waqf such as perpetuity, irrevocability and inalienability. However, land may be subject to demolition, destruction due to the natural calamity and waqf will only last till its value exist (Mohammad, 2008). Through proper *Cash Waqf* management, it is easily possible to hold waqf value as well as value enhancement. As a result, those who do not have land can participate in endowment through *Cash Waqf*. In addition, nowadays people have more choices for waqf by including cash into waqf (Figure 2). Furthermore, *Cash Waqf* is far more important since it is more productive compared to land, buildings, books, cattles and so on., as it is testified by the existing research studies and have been found profitable in the practices of modern Islamic financial system. In fact, in *Cash Waqf* the amount or value of the waqf is not an important issue, rather it is worthy to involve whole ummah in the process of waqf, so that everyone irrespective of financial condition could be involved by contributing as little as a cent within the prescribed systems of institutionalizing the concepts under government and / or private initiatives and guidelines provided by Islamic doctrines. Because, it is not only the preserve of the wealthy. That is anyone, subject to

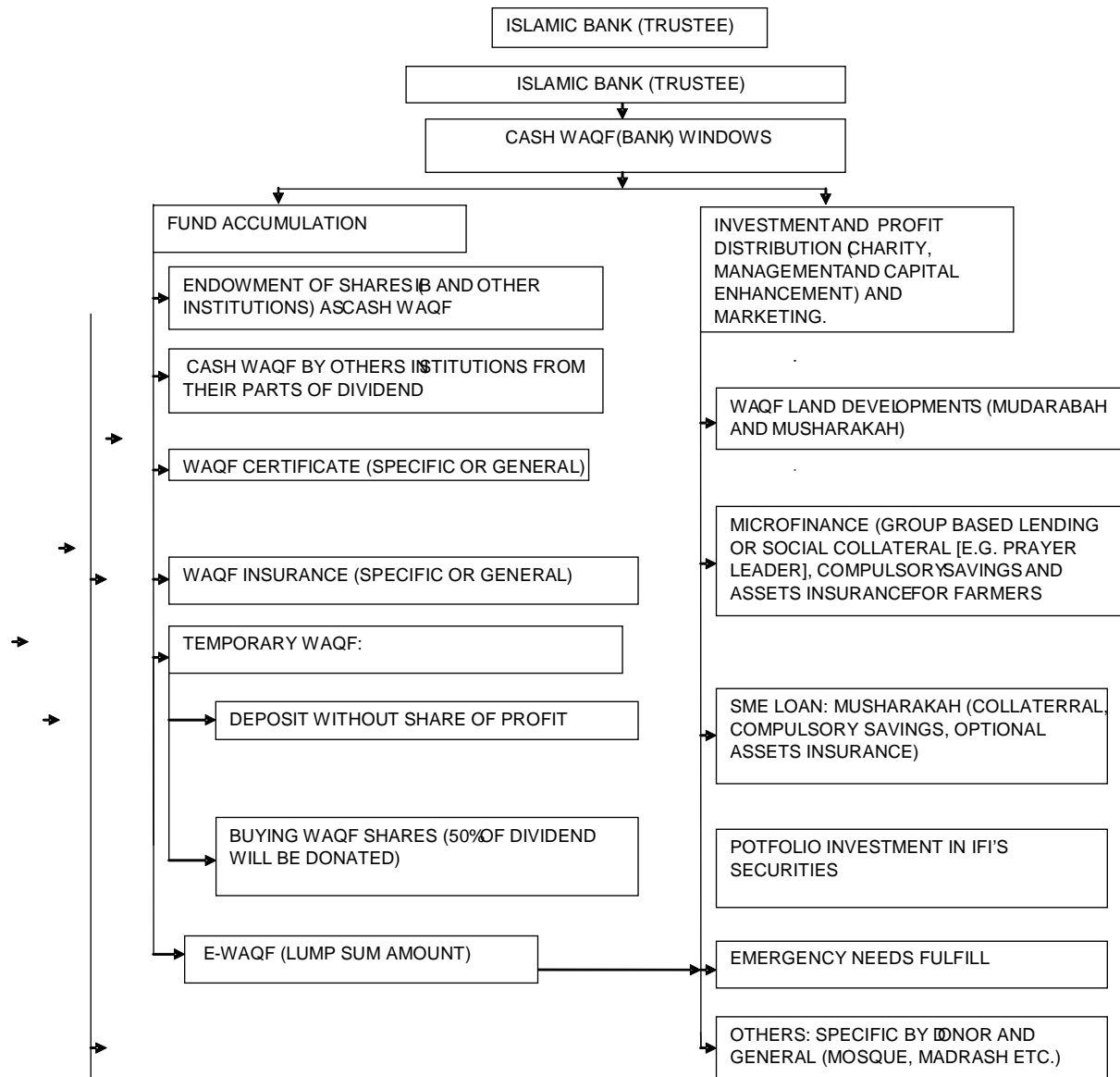


Figure 2. Cash WAQF model.

certain Sharia conditions, can be *al-waqif* (donor) through *Cash Waqf*.

Objectives of the study

The main objective is to assess the performance of the existing *Cash Waqf* Management System in Malaysia and to develop hybrid *Cash Waqf* model. More specific objectives of the study are furnished as follows:

1. To study the features of existing *Cash Waqf* management system in the light of the Malaysian context;
2. To find out and evaluate the factors and extent of their

impact on the performances of the *Cash Waqf* management systems;

3. To develop a hybrid *Cash Waqf Model* based on the analysis for increasing the overall performance of the Waqf sector of Malaysia and integrating them with the symbiotic nexus among different financial sectors.
4. To assist practitioners and future researchers to develop a better *Cash Waqf* model.

LITERATURE REVIEW

It is recognized that there is no ample study in the area of *Cash Waqf*. Again literature is very scanty relating to the

Cash Waqf management. The existing studies identify various facets of the *Cash Waqf* and its management issue to explore different aspects of theoretical dimensions and practices. Mohammad (2008) explores problems and prospects of Waqf land in Malaysia. He identifies that Malaysian laws follow three principles: 1) irrevocability, 2) perpetuity, and 3) inalienability in waqf land. So waqf land is not a valid security and Malaysian banks