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Special Issue 1

Waqf: Challenges and Opportunities

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EDITORIAL

بسم الله الرحمن الرحيم

In the Name of Allah, Most Gracious, Most Merciful

Waqf: A Key Islamic Social Finance Instrument

Waqf is a key tool of Islamic social finance that has been practised since Islam's inception as part of Muslims' religious obligations and benevolence to assist the needy and gain the pleasure of Allah (SWT). In the early years, Islamic social finance was not formally institutionalised within the Islamic economic system, except to a limited extent in a few Muslim-majority countries, which for instance, managed some Islamic social finance tools such as zakat and waqf at the state level. In the early 2000s, there were increasing discussions about the social responsibility of Islamic finance, questioning whether profit should be the sole business objective of Islamic financial institutions or whether they should also be attributed social roles in view of the Islamic philosophical foundations that underpin their establishments. As businesses' corporate social responsibility (CSR) grew in importance in mainstream discussions, many Islamic financial institutions engaged in CSR-based activities on an ad-hoc basis, as a philanthropic exercise, as they became more profitable, viable and sustainable. This started the trend of mixing the practice of Islamic commercial finance with Islamic social finance.

As Islamic finance evolved further, there was an increased realisation that the effectiveness and applications of Islam's social and philanthropic instruments could be further strengthened by integrating Islamic social finance within mainstream Islamic commercial finance. Thus, there were unified efforts to establish cooperation between charitable instruments and the different sectors of the Islamic finance industry. The commercialisation objective of Islamic social finance instruments has been particularly visible in the waqf sector. Waqf has historically been limited to pursuing only the social interests of the donor, who sought reward in both this world and the afterlife by helping the poor and the needy. In the modern practice of waqf, the social objective is integrated with the profit motive so that the initial waqf capital generates more returns for the beneficiaries. Prominent developments in the modern practice of waqf include the following:

- The modern concept of waqf is not limited to immovable assets (e.g., land, orchards, wells) and movable assets (e.g., jewellery, Qur'an, books, equipment) which are donated for charitable purposes. Innovative strategies are adopted today to develop waqf as an alternative asset class by using contemporary forms of wealth such as cash and financial securities. Latest waqf instruments include cash waqf, temporary cash waqf, waqf-banks, waqf-shares, waqf-unit trusts, waqf-venture capital funds, waqf-*ṣukūk*, and waqf-Islamic real estate investment trusts.

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- Modern structures of waqf introduced professional management of waqf funds that ensures the sustainability of waqf assets and generates better returns to beneficiaries.
- Innovative and effective channels of investments through Islamic banks, the Islamic capital market and the *takāful* sector have been used to develop dynamic and progressive waqf projects. An example is the case of myWakaf in Malaysia which leverages on the synergy between the State Islamic Religious Councils (SIRCs) and a consortium of Malaysian Islamic banks to manage waqf investments and channel the investment returns into waqf projects.
- Utilisation of waqf proceeds are extended beyond the traditional sectors (e.g., mosques, cemeteries, Islamic schools) to provide a wider range of welfare services relevant to current societal needs (e.g., waqf *qurban*, waqf for funding impactful SMEs, reviving dormant or abandoned waqf assets into productive properties).
- Modern waqf management introduces good governance that increases transparency and accountability of waqf institutions.
- Application of technology in the management of waqf has widened the base of waqf donors/investors, thus expanding public participation and increasing the supply of waqf funding.

Special Issue on Waqf: Challenges and Opportunities

ISRA International Journal of Islamic Finance (IJIF) is pleased to publish its first Special Issue that focuses on a fundamental tool of Islamic social finance, notably waqf and discusses the challenges and opportunities in the sector. This Special Issue is published in collaboration with the Centre of Excellence in Islamic Social Finance (CoEISF), an initiative of INCEIF University, which aspires to be the global thought leader in Islamic social finance by promoting social impact-driven research and developing innovative products and services in Islamic social finance for the industry. As part of its effort to be a referral centre in Islamic social finance research, CoEISF has embarked on a number of strategic partnerships with the Islamic social finance fraternity, developed impactful research collaborations with relevant Islamic social finance entities, and provided talent development programmes in Islamic social finance.

Special thanks are directed to Associate Professor Dr Mohamed Fairooz Abdul Khir, Director of CoEISF and Professor Dr Aishath Muneeza, Associate Researcher at CoEISF and Associate Dean at INCEIF University, who have reviewed most of the articles submitted for consideration under the Special Issue, along with external reviewers. Unfortunately, many of the articles did not meet the Journal's standard of quality, and only seven articles have been accepted for publication in this Special Issue. A brief summary of these articles is provided as follows.

- **'An Islamic Crowdfunding Model for the Agricultural Sector: A Proposal Based on *Salam* and *Muzāraʿah*-Waqf Scheme'** by Meshari Al-Daihani, Khadar Ahmed Dirie, Md. Mahmudul Alam and Ahmad Sufian Bin Che Abdullah. This paper proposes an integrated social and commercial financing model that combines the concepts of *muzāraʿah* (sharecropping), waqf (Islamic endowment) and *salam* (forward sale) and leverages on crowdfunding platforms to offer a fundraising tool to small farmers to address issues of agricultural productivity, food security, and poverty in the Organisation of Islamic Cooperation (OIC) countries.

- **'Philanthropic Impact of Investing via Waqf-Featured Unit Trust Funds: Determinant Factors Influencing the Participation in Waqf Unit Trust Funds in Malaysia'** by Syahnaz Sulaiman, Syadiyah Abdul Shukor, Amalina Mursidi and Muhammad Ridhwan Ab. Aziz. Waqf unit trust funds are a new addition to the Islamic fund industry in Malaysia. This article investigates the factors that influence people's intentions to participate in these funds that align with the objectives of impact investing.
- **'Factors Affecting Students' Intention to Donate Cash Waqf: The Mediating Role of Literacy in Indonesia'** by Yana Rohmana, Juliana Juliana, Suci Aprilliani Utami, Shafinar Ismail and Ropi Marlina. This article studies the factors that influence the intention to donate cash waqf in the context of Indonesia, considering Islamic economics students at public and private universities within the sample of study.
- **'An Analysis of Cash Waqf Institutions and Real Wages in Ottoman Rumelia, 1500–1914'** by Bora Altay and Mehmet Bulut. Waqf has a long history, rich in achievements, in the Ottoman era. By examining historical data drawn from waqf contracts in Ottoman Rumelia, this paper examines the trends in the capital levels of cash waqf institutions that operated at that time and the real wages that they paid to their employees.
- **'Empowering the Future of Cash Waqf Through Digitalisation: An Insight into the Philanthropic Intention of the Indonesian Muslim Community'** by Dahlia Bonang, Shafinar Ismail and Raditya Sukmana. Like other institutions, cash waqf institutions are expected to become future-ready by adopting digitilisation. The question is: are donors ready to use digital waqf platforms? This paper examines the factors that influence Indonesian Muslims' intention to donate cash waqf through digital waqf platforms.
- **'Redefining Boundaries: The Case for Enterprise-Structured Waqf Over Corporate Waqf'** by Akhmad Akbar Susamto, M Bisri, Anang Rikza Masyhadi and Burhanuddin Susamto. The concept of waqf has evolved over time to include new variations such as cash waqf, temporary waqf, corporate waqf or waqf shares. This article specifically focuses on the concept of corporate waqf, critically examining its definition, highlighting the overextension in the use of the term, proposing a return to its original meaning, and advocating for the use of an alternative term, notably enterprise-structured waqf.
- **'New Issues in Temporary Muslim Endowments (Waqfs)'** by Moath Alnaief, Kotb Rissouni, Reda Ibrahim Abdelgalil and Maryam Almansoori. This article discusses temporary waqfs in the contemporary context, considering their modern forms and demonstrating some of their effects in supporting the economy and the needy in society. It argues that jurists and waqf managers should utilise them more widely to address contemporary concerns and meet modern societal needs.

The next Special Issue to be published by the Journal will focus on zakat, another important instrument of Islamic social finance.

Allah (SWT) is the Bestower of success, and He knows best.

Dr Beebee Salma Sairally
ISRA Research Management Centre, INCEIF University, Malaysia

AN ISLAMIC CROWDFUNDING MODEL FOR THE AGRICULTURAL SECTOR: A PROPOSAL BASED ON *SALAM* AND *MUZĀRAʿAH*-WAQF SCHEME

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ABSTRACT

Purpose — Agriculture is regarded as one of the most effective areas for alleviating poverty in the Organisation of Islamic Cooperation (OIC) nations. This study's primary purpose is to present a novel integrated social and commercial financing model known as *salam* and *muzāraʿah* crowdfunding waqf (SMCW) model as a fundraising tool or as an alternative funding source for waqf organisations and agriculturalists.

Design/Methodology/Approach — This qualitative research analysed the relevant literature on crowdfunding, cash waqf and agriculture, and the Islamic contracts of *salam* (forward sale) and *muzāraʿah* (sharecropping).

Findings — With the synchronisation of all stakeholders in the agricultural sector, this study is projected to address the issue of inadequate land and funding and to foster innovation and inclusivity in Islamic financial products. The study suggests a practical funding alternative model for farmers that uses waqf institutions, crowdfunding and Islamic banks to alleviate poverty in OIC countries.

Originality/Value — The proposed model takes a novel approach to developing a new financing option for farmers by fusing traditional Islamic finance principles with contemporary crowdfunding platforms. It provides an ethical and sustainable financing option based on Islamic values and addresses the issues faced by small farmers in the OIC.

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Research Limitations/Implications — The proposed research has significant implications for stakeholders in the agricultural sector, the Islamic finance industry, crowdfunding platforms, and Muslim-majority and Muslim-minority countries. It offers a new financing option based on ethical and sustainable principles that can support the expansion and development of the agricultural sector. Thus, this study enriches the literature on waqf, crowdfunding and Islamic financing. Future researchers may examine a model integrating waqf, crowdfunding and Islamic contracts that target other sectors.

Practical Implications — The study's practical benefits stem from its potential to address the problems of inadequate land and funding while fostering innovation and inclusivity in Islamic financial products, ultimately assisting in the reduction of poverty in the agricultural sector in OIC countries. It does this by fusing traditional Islamic finance principles with modern crowdfunding platforms.

Keywords — Agriculture, Agriculturalists, Crowdfunding, *Muzāraʿah*, *Salam*, Waqf

Article Classification — Conceptual paper

INTRODUCTION

In many Organisation of Islamic Cooperation (OIC) nations, agriculture continues to be a vital economic sector for the population's subsistence. In OIC countries, the average usage of fertiliser per hectare of productive land increased from 69.7 kilogrammes in 2007 to 85.9 kilogrammes in 2017 (SESRIC, 2020a). Nevertheless, this level of fertiliser usage must be increased, especially when likened to the worldwide and developing country 2017 averages of 141.9 and 164.9 kilogrammes, respectively (SESRIC, 2020a). In addition, with a drop from 11.9 tractors per 1,000 hectares of arable land in 2000–2002 to 8.0 in 2007–2009, the level of agricultural mechanisation in OIC countries has remained low. Consequently, the share of agriculture in OIC countries' total gross domestic product (GDP) decreased from 11.3 per cent in 2000 to 9.9 per cent in 2018 (SESRIC, 2020a). On the other hand, poverty is also an essential concern for many OIC member states. Twenty-one of the 48 Least Developed Countries (LDCs) are OIC members. In addition, 21 per cent of the total OIC population lives on less than USD1.90 a day (SESRIC, 2020a). The socio-economic effects of the COVID-19 pandemic exacerbated the difficulty of the situation. According to the OIC Economic Outlook 2020, the GDP growth rate in OIC economies has slowed to 2.4 per cent in 2019 from 6.0 per cent in 2009 (SESRIC, 2020b). The pandemic has had negative economic impacts because of the human life protection measures adopted by countries, which forced businesses to close, negatively impacting supply chains and the global manufacturing industry. In addition, the services and agricultural industries were disrupted, resulting in a decline in commodity prices and turmoil in the financial markets, primarily caused by the pandemic's uncertainty (SESRIC, 2020b). Although the economies of the majority of OIC member states are gradually recovering, the recovery of LDCs in the OIC needs to be improved with regard to their current limited fiscal space, unequal access to external finance, and rising debt vulnerabilities (KNEKS, 2020). The Ukraine crisis' disruption of global trade flows and commodity markets has added further pressure (Bin-Nashwan *et al.*, 2022). The OIC has to review the transport sector, agroindustry, tourism, labour, employment, social protection, the private sector's role, and entrepreneurship development (SESRIC, 2020a).

Therefore, keeping agriculture productive and sustainable while managing its limited resources is a main impediment to the OIC member states' efforts to progress. Land, labour, financing and other agricultural inputs are the primary resources and services of concern (SESRIC, 2020a). On the condition that the available natural and human resources are being utilised efficiently, agricultural output will depend on the quantity and quality of inputs. Access to and utilisation of modern inputs need to be improved in part by more efficient land markets and more modern financing (SESRIC, 2020a). Even with the effectiveness of traditional tenancy systems, the demand for farmland will increase as urbanisation, population growth, and political unrest in some OIC member nations compound the problem (SESRIC, 2020a). In some OIC nations, the absence of assets that can serve as collateral impedes farmers' ability to make additional investments and modernise agricultural practices (Shuaibu & Nchake, 2021).

However, credit and access to capital are still needed by many farmers located in rural areas in OIC countries for developing their farming activities. This impedes the capacity of farmers to increase efficiency, as farmers' primary reason for not modernising their farming practices is their need for more capital (Mahmud *et al.*, 2019). According to Anshari *et al.* (2019), most farmers own land but need more funds to meet operating costs, and they seek funding from banks and other stakeholders to acquire machinery. Farmers may not be incentivised to invest in helpful technologies that would boost agricultural productivity in areas with weak land tenure and ambiguous property rights, as indicated by the previous research conducted by Jack (2013). Therefore, access to financing is one of the most significant obstacles that farmers face, particularly those who operate small businesses.

Entrepreneurs and researchers worldwide have become increasingly drawn to crowdfunding as a conceivable alternative financial model. Crowdfunding is popular because it enables instant access to funds from a large pool of participants instead of banks or other traditional financing groups (Gerber & Hui, 2013). Crowdfunding is an accepted and effective method of financing in numerous industries, such as real estate, sports, entertainment, arts, healthcare, technology and education (Chang, 2018). It is evident that despite the increasing adoption of crowdfunding in farming, the academic community still needs to accord it the attention it deserves (Chang, 2018; Xue & Li, 2022).

Furthermore, the combination of Islamic financial instruments such as *muzāraʿah* (sharecropping), waqf (Islamic endowment), and *salam* (forward sale) is expected to provide several significant benefits for farmers, contributing to their financial stability, agricultural productivity, and general well-being. Since access to up-front financing is one of the most crucial factors, the *salam* contract enables producers to obtain immediate funds by pre-selling a portion of their anticipated crop. This financing is essential for farmers who frequently encounter financial constraints during the early stages of the farming cycle, allowing them to acquire the seeds, fertiliser, machinery, and other inputs necessary for agricultural activities. By securing financing through the *salam* contract, producers can launch and maintain agricultural operations effectively. In addition, using *muzāraʿah*-waqf founded on the *salam* contract mitigates agricultural production risks. Crop failures, market volatility, and natural calamities are just a few of the uncertainties that farmers face. However, through this combination, farmers can secure a market for their produce in advance by engaging in agreements with buyers. This reduces the risk of price fluctuations and guarantees producers a stable income stream. As a result, they are protected against unforeseen losses, allowing them to plan and carry out their agricultural endeavours confidently.

Therefore, this study aims to propose an integrated model that combines crowdfunding, Islamic commercial financing, and social financing instruments such as waqf as a microfinancing tool to alleviate the financial difficulties of farmers in the OIC. Based on the *salam* and *muzāraʿah*-waqf scheme, the Islamic crowdfunding model for agriculture offers a novel and cutting-edge way to do microfinancing within the context of Islamic finance. This model serves as a microfinancing instrument that connects private investors with agricultural initiatives and ultimately with farmers in need of capital. This platform allows people to effectively contribute money to targeted farming initiatives by merging the concepts of advance purchase of goods (*salam*) and endowment for agricultural purposes (*muzāraʿah*-waqf). This study explores how this model can serve as a microfinancing tool with the goal of empowering farmers, fostering economic growth in the agricultural economy, and allowing investors to back environmentally responsible farming methods. In addition, this model also has the potential to boost agricultural productivity, food security and employment, and reduce poverty in OIC nations.

