

An Analysis of Disbursement of Waqf Funds and their Potential in Bangladesh

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Abstract

The religion of Islam does not only encourage the Waqf institutions to build mosques or orphanages but authorizes them accomplishing the total development in terms of their social, cultural and economic viability and religious, moral and spiritual supremacy. Thus, besides pursuing religious and philanthropic objectives it is also inherent for every Waqf institution to accomplish broader socio-economic objectives. This study is an effort to empirically analyze socio-economic profile and explore potential but unexplored expenditure options of the Waqf institutions in Bangladesh. The issues relating to expenditure are discussed alongside the discussion on socio-economic profile with the view to examine whether or not the current socio-economic profile of the Bangladesh Waqf estates is compatible with potential expenditure options. With data collected from several sources this study first analyses the socio-economic profile of the Waqf estates in Bangladesh. Several issues of the Waqf estates such as their number, registration type, beneficiaries, mode of management, properties, income, and expenditures are mainly discussed in this section. The study then discusses and recommends some potential but unexplored expenditure options for the Bangladesh Waqf estates. It is expected that the empirical findings of this study would be useful for the appropriate authorities in their efforts to operate and manage the Waqf estates in an efficient and sustainable way.

Keywords: Waqf estates, socio-economic profile, expenditure options, and Bangladesh.

1. Introduction

Bangladesh is predominantly a Muslim country, which has the third largest Muslim population in the world. Eighty seven percent of the total population in the country is Muslim. *Waqf*, as an institution, has been in existence in the country for centuries. Generally *awqaf* properties in Bangladesh consist of Mosques, *Madrasah*, *Eidgahs*, Graveyards, *Dargahs*, *Mazars*, Pharmaceuticals, cultivable agricultural lands, barren lands, forests, hillocks, urban lands and real estates. Recent years have seen the emergence of a new trend of making *waqf* of intellectual properties, and of money in cash.

Awqaf properties in Bangladesh came under direct government supervision when The Bengal *Waqf* Act 1934 was passed during the British rule.¹ According to the Act an

¹ Sadeq, A.H.M. 2002.

autonomous *Waqf* Board was created which was administered by a *Waqf* Commissioner. During the Pakistan period, the *Waqf* Ordinance 1962 governed *awqaf* in the East Pakistan. After independence the government of Bangladesh retained and adapted the *Waqf* Ordinance 1962 as such² in accordance with Article 5 of the Adaptation of Existing Bangladesh Laws (PO48 of 1972), which is currently in force in the country. Presently *waqf* administration in Bangladesh is under the Ministry of Religious Affairs (MRA), and is headed and run by an Administrator of *Waqf* who is assisted by a total of 85 officers and employees.³

The total number of *waqf* estates in Bangladesh is close to 150,000⁴. The number of employees that look after the *waqf* administration of the whole country is less than 100 people⁵, which seem inadequate for proper administration and management of such a huge number of *waqf* estates in the country. Bangladesh has 64 administrative districts. Due to lack of manpower, 24 districts offices are managing *waqf* estates of all 64 districts. The divisional offices of Dhaka, Khulna, Rajshahi and Chittagong Divisions have been brought under direct control of the Head Quarter.⁶

Hundreds of *waqf* related cases are waiting for years to be adjudicated by the various Courts and the *Waqf* Administrator's office.⁷ This number is increasing everyday. The statutory set up of *waqf* administration in Bangladesh is empowered to look after *awqaf* and to administer *awqaf*. But in many instances *mutawallies* bring the *waqf* cases to the Court where every trick is employed to get them decided in accordance with the convenience of parties. Neither the Courts nor the *waqf* administration has the means to make proper investigation into the affairs of *waqf* estates and has to go by records that are alleged to be tempered, and evidences given by purported hired witnesses. The *waqf* administration is thus sidelined.⁸ However, sadly enough, the *waqf* administration is also accused of giving less than impartial and just decisions, and complaints of bribery against the *waqf* officials are not uncommon.⁹ In many cases, the integrity of the *waqf* officials is questioned. The statutory checks imposed to check corrupt practices are found to be inadequate and the amount of autonomy granted to the *waqf* administration is one of the causes of cover-ups.

² Dhaka Law Reports, *The Waqf Ordinance 1962*, Dhaka, 1998, p. 1.

³ Rahman, S., *Waqf Shompotti Proshonge* (An appraisal of *waqf* properties) an article published in six installments from 17.06.2003 to 24.06.03 in The Daily Sangram (a Bengali news paper published daily from Dhaka), see <http://www.dailysangram.com>

⁴ The *Waqf* Census of 1986, p.

⁵ See <http://www.waqfbd.com/>

⁶ *Ibid*, also see Sadeq

⁷ *Ibid*.

⁸ *Ibid*.

⁹ *Ibid*.

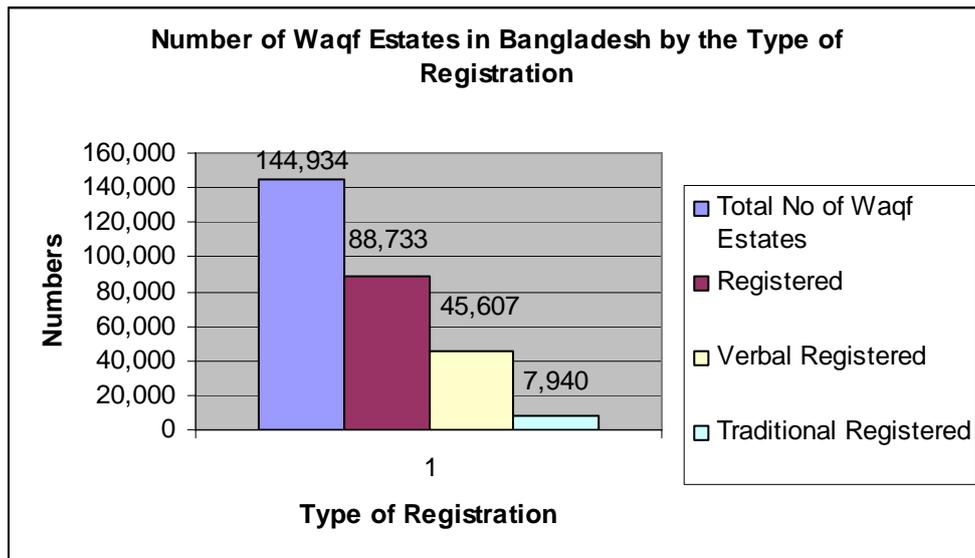
2. Socio-Economic Profile of the Waqf Estates in Bangladesh

This section briefly analyses the socio-economic profile of the Waqf estates in Bangladesh. Several issues of the Waqf estates such as their number, registration status, beneficiaries, mode of management, properties, income and expenditures are mainly discussed in this section. It is expected that the analysis of socio-economic profile of the Waqf estates would provide a clear and overall picture with regards to their operation and management in Bangladesh.