do not offer credit facility for collateralization of waqf land, which results in waqf lands that lack development investment facility and markets and hence remain underutilized. So this study suggests *Cash Waqf* is better than land and this *Cash Waqf* money can be used for the development of existing waqf land through *Mudarabah* and *Musharakah* contract. Focusing on a different country, Karim (2010) made a study on waqf in Bangladesh to explore its problems and prospects by focusing on the legal perspective. He identifies important problems in the way of efficient management of Waqf assets in Bangladesh and suggested changing the administration and management of waqf in order to make it suitable to the contemporary needs. He found that a huge amount of national waqf assets are being underutilized, the innovative avenues of which can be developed by framing and adopting some diversified measures. The mentionable recommendations are ensuring participation of the poor class, to share the waqf assets in productive projects, empowering the poor through waqf based on the practices of various Islamic finances and establishing the productive entrepreneurial ventures by creative distribution of the waqf assets to the poor class individually or collectively, instead of traditional donation granting for unproductive purposes.

Although he suggested the measures for the improvement of the Waqf management systems of Bangladesh, these can also be applied to some extent in the context of Malaysia for the improvement of Waqf management scenario. Ahmed (2007) explains the social role of Islamic micro finance and identifies the potentials for waqf-based microfinance philosophy and practices. To explore the unlimited benefits of the Islamic micro finance based on the waqf assets; it is recognized that Islamic micro finance can take care of those who cannot be taken care of by the market, who cannot play with economic forces or do not have access to economic means to enable them exploit the economic opportunities around them. In fact, Islamic financial systems emphasized on *adl* (social justice) and *ihsan* (benevolence) rather than the normal practices of isolated commercial financing practices.

To integrate social development objectives, address the poverty issue and to increase the income and wealth of the poor class micro finance can play an immense role by applying the concept of group based social collateral philosophy. This practice may also facilitate the reduction of credit risk and high recovery of loaned money by involving the borrowers with productive micro enterprise development and providing them the techno economic

advisory services for continuation and sustenance of the enterprises (Khan, 1997; Siddiqi, 2004).

