

WAQF AN ALTERNATIVE SOURCE FOR POVERTY MITIGATION

Salihu Muhammad Abubakar*

*Adamawa State Polytechnic, Yola, School of Continuing Education, Department of Islamic Studies
Education*

***Corresponding Author: -**

E-mail: - salihuma123@gmail.com

Abstract

Waqf is one of the Islamic economic tools which served purposely for fighting poverty and enhancing living standard of people. This can be proven from its definition as an Islamic endowment of property to be held in trust and used for a charitable or religious purpose. Various studies have verified on how waqf effectively worked as a tool to provide relief to the needy, improving socio-economic conditions of people, and also serving as a unique poverty alleviation programme. The objective of this paper is to study and discuss the concept of waqf toward the reduction of poverty and improving the poor living standard. The paper adopted qualitative approach through interview and documents research. The finding revealed that there is a positive impact of waqf on poverty mitigation. Yet, special attention needs to be channeled on poor and needy welfare and wellbeing. Therefore, in order to achieve the objectives of waqf generally, institution handling waqf endowments have to re-double up and channel more attention to the most needy for them to also benefit from its fruits.

Keywords: *Waqf, means poverty reduction*

INTRODUCTION

Islam as defined by Adullfattha (1999) is a total embodiment of rules and regulations sent to the Prophet PBUH through Angel Jibrin A.S for the onward maintenance of the planet earth. The above definition is comprehensive as it deals with all aspects of human life both in the two worlds.

Waqf as one of the Islamic economic tools according to Ahmed (2015), the third big beneficiary of waqf is the category of the poor, needy, orphan, persons in prisons, etc. Other users of waqf revenues include health services which cover construction of hospitals and spending on physicians, apprentices, patients and medicines.

Whenever a person, family and community battles poverty, this has very negative effects in all spheres of life, religiously, social, medically, economically etc. Poverty is a universal and biggest problem the world is confronting today. Poverty continues to have significant negative implications for the society. The effects of poverty are extremely severe and far-reaching, so much so that it was one of the top Millennium Development Goals agreed upon at the UN back in 2000 (Hatcher, 2016). Waqf as

Definition of Waqf

Yakubu (2021) defines waqf as an Arabic verb "*waqafa*" which literally means detention, confinement, prohibition or causing a thing to stop or stand still. Technically, it is defined as detention of a specific thing that is in the ownership of the founder and the devotion of its profits for good objects.

Shahimi, Marzuki and Embong (2013) define waqf as the detention of a specific belonging of a person who puts his property as waqf and devotes its profit in charity or other good sectors for the benefits of the poor. Waqf is a charitable act set by Islam on a charitable basis since the lifetime of Prophet Muhammad PBUH.

The Concept of Waqf

The concept of waqf has been developed under Islamic law. There was no waqf before the advent of Islam. Ameer Ali describes the law of waqf as, "the most important branch of Muslim law, for it is interwoven with the entire religious life and social economy of Muslims" (Aparajita Balaji 2019). The origins of Waqf can be traced from the below Hadith:

The origin of waqf can be traced back to the lifetime of Prophet PBUH. In Sahih Muslim it was reported that: "Ibn 'Umar reported: 'Umar acquired land in Khaibar. He came to the Prophet PBUH and sought his advice in regard to it. He said: "Allah's Messenger, I have acquired land in Khaibar. I have never acquired more valuable for me than this, so what do you command I do with it? Therefore, the Prophet PBUH said: if you like, you may keep the corpus intact and give its produce as sadaqah. So 'Umar gave it as sadaqah declaring that the property must not be sold or inherited or given away as a gift. And 'Umar devoted it to the poor, to the nearest of kin, to wayfarers/guests, and in the way of Allah. Sahih Muslim....."

The Quran says: "By no means shall you attain righteousness unless you give (freely) of that which you love" (Quran 3:92). The Prophet PBUH once said"

"When a man dies, all his acts come to an end, except three: recurring charity (sadaqah jiriyah), knowledge by which (people) benefit, or a pious offspring who prays for him (Sahih Muslim. Book of Wills, Hadith No. 4005)"

Ahmed (2015) stated Qaradawi (2008) in his work "poverty Alleviation in Islam" showing three Islamic solutions of poverty problems:

- a). The first method is related to Self Responsibility: if a person has ability and opportunity for working, he must work to manage his livelihood. The duty of the society and the state is to assist him in terms of training and cheap capital so that he/she can find an appropriate livelihood.
- b). The second method is related with the Muslim *Ummah* those who take responsibility for providing financial security of the poor to perform the ordained obligatory duty reposed on him or hoping to find the return from Allah should perform this in the following ways:-
 - i. Spending for the nearest relatives
 - ii. Preserving the rights of the neighbors
 - iii. Paying obligatory *Zakat*
 - iv. Proving ordained incidental right on wealth such as *kaffara* (fine), *Mannot* (promise), helping the vulnerable people and so on.
 - v. Temporary or perpetual voluntary
 - vi. The third method everlasting source of treasury of the Islamic state in alleviating poverty.
- c). Temporary or perpetual voluntary Sadaqah such as Waqf system.

Poverty

Poverty is global phenomenon, which has various definitions. Britannica Encyclopedia defines poverty as the state of one who lacks a usual or socially acceptable amount of money or material possessions. Poverty is said to exist when people lack the means to satisfy their basic needs.