The rest of this paper is structured as follows. The second section explores the literature on *muzāraʿah*, *salam*, waqf and crowdfunding and their related issues. These include, among others, their roles in financing farmers and the well-being of the *ummah* (Muslim nation). The section that follows discusses the existing models of financing agriculture and their flaws. The following section concerns the proposed model for financing the agricultural sector. The study then explains the significance of the proposed model. The paper ends with the conclusion and limitations of the study.

LITERATURE REVIEW

Muzāraʿah Financing

Muzāraʿah is a contract between a landowner and a cultivator to use and cultivate farming land, with the output divided according to a predetermined ratio (Al-Nawawi, 1991; Al-Zuhaili, 2004; Saqib *et al.*, 2015; Obaidullah, 2015; Ridwan, 2016). The crop-sharing system of *muzāraʿah* was a longstanding practice in Medina even before the advent of Islam. Its success was evident as Prophet Muhammed (SAW) and his companions embraced and implemented it (Al-Qurafi, 1994).

Muzāraʿah is different from *mushārakah* (profit-and-loss sharing partnership) in terms of profit sharing because the harvest is not distributed based on net profit (in cash). In addition, the *ujrah* (fee) paid by growers is not based on a fixed amount or nominal value, but rather on a predetermined share (e.g., 25%, 33%, 50%) of the crop yielded (Al-Zuhaili, 2004).

Larbani *et al.* (2011) define *muzāraʿah* as a partnership between the landlord and the agricultural labourer in which the productive outcomes are shared according to predetermined terms. For instance, the bank offers a lease-based financing contract to the farmer, providing him with land and equipment, and the farmer cultivates the land. The bank and the farmer divide the cultivation yield following a predetermined ratio (Mohsin, 2005). Thus, under this method of financing, the issues of poverty and bankability will be resolved.

Khaleefa (1993) investigated the role of Islamic banks in Sudan's rural economy and stated that the Sudan Islamic Bank (SIB) uses three types of *muzāraʿah* financing schemes. In the first scheme, the SIB provides the capital and farmers manage their land through labour. The second is a scheme involving a third party, in which the SIB hires a specialist to oversee farming operations on privately-owned lands. In the third scheme, farmers (as landowners) supply essentials such as water, labour, power, and so on. The SIB provides vehicle motors, pumping stations, and other production components through *shirkah* (joint ownership) to farmers.

In addition, Moh'd *et al.* (2017) indicated that *muzāraʿah* recreated a crucial role in the modern banking system's financing of the agricultural sector. Since 1983, Islamic banks in Sudan have employed *muzāraʿah* in a profit-and-loss sharing structure that allocates 75 per cent to farmers and 25 per cent to banks. The success of *muzāraʿah* in modern finance in Sudan proves its adaptability.

Salam Financing

Salam is a forward sale contract and is an arrangement used for the acquisition of commodities (typically agricultural crops) in which payment is completed beforehand and delivery occurs in the future (Usmani, 2002; Al-Zuhaili, 2004; Kaleem & Wajid, 2009; Iqbal & Mirakhor, 2013; Obaidullah, 2015). Typically, *salam* is a method of pre-production financing for small farmers. The seller is not required to own the land in a *salam* contract, but the provenance of the commodity to be delivered must be explicitly specified (Wahyudi *et al.*, 2015). This contract's structure is highly advantageous for the sake of both parties. Sellers (farmers) receive payment before harvest, which can be utilised to cover production and living costs (Kaleem & Wajid, 2009; Muneeza *et al.*, 2011). Meanwhile, buyers (Islamic financial institutions) get price discounts (Kaleem & Wajid, 2009; Muneeza *et al.*, 2011; Obaidullah, 2015). Farmers may avoid interest-based transactions and intermediaries thanks to the Sharīʿah-compliant contract that directly links them with their customers so they can concentrate on delivering the desired product (Ahmed *et al.*, 2018).

The *salam* contract has been broken down into four components by Muslim scholars: the product details, including the quality of the supplied goods, price, delivery schedule, and delivery address. When entering into a *salam* contract, one can choose between standard *salam* or parallel *salam*. The standard form of *salam* is an agreement between two parties to buy things for advance cash payment and delayed delivery. The parallel *salam* involves two separate *salam* agreements. In the first agreement, the commodity seller and the bank buyer operate as counterparties; in the second agreement, the bank sells the described commodity to some other buyer (Anwer, 2020). When an Islamic financial institution implements such a scheme, the two *salam* contracts must be distinct (independent) and unrelated (Izhar & Hassan, 2013; AAOIFI, 2017).

In Pakistan, Islamic banks have taken a step towards supporting local businesses by introducing *salam* on a small scale. This move has increased cooperation with sugar factories, poultry feed producers and other industries. The Wasil Foundation has been implementing a *salam* contract in the third sector. Wasil assumes full responsibility for the risk of storage, price, and crop loss (El-Zoghbi & Alvarez, 2015). Ahmed *et al.* (2018) state that Wasil's *salam* model adheres to Sharīʿah principles. Wasil maintains its storage house to optimise profits through efficient inventory management and transactions.

Waqf

Following the policies and standards of the waqf donors, Lahsasna (2010) defined cash waqf as an ongoing mobilisation of funds to be invested in productive assets that generate revenues or usufruct for future consumption. A cash waqf, a gift to be invested and overseen by a waqf manager, is one of the most common types of waqf. According to Cizakca (1995), monetary waqf was widely used during the Ottoman era and considerably contributed to social progress by fully funding education, healthcare and community welfare. He said that cash waqf was a redistribution of capital rather than an institution for new wealth creation.

From the Prophet's (SAW) time till the current day, waqf has been an integral part of Islamic history. This generous deed helped advance human civilisation by bolstering learning institutions, commerce and people's faith. According to statistics retrieved by Kahf (2015) from *awqāf* (plural of waqf) registrations in several countries, most waqf lands are in the form of farmlands. The study mentions Turkey as an example where waqf lands make up one-third of the total agricultural area. Most countries' waqf funds went for teacher and imam salaries and mosque education.

Waqf authorities have reaped considerable financial benefits from the agricultural sector due to their investments in waqf lands. Sadique (2010) agrees, arguing that investment in waqf properties through different forms of financing can yield significant results for the society. This paves the way for waqf institutions to supply essential services and goods to their final beneficiaries.

Instead of investment through banks, Shafiai *et al.* (2015) advocated investment in waqf for funding agriculture. It is unique in that it provides monetary services tailored specifically to farmers. Establishing a waqf trust could be an alternate way to trigger idle agricultural properties. The authors recommend the solution for two reasons. The first is establishing a waqf trust to address unproductive lands, and the second is ensuring that a waqf management promotes agricultural development.

Majid (2021) proposed a comprehensive Sharīʿah-compliant financing scheme for Indonesia's agricultural sector, specifically targeting microfinance, notably the *salam muzāraʿah*-linked waqf (SMW) model. This model combines Islamic commercial and social finance through *salam* and *muzāraʿah* contracts, cash waqf funds, and idle waqf lands for agriculture managed by Baitul Maal wa Tamwil (BMT), one of the Islamic microfinance institutions in Indonesia. BMT appoints intermediaries as agents/representatives from the beginning. It orders commodities, which they monitor, evaluate and receive to sell. BMT then uses parallel *salam* to sell those products to supermarkets/markets.

Islamic Crowdfunding

According to the Oxford English Dictionary's website, crowdfunding is 'the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet' (Oxford University Press, 2023). The World Bank (2013) defines crowdfunding as a digital platform that enables businesses and non-profits to seek finance from many small contributors. Similarly, IOSCO (2015) asserted that it raises funding for the many initiatives posted on an online platform by soliciting monetary contributions of a modest sum from many individuals or organisations.

Azganin (2019) investigated how the suggested crowdfunding waqf models may provide alternate financing sources for waqf organisations and agriculturalists. The study concluded that integrating crowdfunding with waqf can enormously benefit the agriculture industry and farmers. This strategy can help poor farmers meet their basic needs and contribute to their country's economic growth.

Huang *et al.* (2018) discovered that crowdfunding platforms could be crucial in financing micro, small and medium-sized enterprises (MSMEs). Most firms in China that receive financing through crowdfunding platforms are MSMEs. The research conducted by Lee and Chiravuri (2019) revealed that entrepreneurs explore various projects in different industries to attract more investors. Consequently, crowdfunding opportunities give successful businesses greater confidence to raise extra cash. This can be noticed from a benevolent perspective (donation-based crowdfunding/reward-based crowdfunding) and a risk-sharing standpoint (equity-based crowdfunding/debt-based crowdfunding).

Agropay is a practical example of a crowdfunding project that allows all actors involved in the agroindustry to communicate with one another on a single platform. Investors can choose from a variety of agricultural projects that can be accessed via smartphones while investing online through this platform. This platform fosters keenness among the actors and improves price rivalry and agricultural products' long-term viability. Anshari *et al.* (2019) presented a proposal for a digital marketplace that was very similar to this one. The centralised crowdfunding and payment-based platform links all stakeholders together, encouraging openness between entrepreneurs and potential investors, and promoting autonomy, resourcefulness, and community involvement in agricultural endeavours.

In order to develop waqf lands in Malaysia, Thaker and Pitchay (2018) developed a waqf crowdfunding model. The research indicates that this concept could help waqf institutions deal with cash flow problems and identify other funding avenues through an online crowdfunding platform. Waqf land projects would be funded with these funds. The proposed model is innovative in integrating the concept of cash waqf into the system's core. This model calls for the waqf funds to be invested in immovable assets such as schools and hospitals.

Nasution and Medias (2020) also discussed and analysed another platform that adopts the waqf crowdfunding idea called the 'Hasanah Crowdfunding Model'. It is impossible to overstate the importance of the Wakaf Hasanah project to the financing and development of other waqf initiatives in Indonesia. This website has been used to fund 53 different waqf projects, bringing the total amount of money raised to well over three billion rupiahs. According to the information available on this platform, the participating individuals include the platform operator, the project manager, and the founders of the waqf.

Therefore, implementing crowdfunding in the agricultural sector is crucial for developing economies that rely heavily on agriculture. The OIC member states comprise mostly agriculturally dependent nations. Over a quarter of the world's farmland was in OIC countries, making up 1.38 billion hectares in 2019 (SESRIC, 2020a). Compared to the global average of 44.4 per cent and 48.8 per cent in developing nations that were not OIC members, 49.5 per cent of the people in OIC countries in 2018 lived in rural regions (SESRIC, 2020a). More people in the labour force than the global average is in agriculture in 32 OIC member states. Twelve OIC nations, the majority of which are in Sub-Saharan Africa, had more than 50 per cent of their working population employed in agriculture in 2019; the highest rates were in Chad (75%) and Niger (75%). In addition to agricultural labour, agricultural land's practical and productive use is crucial to agricultural development and poverty reduction efforts. However, when looking at the cultivated region, the totality of arable land and perpetual cropland, the percentage of cultivated land area in OIC countries (27.67%) is still meaningfully lower than the global average of over 30 per cent (SESRIC, 2020a). Permanent cropland in OIC nations (67 million hectares) represented only 4.88 per cent of their total agrarian land area (SESRIC, 2020a). In contrast, most agricultural land in OIC nations (72.34% or 995 million hectares) consists of enduring pastures and meadows primarily used for livestock grazing (SESRIC, 2020a). Therefore, the advancement of agriculture and food security in the OIC is crucial to these nations' economic and social growth. The low proportion of cultivated land to total agricultural land in OIC countries highlights the need to boost the land's productivity and implement appropriate initiatives to ensure food security and high job opportunities for people experiencing poverty in these nations. These initiatives should concentrate on enhancing farmers' accessibility to resources such as land, water, seeds and technology, and offering training and support. Hence, the use of crowdfunding platforms for the growth of the agricultural sector in OIC nations is crucial, as it can help to alleviate the financial constraints experienced by farmers in these countries.

Existing Models for Financing the Agricultural Sector

The OIC member countries have developed varying models, policies, loan programmes and plans for financing agriculture. Among these are the Community Direct Loan Assistance scheme in Indonesia (Kutsiyah, 2020), the People's Business Credit scheme in Indonesia (Wahyuni & Sara, 2020), and the Rural Agribusiness Development programme in 17 selected member countries of the OIC (Rashid & Razak, 2016; Shaikh, 2016). There are also some common trends and practices in financing agriculture in OIC countries. One of the standard models is subsidised credit to farmers such that governments offer low-interest loans, loan guarantees, or other financial assistance to support agriculture. Islamic banks and other financial institutions also provide Sharīʿah-compliant financing options for agricultural projects.

Another model is public-private partnerships, where the government and private sector collaborate to finance and support agricultural development. This approach can involve joint ventures, investment funds or other forms of cooperation. In some countries, microfinance has also supported smallholder farmers and rural entrepreneurs. Microfinance institutions provide small loans and other financial services to help farmers and others start and grow their businesses.

However, empirical evidence demonstrates persistent flaws and inefficient procedures throughout existing government programmes. Several features of the current agricultural financing/credit paradigm contribute to its inefficiency. The weaknesses in the current models of financing agriculture in OIC member countries can vary depending on the specific country and context, but some common challenges include:

1. Limited access to financing, particularly in remote areas. This may be due to lack of infrastructure, limited financial literacy, and other challenges.
2. Limited coordination between OIC/national governments and other stakeholders in the agricultural sector, which could impact on the effectiveness of financing and development efforts.
3. Lack of transparency in existing models of financing and decision-making processes.
4. Inadequate infrastructure such as roads, electricity and irrigation systems can limit the productivity of the agricultural sector. This can lead to higher production costs, lower yields and limited market access.
5. Insufficient focus on sustainability and environmental protection can lead to the overuse of natural resources, degradation of land and water resources, and negative impacts on the environment.
6. Lack of financial technology that could have facilitated access to financing for small and medium-sized farmers by providing real-time access to information about financial

transactions and financing options. Such technology could also improve transparency in the financing process.

Therefore, addressing these challenges will require a coordinated effort between governments, financial institutions, and other stakeholders to improve access to finance, invest in infrastructure, promote sustainability, and address climate change challenges in agriculture.

METHODOLOGY

This study employs the qualitative research methodology, with document analysis as the principal means of examining relevant papers, journal articles and other published sources. This strategy scrutinises the theoretical information obtained from primary and secondary sources. The research encompasses modern and classical viewpoints on Islamic contracts in Islamic law, aiming to identify and analyse the key themes associated with the models utilised to develop the conceptual framework of the new model. This study uses a literature review approach to examine and identify the critical elements of *muzāraʿah*, *salam* and waqf and their potential incorporation with Islamic crowdfunding technology. The data analysis is conducted by modifying and assessing existing models, which are deficient in crucial attributes required for effective execution, thus rendering them more workable.

RESULTS AND DISCUSSION

Proposed Model

This paper proposes the *salam muzāraʿah* crowdfunding waqf (SMCW) model, which combines the potential and benefits of Islamic commercial and social finance contracts. The objective of SMCW is to solve the most fundamental issues farmers encounter, namely limited access to capital and land tenure. The *muzāraʿah* contract is a commercial financial instrument used by a bank to solve idle agricultural cultivation. Then, producers will enter into a *salam* contract with supermarkets based on a payment in advance. Waqf institutions will provide land and cash waqf.

In this case, the waqf land given by the waqf institution must be defined in the initial pledge of waqf that the land is intended for agriculture/plantations and no other purposes. Donors can donate cash waqf online via the crowdfunding platform and choose which initiatives they want to fund. In addition, the platform enables users from anywhere in the world to participate without geographical and time zone restrictions.

Stakeholders

The stakeholders in the model comprise the following:

1. **Donors:** The individuals who donate in the form of agricultural assets and cash waqf which are earmarked for farming activities based on the waqf contract.
2. **Waqf institution:** This institution provides farmlands left idle and unproductive due to the high cost of using these lands (e.g., tax and maintenance costs). These farmlands are provided based on the *muzāraʿah* contract, whereby the waqf institution will act as the owner.
3. **Farmers:** The farmers who collaborate on the growing and distribution of crops. Growing, weeding, watering, conserving, maintaining and managing their farms and

crops are also the responsibilities of the farmers. In the *muzāraʿah* contract, farmers will act as workers.