2.1 Number of Waqf Estates by Type of Registration

This study found that there are currently 144,934 Waqf estates in Bangladesh and all they are registered and hold primarily three different types of registration (Figure 1). A total of 88,733 (62%) Waqf estates are found to be registered while 45,607 (32%) are reported to be verbally registered. Six percent (7,940) of all the Waqf estates in Bangladesh was also reported as traditionally registered.

Figure 1: Number of Waqf Estates in Bangladesh by the Type of Registration.¹⁰



The above scenario clearly reveals that there is no mandatory implementation of registration process required by section 47 of the Waqf Ordinance 1962 for the Waqf estates in Bangladesh and thus they can still be registered both verbally and traditionally. If there is no obligatory implementation for the Waqf estates to be

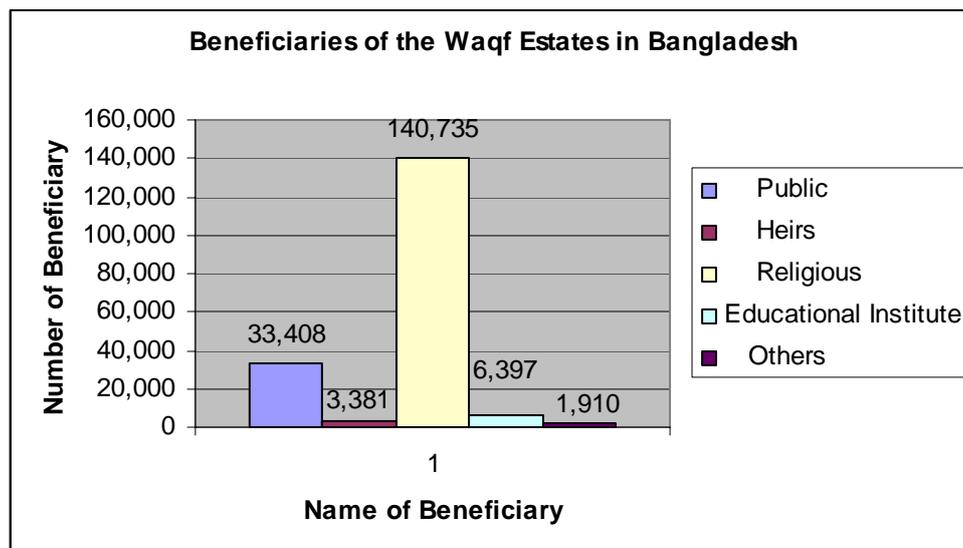
¹⁰ All the data used in the diagrams (Figure 1 till Figure 12) in this paper is obtained from the *Report on the Census of Waqf Estates 1986*, published by Bangladesh Bureau of Statistics, Government of Bangladesh in 1987.

formally registered it is very likely that the administration and management of awqaf will become a great challenge in the country.

2.2 Beneficiaries of the Waqf Estates

The beneficiaries of the Bangladesh Waqf estates include public, heirs, religious organizations / institutions, educational institutions and others (Figure 2). Among the beneficiaries the religious institutions/organizations (orphanage, moktob, madrasa and so on) are significantly benefited from the operation of the Waqf estates in Bangladesh. For example, there are currently 140,735 (76% of the total beneficiaries) religious institutions benefited directly from the operation of the Waqf estates in Bangladesh. Moreover, a total of 33,408 (18% of the total beneficiaries) public institutions are also benefited from the Bangladesh Waqf estates while a total of 6,397 (3% of the total beneficiaries) educational institutions are found to be the third largest beneficiaries of them. However, the fourth and fifth largest beneficiaries of the Bangladesh Waqf estates include heirs (3,381 or 2% of the total beneficiaries) and others (1,910 or only 1% of the total beneficiaries), respectively.

Figure 2: Beneficiaries of the Waqf Estates in Bangladesh.



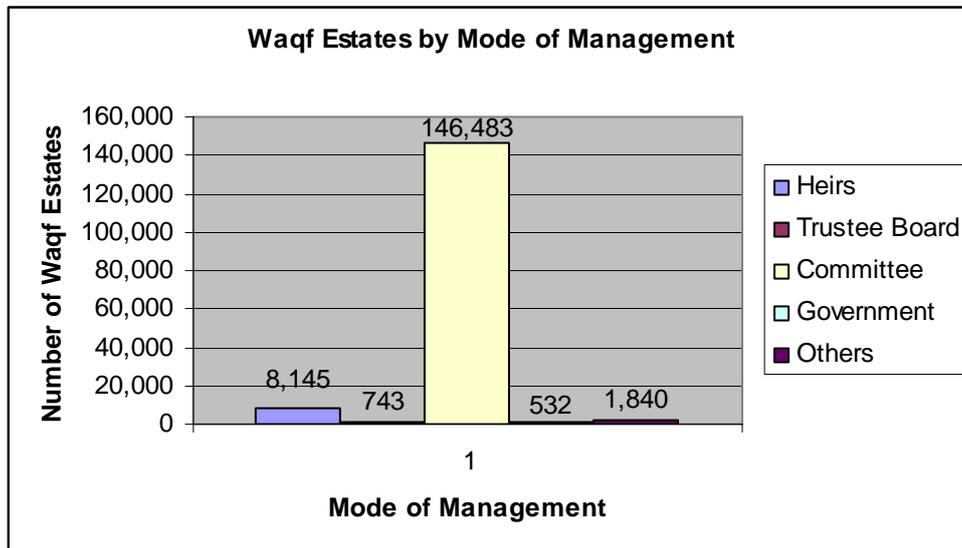
It is thus apparent from the above diagram that the Waqf estates in Bangladesh are being operated with the view to primarily benefit the religious institutions, as mentioned above. It is also apparent here that the educational institutions such as school, college are not benefited much from the Bangladesh Waqf estates. This is actually consistent with traditional objective of formulating a Waqf by its Muslim donor as he/she is bearing the religious principal/value in his/her mind. Waqf estates usually form/appear with the view to benefit the poorest group of people residing in

any particular area and thus the heirs of the Waqf donor/s are reasonably excluded from such beneficiaries. This study found an alarming finding that a considerable number of heirs is also benefiting from the Waqf estates donated by their family predecessor/s. This certainly raises the question whether the Waqf estates in Bangladesh are operated efficiently without any interventions from the heirs of their donors.