Yakubu (2022), defines poverty for Islamic perspectives as the state whereby someone failed to fulfill any of the five basic human requirement of life, which are: the religion, soul, intellect or knowledge, offspring and wealth. The United Nations defines poverty eradication as an ethical, social, political and economic imperative of mankind.

Poverty in Nigeria

Oyedeji, (2022) state a World Bank report which noted that the number of poor persons in Nigeria will rise to 95.1 million in 2022. The number of poor people was 89.0 million in 2020 and would be 95.1 million in 2022. This would mean that 6.1 million more people would have fallen beneath the poverty line between 2020 and 2022, 6.7 percent increase.

In Nigeria today 112 million Nigerians living below poverty level about (66.1 percent of the country's total population of 167 million) are living below poverty level, according to statistics from the latest poverty report by the

Globally Poverty

What is global poverty? Global poverty is defined as the number of people worldwide who live on less than 1.90 Dollar a day. A person surviving on less than 1.90 Dollar a day lives in external poverty, defined by the World Bank. More than 736 million people or one out of every ten people on the planet currently live below this poverty threshold (Poverty & Equity Data Portal).

The global poverty rate (at the US\$1.90 Dollar poverty line) in 2018 is 8.6 percent, down from 9.1 in 2017, equivalent to a decline by 28 million people between the two years. This confirms a continued reduction in extreme poverty at the global level, although at a slower pace in more recent years, as previously noted. In fact, global poverty fell by 2.8 percentage points between 2012 and 2015 (from 12.9 percent to 10.1 percent), and 1.5 percentage points between 2015 and 2018. We are able to publish the new global estimate for 2018 due to new survey added with this update which improve data coverage for low – and lower-middle – income countries (up from 48.5 to 50.7 percent) Aguilar, Eilersen, Fujii, Lanner, Maher, Nguyen, Schoch, Baah, Viveros and Wu (2022).

Role of Waqf towards Poverty Mitigation

The institution of waqf is an important institution in the Islamic social framework and that it can harness the potential of selfless charitable given in an effective way for better economic impact in the targeted social segment of society Sheikh, Ismail and Shafiai (2017).

To alleviate poverty in a society through waqf some of the following steps must be followed: Financing entrepreneur. Entrepreneurship is a process of innovation in the search of economic goals. Providing source of financing entrepreneurship to those poor or the less privilege who are restricted from accessing external finance will easily enhance the poor to be able to be self-reliant

Waqf contribute significantly towards poverty alleviation and economic growth in various ways such as:-

1. Poverty alleviation/reduction
2. Enhancing economic progress
3. Reduction of government expenditure
4. Restoring distribution of income
5. Preventing deficit financing and decreasing rate of interest.
6. Social welfare
7. Waqf creates employment opportunities
8. Funding for small business
9. Sustainable development
10. Creates skills and entrepreneurship centers
11. Improve agricultural farming
12. Generates more income to government

Budiman and Kusuma (2011). Waqf creates and preserves long- term assets that generate income flows or indirectly help the process of production and creation of wealth. By targeting its benefits towards the poor, waqf can play an important role in poverty alleviation. it is important to preserve and develop assets under waqf to add to productive capacity and create capabilities for wealth creation.

Methodology

The research adopted qualitative research methods comprising both primary and secondary data which goal is to evaluate the role of waqf toward poverty alleviation. The primary data were originated from in depth interview with less privileged or poor people, scholars and society leaders. The secondary data were generated from the glorious Quran, Hadith and other literature sources. Data generated were analyses and conducted through several stages, this include data cleaning, transcript, coding, categorization and interpretation. Atlas.ti software was used in the thematic analysis process to examine the primary data that was generated.

Findings and Discussion

Apprehension over the high rate of poverty all over the world seriously needs to look at from all perspectives to provide a long lasting solution on how to assist them earn a fair living with the needed basic amenities. Waqf as one of the Islamic economic tools due to its flexibility can play a significant role towards addressing the might problems being experienced by the orphans.

(Shaikh, Ismail and Shfiar 2017) stated that the flexibility in the rules of waqf enables it to serve beneficiaries directly or through financial institution and to provide a wide range of social services. The International Waqf Fund lamented that the Islamic economic tool waqf helps people in many societies, the needy, and the less privileged. Waqf shares have benefited societies in many ways, waqf shares continually invest and grow the nurturing the poor and needy worldwide. Therefore, practicing it will successfully change lives people all over.

When problems of poverty and the serious need of assisting people are in place, Islam suggested the establishment of voluntary Waqf and compulsory Sadaqat endowment. Establishing a waqf is the idea for cause of humanity in the Muslim world. Today in the Muslims world with waqf many humanitarian projects are operated such as building houses for the needy, springs development for providing water for the public consumption, helping the handicapped and the poor, building bridges, financing orphanages and elderly homes, and basically eradicating poverty etc (khan 2014).

Conclusion

The application of waqf is one form of individual social responsibility towards the society. The beneficial role played by the Islamic economic tool cannot be overemphasized. However, numerous problem are militating against the full application of waqf, delaying its potentials in combating poverty and denying orphans the privilege for assistance, inability to distribute waqf resource eligibly and its management of fund are some key areas that needs to be looked at.

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