4. **Islamic bank:** In this case, an Islamic bank can finance farmers through a predetermined agreement based on the *muzāraʿah* contract. In the *muzāraʿah* contract, the Islamic bank will act as a financial intermediary in financing.
5. **Private institutions**: In this scenario, supermarkets engage in *salam* contracts with farmers. The two parties in *salam* are the seller (a farmer in the proposed model) and the buyer (primarily a merchant).

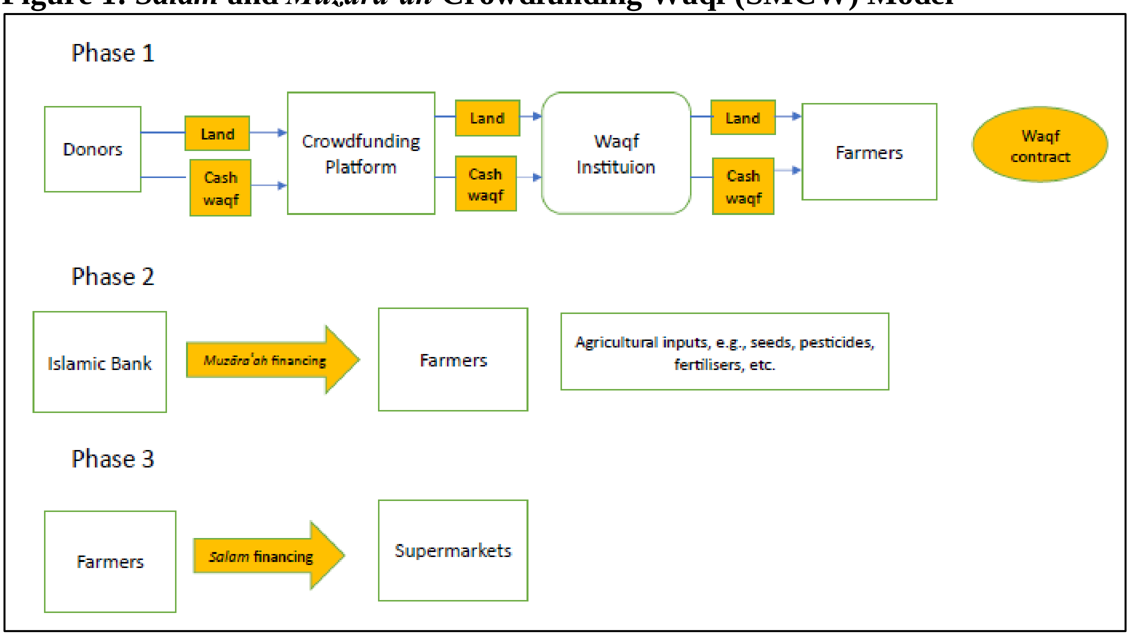
The Components Incorporated in the Proposed Model

The waqf institution appoints a *nāẓir* (manager) to manage the immovable assets (lands) and movable assets (cash waqf) received from contributors, as shown in **Figure 1**. The waqf institution will launch a crowdfunding platform for donations. The waqf institution will provide farmers with immovable assets, i.e., land, based on a waqf contract. Cash waqf funds will be used for infrastructure, including water, labour and electricity.

There are various ways to implement the *muzāraʿah* contract. The proposed model involves the land being owned by one party (a waqf institution), the work being done by another party (farmers), and the remaining farming necessities (e.g., agricultural inputs such as seeds, pesticides, fertilisers) being provided by a third party (an Islamic bank). The distribution of profit (money) is according to an agreed percentage. This form of *muzāraʿah* contract implementation is confirmed by the majority of contemporary scholars.

The model also proposes that the agricultural produce to be sold to supermarkets through the *salam* contract.

Figure 1: *Salam* and *Muzāraʿah* Crowdfunding Waqf (SMCW) Model



Source: Authors' own

The diagram flow is explained below:

Phase 1:

1. The waqf institution establishes and oversees the Islamic crowdfunding platform to receive immovable (land) and movable (cash waqf) assets from donors.
2. The waqf institution prepares the land infrastructure, including water and electricity.
3. The waqf institution and farmers will engage in a waqf contract to use the prepared land.

Phase 2:

1. The Islamic bank goes into a partnership agreement with the farmers through a *muzāraʿah* contract for funding agriculture. Both partners' contribution percentages are determined before signing the contract, which also determines the share of profits (money) of the parties.
2. The Islamic bank provides agricultural inputs, e.g., seeds, pesticides, fertilisers, machinery, transportation, etc.

Phase 3:

Farmers enter into a *salam* contract with the supermarkets. Product specifications, including category, colour, shape and size must be identified.

Significance and Impact of the Model

Enhancing agricultural output is essential for the countries comprising the OIC to combat poverty and end hunger. As a result, member countries are responsible for considering environmentally friendly farming practices to boost production despite the limited resources that are available and the rising demand for food.

The proposed model activates agricultural production, one of the most potent sectors in poverty alleviation. This model can significantly improve communication and cooperation by different segments involved in the contemporary Islamic financial ecosystem, notably:

1. The Islamic crowdfunding platform which facilitates the collection of waqf donations,
2. Waqf institutions involved in Islamic social finance,
3. Islamic banks which endorse the *muzāraʿah* contract, addressing criticisms levelled against them that they have been ignoring many Islamic contracts,
4. Farmers, who represent a significant segment of the ecosystem and help in increasing agricultural production, and
5. Supermarkets, which will offer good quality commodities to customers.

Moreover, this model enables waqf institutions to revive their idle lands. It also allows donors to donate for causes beyond traditional charitable projects. Consequently, the proposed model in this study is an integrated and innovative model that waqf institutions could introduce to the public. Additionally, this model implements three types of Islamic contracts, notably *tabarruʿāt* between donors, waqf institutions and farmers, the *muzāraʿah* financing contract between an Islamic bank and farmers, and the *salam* contract between farmers and supermarkets.

From a *maqāṣid al-Sharīʿah* (objectives of Islamic law) perspective, this model fulfils the Sharīʿah objectives of eradicating poverty and boosting food security through social and economic projects like agriculture. In addition to its positive effects on donors and waqf institutions, the SMCW model is anticipated to lessen the agricultural sector's reliance on government support and enable governments to redirect those funds to satisfy other vital needs of the society. The SMCW model is also anticipated to contribute significantly to the society as it promotes money circulation among the populace instead of solely benefiting the wealthy. The collaboration of Muslims in financing waqf projects will promote economic growth and sustainable development. This model will minimise development projects' reliance on interest-based financing and external borrowings. The model could also address challenges such as the need for more inputs, unproductive land markets, and the absence of modern financing.

However, there are a few concerns with the proposed model that should be considered in the implementation process, for example, administrative issues, the process in the market, extortion cases, and Sharīʿah issues. Contracts (*muzāraʿah* and *salam*) should include the pillars that must be fulfilled to make the contract valid in Sharīʿah. In addition, some conditions should be considered; for example, the seeds to be planted should be of good quality, the land should be arable, good for cultivation, and the time frame must be evident in the contract. From an Islamic perspective, these conditions should be clear to avoid harm or uncertainty (*gharar*).

Thus, the transactions should have detailed provisions regarding the commodities ordered and what is to be done in case the contract is breached, e.g. in the event of default or a delay in the commodity delivery. Moreover, the model should be under a Sharīʿah supervisory body to ensure all the processes follow Sharīʿah rules.

This study is significant due to its prospective implications for OIC stakeholders and waqf institutions. First, it facilitates the economic independence of producers. It is also important to note that the proposed crowdfunding model is gender dynamic as it empowers farmers of both genders to undertake agricultural initiatives, increase productivity, and generate a sustainable income by granting them access to much-needed financing. This contributes to poverty reduction, rural development, and economic expansion in OIC member states. Moreover, the study has substantial implications for the OIC as a whole. It promotes financial inclusion by providing a platform for individuals, including those with limited financial means, to support agricultural initiatives. This increases community engagement, fosters a sense of shared responsibility, and promotes the pooling of resources to address shared challenges. In addition, the model's emphasis on sustainable agricultural development is consistent with the OIC's objectives of promoting food security, environmental conservation, and resource management in its member states. The study provides waqf institutions with practical implications that can strengthen their function and influence. Waqf institutions can diversify their investment portfolio and generate sustainable revenue streams by employing the *muzāraʿah*-waqf concept to support agricultural initiatives. This will enable them to fulfil their obligation to serve the community through the establishment of productive endowments. The proposed model provides waqf institutions the opportunity to integrate their activities with the agricultural sector, promote social and economic development, and effect positive change within their respective communities. The following are the implications of this model for the development of Islamic finance:

1. **Impact on the agricultural sector:** The scheme is expected to help farmers financially, boost agricultural output, and advance the industry as a whole. Furthermore, these

schemes and ethical and sustainable agricultural practices may promote Islamic economic justice and social welfare concepts.

2. **Impact on waqf institutions:** As this model incorporates the use of crowdfunding for developing waqf lands, it brings benefits to waqf institutions. For instance, integrating crowdfunding into the model will help achieve a higher profile for waqf institutions and promote their projects further. Thanks to the high transparency of crowdfunding, many donors or investors will be interested to invest their money in projects offered by waqf institutions. Thus, waqf institutions can meet their liquidity needs in developing waqf lands without relying much on government allocations.
3. **Impact on Islamic banks:** This model empowers Islamic banks to actively engage in social and economic initiatives that align with the tenets of Islamic finance. Islamic banks need to promote philanthropy and economic and social responsibility. When individuals seek financial aid to fund activities such as manufacturing or farming, they must share the risks and potential profits with the investors who provide the funds. Applying Islamic principles in economic markets can benefit people from all socio-economic backgrounds.
4. **Impact on the society and economy:** The model is also anticipated to bring benefits to the society and economy. As this model emphasises on developing waqf lands, it creates an environment of stimulating socio-economic development. The projects could bring an opportunity for employment, income generation, poverty alleviation, empowerment of women, and so on. Indeed, this model helps the society to become altruistic by donating their money for good causes. Meanwhile, crowdfunding is considered as one of the redistribution schemes in an economic system; it helps to increase wealth, consumption and investment that can boost the economy. It helps to achieve efficiency in the allocation of economic resources. Financing farmers through these schemes can have a positive social and economic impact. It can enhance agricultural productivity, contribute to food security, and provide income stability for farmers. This can, in turn, lead to broader economic development and poverty alleviation in rural areas.
5. **Impact on academia and theory building:** For academia and theory development, the proposed model adds to the existing literature in the areas of crowdfunding and waqf. This study provides new literature for an effective utilisation of crowdfunding for waqf development, particularly among OIC members. This is because waqf has played a significant role in the socio-economic development of Muslims in history. This model is expected to positively change the perceptions of stakeholders about the dynamics and potentials of this voluntary sector.

CONCLUSION

As in many other developing countries, agricultural activities are essential in OIC economies to boost employment, production and promote development. However, a primary challenge that farmers face is the need for more financial resources, which can be overcome with an alternate funding strategy. The *salam-muzāraʿah*-waqf-based crowdfunding model for farmers is a Sharīʿah-compliant financing model incorporating social and commercial finance to address the issue of financial constraints in the agricultural sector. Land and cash waqf are given by waqf institutions to farmers as a means to reduce risk during planting seasons. The commercial contracts involved in the model are the *muzāraʿah* contract between the Islamic bank and farmers to provide agricultural inputs and the *salam* contract between farmers and supermarkets to sell the commodities in the market.

By proposing an Islamic crowdfunding model for the agricultural sector that is founded on the *salam* and *muzāraʿah* waqf schemes, the study makes a significant theoretical and knowledge contribution. This model blends Islamic finance, crowdfunding and waqf to address financing difficulties confronting farmers. By integrating these concepts, the study offers a novel Islamic approach to agricultural financing. The proposal enhances knowledge of how Islamic finance principles can be utilised to promote agricultural development and financial inclusion. It contributes to the existing corpus of knowledge in Islamic finance, crowdfunding and agricultural finance by laying the theoretical groundwork for future research and investigation in this field.

Numerous stakeholders, including farmers, financial institutions, policymakers and waqf institutions, will find the study's practical, social and managerial ramifications extremely valuable. The proposed Islamic crowdfunding model offers farmers access to advanced financing through the *salam* contract, which has practical implications for farmers. This allows farmers to overcome financial obstacles, acquire essential resources, and invest in their agricultural initiatives. The model improves the socio-economic well-being of producers by enhancing their productivity, income generation and overall livelihoods. Additionally, the study has practical ramifications for financial institutions, especially those operating in Islamic finance. It emphasises the microfinancing potential of Islamic crowdfunding for the agricultural sector. Financial institutions can investigate the implementation of this model to diversify their product offerings, reach underserved producers, and capitalise on the rising demand for Sharīʿah-compliant financing alternatives. The study offers insights into the design and operation of an agricultural-specific Islamic crowdfunding platform.

The proposal of this study has substantial implications for policymakers in devising agricultural policies and promoting financial inclusion. To promote sustainable agricultural development, rural economic expansion, and poverty reduction, policymakers can consider adopting and supporting Islamic crowdfunding models such as the one proposed. The study provides insight into the regulatory frameworks and policy measures that can facilitate the implementation of such models, ensuring their efficacy and alignment with socio-economic objectives. Incorporating the *muzāraʿah*-waqf scheme into the proposed model has practical implications for waqf institutions. It presents an opportunity for waqf institutions to effectively utilise their endowments for agricultural purposes. By allocating funds from waqf endowments to support agricultural initiatives via the *salam* contract, waqf institutions can achieve their charitable goals and contribute to the well-being of the community. The study illuminates the operational aspects and prospective impact of utilising waqf in agricultural financing, thereby guiding the strategic decisions of waqf institutions.

One of the limitations of this study is that it is a conceptual paper without empirical investigation. Secondly, the paper only used *muzāraʿah* and *salam* financing contracts. In addition, the reports revealed that only 40 per cent of crowdfunding campaigns on popular platforms such as Kickstarter achieved their goals. Hence, extensive marketing campaigns are required to ensure a high success rate for the proposed model. By doing so, projects can reach their target audience and raise awareness about their benefits and importance. Lastly, the financing of agricultural projects is the main topic of this analysis. So, more study is needed to learn whether or not individuals will adopt this proposed concept. To expand the ideas presented in this study, similar models should incorporate other Islamic contracts such as *musāqāh* and/or *istiṣnāʿ*. In addition, future studies are expected to explore the implementation of integrated models in different sectors to boost the financial inclusion of Islamic finance.

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DECLARATION

Credit Authorship Contribution Statement

- Meshari Al-Daihani is primarily responsible for writing the manuscript, developing and interpreting the model, and formatting the article to meet the Journal's requirements.
- Khadar Ahmed Dirie coordinated the introduction, edited the language, and assisted in the conclusion section.
- Md. Mahmudul Alam contributed to the methodology, edited, evaluated and provided manuscript recommendations.
- Ahmad Sufian Bin Che Abdullah reviewed and revised the manuscript based on the reviewers' feedback.
- The final manuscript was reviewed and endorsed by all the authors.

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The authors declare that they have no known competing financial interest or personal relationships that could have influenced the research work.

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Data Availability

None

Disclaimer

The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

Appendix

None

PHILANTHROPIC IMPACT OF INVESTING VIA WAQF-FEATURED UNIT TRUST FUNDS: DETERMINANT FACTORS INFLUENCING THE PARTICIPATION IN WAQF UNIT TRUST FUNDS IN MALAYSIA

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ABSTRACT

Purpose — Waqf unit trust funds are a form of value-based impact investing that combines financial investment with philanthropic goals through waqf (Islamic endowment). This study uses the theory of planned behaviour (TPB) to investigate the factors that influence people's intentions to participate in waqf unit trust funds in Malaysia. Furthermore, the study investigates the function of religion as a moderator in predicting an individual's intention to engage in waqf unit trust funds.

Design/Methodology/Approach — Four hundred and four completed survey questionnaires have been obtained. Descriptive analysis and Partial Least Square–Structural Equation Modelling (PLS-SEM) are performed to analyse the data.

Findings — The findings show that an individual's intention to engage in waqf unit trust funds is influenced by attitude, subjective norms, perceived behaviour control, and moral norms. Furthermore, religiosity influences the relationship between moral norms and the intention to join in waqf unit trust funds.

Research Implications and Limitations — Findings from this study which focuses on Muslims' involvement in recently established waqf unit trust funds can be used by the waqf unit trust managers in Malaysia to develop appropriate marketing strategies in encouraging Muslim participation in waqf unit trust funds. Participation in waqf unit trusts is not limited to Muslims; hence, future studies can be conducted to cover a wider base of respondents among non-Muslims.