Other studies also point out that Islamic ideology inculcated various institutions and structures among them such as *zakah*, *waqf* and *qard al-hassan*, that helps to redistribute income and wealth for the fulfillment of the basic needs for all in the society and ensures features of justice, equity, and social peace in that society. These features are the indicator of a vibrant society (Zarqa, 1988; Elgari, 2004). Therefore, it is evident that the *Cash Waqf* can be used to finance productive microenterprises. The present study found out that *Cash Waqf* assets can provide a viable model for survival through providing micro finance for enterprise development by involving the marginal and poor sections of the society. In another study, Hashim (2007) endeavored to explore the performance of the insurance sector as a model for convincing the young and middle class to contribute to waqf. It has been found in the study that through proper management of the waqf assets, the studied insurance company ensured mutual benefits for all related parties by combining several Islamic principles into the practices as a profit making institution. The scheme in his study complements the conventional method of collecting waqf with new practices of involving diversified groups through innovative plan. It was found in the study that in Malaysia, an insurance company by introducing "Takaful Waqf Plan" becomes successful in achieving developmental goals and overcoming the problems related to the operations of waqf collection and management, by ensuring the participation of all walks of life regardless of their age and economic background rather than the wealthy and older people of the society.

Therefore, the present study will look at the conventional way of collecting waqf in Malaysia normally through the Waqf Unit or Department under the Council of Islamic Affairs can be changed through applying the innovative plan of insurance companies. Thus, the motivation of the study in essence is to identify and explore the innovative avenues for managing *Cash Waqf* systems and making a hybrid viable *Cash Waqf* model for generating more benefits for all involving parties of the society with sustainability characteristics.

Rationale of the study

From the discussion above it is clear that through innovative *Cash Waqf* management systems, various parties of a society can reap the benefits, including the poorest of the poor section who are not generally reachable by government or other agencies. These practices help in the fulfillment of religious requirement through performing various activities and mobilizing resources from rich to poor, creating employment opportunity to develop socio-economic conditions of the poor and whole society as ultimate results. Thus, the present study will contribute amply in this direction. It will also will

help to reform the present *Cash Waqf* institutional setup and their networking relationship throughout the country, with a view to increasing their performance in the direction of the efficient and need based dynamic management of the waqf affairs and systems. As a consequence, total policy dimensions at micro and macro perspective can also be framed to meet the diversified objectives of innovations and development in the *Cash Waqf* management systems complying with the Shariah guidelines.

Issues of Waqf management

The waqf is not only the spiritual and religious aspect but also an important issue which has influence on the economic, political, community, educational and social development. As waqf institution covers a wide range of issues from economic to the social aspect of the human development, it can be attributed as one of the prime tools to uplift the pride, dignity and supremacy of Islam. Therefore, such an important issue cannot be free to run itself on the whims without following any predetermined policies, rules and scientific management systems within the purview of the overall guidance of the Islamic tenets. So, application of the professional management concepts and principles along with contemporary best practices and through the appropriate and time based waqf systems that is *cash waqf* provide the basis for excellence of operations to achieve the overall efficiency and effectiveness. But the appropriateness in management systems of Waqf with its real Islamic standard was handicapped due to some historical reasons which are majorly attributed to the history of western colonialism in the Muslim World. Malaysia is not an exception to other countries of the Muslim world in the same context.

The present study is an attempt to analyze the performances and practices of waqf system especially *Cash Waqf* in Malaysia, including important influencing factors and provide the future suggestions for further improvement of the overall performance. According to the opinions of Waqf practitioners and researchers in the field, Waqf management system in Malaysia is facing a multitude of accumulated problems. The problem starts with the State Islamic Religious Council (MAIN) which is the sole trustee of all waqf. As MAIN inherits Waqf property, it should be managed with qualified, knowledgeable and professional managers who are well acquainted with Islamic as well as country laws to make right symbiosis for attaining the performance goals in the Waqf systems.

Another issue is that the peoples involved in managing the Waqf assets - Mutawalli or Waqf manger - are found to be as unqualified in some cases. Even in some incidents the waqf lands are managed by non-Muslims who are not really competent to run that venture in head, as well as heard and beliefs. So, how can authority trust them without their fundamental beliefs and ideologies?