2.3 Mode of Management of the Waqf Estates

This study found that the Waqf estates in Bangladesh have five different modes of management and they are mainly managed by heirs, trustee board, committee, government and others. Most Waqf estates (146,483 or 94% of all the Waqf estates) are currently managed and operated by the respective committees while only 8,145 (5% of all the Waqf estates) are managed by the heirs of the Waqf donors (Figure 3). There are still considerable number of the Waqf estates that are managed by the trustee board, government and others. For example, a total of 1,840 (1% of all the Waqf estates) are managed/operated by others, which include management personals not officially authorized to manage the Waqf estates and they could be someone other than the first four management group/committee. Even though a total of 743 (about 0% of all the Waqf estates) Waqf estates are managed by the trustee board and 532 (also about 0% of all the Waqf estates) are managed by the government, but such modes of management appear to be not significant in comparison with other modes of management.

Figure 3: Number of Waqf Estates by Mode of Management.

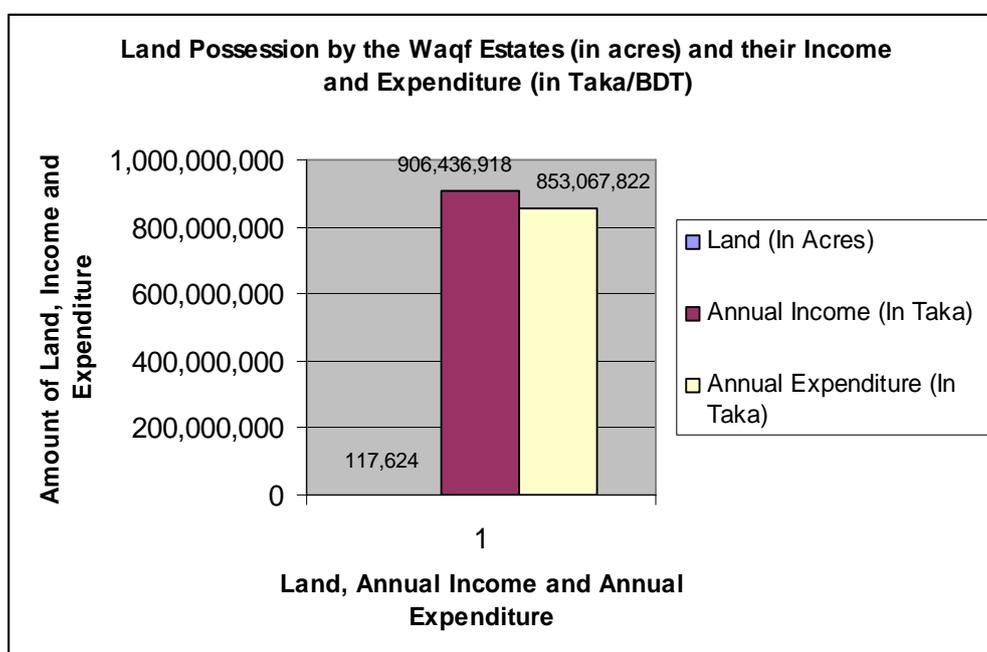


The above findings are highly anticipated as almost all the Waqf estates in Bangladesh are managed by an established committee. In fact, the management of the Bangladesh Waqf estates by their heirs is very much unanticipated due to the fact that inheritance of those heirs may bring an impediment to their competitive, smooth and efficient operation/management. But question still remains whether or not the management/operation of the Waqf estates by the committee is efficient and worthy.

2.4 Land Possession, Income (in Taka/BDT) and Expenditure of the Waqf Estates.

The total land under possession of all the reported Waqf estates in Bangladesh is equivalent to 117,624 acres (Figure 4). The available data gathered from various sources also reveal the income and expenditure of all the Waqf estates in the country. The following figure reveals that all the Waqf estates in Bangladesh are currently having a total annual income of Taka 906,436,918 while their corresponding total annual expenditure is estimated to be Taka 853,067,822. This just indicates an overall net balance credit (equivalent to Taka 533,69,096) enjoyed by all the Waqf estates in the country. This finding is really worth noting in the sense that with limited social and humanitarian services provided to the poorest groups the Waqf estates in Bangladesh are not running out of necessary income, which is vital for their constant service provision and operational sustainability.

Figure 4: Land Possession by the Waqf Estates (in acres) and their Income and Expenditure (in Taka/BDT).

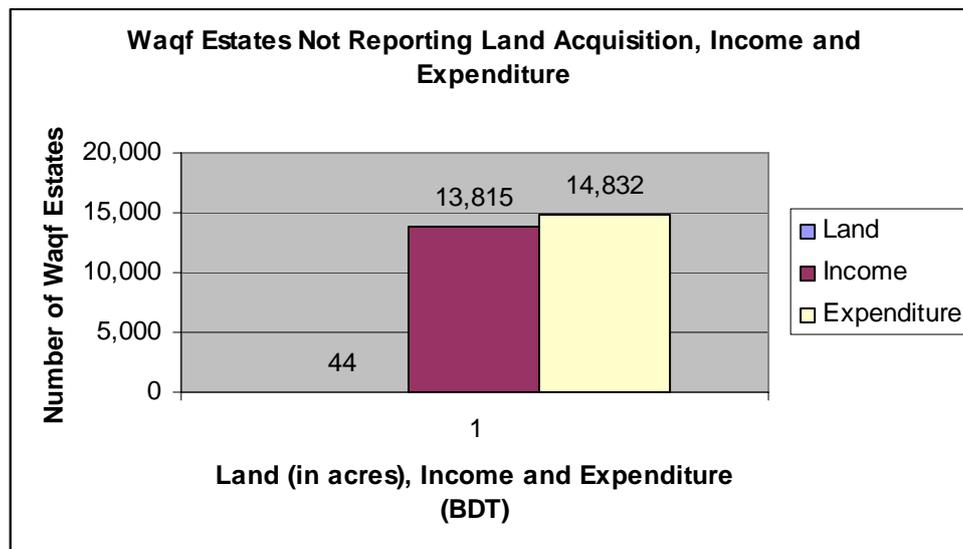


Nevertheless, analysis of income and expenditure of all the Waqf estates in Bangladesh must be done with caution as the sources of such income and expenditure have not yet been analyzed in terms of their operational and management efficiency. As analysis continues the other part of this chapter intends, among others, to analyze the operational and management efficiency of the Waqf estates with regards to their income and expenditure.

