Religious Practices: Waqf: Southeast Asia

**Indonesia**

Women are the most active participants in family businesses. Hence, there is a hypothesis about indirect correlation among microfinance sectors, family empowerment, and women’s welfare in developing countries. Based on that hypothesis, the Cash Waqf Management System (Masyita 2006) has chosen the microfinance sector as the main portfolio for its investments to accelerate poverty alleviation. In some developing countries, women have proved to be highly competent and experienced in microfinance program management. In an Islamic socioeconomic context, women also work in collaboration with their husbands to empower their family and ensure care and a bright future for their children. Family empowerment rather than empowerment of women through microcredit, a form of microfinance, represents a significant shift in paradigm (Mannan 1998). Therefore, most funds collected through cash waqf certificate issues are allocated as loans for microenterprises. This microcredit program should be aimed particularly at helping poor people initiate family businesses and thus enhance their quality of life.

**Waqf Property**

A waqf is a charitable endowment, a gift of land or property made by a Muslim, intended for religious, educational, or charitable use. The word waqf (pl. awqāf) comes from an Arabic root meaning “to prevent or restrain.” It signifies confinement or detention. In the terminology of Islamic jurisprudence, it may be defined as refraining from the use and disposal of any asset from which one can benefit, or using its proceeds for a charitable purpose as long as it exists. Monzer Kahf (1999) wrote, “When al-Shāfi‘ī in his al-Umm mentioned that the Prophet (peace be upon him) invented the waqf, a concept with no precedent in all other nations, he was not aware that Egyptians, Greeks, and Romans had certain types or versions of waqf.” Al-Shāfi‘ī was certainly correct in his assertion if we look at some of the unique characteristics and the scope of the Islamic waqf. One of the major points in this regard is the principle of perpetuity. Perpetuity in waqf means that once a property is dedicated as a waqf, it remains so until the Day of Judgment – it is immutable (this is perhaps why many Muslim jurists argue that a waqf property is owned by God, the Almighty).

Utomo (2001) states that cash waqf management institution is a legal entity, and therefore should fulfill certain requirements, arkan waqf: waqf, the person who donates the waqf fund; mawqifla, the assets or funds donated as waqf, which should be clear and durable; and mawqif alayh, those who are entitled to benefit from waqf fund management. The waqf states his/her asset or funds as waqf by means of a sīgha, a verbal contract.

**Cash Waqf**

In recent times, alongside awqāf in the form of building and land, cash waqf has been increasingly used, particularly because of its flexibility, which allows distribution of the waqf’s potential benefit to the poor anywhere. Cash waqf was first introduced in the Ottoman era in Egypt. The cash waqf was a trust fund established to support services to mankind in the name of Allah. The Ottoman courts approved these endowments as early as the beginning of the fifteenth century, and by the sixteenth century they had reportedly become extremely popular all over Anatolia and the European provinces of the empire (Gizakca 2004).

In Bangladesh, Professor Dr. M. A. Mannan established a cash waqf in Bangladesh through the Social Investment Bank Limited (SIBL). SIBL issues cash waqf certificates to collect funds from the rich and distributes gains of the managed funds to the poor.

As in Bangladesh, most Indonesian people are poor and the two countries have many characteristics in common. The effectiveness of the cash waqf certificate programs in reducing poverty in Bangladesh gives hope that analogous programs may be successfully implemented in Indonesia (Masyita 2001).

The Fatwa Commission, a board of Indonesian Muslim scholars, responded to the necessity of cash waqf certificate programs in Indonesia by issuing the following fatwa (dated 11 May 2002): cash waqf (waqf al-maqūd) is waqf donated by an individual, a group of individuals, or a legal entity, in cash; cash waqf includes securities; money donated as waqf is lawful (jāwāz); cash waqf can only be