That means Waqf assets should be granted to the right Mutawalli (Waqf manager) by considering their sound footings in ability, willingness and beliefs as well, to utilize the asset with trust and reliance. Another problem related with the management of Waqf asset is that these properties are left idle due to some procrastination in the management process. The notable factors that lead to the procrastination consist of properties given out orally without any registration and documentation, accounting practices are not in compliance with the Islamic accounting norms, complexity in the possession of land property makes sale and purchase restricted in the formal market, while in leasing and rental markets these are often rented below the market price (Jasni, 2006) and so on.

There are instances where the land is leased to a man for RM 250, who afterwards rented it to another person for over RM 2500. Such a difference between the leased value and market value of the properties may open the doors of numerous menaces including corruption. Hence, it is the constraining factor in the way of spontaneous development process. In some cases, Waqf properties are beyond the control of MAIN that gives rise to subsequent problems such as defaulting land tax and other kinds of tax related to Waqf land properties. Thus, Waqf land is seized by land office and Waqf premises are being sealed by local authorities. Other notable problems in the systems are: Waqf revenues are insufficient to bear the operational cost, Waqf properties has no self-generating income and unproductive, delay in the earning of the compensation in the acquisition of Waqf properties, procrastination in the istibadal and irregularity in receiving the benefit of the Waqf properties by the maukufalaih (beneficiaries) (Abdullah, 2010). Therefore, there is a huge gap between the expectation and existence of presence of all the factors, which make the Waqf system ineffective. Due to the aforementioned diverse problems, Waqf management systems are facing various challenges to make it dynamic, transparent, productive and innovative in the utilization of the Waqf properties that deserve attention to reorient the total systems. Present study endeavored to minimize the gap, by focusing the role of private sectors especially Islamic banks and explore the solution to bring efficiency in the existing system and make it more effective through a dynamic *Cash Waqf Model*.

PROPOSED CASH WAQF MODEL

Islamic Bank (Trustee)

This paper suggests that Islamic Bank will act as a trustee for *Cash Waqf*. It will supervise and monitor the collection of waqf fund, investment and distribution of profit to the charity activities. Dr Hisham Dafeterdar from the Asset Management Division of the IDB's Waqf Properties Investment Fund said that supporting waqf organization should be part of Islamic banks' corporate

social responsibility.

Cash waqf (Bank) windows

Although, Islamic Bank will monitor all activities of waqf, but actual financing, investment and profit distribution will be done under proper management of its *Cash Waqf windows*.

If in the future the windows activities expanded in a large extent, then it would be operated as a separate *Waqf Bank*.

Fund accumulation

The mentioned techniques in the Cash Waqf Model can be used to raise Cash Waqf fund. It requires diverse techniques because different al-waqif (donor) prefers dissimilar way of Cash Waqf endowment. However, to encourage people to dedicate property for a Charitable purpose, the government of Malaysia has provided a tax incentive for any donation given, including a cash waqf in section 44(6) the Income Tax Act 1967 (Reference no. LHDN.01/35/42/51/179-6.5621 Government Gazette No. 14369 dated 27.07.2004 (www.mais.gov.my) (Hasan and Abdullah, 2008).

Endowment of shares (Islamic Bank and other institutions) as Cash Waqf

All Islamic Financial Institutions including Islamic Bank should endow part of their shares as *Cash Waqf*. Other institutions at least Government-linked companies' such as Petronas, Pos should also endow part of their shares to perform their corporate social responsibility. In 2006, JCorp launched the idea of "Corporate Waqf" which involved the transfer of 12.35 million unit shares owned by JCorp Kulim (M) Bhd, 18.60 million unit shares in KPJ Healthcare Bhd and 4.32 million unit shares in Johor Land Bhd to Kumpulan Waqf An- Nur Bhd as Trustee (JCorp Annual Report, 2007) (Hanefah et al., 2009).

Cash Waqf by other institutions from their parts of dividend

This *Cash Waqf* model anticipated that if Islamic bank distribute charity in the name of particular institutions, then institutions would be encouraged for endowment of parts of their shares and dividend as *Cash Waqf* because these institutions can take it as their advertising expenditure to create image to the public, although ordinary Muslims will be benefited eventually.