2.5 Waqf Estates Not Reporting Land Possession, Income and Expenditure

The previous section has already discussed the land possession, income and expenditure of all the Waqf estates in Bangladesh. This study, however, found a significant number of Waqf estates in Bangladesh are not reporting such information. The following figure (Figure 5) reveals that a total of 44 Waqf estates are not reporting how many acres of land they possess. Moreover, a total of 13,815 Waqf estates are not reporting their annual income while the annual expenditure is also found to be not reported by a total of 14,832 Waqf estates in the country.

Figure 5: Waqf Estates Not Reporting Land Possession, Income and Expenditure.

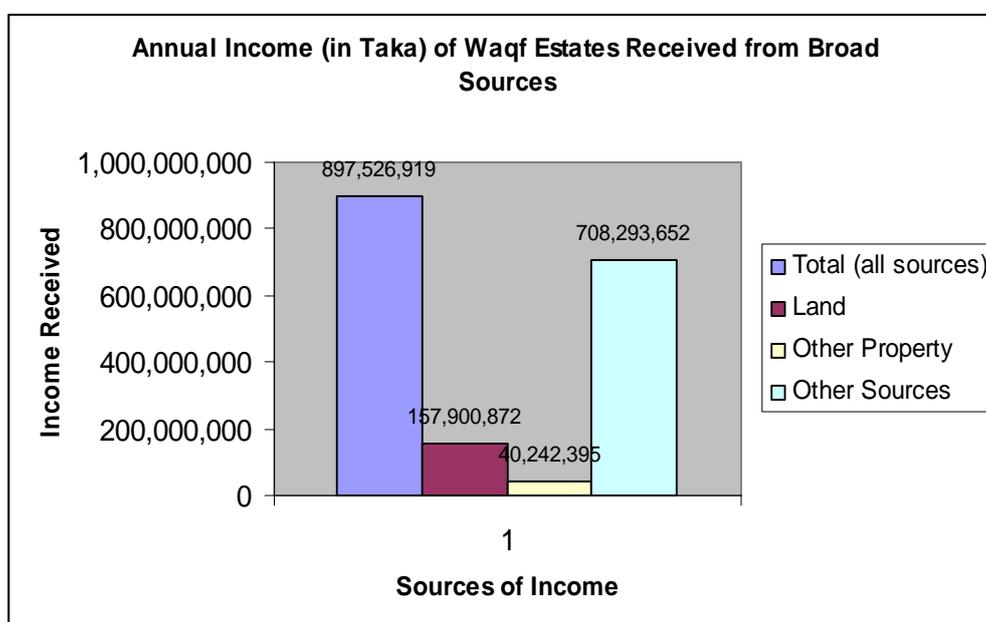


This is not particularly known why these Waqf estates have kept information on their land possession, income and expenditure a secret. This could primarily be the fact, among others, that these Waqf estates do not maintain any formal record on their land possession, income and expenditure and thus it was not possible to collect such information from them. In addition, these Waqf estates are also assumed to be very new in their operation or they are very small in size.

2.6 Income Received by the Waqf Estates from Broad Sources

The broad income sources of the Bangladesh Waqf estates include land, other property and other sources. It has been estimated that all the Waqf estates in the country is currently receiving a total income of Taka 897,526,919 from all broad sources (Figure 6). The data estimation also reveals that the most income of all the Waqf estates is received from their other sources and that such total income is equivalent to an amount of Taka 708,293,652 (79% of the total broad income). The land income of all the Waqf estates stands as the second highest with an amount of Taka 157,900,872 while with a total income of Taka 40,242,395 (4% of the total broad income) the other property stands as the third highest source of their broad income.

Figure 6: Annual Income Received by the Waqf Estates from Broad Sources.



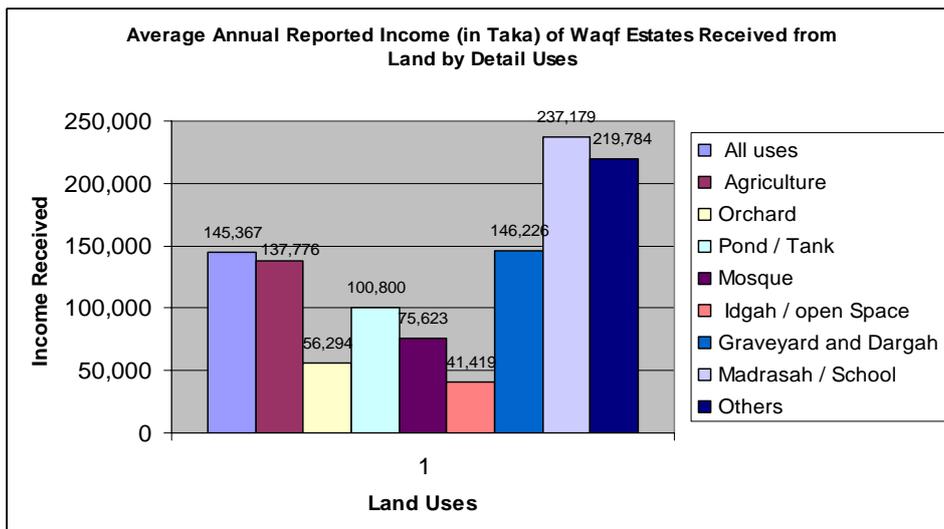
This study has already revealed that all Waqf estates in Bangladesh hold possession of a considerable amount of land (117,624 acres as mentioned earlier). But the above figure clearly indicates that only 17% of the total income received by all the Waqf estates is coming from their land possession. With a total population of about 160 million and an area of 55,598 square miles Bangladesh offers a very competitive land price and every square feet of Bangladesh land is thus considered to be very valuable as well as productive. Since the Bangladesh Waqf estates are not earning a considerable amount of income from their land possession it is very likely that either these lands are not used efficiently or they are being used as orphanage, madrasa, moktab, mosque, ponds, graveyard, dargah, and so on. There is nothing wrong with the uses of Waqf lands in such purposes as these land are devoted by the Muslim

people with strong religious belief and devotion. But if the Waqf lands are just unused without any productive future plan it is really an efficiency loss to the whole society, which must be resolved for the survival of the Waqf estates in this very competitive world.