Keywords — Intention, Islamic finance, Philanthropic impact investing, Waqf unit trust fund

Article Classification — Research paper

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INTRODUCTION

Waqf is an Islamic socioeconomic institution that encourages Muslims to leverage their innovation and creativity to generate income, providing a diverse range of goods and services to the Muslim community (Mohsin, 2013). Waqf-based institutions that are successfully revived and modernised contribute to preserving the social and environmental fabric without costing the government any money, thus significantly reducing public expenses (Ari & Koc, 2021). Being regarded as a mechanism to finance the advancement of the Muslim community, the significant role of waqf has now been integrated with various contemporary Islamic investment tools such as shares, *ṣukūk* and Islamic funds, including Islamic real estate investment trusts (i-REITS) and common unit trusts (Hodgson, 1974; Hasan & Sulaiman, 2016).

Waqf has evolved into an arm of corporate social responsibility (CSR) through various forms of innovation,which have been accommodated by updated, inclusive and comprehensive laws and regulations (Sukmana, 2020). In the contemporary world, the Muslim community has discovered that cash waqf, or its similar forms, is the most pragmatic and cost-effective method of waqf. This is especially true in the current economic conditions, where only a few individuals can afford to donate immovable assets such as land and buildings. Muslim scholars have long recognised the use of movable properties such as cash waqf and other forms of financial properties in modern waqf applications (Ambrose *et al.*, 2018). The endowment of movable assets such as cash waqf and financial assets such as unit trusts and shares are also legitimate within the Malaysian legal system. This has been recognised in the provisions of a fewstate enacments as well as the approval from the Sharīʿah (Islamic law) point of view by the Islamic Religious Affairs Council of Malaysia.

Impact investing, a comprehensive investment strategy, is garnering increased interest from scholars and experts due to its dual objective of generating financial returns while also creating positive social or environmental outcomes. Integrating investment tools such as unit trusts and waqf is seen as a favourable innovation that can be pursued to establish a sustainable investment paradigm (Sulaiman *et al.*, 2019). On that note, a waqf-featured unit trust fund is a specific class of value-based investment that blends monetary investing with charitable objectives, thereby organically fulfilling the spirit of impact investing.

Malaysian investors are showing a growing inclination to integrate humanitarian endeavours into their investment strategy, particularly through the utilisation of waqf. The Islamic capital market has the potential to significantly improve and accelerate the growth of waqf assets in the current environment. The modern practice of accumulating wealth through cash and shares diversifies the sources of waqf funds and can enhance the flexibility of waqf management as well as increase public participation in waqf activities. In fact, the repetitive benefits generated from waqf assets are naturally congruent with the investment feature of generating sustainable returns for the shareholders.

To date, four waqf-featured unit trust funds and one wholesale fund have been launched in Malaysia. The development manifests enthusiasm for philanthropic impact investment across a wide range of groups, including investors, industrial players and regulators. The funds are professionally governed and audited, thus providing assurance to donors that the waqf is properly run by professional managers. However, since their inception in 2021, investment participation in waqf-featured unit trusts has been relatively low, which has caused great concern among the fund managers. As of 31 July 2022, the assets under management (AUM) of the four waqf unit trust funds in the Malaysian Islamic fund management industry were recorded at MYR47.26 million (Refinitiv Lipper, 2022). As of 31 December 2023, their AUM decreased to MYR46.69 million due to the uncertain market conditions in Malaysia (Refinitiv Lipper, 2023). This amount represents only 4 per cent of the total AUM of Sharīʿah-compliant unit trust funds in Malaysia, indicating the need for significant efforts to raise awareness among potential generous investors to contribute a portion of their returns as waqf.

Therefore, this study aims to investigate the factors influencing Malaysian Muslims' intention to participate in waqf unit trust funds. The study is important as it provides valuable insights to fund managers, enabling them to enhance their marketing strategies and encourage greater participation from Muslim unit holders. This, in turn, would result in a small percentage of the profit being channelled towards waqf initiatives in the future. The subsequent section presents relevant literature on impact investing, waqf unit trust funds, and the development of hypotheses. This is followed by the methodology, results, practical implications and conclusion.

LITERATURE REVIEW

Impact Investing

Impact investing entails making investments with the dual goal of achieving specific positive social or environmental outcomes alongside financial benefits (Islam & Scott, 2022). Another definition of impact investing as crafted by the Global Impact Investing Network (GIIN) is an investment formed to make a profit while having a beneficial, measurable influence on the society and the environment. Impact investment can be carried out in both emerging as well as developed economies and strives for income that could be below or at market rate, depending on the strategic objectives of the investor (GIIN, 2021). Impact investment might potentially coexist with non-profit organisations and traditional commercial enterprises by augmenting financial goals with a focus on certain societal ideals.

Impact investments can be made in a wide range of asset classes and have diverse results. The strategy often encompasses corporate social responsibility (CSR), environmental, social and governance (ESG) investing, and sustainable and responsible investment (SRI). In Malaysia, the corporate sector is encouraged to prioritise not only material profit but also to focus on social welfare by engaging in philanthropic endowment (waqf), as suggested by Naziree (2010). The aims of each waqf-featured unit trust fund are twofold: to achieve specified social and environmental goals in addition to creating profit for the unit holders. Consequently, these funds align with the impact investing framework. However, this study does not attempt to measure the impact of these funds according to their objectives.

Philanthropic Impact Investing via Waqf

Waqf (pl. *awqāf*) is a property that is owned by Allah, the Almighty. The corpus, regardless of its material or ethereal nature, will be perpetually preserved, and only its yield or revenue will be directed towards the welfare of all beings. Waqf, unlike regular *ṣadaqah* (charity), is considered *ṣadaqah jāriyah* (a continuous donation) because it provides ongoing and repeated benefits (Kahf, 1999). Waqf has been created as a means to address the provision of public goods and services in situations when government intervention is limited or where the government's effectiveness and competence are restricted. It is important to highlight that waqf has served as a significant and efficient means of providing financial and social assistance, particularly for individuals in the lowest and intermediate socioeconomic strata, by helping to reduce income disparities (Ari & Koc, 2021). Waqf has made a significant contribution to Islamic civilisation from the time of Prophet Muhammad (SAW) till the present day. Throughout history, waqf has had a significant impact on various aspects of life. It has fulfilled various societal needs and facilitated economic development for the less fortunate, including the promotion of religious activities, education, healthcare, and agriculture; assistance in disaster prevention, poverty reduction, provision of food and shelter; creation of employment opportunities; and funding the establishment of public infrastructure such as hospitals, universities, research centres and libraries. The breadth of waqf's responsibilities is vital, especially in the realm of emergency disaster relief. This includes offering aid to those affected by climate change disasters, such as flood and landslide victims, as well as potential future pandemics. These are among the pressing concerns of our era. Utilising waqf-featured unit trust funds for philanthropic impact investment is essential in developing a more inclusive investment strategy that effectively benefits society.

Waqf institutions differ from other non-profit organisations that rely mostly on public donations, which do not guarantee their existence (Shaikh *et al.*, 2017). By integrating investments in waqf management, effectiveness and efficiency can be improved, leading to a sustainable return that addresses the ongoing global financial, social and environmental issues. The philanthropic role of waqf as a social safety net is to provide assistance to the impoverished and vulnerable, especially during the difficult period of economic recovery following the pandemic. This is in tandem with the value-based intermediation (VBI) initiative as well as Bank Negara Malaysia's Financial Sector Blueprint 2021–2026 to not only mainstream Islamic social finance but also enhance value-based financing that promotes impactful social outcomes.

The core principles of Sharīʿah, which encompass the promotion of beneficial outcomes and prevention of harm, particularly in terms of equitable wealth circulation and distribution, are applied to the Islamic financial sector. This makes it well suited to address the increasing need for a responsible and ethical framework for financial services. Sustainable investment can additionally facilitate the allocation of greater resources towards the resolution of social and environmental issues, a crucial endeavour for global adherence to the United Nations' Sustainable Development Goals (SDGs).

Overview of Waqf-featured Unit Trust Funds' Development in Malaysia

Islamic fund management (IFM) is a financial practice where individuals contribute their surplus funds to a collective entity known as a 'fund'. This fund then uses the pooled money to purchase a diverse range of equities and other types of assets with the aim of achieving specific financial goals. IFM in Malaysia offers a range of Islamic collective investment schemes, including Islamic unit trust funds, Islamic wholesale funds, Islamic exchange traded funds (i-ETFs), Islamic real estate investment trusts (i-REITs), and Islamic private retirement plans (i-PRS) (Securities Commission Malaysia, 2017). Waqf organisations can utilise the framework of i-REITs as a means to financially support the development of waqf properties (Hasan & Sulaiman, 2016).

An Islamic unit trust fund, also known as an Islamic mutual fund, offers unit trust holders the opportunity to diversify their investment by allocating it to a portfolio consisting of Sharīʿah-compliant money market instruments, securities, *ṣukūk*, real estate, or commodities. The fund is managed by skilled fund managers who allocate the raised funds into a diversified portfolio of financial assets that comply with Sharīʿah principles, depending on the fund's objectives. Due to the involvement of proficient fund managers, the handling of these products generally results in effective risk containment (Ambrose *et al.*, 2018). Investors can generate profits from their investments through the distribution of income and/or the appreciation of capital (Hasan & Sulaiman, 2016). Sulaiman *et al.* (2019) suggest that establishing a waqf unit trust can serve as an alternative method to ensure consistent, everlasting and long-term income for waqf beneficiaries. This instrument is an innovative approach to the traditional cash waqf, as it entails contributing a portion or all of the investment returns or dividends from unit trusts for the purpose of waqf. According to the Securities Commission Malaysia's Waqf-Featured Fund Framework (2020), the endowed asset is not the unit trust itself, but rather the income or profit generated from the investment. The revenue or profits generated from the unit trust's underlying assets would then be allocated for charity or religious purposes, as specified in the waqf's terms and conditions.

In Malaysia, there are currently four unit trust funds and one wholesale fund that have integrated a waqf component into their investment strategy. The wholesale fund is specifically designed for sophisticated or high-net-worth investors. The objective of the fund is to achieve both income and capital growth by investing in diversified portfolios of Sharīʿah-compliant equities, *ṣukūk*, Islamic money market instruments, Sharīʿah-compliant equity-related securities, or Islamic deposits that adhere to the Sharīʿah and sustainable investment principles. This represents a substantial advance in promoting and standardising investments for the improvement of the society. The list of the waqf-featured funds and their waqf purposes are summarised in **Table 1**.

Table 1: Waqf-Featured Funds and Their Philanthropic Waqf Purposes

Fund Type	Fund Name	Waqf Purposes
Unit trust	Makmur myWakaf Fund	• Healthcare • Education • Community empowerment
Unit trust	PMB-An-Nur Waqf Income Fund	• General welfare and charity • Management and donations to mosques • Human capital, development, education and entrepreneurship
Unit trust	Kenanga Waqf Al-Ihsan Fund	• Healthcare • Education • Community empowerment • Environment
Unit trust	Maybank Mixed Assets-I Waqf Fund	• Healthcare • Education • Community empowerment • Environment

Table 1: Waqf-Featured Funds and Their Philanthropic Waqf Purposes (Cont.)

Fund Type	Fund Name	Waqf Purposes
Wholesale (for sophisticated/ high-net-worth investors)	Emergency Waqf Musa'adah Fund of Kenanga Sustainability Series	• Emergency assistance in the event of climate change-related disasters or future pandemics.

Source: Prospectuses of four waqf unit trust funds and one wholesale fund

Behavioural Aspects of Investors' Contribution to Waqf Unit Trusts

The involvement of Muslim Malaysian investors in waqf-featured unit trust funds has remained relatively low since the emergence of these funds in the last year. Consequently, researchers are motivated to examine the behavioural aspects of investors' participation in waqf, specifically focusing on the factors that influence their involvement in waqf-related unit trust funds. The theory of planned behaviour (TPB) has found extensive application in several study domains, such as investigating the intention to participate in monetary waqf (Osman, 2014) and corporate waqf (Hasbullah *et al.*, 2016). The notion argues that purpose serves as a precursor to the actual behaviour. TPB examines the elements that shape an individual's real behavioural preferences towards a specific behaviour. These preferences are impacted by the individual's attitude, subjective norm and perceived behavioural control (Ajzen, 1991). The underlying factors of TPB have yet to be tested in examining the factors influencing participation in waqf unit trusts, which reflects the novelty of the study. In addition to enriching the literature in this field, the findings will serve as a wake-up call for various stakeholders, especially fund managers, waqf institutions and the general public. They will provide insights on how to diversify strategies and raise awareness about participating in waqf unit trust funds with the noble goal of achieving philanthropic impact investing through waqf.

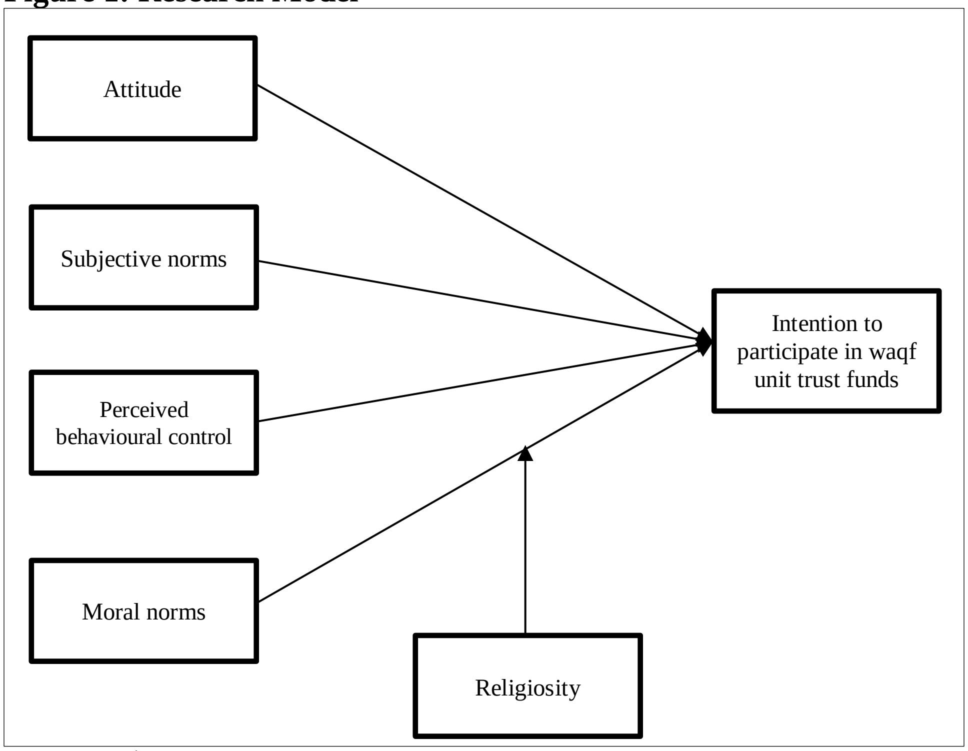
HYPOTHESIS DEVELOPMENT

Figure 1 illustrates the research model developed in this study. The proposed model explains the various elements that impact the willingness of Muslims to engage in waqf unit trust funds, as well as the function of religiosity in moderating the relationship between moral norms and the intention to join in waqf unit trust funds.

When assessing an individual's intention to use Islamic financial products, such as Islamic credit card (Amin, 2013; Ali *et al.*, 2017), Islamic insurance (Ab Rahim & Amin, 2011), Islamic banking (Lajuni *et al.*, 2017; Bananuka *et al.*, 2019), and personal financing (Amin *et al.*, 2011), attitude is considered the most important factor. Attitude refers to an individual's evaluation of certain concepts (Bagozzi, 1988). Put simply, an individual's overall attitude towards something or a certain activity significantly influences their intention to participate in that specific behaviour. Previous research has consistently demonstrated the substantial impact of individuals' attitude on their intention to use Islamic financial products (Md. Taib *et al.*, 2008; Lada *et al.*, 2009; Amin *et al.*, 2009). Hence, it is anticipated that attitude has an impact on the decision to participate in waqf unit trust funds. Therefore, the first hypothesis is formulated as:

H1: Attitude has a positive effect on an individual's intention to participate in waqf unit trust funds.

