

“The Role of Modern Waqf (endowment) Institutions in the Arab world’s development”

(A case study of the Awqaf Public Foundation in Kuwait)

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The lexical meaning of the word endowment or Waqf is the money or the equipments that is given to a school, a college or any other institution to provide it with an income; the act of giving this money. Therefore, Waqf is the Islamic equivalence to the concept of the third sector in the modern economies.

Awqaf institutions, and throughout history, have played a crucial role in developing the Muslim societies. On the social level, Awqaf institutions contributed significantly in taking care of orphans, widows, handicapped and the old; by providing them with food, shelter and all the basics they needed. There were also some Awqaf for animals and dead people; for instance, and during the Mamluki era in Egypt, a whole Waqf institution cared for funeral ceremonies for the aliens, and another one cared for cats and dogs. Awqaf helped also in providing job opportunities for the jobless; for example, in Turkey 1931, the Turkish Awqaf hired over 13% of the working power in the country.

In health, Awqaf institutions helped establishing hospitals and providing it with buildings, staff and equipments. Moving health centers were set throughout the countryside and the remote towns to cure the sick. For example, and in Egypt 1913, Awqaf institutions had more than 11 hospitals which helped treat over a million patients.

In Awqaf management, and responding to the change in the Waqf environment, Awqaf were turned to be firms and companies in the full sense of the term, with an organizing system and different departments including administration, accountancy, and marketing. The Awqaf Accounting system was first introduced during the Ottoman Empire under the rule of Mourad the third, when all the Waqf lands and properties were booked in a special record called the Iron record because it was kept in a room of four iron doors.

The above mentioned facts beg the question that this sector deserves at least a little attention from the economists and the experts of the field.

The leading question of my paper is: *what impacts do the Awqaf institutions have on the socioeconomic level of the Arab world?*

My work aims at defining the different forms of Waqf, its different philanthropic resources and socioeconomic role in the modern economy. It also aims at exploring the ways and means of promoting and activating this role within the national economy, in order to revitalise the institution of Waqf, to restore its properties and enhance its organizational framework to better manage its assets and use relevant investment modes.

As for the methods which I will follow to conduct the work in-hand, and to meet the aforementioned aims, I find that an analytical descriptive method will be required, with regards to its appropriateness and consistency in research. In more concrete terms, a research of this kind can be undertaken by a case study method, as an appropriate procedure for collecting the data.

In the first part of my paper, I try to shed the light on the historical and the lexical background of the concept of Waqf or endowment, focusing on the multiple kinds of Waqf, its conditions and requirement and the like.

Then, I'll try to deal with the financial and socioeconomic effects of the Waqf investments, including its impact on the unemployment and the GDP of the Arab world societies in general and Kuwait in particular.

In the last part of my paper, I take the Awqaf Public Foundation in Kuwait as a sample of the Awqaf Institutions. I have chosen this organization because it is, by far, the most successful organization in this field, not only in Kuwait, but in whole Arab and Muslim world. It

made a great success and went further in this field. Recently, the investment office of the organization has opened a unit of collaboration and partnership with a German real estate management company for the sake of developing its skills in the field.

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