2.7 Annual Reported Income Received by the Waqf Estates from Land Uses

The major sources of annual reported income received by the Waqf estates from land uses include madrasah/school, others, agriculture and all uses. The estimation of available data reveals that the highest land use related annual reported income (Taka 237,179 or 19% of the total land use related income) received by all the Bangladesh Waqf estates comes from madrasah/school, followed by an annual reported land use related income of Taka 219,787 (18% of the total land use related income), which comes from some other land sources. Graveyard and dargah are jointly reported to stand as the third highest source (Taka 146,226 or a bit higher than 13% of the total land use related income) of land use related income while all uses are found to have been reported as the fourth highest income (Taka 145,367 or about 13% of the total land use related income) received by all the Waqf estates from their land uses. All these Waqf estates are also receiving a considerable amount of income from some other land uses. For example, the following amounts of income are received from the following land uses: (1) Taka 137,776 (or about 12% of the total land use related income) is received from agricultural lands, (2) Taka 100,800 (or 9% of the total land use related income) from ponds/tanks, (3) Taka 75,623 (or 7% of the total land use related income) from mosques, (4) Taka 56,294 (or 5% of the total land use related income) from orchards, and (4) The least amount of income (Taka 41,419 or only 4% of the total land use related income) is received from idgahs/open spaces.

Figure 7: Average Annual Reported Income Received by the Waqf Estates from Land Uses.



In the economically developed countries religious learning institutions (like madrasa in Bangladesh) and schools are fully subsidized by the local or federal governments and thus the question of earning incomes from such institutions is completely out of question. This is because providing basic education (religious/traditional) to the citizens is one of the five fundamental and foremost objectives of the governments in economically developed countries. This study reveals that the Bangladesh Waqf institutions can earn their highest income from such learning institutions instead of providing free religious and traditional education to the poorest groups in the country.

Thus question arises: Do the Bangladesh Waqf estates properly and efficiently manage their available assets and properties? As mentioned in the previous part that land is very valuable asset in Bangladesh and thus any land possessed by the Waqf estates in the country should not be used inefficiently. Land must be utilized in the way that its worth is always at the highest value. If not, Waqf estates will incur loss of a substantial portion of income due to this mismanagement. The Waqf lands can also be used as partial financing contributing to the cost of a project. The price of the same land can further be used in the exercise of securitization thereby enabling the Waqf estates to contribute substantially to the costs and own a larger share in equity. Since Waqf is a permanent dedication of both movable and immovable properties for religious or charitable purposes recognized by Islamic law, it is obligatory for them to deal with the religious, social and economic life of Muslims, supporting not only mosques, dargahs, madrasahs, schools, idgahs, graveyards, but also colleges, universities, hospitals, and micro-credit facilities to the poorest groups in the country. In fact, if Bangladesh waqf lands and properties are well managed then no Muslim in the country may have to live below the poverty line income.

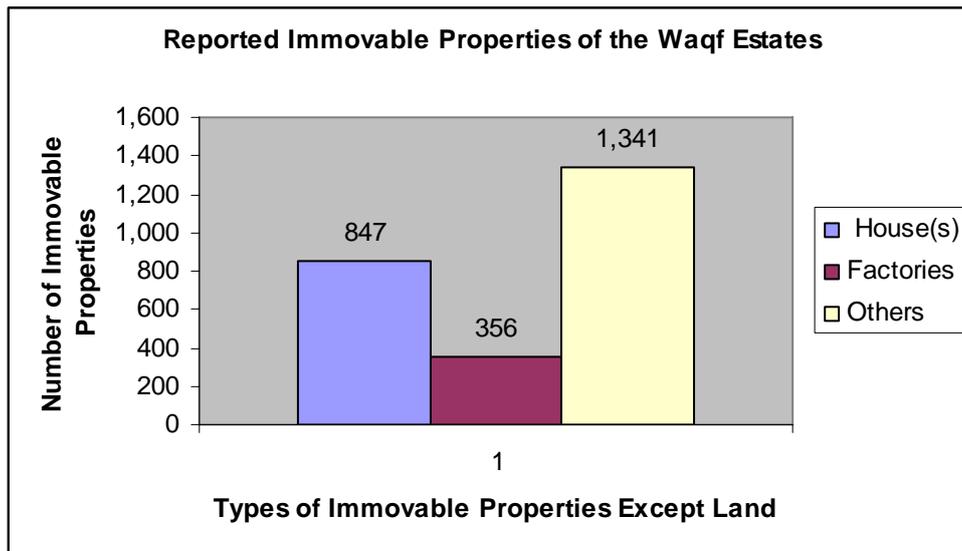
2.8 Reported Immovable Properties of the Waqf Estates

The main immovable properties of the Bangladesh Waqf estates include houses, factories and others. The following figure (Figure 8) depicts that most immovable properties held by the Waqf estates in the country are others. It should be noted here that other properties include mosques, dargahs, madrasahs, schools, idgahs, graveyards, ponds, and so on. The estimation based on available data also shows that all the Waqf estates own a total of 1,341 other immovable properties (53% of the total number of immovable properties). Housing estates stand as the second most immovable properties (A total of 874 or 33% of the total number of immovable properties) held by the Waqf estates while factories stand as the third highest with a total of 356 (14% of the total number of immovable properties).

It is observed that Waqf properties in Malaysia, Singapore, and Saudi Arabia and in some other countries of the gulf region have been developed substantially and profitably by applying creative and innovative solutions to their immovable properties. In fact, these countries have had used, among others, the concept of time sharing bond or Sukuk Al-Intifaa. For example, Zam Zam Towers utilized this

concept, where the Towers are constructed in Mecca utilizing a 28 year BOT (Built, Operate and Transfer) contract structure. Under this contract structure, purchasers bought the units based on a 28 years leased period (a specific time) in a specific complex of the Zam Zam towers, and in return, the purchasers will give revenue stream to the authority of the complex (the Waqf estate) based on the return the complex generated. The Bangladesh Waqf estates could, however, also apply such creative business model to some types of their immovable properties. There are also many other creative solutions being applied in the development of immovable properties held by the Waqf estates. For example, in current properties investment, Islamic Real Estate Investment Trust (IREIT) instrument is a popular route to owning properties as the structure is highly attractive particularly to the Muslim investors. In order to earn constant and higher income earnings and then spending them for socio-economic development of the poorest groups in the country the Bangladesh Waqf estates can also explore and apply this business model to develop their immovable properties efficiently.

Figure 8: Reported Immovable Properties of the Waqf Estates.

