

## APPLICATION OF WAQF FOR SOCIAL ECONOMIC ADVANCEMENT OF ZANZIBAR

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### Abstract

The paper examines importance of using Waqf for social economic advancement to people in Zanzibar. This paper aims to assess the level of Zanzibar Muslims' perception on Waqf, to examine source of income from Waqf fund and challenges faces the administrator of Waqf in administrating Waqf in Zanzibar. It is hoped that the paper will further contribute to the scholarly discourse on Waqf and related Islamic financial services in serving the community and in avoiding conversional interest base financial services. The literature search conducted through ERIC, ProQuest, PsycArticles and PsycINFO and Islamic electronic journals, interviews with the management of Waqf and trust commission Zanzibar and texts provided valuable and reliable information for this paper. The results indicate that there is lack of awareness about Waqf in Zanzibar due to misuses of Waqf properties which makes the people of Zanzibar to perceive the roles of Waqf negatively.

**Keywords:** Waqf, Waqf and Trust Commission and Waqf Model.

## Introduction

Zanzibar has a mixture of ethnic backgrounds with Islam being dominant practiced religion, alongside Christians and Hindu (El-Gamal, 2006). *Waqf* is related to the conscious religious practice and the socio-economic system of Muslim civilizations throughout Islamic history (Haneef, Pramanik, Mohammed, Dahiru & Amin, 2013). *Waqf* is as old as the establishment of Islam in Zanzibar, dedicated to eradicate poverty, support welfare, peoples' comfort and charitable objects of the community (<http://awqaaf-znz.go.tz/waqfpractice.php>). So far, however, data from the Household Budget Surveys (2010) shows growing size of household and poverty in Zanzibar. The research to date seems to focus on the mainstream conventional services than *Waqf* when addressing poverty in Zanzibar. This conceptual paper will examine the significant use of *Waqf* in Zanzibar. It examines source of income from *Waqf* and trust commission and challenges that the *Waqf* commissioner faces in practice. Moreover, it addresses *Waqf* model. Thus, it has methodology section contribution and conclusion.

## Waqf

This refers to endowment made by a Muslim in favor of religious, educational, or charitable cause. The Indian act, *Mussalman Waqf Validating Act* of 1913 defined a *wakf (Waqf)* as: “a permanent dedication by a person professing the Mussalman faith of any property for any purpose recognized by the Mussalman law as religious, pious or charitable.”

## Types of Waqf in Zanzibar

There are family and welfare *Waqf*. Family *Waqf (ahli)* is to benefit close relatives of the founder. It is also used to secure heirs with income, prevent dispersion of property, and protect them from unprincipled administrators and rulers. Some founders use it as a means to legally elude the law of inheritance. In this way, they exclude in deed those who they do not need to include in *Waqf Ahli*. On the other

hand, *Waqf khayr* (welfare) has religious societal objectives covering such public facilities such as a mosque, a *madrassa*, a school, a scientific research, a hospital, a bridge, a library, a graveyard. This type of *Waqf* demonstrates the great variety of charitable purposes to provide for the needy people in the community, and disadvantaged communities<sup>1</sup>

### **Waqf and Trust Commission in Zanzibar**

The Waqf and Trust Commission is a governmental cooperate body established by Act No.2 of 2007. It administers *Waqf* and Trust properties and the estates of the deceased Muslims. It also coordinates Hajj (Pilgrimage) activities, Zakat, Charity, national *Eid* prayers and Councils (*Barazas*). The management of Waqf property in Zanzibar is basically coordinated under the Waqf Unit. The unit does have a number of activities including planning, estate management, researches and education. With well structured unit, waqf employees are recruited based on their qualifications regarding the overall management of waqf properties. From this point in view, there are lawyers, engineers, planners, record keepers etc.

### **Waqf Properties**

In Zanzibar, the Waqf properties are in the hand of private trustees. The 1993 survey showed that among 98 buildings reported as radically altered, 72 come from private owners, 6 from *Waqf*, and the remaining 20 belong to other ownership. Moreover, Khalfan and Ogura (2010) found additional 72 new structures from private developments were erected between 1993 and 2009. This means that private properties disappear at a higher rate compared to that of *Waqf*. However, many of the tourist facilities often involve regarded unlawful activities which cannot be accommodate to such religiously-Waqf owned buildings (Khalfan, 2014). Therefore, that is one major reason that kept Waqf buildings far from such effects.

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<sup>1</sup> Dr. Issa Ziddi, The role of Waqf in the advancing of cultural and educational institutions in Zanzibar

## **Trust Property**

According to WTC Act no. 2, (2007) trust property is defined as any property or interest in property owned by person or institution, whether known or unknown, and which has been placed under management, supervision or control of the Commission. Consistent to Zanzibar, there is private ownership of property which may be unlawfully used. The estates of the deceased Muslims; according to Abdul Ghafar, Taufiq and Najib (2014) are treated under the Islamic inheritance system which is has more comprehensive and broad framework than inter-generational transfers from another system. In the framework of its core functions, the *Waqf* and Trust Commission Zanzibar consider ‘estate’ as all movable and immovable properties of a deceased person. Such property is chargeable with and applicable to the payment of his or her debts and legacies, or available for distribution amongst his or her heirs and next-of-kin.