Waqf certificate

DR. M. A. Mannan of Social Investment Bank Limited,

Bangladesh first introduced Cash Waqf certificate. The value of Waqf certificate may be as high or low as USD\$1. This waqf may be general or specific. If specified beneficiary by waqif, then beneficiary (for instance, madrassa) will open an account with the bank to collect benefits (Karim, 2010). But here the author proposed to sanction qurd al- hassan (benevolence loan) to Waqf certificate holder, if he falls in financial crisis in the future. However, it will be optional to bank.

Waqf insurance

Here, paper suggests that Islamic bank can follow the methods of "Takaful Waqf Plan" in Malaysia; which is a successful example of Islamic insurance by ensuring the participation of all walks of life regardless of their age and economic background rather than wealthy and older people of the society (Hashim, 2007). In addition, the paper suggests that if al-waqif (donor) wants to distribute his contribution to specific purpose then Islamic bank should respect their desire.

Temporary Waqf

Little consideration is given to the significance of temporality in waqf. What is overlooked is that no property can be assured to be perpetual in nature, not even real or immovable property as these also can be subject to demolition, and destruction due to the natural calamity. So, all waqf will only last till the property or its value exist.

The Malikis accept temporal Waqf by the will of the founder and also accept the waqf of temporal usufruct (Mohammad, 2008). According to Professor Dr Monzer Kahf, "The permanency of the will of a waqf founder should be respected. However perpetuity of waqf is not necessary and temporary waqf is a glorious idea." He suggested waqf could be made partial, revocable and temporary.

Deposit without share of profit

Depositors will deposit in waqf account for a certain period and his profit portion will be distributed as donation.

Selling Waqf shares (50% of dividend will be donated)

According to this model Islamic bank will issue waqf shares where 50% dividend will be distributed among shareholders and the remaining 50% will be endowed as cash waqf. Corporate waqf agenda as reported in 2007 Jcorp pledges to dedicate 25% of the annual dividend payout from the shares transferred into waqf (www.jcorp.com.my) (Hanefah et al., 2009).

Ewaqf

It will contain database on waqf institution, publishing all fatwas contemporary fatwas on waqf, activities of waqf organization, audited financial statements. Here, if a person or institution (for example, mosque, ill person, etc) want to be a beneficiary for a lump sum, he will apply to the Islamic Bank and get an account number. In the website, the details, address and account number of the beneficiary will be given. So the donor can donate to the beneficiary directly by personal contact or Credit Card or deducting from their bank account via e-waqf facility or through SMS. Jcorp with Jabatan Islam Malaysia (JAKIM) produces an academic –based programme which invites callers and viewers to donate via SMS (Short Messaging System) which is then distributed to the poor and needy (www.jcorp.com.my) (Hanefah et al., 2009).

INVESTMENTS

In Islamic Shariah, the fundamental and standard mode of financing are *Musharakah* and *Mudarabah*. Although Salam and Istisna contract create real assets, so these modes are also allowed in Islam. But according to Shariah experts when *Musharakah* and *Mudarabah*, Salam and Istisna cannot be implemented or suitable, then Murabaha and Ijarah contract can be used by fulfilling certain conditions (Usmani, 1998). So this paper suggests the use of *Cash Waqf fund* in the best Islamic mode of financing, such as Musharakah, diminishing Musharakah and Mudarabah, or a combination of these two. On top of that, the authors also suggest that waqf fund should be used to finance pious people and other IFI's, basically for two reasons. Firstly, al-waqif donates money not only to help poor people but also to get reward hereafter or to satisfy Allah and secondly, honesty is very important for successful *Musharakah* and *Mudarabah* contract.

Waqf land developments

So far, we have already explained that it is very hard to get loan for development of Waqf land. So, it is the best solution to use cash waqf money in this sector.

Microfinance

Ahmed (2007) focused on waqf- based micro financing on the pattern of the Grameen Bank. He also suggested to protect against withdrawal risks, the MFI can use takaful and profit-equalization reserves to give depositors competitive returns. The traditional former lenders faced with borrowers whom they do not personally know (Jacklen, 1998) thus, exposing them to very high risks due to the inherent screening problems faced by the

lender (Rhyne and Otero, 1992) and they cannot provide any collateral to the bank. These problems can be solved by following group based lending. The study suggests that there is another unique way to solve this problem. Some cases sanction of loan could be made by taking consent of religious leaders and religious teachers, or Imam instead of group lending, so that waqf fund will be channeled to a pious person and ensure the return of capital as well. Nevertheless, another problem might arise that no insurer is willing to insure against, possibility of non-repayment due to natural and common hazards afflicting small producers in developing countries; for example drought, livestock disease and breakdown of equipment (Hulme and Mosley, 1996). So in this regard, waqf windows will provide Takaful or Islamic insurance for farmers.