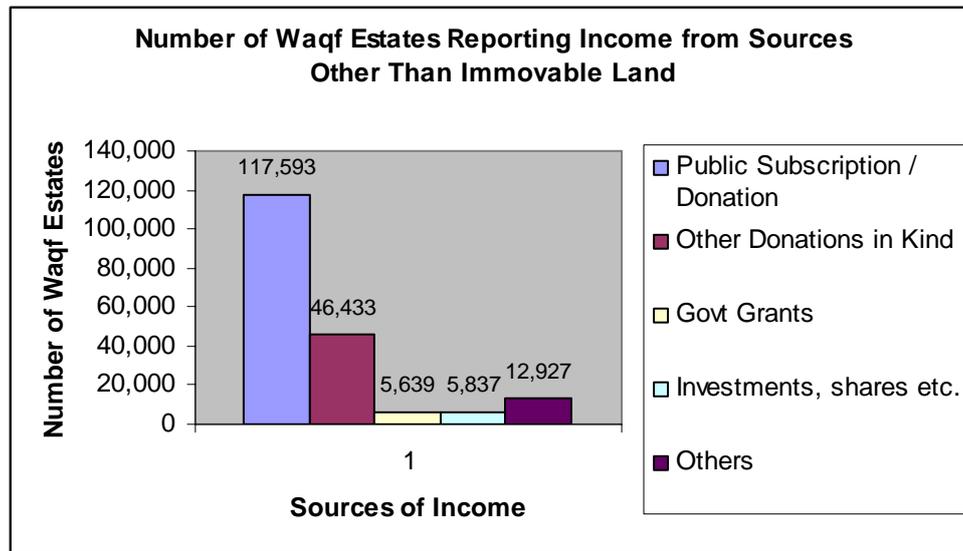


2.9 Reported Income of the Waqf Estates from the Sources Other than Land

Most Waqf estates in Bangladesh earn their movable income from public subscriptions or donations. A total of 117,593 Waqf estates in the country have had earned income from such sources followed by 46,433 Waqf estates who have had earned income from other donations in kind. The third highest number of Waqf estates received income from others is 12,927 while their fourth highest number is 5,837 and all they have had earned income from investments, shares, and so on. The

least number of Waqf estates (5,639) is reported to have had earned income from government grants.

Figure 9: Reported Income of the Waqf Estates from the Sources Other than Land.

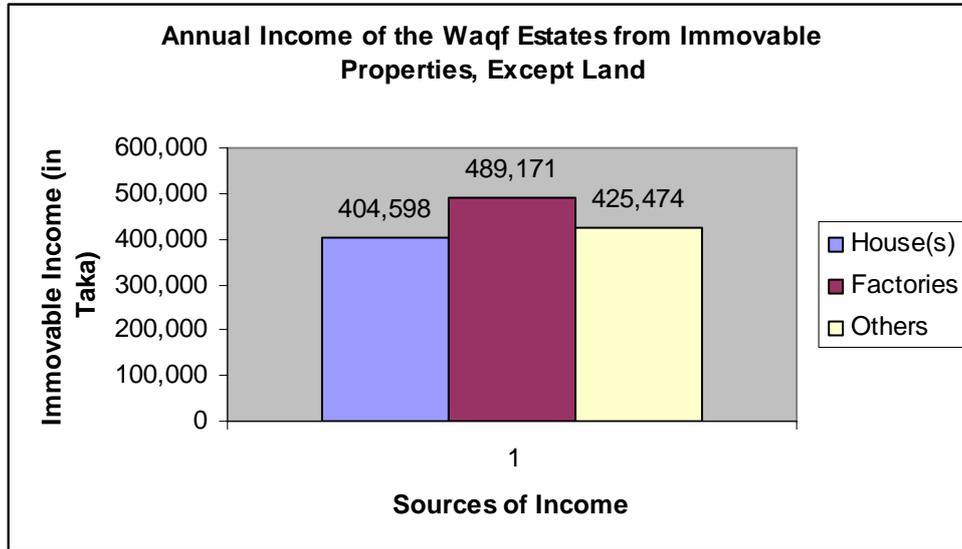


Since Waqf is the permanent dedication by a Muslim of any movable or immovable property for any purpose recognized by the Muslim Law as pious, religious and charitable, it is very likely that the most Waqf institutions would receive their movable income mainly from public subscriptions or donations and other donations in kind. So the above findings from Bangladesh are found to be consistent with the universal Waqf framework.

2.10 Reported Annual Income of the Waqf Estates from Immovable Properties except Land

The key sources of immovable property related annual income of the Bangladesh Waqf estates include factories, houses and other immovable properties. In fact, the total annual immovable income for the above each category varies, but not significantly. The Figure 10 shows that the highest immovable income of the all Waqf estates comes from their factory businesses and worth an amount of Taka 489,171 (37% of the total immovable income). The second highest immovable income of the Waqf estates comes from their other properties and worth an amount of Taka 425,474 (32% of the total immovable income), while the third and least immovable income comes from house rents and worth an amount of Taka 404,598 ((31% of the total immovable income).

Figure 10: Reported Annual Income of the Waqf Estates from Immovable Properties, Except Land.



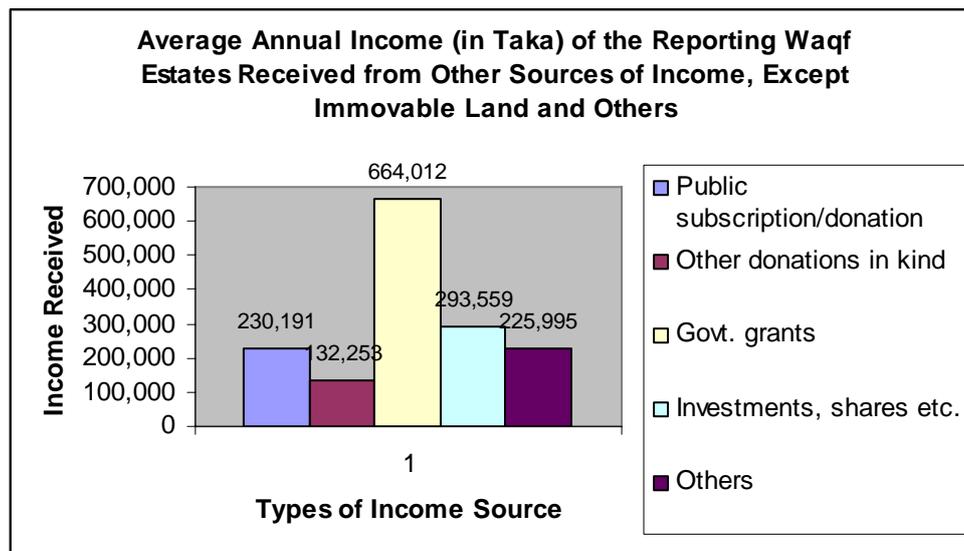
It has been mentioned earlier that other immovable properties of the Waqf estates include mosques, dargahs, madrasahs, schools, idgahs, graveyards, ponds, and so on and the present study has empirically found that the above institutions have been earning their second highest immovable income from such properties. In fact, business is the key to survival of any institutions, particularly in the long run. Even though the Waqf institutions have not universally been formed with such business goal, but these institutions in Bangladesh are proven to have been earning the highest immovable income from their factory businesses. Such a finding is certainly interesting and also important to the policy and decision makers in their efforts to enable the global Waqf institutions to survive in long-run.