Figure 1: Research Model



Source: Authors' own

The role of subjective norms or social influence is frequently examined in studies related to intention to use Islamic financial products (Amin *et al.*, 2013). Subjective norms refer to the perceived societal pressure that influences an individual's decision to engage in or abstain from a particular action (Ajzen, 1991). The sources of perspectives can encompass viewpoints expressed by ulama (Muslim scholars), family members and peers, as well as Sharīʿah board members (Md. Taib *et al.*, 2008). Findings have demonstrated that subjective norms affect the use of Islamic credit cards, financing options, and Islamic fintech in the context of a person's intention to use Islamic financial products (Md. Taib *et al.*, 2008; Lada *et al.*, 2009; Amin *et al.*, 2009). Due to its significance in the present investigation, it is anticipated that:

H2: Subjective norms have a positive effect on an individual's intention to participate in waqf unit trust funds.

Perceived behavioural control is the individual's assessment of their ability to manage and accomplish a specific behaviour, taking into account prior experiences and anticipated obstacles and challenges (Ajzen, 1991). Research on customers' willingness to use Islamic financial products has demonstrated that perceived behavioural control has a substantial impact on their intent to employ Islamic banking (Amin *et al.*, 2014; Ayyub *et al.*, 2019). In this study, it is expected that perceived behavioural control will influence an individual's intention to join in waqf unit trust funds. Consequently, the third hypothesis can be formulated as:

H3: Perceived behavioural control has a positive effect on an individual's intention to participate in waqf unit trust funds.

Moral norms refer to expectations that people will act in certain ways, and these expectations are usually social in origin (Nielsen & McGregor, 2013). Within the Islamic faith, adherents are required to participate in acts of philanthropy, and waqf is one of the forms of charitable donation, alongside *ṣadaqah* (voluntary acts of charity) and *infāq* (voluntary spending for good causes). Waqf yields significant advantages, not just for the individual making the endowment, but also for the broader society (Shukor *et al.*, 2017). Prior research has established a correlation between moral standards and the inclination to engage in benevolent actions such as recycling (Botetzagias *et al.*, 2015), donating blood (Godin *et al.*, 2005; Godin *et al.*, 2007), and giving zakat (Andam & Osman, 2019). Therefore, the subsequent hypothesis is put forward as:

> H4: Moral norms have a positive effect on an individual's intention to participate in waqf unit trust funds.

Waqf donation might be considered one of the most significant manifestations of ethical conduct in contemporary society, as it is a voluntary contribution made for the welfare of others. In Islam, waqf is a highly valued act of worship that will be generously repaid by Allah (SWT). In a hadith narrated by Abū Hurayrah, the Prophet (SAW) said: 'When a man dies, all his acts come to an end but three: recurring charity (*ṣadaqah jāriyah*), knowledge by which [people are] benefited, and a pious child who prays for him' (Muslim, n.d., hadith no. 1631). Waqf contributions are a commendable means of supporting the expansion of the *ummah* (Muslim nation), fulfilling an Islamic religious duty, and attaining Allah's (SWT) blessings. Qurrata *et al.* (2020) found that religion significantly and positively influences an individual's inclination to make a financial waqf donation. He argues that the main factors influencing a person's decision to make a waqf donation are the medium of information and religiosity. Empirical research conducted by Sutarso (2022) reveals that religiosity has impact on behaviour. The study additionally verified that Muslims' opinions about participating in financial waqf are impacted by their degree of religiosity. Presumably, the study's location in Surabaya, a city predominantly inhabited by Muslims, contributed to this outcome. They likely recognised the importance of waqf in the advancement of the *ummah*. Based on the previous explanation, the effect of moral standards on people's intentions to join in waqf unit trust funds is expected to be more pronounced among religious Muslims who perceive contribution to waqf as a means to attain rewards and blessings from Allah (SWT). The aforementioned statement serves as the foundation for the subsequent hypothesis:

> H5: The influence of moral norms on an individual's intention to participate in waqf unit trust funds will be moderated by religiosity, such that the effect will be stronger for highly religious individuals.

METHODOLOGY

Sample and Procedure

The study employed an online survey to collect the data. An enumerator was appointed to distribute the survey questionnaires via social media platforms, mainly via WhatsApp and Facebook. The enumerator was provided with a comprehensive explanation of the research goals and the process for distributing the online survey questionnaires. Data collection was conducted over the course of four weeks. A total of 404 survey questionnaires were received and deemed adequate for further analysis. The IBM Statistical Package for Social Science (SPSS) version 24 software was utilised for analysing descriptive data, while the Smart PLS3.0 software was employed for conducting structural equation modelling.

Questionnaire and Measurement

The survey questionnaire consisted of two primary components. The initial phase of the survey encompassed inquiries regarding the demographic characteristics of the respondents, including gender, age, education and income. The second section of the questionnaire consisted of inquiries regarding the factors that influenced the respondents' decision to engage in waqf unit trust funds. The measurement of all items was conducted by the administration of a survey, where respondents were asked to rate their agreement on a five-point Likert scale, with '1' representing strong disagreement and '5' representing strong agreement. The measurement items were derived from previous studies with some alterations. The measurement of attitude involved the use of five items, including three items assessing subjective norms, four items assessing perceived behavioural control, 14 items assessing religiosity, five items assessing moral norms, and three items assessing purpose.

RESULTS AND FINDINGS

Demographic Profile of Respondents

Table 2 illustrates the respondents' profiles. In total, 46.5 per cent of the respondents were males and 53.5 per cent were females. The information on age demonstrated that more than half (71.8 per cent) were between 20 and 30 years, followed by respondents aged between 31 and 40 years (16.3 per cent), between 41 and 50 years (7.9 per cent), between 51 and 60 years (2.7 per cent), and between 61 and 70 years (1.2 per cent). With regard to educational background, 8.4 per cent attained secondary level education, 9.9 per cent hold a diploma or/and certificate, 71.5 per cent had a bachelor's degree, 7.4 per cent had a master's degree, and the remaining (2.7 per cent) had a PhD. In terms of the respondents' income, the majority (86.2 per cent) earned below MYR3,000 while 13.8 per cent of the respondents earned above MYR3,001. Forty-six per cent of the respondents worked in the private sector, 33.2 per cent declared themselves as students, 11 per cent were employed in the government sector, while self-employed and unemployed respondents represented 5.2 per cent and 4.5 per cent, respectively.

Table 2: Profile of Respondents

Demographic Variables	Category	Sample (N=404)	
		Frequency	Per cent (%)
Gender	Male	188	46.5
	Female	216	53.5
Age	20–30 years	290	71.8
	31–40 years	66	16.3
	41–50 years	32	7.9
	51–60 years	11	2.7
	61–70 years	5	1.2

Table 2: Profile of Respondents (Cont.)

Demographic Variables	Category	Sample (N=404)	
		Frequency	Per cent (%)
Education	Secondary school and below	34	8.4
	Diploma or/and Certificate	40	9.9
	Bachelor Degree	289	71.5
	Master	30	7.4
	PhD	11	2.7
Monthly Income	Below MYR1,000	152	37.6
	MYR1,001–2,000	60	14.9
	MYR2,001–3,000	136	33.7
	MYR3,001–4,000	26	6.4
	MYR4,001–5,000	6	1.5
	MYR5,001 and above	24	5.9
Occupation	Government	45	11.1
	Private sector	186	46.0
	Self-employed	21	5.2
	Unemployed	18	4.5
	Student	134	33.2

Source: Authors' own

Partial Least Squares (PLS) Path Modelling

In this study, PLS path modelling using the SmartPLS 3.0 software (Ringle *et al.*, 2015) was utilised to examine the measurement and structural model as it does not require normality assumption and survey research is typically not normally distributed (Chin *et al.*, 2003). As recommended by Anderson and Gerbing (1988), a two-step approach to test the model developed was followed. The two-step approach requires the researcher to establish a valid measurement model before testing the structural model.

Assessment of the Measurement Model

For the measurement model, loadings, average variance extracted (AVE) and composite reliability (CR) were assessed. The values of loadings should be ≥0.5, the AVE should be ≥ 0.5 and the CR should be ≥ 0.7. As shown in **Table 3**, the AVEs are above 0.5 and the CRs are all higher than 0.7. The loadings were acceptable with the exception of Moral1 (0.688), Rel13 (0.537), Rel14 (0.548), Rel11 (0.582), Rel12 (0.547), Rel10 (0.565), Rel9 (0.622), Rel8 (0.667), and Rel7 (0.674), which had low loadings value and were deleted.

The discriminant validity of the model was subsequently evaluated using the Heterotrait-Monotrait (HTMT) ratio of correlations. As shown in **Table 4**, all HTMT values were between 0.85 and 0.90, indicating that the constructs were distinct (Henseler *et al.*, 2015).

Table 3: Measurement Model

Construct Items	Loadings >0.7	AVE >0.5	Composite Reliability >0.7	Cronbach Alpha >0.7
Attitude				
Participating in waqf unit trust funds is beneficial (Att1)	0.717	0.648	0.902	0.864
Participating in waqf unit trust funds is rewarding (Att2)	0.764			
I have a positive perception of waqf unit trust funds (Att3)	0.852			
Participating in waqf unit trust funds is a good idea (Att4)	0.863			
I like waqf unit trust funds (Att5)	0.819			
Subjective Norm				
Most people who are important to me think I should participate in waqf unit trust funds (SubjNorm1)	0.869	0.746	0.898	0.830
My friends would think I should participate in waqf unit trust funds (SubjNorm2)	0.851			
It is expected of me that I should participate in waqf unit trust funds (SubjNorm3)	0.871			
Perceived Behavioural Control		0.675	0.893	0.840
I have the financial resources to donate waqf through unit trust funds (Pbc1)	0.827			
I have the ability to donate waqf through unit trust funds (Pbc2)	0.815			
I have the knowledge to donate waqf through unit trust funds (Pbc3)	0.826			
Participating in waqf unit trust funds is within my control (Pbc4)	0.819			
Moral Norm				
I think it is egoistic not to contribute to waqf unit trust funds at least once (Moral2)	0.745			
Contributing money conforms to my principles (Moral3)	0.744			
I think that not contributing to waqf unit trust funds is egoistic (Moral4)	0.777			
I would feel guilty if I do not contribute to waqf unit trust funds (Moral5)	0.808			
Intention				
I will choose waqf unit trust funds as a way for my charity (Int1)	0.774	0.671	0.911	0.877
Overall, I plan to participate in waqf unit trust funds (Int2)	0.808			
I will recommend waqf unit trust funds to my friends (Int3)	0.829			
My general intention to participate in waqf unit trust funds is high (Int4)	0.863			
I will think about opting for waqf unit trust funds (Int5)	0.819			
Religiosity				
I often read books and magazines about my faith (Rel1)	0.729	0.541	0.876	0.830
I make financial contributions to religious organisations (Rel2)	0.731			
I spend time trying to grow in understanding of my faith (Rel3)	0.790			
Religion is especially important to me because it answers many questions about the meaning of life (Rel4)	0.740			
My religious beliefs lie behind my whole approach to life (Rel5)	0.700			
I enjoy spending time with others who share my religious affiliation (Rel6)	0.717			

Source: Authors' own

Table 4: Assessment of Discriminant Validity

	1	2	3	4	5
1. Attitude	0.805				
2. Intention	0.554	0.819			
3. Moral Norm	0.252	0.465	0.769		
4. Perceived behavioural control	0.477	0.563	0.385	0.822	
5. Subjective norm	0.465	0.541	0.385	0.571	0.864
6. Religiosity	0.396	0.401	0.263	0.457	0.735

Source: Authors' own

Assessment of the Structural Model

The path coefficient estimates, which signify the hypothesised relationships among the constructs, were obtained. As such, the bootstrap procedure (n=402, sample=5000) was applied, as proposed by Hair *et al.* (2017). **Figure 2** provides the full estimates of the structural model along with **Table 5**, which describes the result of the proposed structural model with regard to the path coefficient standard error and t-statistics. The results revealed a significant positive relationship between attitude and intention (b = 0.273, t = 5.326, p = 0.000), hence supporting H1. The results also show a positive relationship between subjective norm and intention (b = 0.174, t = 2.667, p = 0.008) and a positive relationship between perceived behavioural control and intention (b = 0.211, t = 3.595, p = 0.000), thus H2 and H3 were supported. The results also show a positive relationship between moral norms and intention (b = 0.196, t = 4.090, p = 0.000), which supports H4.

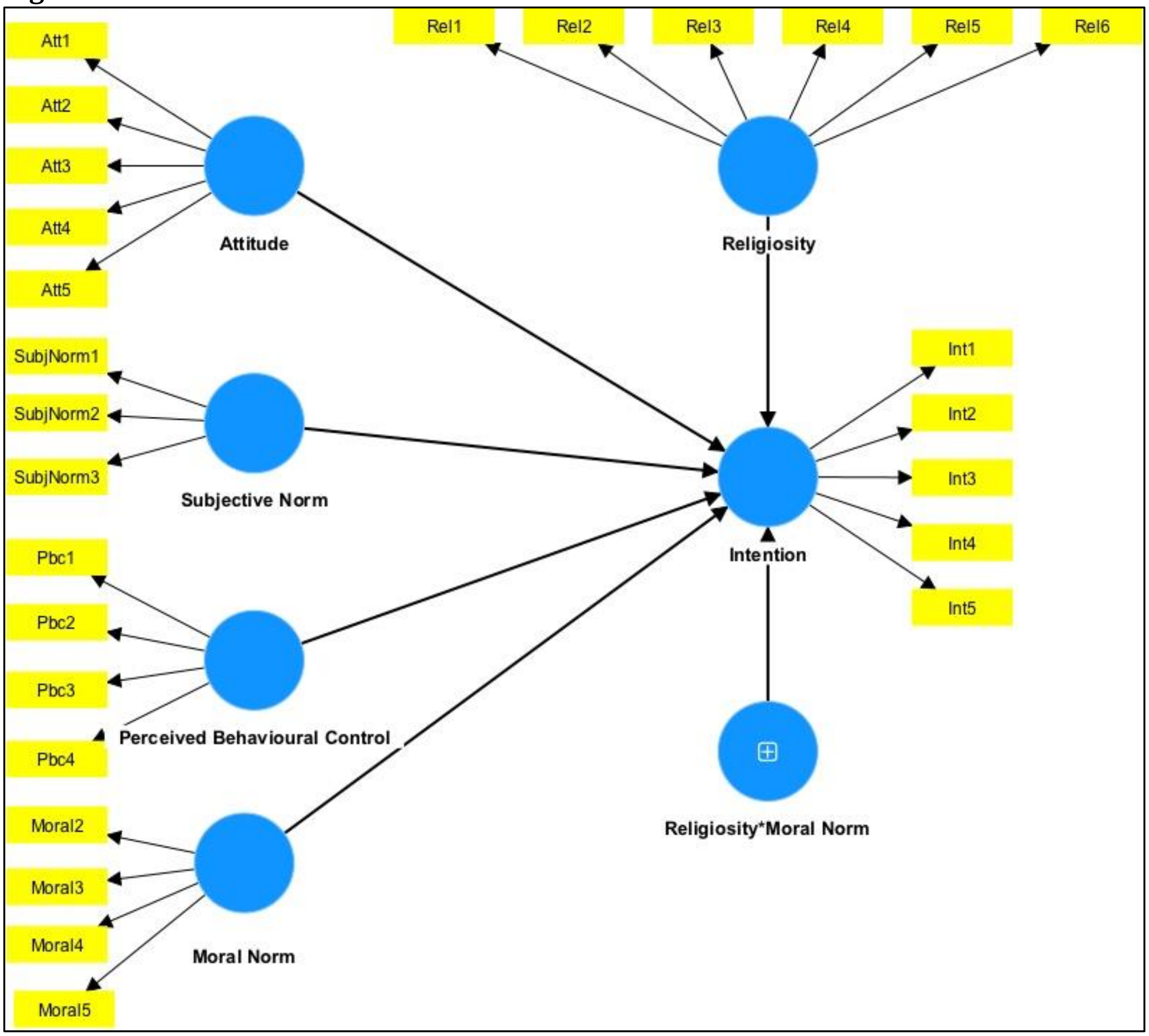
This study utilised the product indicator approach in Partial Least Square–Structural Equation Modelling (PLS-SEM) to test the moderation effect and find out how strong the effect of religiosity is as a moderator on the relationship between moral norms and intention. The product indicator method was used since the moderating variable (i.e., religiosity) was continuous in nature (Rigdon *et al.*, 2017). As shown in **Table 5**, religiosity moderates the relationship between moral norms and intention (b = 0.082, t = 2.420, p = 0.016), hence H5 was supported.