## **Zanzibar Muslims’ Perception on Waqf.**

Waqf in Zanzibar has started long time ago. Back to history, the administration of Waqf was divided in two perspectives; the Sultans of Waqf Administration (1832-1890) and the British Administration of Waqf (1890-1963). After independence in 1964, the Government controls all Waqf properties through the Waqf Commission. Unlike before, now most Muslims in Zanzibar do not assign their property as Waqf. This is probably related to misunderstanding of Waqf and trust commission as government board, loses of trustful to this board and lack of education on the waqf itself. This has left the concept waqf as alien to the new generation of Zanzibaris.

## **Sources of Income of Waqf in Zanzibar**

The source of income of Waqf in Zanzibar is divided in to two parts, Waqf property and Waqf am nah. The income from the Waqf property is related to waqif in farms and houses in which the firms in Unguja and Pemba were estimated to be 200 and 500 respectively before the 1964 Zanzibar revolution. To date Waqif land has decreased as the government privatized the land in defferent parts of the country in

which the estimated firms remaining are 4 in Unguja and 6 in Pemba. The Waqf revenue is only 10 percent and the remaining is for the beneficiaries. Unfortunately, the Waqf in Zanzibar has no other source of income from outside.

### **Waqf and Socio-Economic Growth in Zanzibar**

There are some services rendered to society which touches socio-economic aspects. For example, houses rented in affordable fees enable the waqf unit to collect an income which is used in helping the vulnerable people such as orphans. There are also food stuffs, health services and facilities including beds and bed sheets in various hospitals in Zanzibar. Waqf also supports mosques and madrasa. Despite such observed contribution, there is a lot which needs to be done by the waqf unit in Zanzibar to ensure it contributes much on the socio-economic growth of the nation.

### **Waqf and Poverty Alleviation**

*Waqf* has contribution to economic life of people. There are many reasons underpinning that connection. First, *Waqf* is connected with the distribution of wealth in national economy. In this way, Waqf transfers wealth for society (Sabahattin, 2012). However, lack of awareness about endowments (*awqaf*) can limit realization of the said potentials. For instance, unawareness to Waqf has barred determined efforts on redressing socio-economic inequities and improving the life quality of poor people in Kano, Nigeria (Muhammad, 2010). In this respect, lack of knowledge on how Waqf works can be a reason to failure attempts.

Second, there are many studies on alleviating poverty through Waqf which evidence the said relationship. Interestingly, the point is made that Waqf is a major aspect to reduce poverty in Muslims countries. The study by Mohsin (2013) demonstrates that, cash *Waqf* can be used to finance religious related areas and other different goods and services needed globally. That may include such services as education, health and social care, commercial activities and basic infrastructures. By so doing Waqf can open up jobs for the majority of people and contribute to solve the poverty problem.

## Issues and challenges in the Waqf Practices

In Zanzibar, challenges related to *Waqf* started far back in 1964 when the Revolutionary Government dissolved that Commission and transferred some of its duties to the Chief Registrar of documents and deaths. Similarly, on the pretext of socialism and revolutionary agenda the Zanzibar Government nationalized a lot of *Waqf* plantations and houses. More than that, other *Waqf* properties were sold at a very low price without members' permission.<sup>2</sup> Many Stakeholders in Zanzibar become worried about governance, meaning that there are poor relationships between government officials and the public. Further challenge is where the Government spending on social services has been lagged behind. This has helped to create some of the non-income poverty problems. According to Zanzibar Poverty Reduction Plan [ZPRP] (2002) about 40% of Zanzibaris are illiterate and 60% of these are women while the dropout rate from primary school is about 64%. In addition to that, infant mortality rate is about 83 for every 1000 live births. Other challenges include malnutrition, lack of clean and safe water and poor sanitation. Therefore, it can be reasoned that *Waqf* Commission in Zanzibar suffered from critical and major drawbacks and challenges.

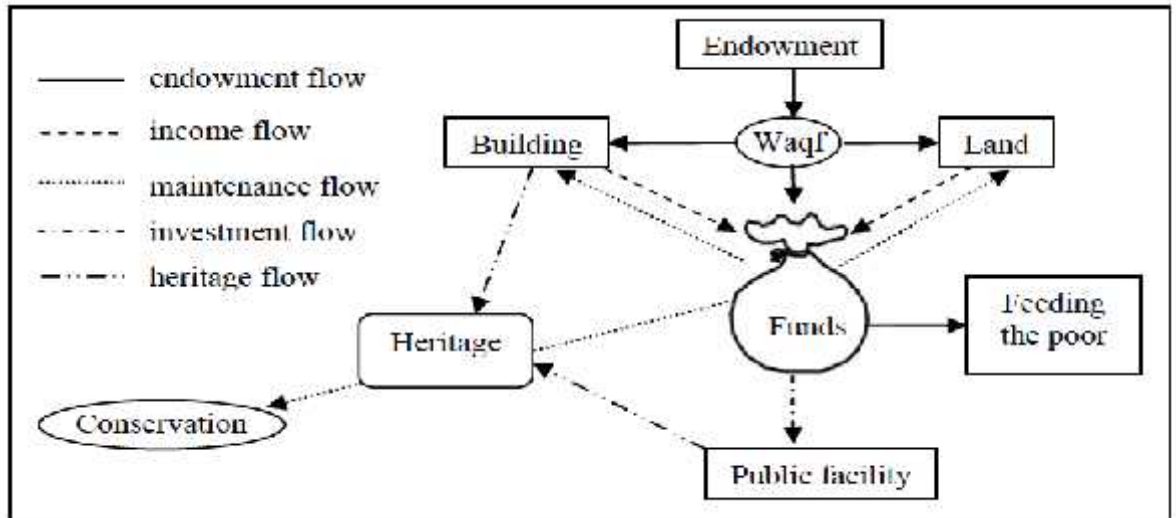
## Waqf Model: Waqf-Conservation Framework