Furthermore, these borrowers will also play the role of savers if it is made compulsory. This is a better way to collect savings as well, since poor people usually do not want to save, especially in a financial institution and these institutions do not approach to them due to higher transaction cost. For example Amaanh IKhtiar Malaysia used some form of compulsory savings where borrowers are required to save a portion of the amount they borrow (Dusuki, 2008). However, lending will be based on *Mudarabah*. If it is required, micro finance will be subsidized by waqf fund because this fund is not only to help the poor but also keep away a large number of people from sins of interest as interest is strictly prohibited in Islam.

Small and Medium Enterprise (SME) loan

Waqf fund should be used to provide loan to small and medium enterprises due to the fact that SME is an emerging sector in underdeveloped and developing nations. If these sectors are neglected then it would be impossible for these nations to make economic development.

Portfolio investment in Islamic financial institution's (IFI's) securities

These activities will fulfill a few purposes. Firstly, it will minimize the risk but ensure reasonable return for waqf fund.

Then Islamic financial institution will be able to avoid taking of loan from conventional institutions, which, deal with interest.

Emergency needs fulfill

Waqf institution can play a significant role in case of emergency like natural disaster. Here, fund can be obtained directly or through E-Waqf, by publicizing the disastrous effect of calamity on website, television,

newspaper or radio etc and encouraging people to come forward with a helping hand.

Other investments (specify by donor)

It is the right of the waqf donor to instruct the Islamic Bank, where his/her money will be invested that is whether SME, or Microfinance or Land development etc. So if they want, they should be allowed to enjoy this right, in fact the bank will provide some good suggestions.

Profit distribution

Basically, profit should be distributed according to the donor's will. However, if he assigns the responsibility to the bank, then it can be distributed in three ways:

1. To charities such as mosque, madrasa, poor, social activities, training of youth, marriage for poor girl, religious education etc.
2. To management includes maintenance, managerial expenses and future development and capital enhancement.
3. To marketing because when there is any natural disaster or illness etc then through publicity by television, radio or newspaper it is always easy to raise donated fund. So through proper marketing policy it is possible to encourage people to endowed more cash waqf.

CONCLUSION AND FURTHER RESEARCH

From the discussion, it is clear that through innovative cash waqf management systems various parties of a society can reap the benefits including the poorest of the poor section who are not generally reachable by government or other agencies. These practices help in the fulfillment of religious requirement through performing various activities and mobilizing resources from rich to poor, creating employment opportunity to develop socio-economic conditions of the poor and whole society as ultimate results. Thus, the present paper contributed amply in this direction. It would also help to reform the present institutional setup and their networking relationship throughout the country, with a view to increasing their performance in the direction of the efficient and need based dynamic management of the waqf affairs and systems. As a consequence, total policy dimensions at micro and macro perspective can also be framed to meet the diversified objectives of innovations and development in the waqf management systems complying with the Shariah guidelines.

Whilst this study tried to find out the features of existing *Cash Waqf* management systems, it also attempted to find out and evaluate the factors and extent of their impact on the performance of the *Cash Waqf* management

systems and finally to develop a *Cash Waqf Model* based on the analysis for increasing the overall performance of the Waqf sector of Malaysia and integrating them with the symbiotic nexus among different financial sectors. However, further research is required by Waqf practitioners and researchers, to identify more gaps in the present system and develop a better hybrid *Cash Waqf* model not only for Malaysia, but also for all over the world.