Table 5: Direct Relationships for Hypothesis Testing

Hypotheses		**Std Beta**	**Std Error**	**t-values**	**p-values**	**5% (LLCI)***	**95% (ULCI)****	**Decision**
H1	Attitude → Intention	0.273	0.274	5.326	0.000	0.190	0.358	Supported
H2	Subjective norm → Intention	0.174	0.173	2.667	0.008	0.063	0.278	Supported
H3	Perceived behavioural control → Intention	0.211	0.211	3.595	0.000	0.118	0.320	Supported
H4	Moral norm → Intention	0.196	0.197	4.090	0.000	0.117	0.275	Supported
H5	Moral norm*Religiosity → Intention	0.082	0.082	2.420	0.016	0.029	0.139	Supported

Source: Authors' own
*LLCI: Lower limit confidence interval
**ULCI: Upper limit confidence interval

Figure 2: Results of the Structural Model



Source: Authors' own

The R^2 value assessment, also called the coefficient of determination, is another important criterion that the PLS-SEM model suggests (Hair *et al.*, 2011; 2018; Henseler *et al.*, 2015). R^2 shows how much variation in the dependent variables can be explained by one or more predictor variables (Hair *et al.*, 2018). R^2 values range from 0 to 1, with 1 being the highest (most accurate) predictive accuracy score (Hair *et al.*, 2017). Therefore, the rule of thumb within the scholarly marketing articles is that 0.75, 0.50 and 0.25 are generally described as substantial, moderate and weak respectively (Hair *et al.*, 2017). In the present study, the R^2 value for intention is 0.514. This means that 51 per cent of the difference in intention can be explained by attitude, perceived behavioural control, subjective norm, and moral norms. Thus, keeping in view the threshold of R^2 being greater than 0.1, the R^2 value of 0.514 is deemed acceptable (Falk & Miller, 1992).

The effect size of the predictor constructs may be determined by using Cohen's f^2. The effect size f^2 defines how an independent latent variable shift is greatly affected by a change in R^2 from the dependent latent variable, where it shows the power that contributed to an endogenous construct in explaining an exogenous construct (Ramayah *et al.*, 2018). Generally, the f^2 values of 0.35, 0.15, and 0.02 are respectively considered as large, medium, and small in assessing the effect size (Cohen, 1988). **Table 6** shows that all the constructs have a small effect size. Thus, it can be concluded that all the relationships have a small effect in determining the R^2 for intention.

Table 6: Effect Size

Constructs	F Square	Effect Size Rating
Attitude	0.114	Small
Perceived behavioural control	0.044	Small
Subjective norm	0.039	Small
Moral norms	0.083	Small

Source: Authors' own

DISCUSSION

This study intends to examine the determinant factors that affect participation in waqf unit trust funds in Malaysia. The findings confirm that attitude is positively related to the intention in contributing to waqf unit trust funds. This implies that an individual's positive attitude towards waqf unit trust funds has a major impact on their willingness to contribute to the waqf fund. The findings corroborate earlier studies indicating that attitude significantly influences an individual's inclination to engage in Islamic financial products (Md. Taib *et al.*, 2008; Lada *et al.*, 2009; Amin *et al.*, 2009). If a significant number of investors perceive the waqf fund as the most suitable unit trust for their needs, it will result in a higher level of participation in waqf unit trust funds. Furthermore, this study reveals that the individual's intention to participate in waqf unit trust funds is determined by subjective norms. This discovery demonstrates that the social influence exerted by one's environment, including family and friends, significantly impacts an individual's decision to participate in waqf unit trust funds.

The positive relationship between perceived behavioural control and an individual's intention to participate in waqf unit trust funds implies that the value of waqf funds has fostered a favourable perception of individuals' behaviour. This, in turn, leads to a higher number of individuals contributing to waqf unit trust funds. The study's findings indicate that individuals' moral norms are significantly related to the intention to participate in waqf unit trust funds. Previous studies have shown that moral norms have a positive influence on the intention to perform kindness in donating blood, recycling and almsgiving (zakat) (Godin *et al.*, 2005; Botetzagias *et al.*, 2015; Andam & Osman, 2019). An individual's moral norm vis-à-vis the waqf fund plays a crucial role in deciding their intention to participate in waqf unit trust funds. The waqf unit trust fund can yield significant benefits for both the endower and the wider society if there are positive expectations associated with it (Shukor *et al.*, 2017).

The study confirmed that religiosity plays a moderating role in influencing the connection between moral norm and the intention to engage in waqf unit trust funds. The results demonstrate that religiosity significantly and positively influences an individual's decision to make a financial waqf contribution (Qurrata *et al.*, 2020). Waqf is a form of worship that is highly regarded and will be greatly rewarded by Allah (SWT). Research has demonstrated that the influence of moral norms on individuals' intention to participate in waqf unit trust funds is more pronounced among devout Muslims who feel motivated to contribute waqf in order to receive rewards and blessings from Allah (SWT).

PRACTICAL IMPLICATIONS

Participation in waqf unit trust funds has been relatively low since the inception of this waqf product approximately a year ago in 2023. Thus, it is important to get strong support and wide participation of investors in achieving the philanthropic objectives embedded in each fund to ensure the success of impact investing. Increasing awareness about waqf unit trust funds is crucial for individuals to understand the power of combining investment and charity. It requires a well-rounded strategy that combines informative communication, targeted outreach, and collaboration with key stakeholders.

The results of this study suggest a number of practical initiatives that can be introduced by waqf institutions and investment fund companies to encourage Muslim participation in waqf unit trust funds. Findings from this study show that an individual's attitude, subjective norms, perceived behavioural control and moral norms play important roles in influencing them to participate in waqf unit trust funds. As such, partnering with religious institutions and community organisations can help reach a broader audience and foster trust as well as confidence in the concept of waqf unit trust and its benefits. Investment fund companies could promote waqf unit trust funds at mosques or during religious gatherings such as Friday sermons to raise awareness on the newly launched waqf product. The imam at the mosque could provide information on waqf unit trust funds, as the opinions of Muslim scholars have significant importance among Muslims. Furthermore, the promotion of waqf unit trust funds at mosques or religious gatherings would effectively incentivise religious individuals to engage in such funds, as religious individuals are more inclined to participate in religious activities (Worthington Jr. *et al.*, 2003) and exhibit a greater intention to participate in waqf unit trust funds.

One possible course of action is to actively involve community leaders such as politicians and social influencers in promoting the use of waqf unit trust funds and increasing awareness of their potential as a sustainable and meaningful social finance model. In addition, it is crucial to consistently engage with the community by organising educational seminars, workshops and awareness campaigns to provide in-depth knowledge about the concept of waqf unit trusts. Testimonials from beneficiaries of waqf unit trusts could be influential in gaining support and establishing credibility, as individuals are typically motivated by the experiences and accomplishments of others (Akhter *et al.*, 2023. Implementing a targeted marketing campaign that highlights the impact of waqf on community development and social welfare will effectively enhance awareness and stimulate enthusiasm in participation (Nadya *et al.*, 2023).

Utilising social media, digital platforms, or dedicated websites to promote waqf has proven effective in reaching a broader spectrum of individuals (Ismail *et al.*, 2023). Such websites would enable individuals to obtain knowledge and resources and be apprised of success stories pertaining to waqf unit trust funds. Additionally, it is worth considering the potential of religious apps in promoting individuals' involvement in waqf unit trust funds. This initiative possesses the capacity to extend its reach to a broader audience and offer increased opportunities for individuals to participate in novel financial products that incorporate the waqf feature. Leveraging digital marketing tools such as email marketing and search engine optimisation can enhance the visibility of charitable investments like waqf unit trust funds (Ismail & Rasool, 2021). The creation of user-friendly online and mobile platforms, coupled with offering personalised financial planning services, will ensure accessibility and enhance individuals' confidence in participating.

Moreover, collaborating with local media outlets to showcase articles, interviews and documentaries regarding waqf unit trusts would help amplify the message and generate extensive awareness. For instance, the fund managers could partner with local radio stations to effectively communicate with the public and deliver trustworthy information and engaging narratives that emphasise the significance and influence of waqf unit trust funds.

In a nutshell, to effectively raise awareness and promote participation in waqf unit trusts, it is crucial to adopt a comprehensive strategy that encompasses informative communication, targeted outreach, collaboration with relevant stakeholders, incentives and promotions, as well as the sharing of success stories and personal testimonials (Kunhibava *et al.*, 2023).

CONCLUSION

In conclusion, this study has examined the factors that influence individuals' intention to participate in waqf unit trust funds, shedding light on the dynamics of Islamic philanthropic investments in Malaysia. The findings of this study have significant implications for both academia and practice in the field of Islamic finance. The present study confirms the results of previous research (Godin *et al.*, 2005; Md. Taib *et al.*, 2008; Lada *et al.*, 2009; Amin *et al.*, 2009; Botetzagias *et al.*, 2015; Andam & Osman, 2019) by demonstrating that attitudes, subjective norms, perceived behavioural control, and moral norms have an impact on individuals' intention to participate in waqf unit trust funds. Moreover, individuals' intention to participate in waqf unit trust funds is influenced by their level of religiosity. This study shares certain limitations that are comparable to those found in other investigations.

The primary emphasis of this study is the participation of Muslims in newly established waqf unit trust funds. The findings can be utilised by waqf unit trust managers in Malaysia to develop effective marketing strategies to promote Muslim engagement in waqf unit trust funds. Participation in waqf unit trusts is not limited to Muslims; hence, future studies can be conducted to cover a wider base of respondents, including non-Muslims. Furthermore, future research should investigate the elements that influence an individual's actual behaviour in contributing to waqf unit trust funds, as well as their intention to continue participating in such funds. Additionally, further investigation should examine the impact of characteristics such as credibility and reputation of waqf institutions and fund managers that can influence the public to participate in waqf unit trust funds.

To sum up, by participating in waqf unit trust funds, individuals can contribute to initiatives such as education, healthcare and poverty alleviation. Moreover, investing in waqf unit trust funds enables individuals to satisfy their religious and ethical obligations by engaging in charitable activities through a reliable and transparent financial instrument that embeds the waqf feature.

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DECLARATION

Credit Authorship Contribution Statement

- Syahnaz Sulaiman: Conceptualization; Data collection; Writing original draft; Review; Editing; Grant owner; Financing acquisition
- Syadiyah Abdul Shukor: Data collection; Methodology; Writing original draft; Editing; Validation
- Amalina Mursidi: Formal analysis; Writing; Editing; Validation
- Muhammad Ridhwan Ab. Aziz: Review; Validation; Editing

Declaration of Competing Interest

The authors declare that they have no known competing financial interest or personal relationships that could have influenced the research work.

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Ethical Statement

The authors declare that they understand the Ethical Guidelines and have adhered to all the statements regarding ethics in publishing. They also confirm that this paper is original and has not been published in any other journal nor is under consideration by another publication.

Data Availability
None

Disclaimer
The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

Appendix
None

FACTORS AFFECTING STUDENTS' INTENTION TO DONATE CASH WAQF: THE MEDIATING ROLE OF LITERACY IN INDONESIA

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ABSTRACT

Purpose — This paper analyses the factors that influence the intention to donate cash waqf among students in Indonesia, with waqf literacy as a mediating variable.

Design/Methodology/Approach — This research uses partial least squares structural equation modeling (PLS-SEM) to test the proposed model based on a sample of 80 Islamic economics students at public and private universities in Bandung Indonesia.

Findings — The findings show that, first, the intention of students to give cash waqf for charitable and/or social purposes is affected by the level of education and the level of religiosity, whereas the variable 'access to social media information' is not found to be significant. Second, the literacy level about cash waqf among students is influenced by the level of education and access to media information, while the level of religiosity is not significant. Third, the level of cash waqf literacy does not mediate the influence of education level, the level of access to media information, and the level of religiosity on the intention to give cash waqf.

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Originality/Value — The mediating role of literacy adds originality and value in discovering students' willingness to participate in cash waqf, a form of Islamic charity involving cash donations. By identifying the barriers and motivation for participation, the study provides practical suggestions for educational institutions to implement educational programmes, allocate financing, and develop awareness campaigns to promote a culture of giving and social responsibility among students.
Research Limitations/Implications — The findings in this study are limited only to the region of Bandung; therefore, conducting research in different contexts could provide further insights.
Practical Implications — This study highlights the important role of the level of education in increasing the level of literacy and the intention to donate cash waqf among students. The implication is that universities are invited to offer innovative patterns of waqf education and training. By providing a clear understanding of cash waqf awareness among college students, this research can assist in designing appropriate literacy and educational campaigns.
Keywords — Access to media information, Education, Intention to donate cash waqf, Religiosity, Waqf literacy
Article Classification — Research paper

INTRODUCTION

Research on waqf has been a subject of keen interest among researchers, mainly because it has the potential to enhance socio-economic development. Different areas have been studied concerning the subject of research, but some of the most researched areas include cash waqf and waqf financing (Sukmana, 2020; Alshater *et al.*, 2021; Juliana *et al.*, 2022; Arzam *et al.*, 2023). Waqf plays an important role in facilitating finance by generating sufficient cash to support higher education institutions in many countries (Khan, 2015; Mahamood & Asmak, 2015; Kasdi, 2018; Usman & Asmak, 2020; Rodame *et al.*, 2021; Berakon *et al.*, 2022; Jatmiko *et al.*, 2023). It can considerably benefit higher education institutions by providing financial support to both students and the institutions themselves (Carabain & Bekkers, 2011; Mohsin, 2013; Al-Harethi, 2019; Indrianti *et al.*, 2021; Kamarni *et al.*, 2024). In doing so, waqf can assist governments reduce the financial burden of subsidising education. As a result, waqf can operate as a mechanism that decreases reliance on government support while providing major fiscal benefits (Arif, 2012; Fawwaz *et al.*, 2021; Kurjono *et al.*, 2022; Hotimah & Suprayogi, 2023).

However, realising this potential has its challenges, as the level of waqf literacy in Indonesia is relatively low, with a national Waqf Literacy Index score of 50.48 (Badan Wakaf Indonesia, 2020). This lack of literacy and education about waqf has resulted in the suboptimal collection of funds for waqf, including cash waqf, in the country. These funds were significantly lower than their potential value in 2019 (Kemenkeu, 2019; KNKS, 2019; Rahmania & Maulana, 2023). Therefore, there is a need to introduce cash waqf from an early age to the academic community, especially students, through campaigns and educational initiatives (BAPPENAS, 2018). However, formal and informal information and studies on waqf in schools still need to be included (KNKS, 2019).

As a result, universities are encouraged to adopt educational models that promote the intention of waqf donation among students, particularly those majoring in Islamic economics. There is a growing concern among public actors in the national waqf movement regarding the intention to donate cash waqf among Indonesian millennials (Nour Aldeen *et al.*, 2022). Efforts to promote cash waqf should focus on providing a deeper understanding of how this concept differs from other types of Islamic philanthropy.

Specifically in the context of university students in Bandung, Indonesia, further exploration is required to identify the variables that sway Islamic economics students' willingness to contribute waqf. Grasping students' stance on cash waqf donation has become crucial since they will steer the future of Islamic economics. Prior analyses have pinpointed predictors for donation objectives, but the subject of waqf and the intention to donate among Islamic economics' students has received little consideration (Johari *et al.*, 2014; Amin *et al.*, 2014; Osman, 2014; Mokthar, 2016; Rizal & Amin, 2017; Amalia & Puspita, 2018; Ratnasari & Arifin, 2018; Jazil *et al.*, 2019; Abdulkareem *et al.*, 2020; Hiyanti *et al.*, 2020).

The core objective of this work is to provide empirical backing to the idea that undergraduates at public and private institutions in Bandung, Indonesia are willing to contribute towards cash waqf. The paper aims to examine the impact of religion, education, and access to media on donation goals and how the level of waqf literacy mediates the effects of these factors on students' intention to donate cash waqf.

This article starts by conducting an extensive literature review to achieve its ends. Then, it proceeds to model the students' intention to donate cash waqf. The study's methodology is thereafter presented. Key results are then discussed, highlighting this work's contributions, limitations, and perspectives.

LITERATURE REVIEW

Intention to Donate Cash Waqf

Cash waqf refers to setting aside or donating cash by an individual, group, institution, or legal entity for productive management, either temporarily or permanently. According to Fishbein and Ajzen (1975), intention refers to the willingness of an individual with preparatory cognition or volition to carry out a certain act. It is designed to proximate those factors that drive behaviour just before the action, especially control and subsequently regarded as directly linked to the likelihood of action (Armitage & Conner, 2001; Webb & Sherran, 2006; Osman *et al.*, 2016; Syafira *et al.*, 2020).