2.11 Reported Annual Income of the Waqf Estates from Other Sources, Except Immovable Land Properties

Government grants have been found to be the highest source of annual income received by all the Bangladesh Waqf estates from the sources other than their immovable land properties (Figure 11). An amount of total Taka 664,012 (42% of total such income) is reported to have annually been received by all the Waqf estates from such source. The second highest of such income is received from the source of their investments, shares, etc. with a total amount of Taka 293,559 (19% of total such income). Both public subscription/donation and other subscription/donation have been found to be contributing almost equally to Bangladesh Waqf institutions' such income category with total incomes of Taka 230,191 (a bit higher than 15% of total

such income) and Taka 225,995 (about 15% of total such income), respectively. Other donations in kind have been reported by all the Waqf estates to be contributing the least to such of their income with a total amount of Taka 132,253 (9% of total such income).

Figure 11: Reported Annual Income of the Waqf Estates from Other Sources, Except Immovable Land Properties.

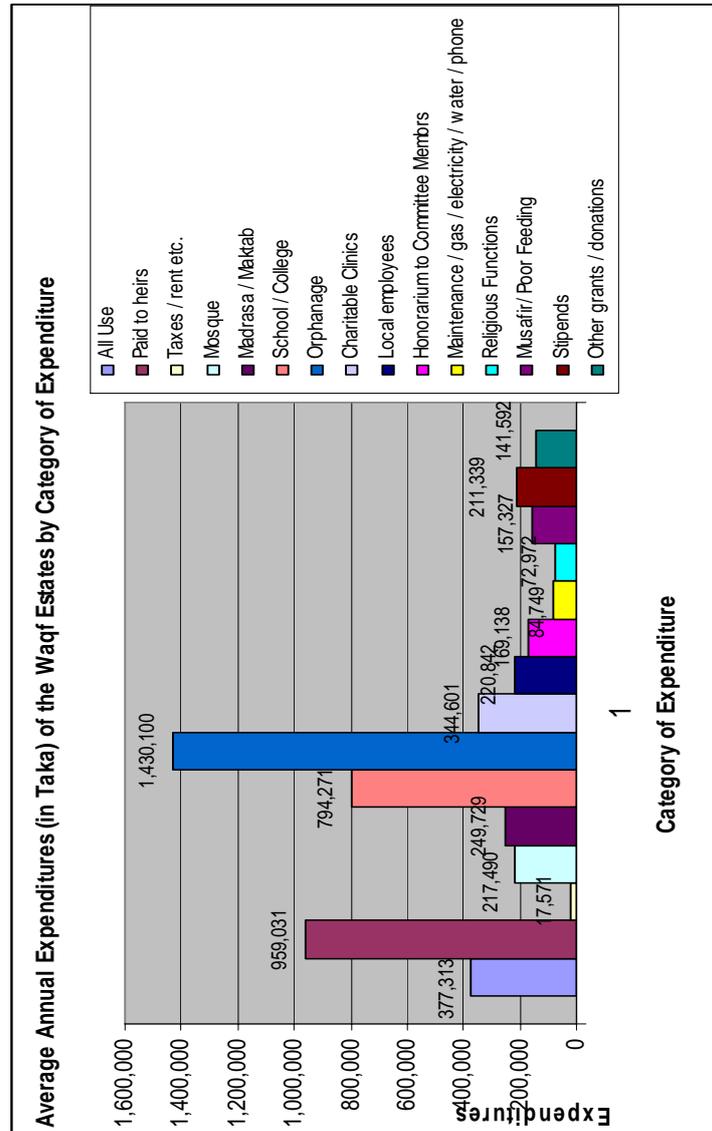


The prospect of receiving government grants continually is very low in the real world scenario as the governments, regardless of their economic status, often experience economic recession and/or depression. With such economic uncertainties affecting the countries in the world the receipt of government grants by the Waqf institutions remains uncertain. Rather than depending much on government grants/donations the Bangladesh Waqf institutions must look for potential and greater income earnings from their investments and share businesses. This will enable them to operate efficiently and sustainably.

2.12 Reported Annual Expenditure of the Waqf Estates

It is apparent that the Bangladesh Waqf estates spend a large amount of their income for the establishment/maintenance of orphanages followed by the payments given to heirs. The Figure 12 depicts that a total amount of Taka 1,430,100 (25% of total expenditure) has been spent (in the reported year) by all the Waqf estates in the country for the purpose of either establishing new orphanages or maintaining the existing ones. The second largest amount of expenditure of all the Waqf estates is reported to have been spent as the payments given to heirs with an amount of Taka 959,031 (18% of total expenditure).

Figure 12: Average Annual Expenditure of the Waqf Estates (by Category of Expenditure).



As much as Taka 794,271 (15% of total expenditure) have also been spent by all the Waqf estates in the reported year to establish new schools/colleges or to operate/maintain the existing ones. However, the other expenditures of the Waqf estates for all other categories (as shown in Figure 12) are not individually found to be significant or higher than 7% of their total expenditures. For example, the total expenditure in all use is only found to be 7% with an amount of Taka 377,313, while

the percentage of expenditure for all other categories ranges individually between less than 1% (Taka 17,571) for taxes/rents etc. to 6% (344,601) for charitable clinics.

It is vital for the Bangladesh Waqf estates to initiate efficient, returnable and sustainable expenditure methods in order for them to ultimately be sustainable in their operation. An impression has been developed from the above analysis of socioeconomic profile that the working authorities of the Bangladesh Waqf institutions are really ignorant of the broad scopes of such institutions. Even though a detailed and attention-grabbing correlation analysis among all the expenditure categories of the Bangladesh Waqf estates has been put forward in another part of this chapter the next part has thus been devoted to briefly analyze the potential but unexplored scopes of these institutions with regards to their expenditure options.