REFERENCES

- Abdullah M (2010). 'Malaysia needs transformation of Waqf management', Travelodge PhD Wakaf @ Mohamad Salleh Abdullah , blog entry, Malaysia needs transformation of Waqf management, accessed 27th February 2011, [On-line] Available at <<http://sallehabdullah.blogspot.com/2010/01/artikal-malaysia-perlukan-transformasi.html>>.
- Ahmed H (2007). Waqf based Microfinance: Realizing the Social Role of Islamic Finance. International Seminar on Integrating Awqaf in the Islamic Financial Sector, March 6-7, Singapore.
- Cizakca M (2004). Ottoman Cash Waqfs Revisited: The case of Bursa 1555-1823. Foundation for Science Technology and Civilisation. Publication Id 4062.
- Cizakca M (2009). Incorporated Cash Waqfs: Islamic Non-Bank financial Instruments from the past to the future? Paper presented at the Seminar, Labuan, Malaysia, November 14th.
- Cizakca M (2010). Incorporated Cash Waqfs and Mudaraba, Islamic Non-bank Financial Instruments from the Past to the Future. MPRA Paper No. 25336, posted on September 26th, 2010. <http://mpa.ub.uni-muenchen.de/25336>.
- Dusuki AW (2008). Banking for the Poor: The role of Islamic Banking in microfinance initiatives. J. Syst. Ethics, 24(1).
- Elgari MA (2004). The Qard Hassan Bank. International Seminar on Nonbank Financial Institutions: Islamic Alternatives, March 1-3, 2004, Kuala Lumpur, jointly organized by Islamic Research and Training Institute, Islamic Development Bank and Islamic Banking and Finance Institute Malaysia.
- Hasan Z, Abdullah MN (2008). The Investment of Waqf Land as an instrument of Muslims: Economic development in Malaysia. The Dubai International Conference on Endowments' Investment, February 4-6, organized by Awqaf and Minors Affairs Foundation, Dubai, the United Arab Emirates.
- Hanefah HMM, Jailil A, Ramli AM, Sarbi H, Nawai N, Shahwan S (2009). Financing the Development of Waqf Property: The experience of Malaysia and Singapore. International Conference on Waqf Laws and Management: Reality and Prospects, October 20-22, Management Center IIUM, International Islamic University Malaysia.
- Hashim ABM (2007). The Collection of Waqf through Insurance Companies: A Critical Analysis on the Malaysian Experience. Rev. Islamic Econ., 11(1): 63-74.
- Hulme D, Moseley P (1996). Finance against Poverty. 1st ed., Vol. 1, Routledge, London.
- Jacklen HR (1998). Banking on the informal sector. The International Conference on Microenterprise Development, Washington, Dc.
- Jailil A, Ramli AM (2008). Waqf Instruments for Construction contract: An analysis of structure. J. Muamalat and Islamic Finan. Res., 5(1): 183-196.
- Jasni MZ (2006). Pembangunan Tanah Wakaf Majlis Agama Islam Melaka, Department of Land Administration and Development, Faculty of Geoinformation Science and Engineering, Universiti Teknologi Malaysia, Johor.
- Johor Corporation, Annual Report, 2007. Johor Bharu. [On-line]. www.jcorp.com.my
- Karim M (2010). Waqf Estates in Bangladesh – Analyzing Socio-Economic Profile and Exploring Potential but Unexplored Expenditure Options. International Conference on The Tawhidi Epistemology: Zakat and Waqf Economy, January 6-7, 2010, University Kebangsaan Malaysia, Bangi, Malaysia.
- Khan MF (1997). Social Dimensions of Islamic Banks in Theory and

- Practice. Manuscript, Islamic Research and Training Institute, Islamic Development Bank.
- Mohammad MTSH (2008). Sustaining the means of Sustainability: The need for accepting Wakaf (Waqf) assets in Malaysian property market. The 14th Annual Conference of the Pacific Rim Real Estate Society, January 20 - 23, 2008, Istana Hotel, Kuala Lumpur, Malaysia.
- Rhyne E, Otero M (1992). Financial services for Microenterprises: principles and institutions. *World Dev.*, 20(11):1561-71.
- Siddiqi MN (2004). Riba, Bank Interest, and the Rationale of Its Prohibition. Visiting Scholars Research Series No. 2, Islamic Research and Training Institute, Islamic Development Bank, Jeddah.
- Usmani T (1998). An introduction to Islamic Finance. Idaratul Ma'arif, Karachi.
- Zarqa MA (1988). Islamic Distributive Schemes. In Iqbal M (Ed.), *Distributive Justice and Need Fulfillment in an Islamic Economy*. The Islamic Foundation, Leicester, pp. 163-216.