In the context of cash waqf, the term 'intention to donate cash waqf' can be understood as the willingness or readiness of individuals, groups, institutions, or corporations to contribute to waqf through cash donations (Mohd *et al.*, 2018; Alzoubi, 2019; Mahri *et al.*, 2022).

Level of Education and Intention to Donate Cash Waqf

Education is another important factor as it impacts one's thinking patterns and broadens an individual's knowledge concerning the subject, including the intention to donate. Several studies confirm this phenomenon. According to Johari *et al*. (2014), formal Islamic education from universities in Malaysia results in 51 per cent of respondents' willingness to donate cash waqf. Likewise, Amalia and Puspita (2018) found a similarly high rate that exceeds 50 per cent in Jakarta, Indonesia, proving that education affects people's intention to participate in cash waqf. In their study in Central Java, Tho'in and Marimin (2019) obtained a comparable result regarding the impact of education on the intention to make waqf donations.

In this regard, it can be said that educated people are in the process of learning, studying, gaining expertise, drawing their own conclusions and making correct decisions, including the decision to take part in waqf donations. Thus, the following hypothesis is proposed:
H1: The level of education has a positive effect on the intention to make cash waqf donations.

Access to Media Information and Intention to Donate Cash Waqf

The amount of media information accessed by the public on cash waqf through print, electronic, or internet sources is predicted to arouse awareness and understanding of this concept, resulting in curiosity and willingness to donate cash waqf in the future.

For example, by considering the case of online waqf application processes in Indonesia, the Technology Acceptance Model (TAM) rightly attributes the increase in acceptance from the user's side to the availability of information (Faturohman *et al.,* 2020). The study conducted by Amadea and Nafis (2017) also demonstrated various media communications that might affect the intention of the waqf community at Al-Azhar Jakarta, which include word of mouth, formal media communication, and mobile communication. Other research conducted by Abdulkareem *et al.* (2020) in Oyo state, southwestern Nigeria, showed a significantly positive impact of information access on respondents' intention to donate cash waqf. In addition, studies conducted by Amin *et al.* (2014), Ismail (2020), Jamil (2020), Adirestuty *et al.* (2021) and Juliana *et al.* (2023), investigated factors affecting the acceptance of online waqf, also called Islamic e-donations, in Malaysia and the amount of information is one of the factors used to measure the variable in those studies.

Based on the discussion in the above studies, the following hypothesis is proposed:
H2: Access to media information has a positive and significant impact on the intention to make cash waqf donations.

Religiosity and Intention to Donate Cash Waqf

Religiosity, as defined by McDaniel and Burnett (1990), denotes belief in God and adherence to divine law (Mahudin *et al*., 2016; Kasri & Chaerunnisa, 2020). Those who are religious are likely to engage in acts of kindness, such as giving their earned money to cash waqf, as part of their efforts to realise *ihsan* (excellence) with a strong faith and heart.

Several studies have investigated how religiosity affects the intention to make waqf contributions among Muslims in Malaysia. Osman (2014) found that religiosity specifically elevated waqf donations among young intellectuals at the International Islamic University Malaysia. Similarly, Osman *et al*. (2016) found cognitive variables such as religiosity and factors such as behavioural control and trust that could be associated with the intention to donate. Other authors such as Amin *et al*. (2014), Mokthar (2016), and Rizal and Amin (2017) also found that religiosity can have significant positive impacts on the intention to donate among Malaysians. The study conducted by Shukor *et al.* (2017) found that determinants such as religiosity, trust in waqf institutions and convenience in using waqf were predictors of Malaysian Muslims' attitudes towards cash waqf, leading them to engage in waqf-related activities.

In Indonesia, it has been shown that Islamic religiosity significantly and positively influences equity investment intentions (Sahal *et al*., 2020). Qurrata *et al*. (2020) indicate a strong association between mass media communications, Islamic religious feelings, and the intention to make financial donations. Ash-Shiddiqy (2018) employed probit regression analysis to assess Indonesians' interest in cash waqf and found the people's significantly high interest in cash waqf as a result of belief or religiosity. Kasri and Chaerunnisa (2020) found that knowledge, faith and religiosity positively explained the intention to give online cash waqf donations among Indonesian millennials.

Based on the studies mentioned above, the following hypothesis is proposed:
H3: The level of religiosity positively affects the intention to make cash waqf donations.

Cash Waqf Literacy

According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), literacy can be divided into three parts: the most basic skills include the ability to write, read and speak; then, literacy is assessed by the ability to count and manipulate numbers; and the next level is the ability to access information and knowledge (Pusat Kajian Stratejis BAZNAS, 2019).

Antara and Hassan (2016) define literacy as the skill, knowledge and mindset to change one's behaviour and choices on a particular subject. Meanwhile, OJK (2017) describes financial literacy as the understanding, skills, knowledge and beliefs that help people make better decision-making processes in financial management before finally influencing attitudes and behaviour to achieve good financial health.

Level of Education and Cash Waqf Literacy

Education, whether formal or informal, plays a vital role in improving literacy, especially cash waqf literacy. The study conducted by Kaiser and Menkhoff (2017) shows that financial literacy has an impact on financial behaviour. Furthermore, successful interventions are contingent upon expanding education levels and delivering financial literacy at appropriate times.

A study published by Lusardi (2019) points out that various types of programmes, such as financial education in schools, colleges, workplaces and communities help to promote access by individuals to financial instruments on the market. Similarly, a study by Kalwij *et al.* (2019) revealed a correlation between financial literacy and savings behaviour as well as investment attitude among schoolchildren in the Netherlands. According to Md. Sapir *et al*. (2020), students who participated in economics classes were found to have higher financial knowledge levels. Nafi'uddin and Marlina (2019) also found that education about cash waqf has a positive effect on *nāẓirs'* (waqf administrators) understanding of cash waqf when they manage productive waqf properties in Malang, Indonesia, with 78 per cent of *nāẓirs* having an accurate grasp of what productive cash waqf is.

Therefore, based on these findings, the following hypothesis is proposed:

H4: The level of education positively affects the level of cash waqf donations.

Media Information Access and Cash Waqf Literacy

Usage skills refer to the ability to access and manipulate media, including criteria such as media literacy, balanced positive media use, and taking advantage of media utilisation (Kurniawati & Baroroh, 2016). Research by Utami *et al.* (2019) demonstrates that the involvement of members of the Muhammadiyah Yogyakarta Indonesia in socio-religious organisations, their access to mass media and financial technology, their adherence to religion, and their access to Islamic institutions significantly influence their understanding of cash waqf.

Hakiki *et al.* (2020) conducted research showing that the Indonesian people, especially millennials, exhibit positive responses, attitudes, and interest in using 'waqf_edumedia' to enhance waqf literacy through an Instagram account platform. The Instagram platform (waqf_edumedia) is considered a gateway to increasing waqf literacy for the millennial generation. Qurrata *et al.* (2020) used structural equation modeling (SEM) in Indonesia and found a significant relationship between media, Islamic religiosity, and perceptions of contributing to cash waqf.

Based on the findings above, the following hypothesis is developed:

H5: Access to media information positively affects the level of cash waqf literacy.

Religiosity and Cash Waqf Literacy

Mustofa (2020) found in his study on students in Semarang, Indonesia, that religiosity has a direct and positive impact on increasing Islamic financial literacy and inclusion. Therefore, a higher level of religiosity is associated with higher literacy. Based on the insights from previous studies and research, the following hypothesis is developed:

H6: The level of religiosity has a positive effect on the level of cash waqf literacy.

Cash Waqf Literacy and Intention to Donate

Nour Aldeen *et al.* (2022) explore the concept of cash waqf in the context of Indonesian millennials and their intention to donate cash waqf. Utilising a sample of Java's millennial population, the study combines questionnaire surveys with semi-structured interviews of waqf authorities from various BWI (Indonesian Waqf Board) agencies, notably Dompet Dhuafa and Indonesian Waqf Education Foundation. The results demonstrated that Indonesian millennials already possess a considerable level of understanding of cash waqf. In the future, the promotion of cash waqf needs to focus on fostering a deeper understanding among these millennials to distinguish it from other forms of Islamic charitable giving. The research outcomes suggest the need for increased openness among domestic waqf administrators (*nāẓir*). Additionally, it is recommended that the Indonesian Waqf Board implement more rigorous monitoring regulations.

Hiyanti *et al*.'s (2020) research findings demonstrated that literacy and religiosity have a significant positive effect on the intention to donate to cash waqf link-*ṣukūk* (CWLS). This result shows that communities with higher literacy levels and stronger religiosity will be more likely to have the intention to donate to CWLS. The same result appears in the study carried out by Hayati *et al.* (2020).

Moreover, using structural equation modeling and the theory of planned behaviour, Kasri and Chaerunnisa (2020) probed how knowledge, belief and religiosity contribute to the intention to donate in the Indonesian Muslim community's millennial generation. Their results indicate that all the factors positively impact on Indonesian millennials' inclination to donate money to online cash waqf. The dominant factor in forming attitudes was found to be religion. Knowledge was found to be less important, but it was an important variable that impacted on people's thinking and action patterns.

In the case of waqf understanding, all the variables, including basic comprehension of waqf, understanding its benefits and appreciation of its methods, have a collective effect on the intention to donate money to waqf. Additionally, a partial understanding of waqf benefits has a positive impact on the intention to participate and make waqf payments, as evidenced in the research by Hashim (2019) and Latif *et al.* (2021).

Furthermore, Jazil *et al.* (2019) found that literacy and trust in waqf in Bogor, Indonesia, influenced waqf motivation. Similarly, Sardiana and Zulfison (2018) agreed that Islamic financial literacy influences the allocation of public funds at Ziswaf Dompet Dhuafa and LAZ Al-Azhar. Rasela's (2021) research on the effect of waqf literacy on students' interest in waqf donation revealed that the interest of waqf students showed significant positive results.

Based on the above analysis and the research described earlier, the following hypotheses can be formulated in this study:

H7a: The literacy level of cash waqf has a positive effect on the intention to make cash waqf donations.

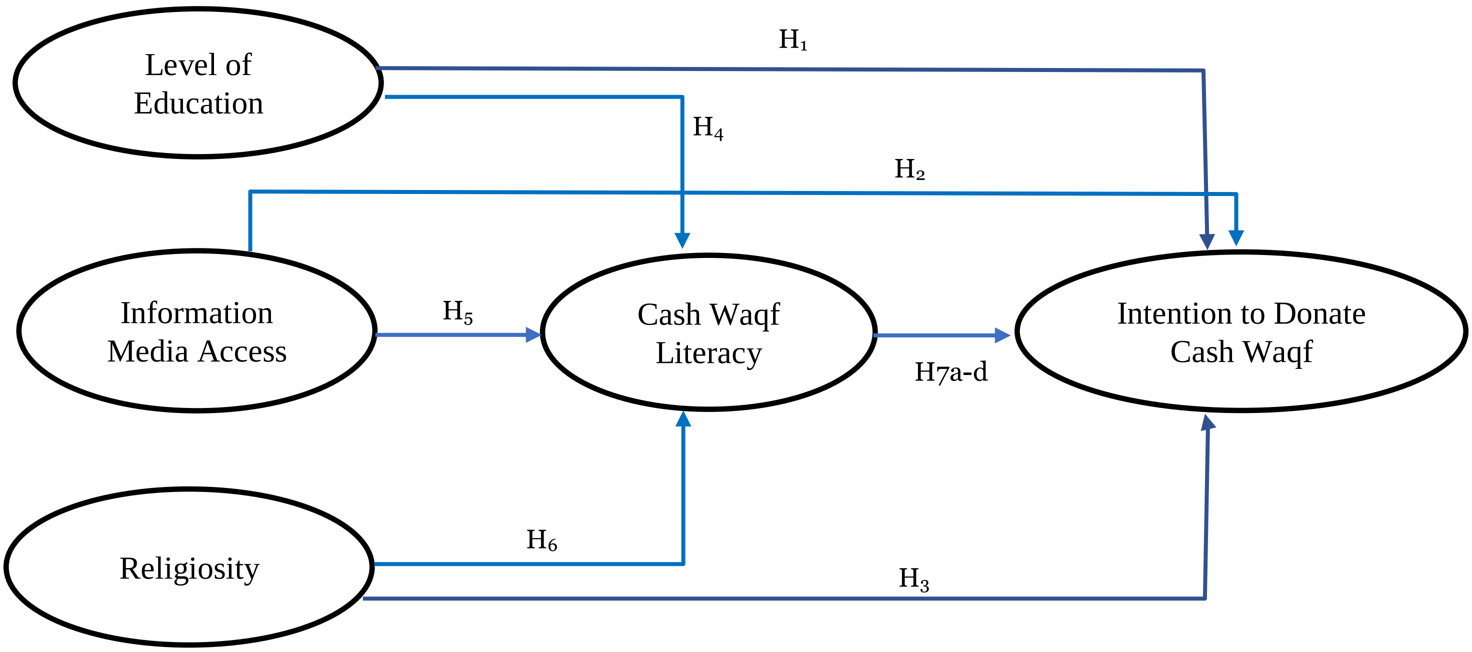
H7b: The literacy level of cash waqf mediates the effect of the education level on the intention to donate cash waqf.

H7c: The literacy level on cash waqf mediates the effect of access to media information on the intention to donate cash waqf.

H7d: The literacy level on cash waqf mediates the influence of the level of religiosity on the intention to make cash waqf donations.

The research model can thus be illustrated in **Figure 1**.

Figure 1: Research Framework



Source: Authors' own

METHODOLOGY

Data Collection and Sampling Techniques

The primary data were collected through an online questionnaire from a sample of students majoring in Islamic economics who met the following specific criteria:

1. Indonesian citizens
2. Followers of Islam
3. Enrolled in the department or study programme of Islamic economics at specific universities, namely the Indonesia University of Education (UPI), Padjadjaran University (UNPAD), Sunan Gunung Djati State Islamic University of Bandung (UIN SGD), and Bandung Islamic University (UNISBA)
4. Students from the 2018, 2019 or 2020 intakes

The researchers obtained a sample of 80 respondents who met the above-mentioned criteria. Among the respondents, 72.5 per cent were female, and 27.5 per cent were male. Additionally, 64 per cent of the students entered in 2019, while 19 per cent joined in 2018 and 17 per cent in 2020. Most respondents (75%) were UPI students.

The researchers utilised partial least squares regression (PLS), a technique for structural equation modeling (SEM), to analyse the data (Latan & Ghozali, 2017). The stratified sampling technique used was probable, targeted sampling. PLS-SEM can be employed with small sample sizes, even for complex models (Hair *et al*., 2014). The minimum sample size for PLS-SEM is typically ten times the maximum number of independent variables for external and internal models (Hair *et al.*, 2012).

The researchers employed PLS-SEM with the assistance of the SmartPLS 3 application to process the questionnaire data. PLS-SEM allowed for the simultaneous analysis of constructs with reflexive indicators and formative indicators, a feature not possible in covariance-based SEM due to the occurrence of unidentified models (Latan & Ghozali, 2017).

The items included in the questionnaire are provided in **Table 1**.

Table 1: Item Measurement

Items	Code	References
Intention to Donate Cash Waqf		
• I will choose cash waqf as my form of charity	NBT1	Osman (2014)
• I intend to contribute to cash waqf in the future	NBT2	Rizal & Amin (2017)
• My general intention to donate cash waqf is very high	NBT3	Kasri & Chaerunnisa (2020)
• I will donate cash waqf more often during Ramadan	NBT4	Authors' own
Cash Waqf Literacy		
• I have general knowledge about cash waqf	LWT1	Pusat Kajian Stratejis
• I know about the characteristics of cash/money waqf objects	LWT2	BAZNAS (2019)
• I know about the regulations governing cash waqf in Indonesia	LWT3	MUI (2002)
• I am aware of the fatwa of the Indonesian Ulema Council (MUI) regarding cash waqf	LWT4	Izzah & Nasution (2021) Authors' own
• I know about the pillars and conditions of cash waqf	LWT5	
Level of Education		
• I diligently attend lectures on campus about cash waqf	TP1	Lusardi (2019)
• My knowledge of cash waqf, in general, is mostly obtained from teachings on campus	TP2	Md. Sapir *et al.* (2020) Authors' own
• Much of my understanding of the pillars and conditions of cash waqf is obtained from teachings on campus	TP3	
• I am one of those who diligently participate in religious studies activities, including cash waqf	TP4	
• Seminars or workshops that I attended have increased my knowledge about cash waqf	TP5	
Information Media Access		
• I often get information about cash waqf from printed media such as books, articles or magazines	AMI1	Pikkarainen *et al.* (2004) Amin *et al.* (2014)
• I often get information about cash waqf from social media	AMI2	Kurniawati & Baroroh
• I often look for information about cash waqf via the internet	AMI3	(2016)
• I have a collection of cash waqf materials from various media information	AMI4	Authors' own
• I often share information about cash waqf through social media	AMI5	

Table 1: Item Measurement (Cont.)