3. Potential but Unexplored Scopes of the Bangladesh Waqf Institutions With Regard to Expenditure Options

The permanent nature of the Waqf institutions resulted in the accumulation of donated movable and immovable properties all over the Muslim countries. The common objectives of such institutions provide support for extensive religious, social, and philanthropic activities. But the most working authorities of the Waqf institutions and Muslim communities around the world are really ignorant of the broad scopes of such institutions. Qaradawi, Y.A. (2000) has thus stated "I see millions going to umrah every year in Ramadan and other months, and others making hajj for the tenth or even twentieth time. If they saved the money they spent on this nawafil, they would accumulate thousands of millions of dollars. We have been running around for many years trying to collect one thousand million dollars for an Islamic philanthropic institution, but have not collected a tenth, even one twentieth or one thirtieth of that amount If you ask those performers of supererogatory umrah and hajj to give you what they would spend on their voluntary journeys so that you may direct it to resisting Christianization ... in Asia and Africa, or to combating famine here or there, they will not give anything". In fact, Muslims around the world donate for building mosque, one after the other, but they are reluctant to donate money to set up an international broadcasting channel like ABC, BBC and CNN that can answer western misinformation about Islam and Muslims and disseminate the true teachings of Islam. This is possibly the fact that Muslims are not well aware of the broad scopes of the Waqf institutions and their Waqf property uses. The empirical findings obtained from the analysis of recent data reveal that Muslims in Bangladesh repeatedly donate cash money and other movable and immovable properties to build mosques in places where there is already a mosque. The religion of Islam does not only encourage the Muslims to build mosques or orphanages but authorizes them accomplishing the total development in terms of their social, cultural and economic viability and religious, moral and spiritual supremacy.

Perhaps, the most Muslims in Bangladesh do not know that Waqf institutions can spend money to fight illiteracy, alleviate poverty, provide shelters to distressed people, give assistance to distressed women and oppressed persons in prison, feed those without food particularly those children suffering from malnutrition, and provide healthcare to the sick and handicapped. The Bangladesh Grameen Bank, widely known for its micro credit program of investment among the rural poor, recently introduced *Shakti Doi*, a yoghurt product on non-profit basis, to improve the malnutrition condition in the rural areas in Bangladesh. The Bangladesh Waqf institutions can also undertake such benevolence businesses on non-profit basis in order to benefit the poorest groups in the country.

The most Muslims in Bangladesh are motivated to utilize the Waqf properties primarily as the mosque, but they are also ignorant of scopes of such holy institution. During the time of the Prophet Muhammad (pbuh), Masjid Al Nawawi was not only the place of ritual prayer- Salat, but used to play diverse purposes. Mosque was then used as the secretariat of the government, the war council, center of learning and library for the advance of knowledge, court of justice, and so on. The Prophet used to receive foreign representatives in the mosque. Mosque was then used as center for giving shelter to the wayfarer and those injured in the war and were sick. Mosque was also then used as the community center where all social functions including marriage ceremonies and the post bridal receptions were arranged. Unfortunately, mosques in Bangladesh and many other Muslim countries in the world do not currently play all the above functions and thus these functions have been taken over by some other independent institutions. The Bangladesh Waqf institutions can also use the income received from their properties to establish the institutions that have taken over the functions of the mosque. Since mosques are no more used for giving shelter to the wayfarer and sick the Bangladesh Waqf institutions can also utilize the income of Waqf properties to establish rest houses and hospitals throughout the country's important and business places.

Bangladesh has been recognized as one of the hubs for Islamic Banking and Finance in Asia and the Pacific and the Islami Bank Bangladesh Limited has been repeatedly proven as the leading institution in this Islamic banking and finance system in the country. Islami Bank Hospitals (under the Islami Bank Foundation) are run on no-loss no-profit basis. Likewise, with their available Waqf properties the Bangladesh Waqf institutions can initiate/establish more such low-cost hospitals for the benefit of the poorest and low-income groups in the country. The poorest patients in the country are currently treated in public hospitals, which lack necessary equipments, medical doctors, nurses, patient beds and important and life-saving medicines. Besides establishing/maintaining orphanages, mosques, madrasas, schools, colleges, universities, and so on, part of expenditures/profits of the Bangladesh Waqf properties can also be diverted to public hospitals so that these hospitals can utilize such funds to provide better facilities and free Medicare to the poor and needy patients. There is no doubt that this must be initiated under strict monitoring and

constant supervision by all the concerning parties. Likewise, there are some other potential areas where the Bangladesh Waqf institutions could offer their services to the poorest Muslim communities in the country. For example, most people in the rural areas of the country lack facilities for pure drinking water. They often experience the problem of arsenic contamination in the tube-well water. The collective objective of the Waqf institutions would never prohibit them from working on this social and environmental catastrophe issue and providing water purifying resources to the poorest rural communities in the country. Moreover, tin-shaded or straw-shaded houses in rural Bangladesh are damaged or destroyed every year because of storm, hurricane, cyclone, tornado and flood. In the coastal areas houses are destroyed because of cyclones and tidal waves. The Bangladesh Waqf institutions can also spend income from their properties to repair or build houses damaged or destroyed by natural calamities and build multi-story buildings in the on-shore and off-shore areas to provide shelter to the affected communities.

In Bangladesh, many people are lacking financial ability and therefore cannot defend them in the court. For example, many married women are being abused by their husbands and they need to go to court to defend them. Due to the lack of available money to be spent in the process of their cases in the court these women do not get justice and are deprived of fundamental right. The Bangladesh Waqf institutions can also use their available financial resources to resolve such heinous social problems. Financial assistance is also sought by the many Bangladeshi poor and credit-burdened parents to let their wed-eligible daughters/sons get married. Hence, the Bangladesh Waqf institutions can also use their available financial resources to resolve such deep-rooted social problems.

4. Conclusions

The religion of Islam does not only encourage the Waqf institutions to build mosques or orphanages but authorizes them accomplishing the total development in terms of their social, cultural and economic viability and religious, moral and spiritual supremacy. As well as pursuing the religious and philanthropic objectives it is also inherent for every Waqf institution to accomplish broader socio-economic objectives. Hence, Waqf should be socially-based rather than religiously-based institution for the poor and the needy. The Waqf institutions should enhance their activities to setting-up banks (offering Islamic schemes), supervisory investment institutions, Insurance (takaful) and Micro-finance to provide financing and loans to the needy. With such decision and subsequent implementation, the Waqf Institutions could ultimately avoid fragmentation of their revenues and incomes and pursue their charitable purposes including the reduction of poverty, fulfilling the needs of the aged, sick and distressed, and advancement of religion and education and other purposes beneficial to the community. Moreover, Waqf can be an effective system for poverty alleviation by improving the non-income aspects such as housing, education, health,

employment, and infrastructural facilities in the highly underdeveloped areas. There is no indemnity that the Waqf estates will continuously be receiving public subscription and donation resulting in their sustainability in question. This may particularly happen during both short-run and long-run economic downturns and natural, political, and social adversaries. Therefore, with their current and available properties/assets (movable/immovable), the Waqf estates must have to find alternative sources of constant as well as increasing revenue/income in order for them to sustain and play an active role in poverty alleviation and socio-economic development of the country.

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