The concept of Conservation Framework is adapted. It is originally based from the British Columbia with the focus to the conservation of species and ecosystems. In Zanzibar, given the passage of time, *Waqf* can be explained as a heritage and conservation inherent tradition.<sup>3</sup>

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<sup>2</sup> Dr. Issa Ziddi, The role of *Waqf* in the advancing of cultural and educational institutions in Zanzibar

<sup>3</sup> Khalfan Amour Khalfan, "Waqf as a Model for Production and Conservation of Architectural Heritage" Year 2014

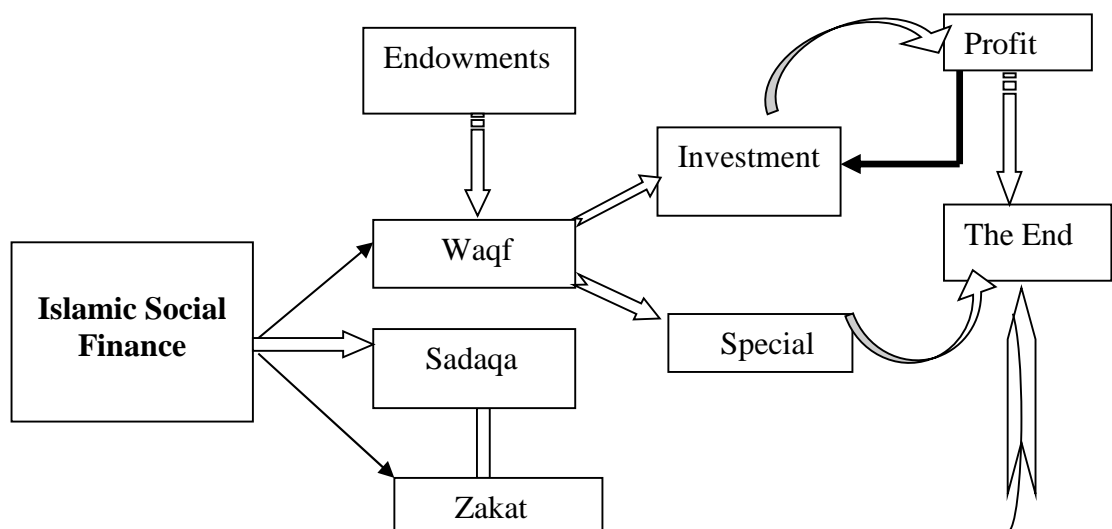


Source: Khalfan (2014)

### Proposed Action Plan

The above model is adapted in favor of addressing low income people in Zanzibar. From the reviewed literature, the following figure bellow is a proposed Waqf model consistent to the attempts of improving peoples' quality of life in Zanzibar.

**Figure 4: Recommended Integrated Waqf-Based Sadaqa and Zakat Model (IWSZM)**



Source: Authors, 2016

### **Illustration:**

- ) The office of *Waqf* receives funds from the endorser (s).
- ) *Waqf* fund will be divided into investment and special account.
- ) The special account together with sadaqa and zakat will be used to serve the need
- ) The fund will be invested in Shari'ah-compliant projects. The profit if any will be used to serve the need and further investing the fund.

### **Methodology**

Based on the focus of the paper, a literature search was conducted from July, 2014 to June, 2016 through ERIC, ProQuest, PsycArticles and PsycINFO, electronic journals and texts, dissertation abstracts and items on religion, using the hermeneutic framework. This approach involves searching the literature, classifying and mapping, doing a critical assessment, and developing the argument (Boell & Cecez-Kecmanovic, 2014).. The use of key words such as *Waqf*, *Waqf* and Trust Commission and *Waqf* model has provided information for this paper.

### **Expected Contribution and Conclusion**

This study builds a foundation of knowledge and opens ways for further research on Islamic social finance including Zakat, Sadaqa and Islamic microfinance. It also informs policy makers on impact of Islamic social finance. In addition, it promotes self-individual knowledge on Islamic social finance. Furthermore, it supports understanding on the importance of *Waqf* in developing the better community. In conclusion, research is needed to understand the magnitude of the *Waqf* impacts to the community. In this regard, different research approaches should be put into place to address the issue.



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