Items	Code	References
Religiosity Level		
• I avoid behaviours that will be punished in the afterlife	TR1	Mahudin *et al.* (2016)
• I try to follow my *aql* (rationality) more than my *nafs* (lust)	TR2	
• Every moment in life, I aim to strengthen my relationship with Allah (obey Allah)	TR3	
• I teach (remind) my friends to always remember Allah and all His greatness	TR4	
• I feel bad when I do something that is forbidden even though I know other people are doing it too	TR5	
• I am happy with what I have	TR6	

Source: Authors' own

Data Analysis

Data analysis for the research involves three main steps. First, the model parameters in **Figure 1** are estimated using the PLS-SEM algorithm. The algorithm uses the ordinary least squares (OLS) method in two iteration stages: create score estimates and estimates for the external load (l), path coefficient (ρ), and R^2 values for dependent variables. The measurement model (external model) is then scored for validity and reliability using nonparametric scoring criteria, bootstrapping, and blinding techniques. This assessment focuses on internal consistency (composite reliability), reliability measures, convergent validity (sampled mean-variance), and discriminant validity. Finally, structural (internal) models are evaluated by testing for collinearity, examining the importance of relationships within the model, and measuring R^2 values. The test for mediation effects follows the procedure of Baron and Kenny (1986) and includes three models assessing the influence of extrinsic and mediating variables on dependent variables. Suppose the effect of the independent variable on the dependent variable is not significant, but the effect of the parametric variable is significant, then it is confirmed that the parametric variable mediates the effect of the independent variable on the dependent variable (Latan & Ghozali, 2017).

RESULTS AND DISCUSSION

Evaluation of Measurement Models

Convergent validity is evaluated by examining the correlation between the item score or component score and the construct score, which is calculated by PLS from the measurement model and the indicator reflective model. A reflective measure is considered to have high validity if it exhibits a correlation of more than 0.70 with the construct being measured. However, for early-stage research, according to Latan & Ghozali (2017), a loading value of 0.5 to 0.60 is considered sufficient for the development of a measurement scale.

To assess convergent validity, three indices are considered: factor loadings, average variance extracted (AVE), and composite reliability (CR). After removing six items with poor outer loading values (NBT1, NBT4, TP4, TP5, TR5, and TR6), the remaining indicators in the study effectively represent the latent variables and the underlying constructs. The convergent validity results, as shown in **Table 2,** show that both the external loadings and AVE in this study meet the standard requirements.

Table 2: Convergent Validity Results

Construct	Items	Outer Loading (>0.7)	Cronbach's Alpha (α>0.7)	Rho-A (>0.7)	Composite Reliability (>0.7)	AVE (>0.5)
Level of Education	TP1 TP2 TP3	0.756 0.873 0.834	0.815	0.827	0.891	0.734
Information Media Access	AMI1 AMI2 AMI3 AMI4 AMI5	0.724 0.772 0.825 0.797 0.705	0.830	0.877	0.876	0.587
Religiosity Level	TR1 TR2 TR3 TR4	0.744 0.873 0.818 0.834	0.836	0.855	0.890	0.670
Cash Waqf Literacy	LWT1 LWT2 LWT3 LWT4	0.847 0.874 0.884 0.908	0.903	0.920	0.931	0.772
Intention to Donate Cash Waqf	NBT2 NBT3	0.914 0.909	0.796	0.796	0.907	0.831

Source: Authors' own

A high value of composite reliability indicates that each indicator's consistency in measuring its corresponding construct is stable and reliable. It uses Cronbach's alpha and composite reliability as measurement indexes, with a range from 0 to 1. The smaller this number is, the more likely it represents a stronger estimated reliability for indicators (Hair *et al*., 2016). In the current study, all variables have Cronbach's alpha and composite reliability values above 0.7, meaning that all latent variables are reliable and the model possesses an extremely good level of reliability as well.

To assess discriminant validity, two criteria were considered: square root of the AVE (Fornell & Larcker, 1981) and cross loadings (Leguina, 2015). As **Tables 3** and **4** show, both criteria were used to test the discriminant validity of the five latent variables. According to the criteria from Fornell and Larcker (1981), discriminant validity exists when the square root of AVE for each construct is greater than its correlation with other constructs.

Based on the results of the discriminant validity testing in **Table 3** and considering the criterion of cross loading, it can be seen that all the five latent variables in this study have greater correlations with their own indicators than they do with other constructs. This confirms the discriminant validity among these five latent variables.

Table 3: Discriminant Validity–Cross Loading Criterion

	Level of Education (X1)	Information Media Access (X2)	Religiosity Level (X3)	Cash Waqf Literacy (Y1)	Intention to Donate Cash Waqf (Y2)
TP1	**0.756**	0.311	0.526	0.293	0.403
TP2	**0.896**	0.382	0.301	0.378	0.303
TP3	**0.909**	0.352	0.288	0.459	0.362
AMI1	0.330	**0.724**	0.312	0.327	0.087
AMI2	0.329	**0.772**	0.320	0.244	0.234
AMI3	0.364	**0.825**	0.411	0.370	0.349
AMI4	0.255	**0.797**	0.203	0.265	0.093
AMI5	0.234	**0.705**	0.279	0.219	0.057
TR1	0.318	0.207	**0.744**	0.095	0.335
TR2	0.383	0.336	**0.873**	0.230	0.474
TR3	0.355	0.404	**0.818**	0.279	0.354
TR4	0.342	0.388	**0.834**	0.190	0.438
LWT1	0.365	0.304	0.236	**0.847**	0.240
LWT2	0.320	0.229	0.079	**0.874**	0.108
LWT3	0.430	0.352	0.265	**0.884**	0.203
LWT4	0.425	0.0428	0.251	**0.908**	0.240
NBT2	0.415	0.283	0.438	0.247	**0.914**
NBT3	0.342	0.171	0.465	0.179	**0.909**

Note: Items with high significance are in bold.
Source: Authors' own

The Fornell-Larcker criterion in Table 4 demonstrates that the square root of the Average Variance Extracted (√AVE) for each construct is greater than the correlation of each construct with other constructs. This indicates that each construct exhibits good discriminant validity, which means that the inner factors can forecast indicators more accurately than other constructs' indicators. Therefore, in light of these two findings, it can be concluded that all the constructs in the estimated model meet the criteria of discriminant validity.

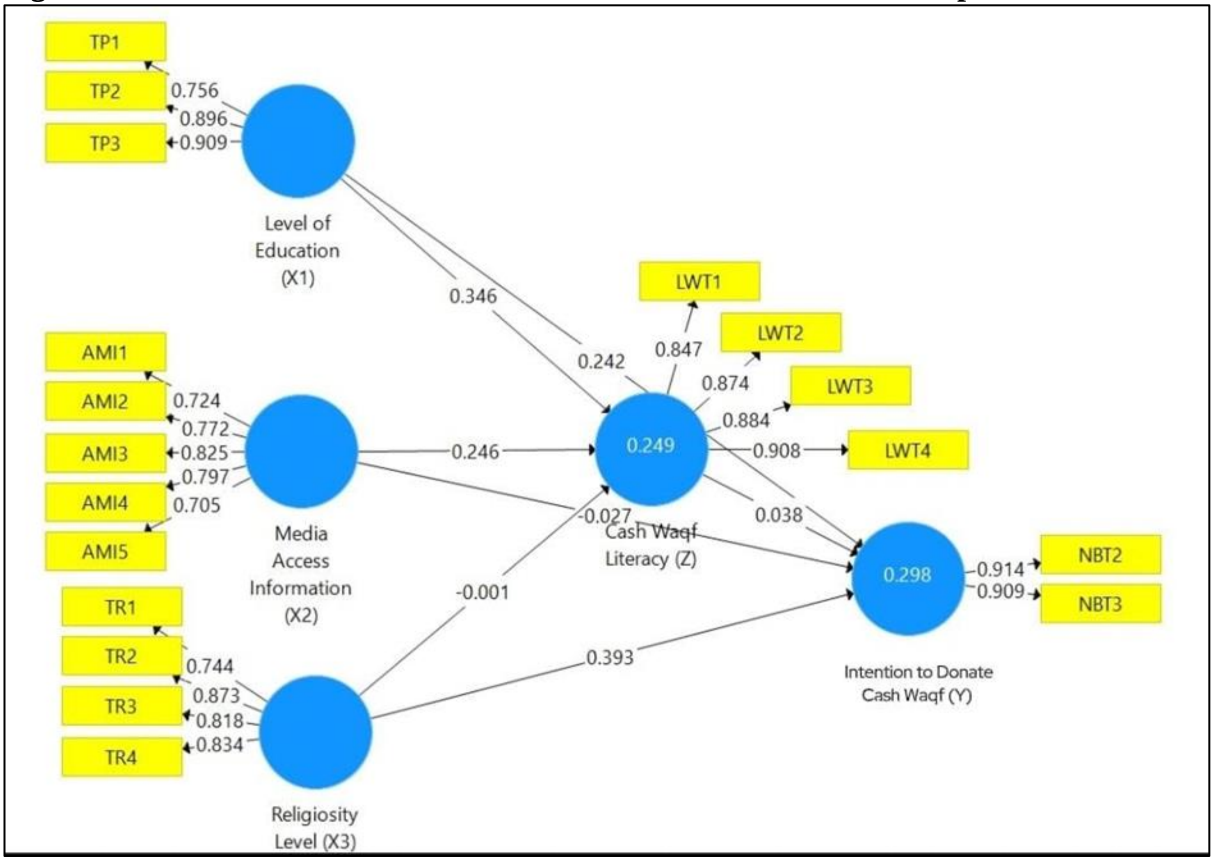
Table 4: Discriminant Validity Results–Fornell-Larcker Criterion

	X1	X2	X3	Y1	Y2
Level of Education (X1)	**0.857**				
Information Media Access (X2)	0.407	**0.766**			
Religiosity Level (X3)	0.428	0.419	**0.819**		
Cash Waqf Literacy (Y1)	0.446	0.386	0.249	**0.879**	
Intention to Donate Cash Waqf (Y2)	0.416	0.250	0.495	0.234	**0.911**

Source: Authors' own

The evaluation results of the reflective measurement model through convergent validity, discriminant validity and reliability allow for the conclusion that the outer model in this study has fulfilled the requirements specified in the PLS research stages. In summary, the researchers can confirm the validity of the measurement model. This study employs a five-measurement model, which shows the relationships between items and latent variables, and a structural model that represents the supposed relationships between the five latent constructs (**Figure 2**).

Figure 2: Structural Model and Measurement Results–SmartPLS Output



Source: Authors' own

Structural Model Evaluation

Testing of the inner model or structural model is carried out through analysis of R-square (R^2), multicollinearity, F-square (F^2), Q-square (Q^2) and Goodness of Fit (GoF). The structural model is also examined by testing the hypothesised relationships. Model analysis data is shown in **Tables 5** and **6**.

Table 5: Structural Model Evaluation

Variable	Cash Waqf Literacy			Intention to Contribute Cash Waqf		
	VIF	F^2	R^2	VIF	F^2	R^2
Level of Education (X1)	1.328	0.120	0.653	1.489	0.056	0.512
Information Media Access (X2)	1.310	0.062		1.390	0.001	
Religiosity Level (X3)	1.338	0.000		1.338	0.164	
Cash Waqf Literacy (Z)				1.390	0.002	

Note: VIF = Variance Inflation Factor. Predictive relevance (Q^2) = 0.512; Goodness of Fit of the model (GoF) = 0.607.
Source: Authors' own

The coefficient of determination for cash waqf literacy (Y1) is moderate, with an R^2 value of 0.653. This indicates that up to 65.3 per cent of the variance in the endogenous latent construct

(Y1) is explained by the exogenous variables in the model (Chin, 1998). The model can be categorised as good according to the criteria set by Leguina (2015). Similarly, the coefficient of determination for the intention to donate cash waqf (Y2) is 51.2 per cent, indicating that this construct is influenced by the exogenous variables in the model.

Table 5 presents the VIF test results, which indicate that the VIF value in this study is less than 5. Consequently, it can be concluded that the study is free from multicollinearity problems, signifying that each construct in the model has distinct characteristics and no changes to the constructs are necessary.

Furthermore, based on the results of the F^2 output, it is evident that the variables' influence on the level of religiosity, education, and access to media information has a weak effect size, as it is less than 0.15, except for the impact of level of religiosity on the intention to donate cash waqf, which exhibits a moderate effect size. None of the effects are considered strong, as the threshold for strong effects is $F^2 > 0.35$ (Leguina, 2015; Zulkarnain, 2020).

Finally, the Goodness of Fit value of this research model (GoF = 0.607 > 0.36) is large enough to consider the validity of the global PLS model adequate ((Wetzels *et al.*, 2009). The predictive power of the model is acceptable ($Q^2 = 0.512$), where the Q-square value exceeds zero (0), meaning it has a good predictive relevance value (**Table 5**).

Table 6 presents the results of the SEM analysis, aiming to examine and measure the relationships among the main variables in this study. Confirmatory analysis results affirm the validity of the proposed conceptual structure, demonstrating consistency between empirical data and the proposed theory. Findings reveal the strength, direction, and statistical significance of relationships among variables, providing in-depth insights into the interaction of research factors.

Table 6: Structural Equation Modeling Analysis Results

Hypothesis Path				β-value	t-value	p-value	Decision
H1	Level of Education	→	Intention to Donate Cash Waqf	0.242	2.031	0.021	Supported
H2	Information Media Access	→	Intention to Donate Cash Waqf	-0.027	0.192	0.424	Not supported
H3	Religiosity Level	→	Intention to Donate Cash Waqf	0.393	3.476	0.000	Supported
H4	Level of Education	→	Cash Waqf Literacy Level	0.346	3.294	0.000	Supported
H5	Information Media Access	→	Cash Waqf Literacy Level	0.246	1.968	0.025	Supported
H6	Religiosity Level	→	Cash Waqf Literacy Level	-0.001	0.008	0.497	Not supported
H7a	Cash Waqf Literacy Level	→	Intention to Donate Cash Waqf	0.038	0.402	0.344	Not supported
H7b	The literacy level of cash waqf mediates the effect of education level on the intention to donate cash waqf				0.378	0.353	Not supported
H7c	The literacy level of cash waqf mediates the effect of access to media information on the intention to donate cash waqf				0.320	0.374	Not supported
H7d	The literacy level of cash waqf mediates the influence of the level of religiosity on the intention to make cash waqf donations				0.003	0.499	Not supported

Source: Authors' own

According to the empirical evidence, the study concludes the following:

1. The intention to donate cash waqf among students of Islamic economics mainly depends on two variables, namely the level of education and the level of religiosity, while the variable 'access to media information' does not show a significant effect.
2. The literacy level of cash waqf among students of Islamic economics is primarily influenced by the level of education and access to media information, while the level of religiosity does not show a significant effect.
3. The level of cash waqf literacy among students of Islamic economics does not significantly affect their intention to donate cash waqf.
4. The literacy level of cash waqf among students of Islamic economics does not mediate the influence of education level, access to media information, and level of religiosity on the intention to donate cash waqf.
5. The first hypothesis in this study is supported: the level of education is a determinant of students' intention to donate cash waqf. However, the second hypothesis is rejected, and no link can be found between the level of religiosity and whether students intend to donate cash waqf.
6. The study also supports the fourth hypothesis, indicating that the education level variable is a significant predictor of students' cash waqf literacy levels. Similarly, the fifth hypothesis is accepted, showing that access to media information is a significant predictor of students' cash waqf literacy levels.
7. However, the sixth hypothesis which suggests a positive effect of the level of religiosity on the level of cash waqf literacy, is rejected. The study finds no significant relationship between religiosity and cash waqf literacy.
8. The seventh hypothesis, which states that the level of waqf literacy has a positive effect on students' intention to donate cash waqf, is rejected. Additionally, the study finds that the literacy level of cash waqf among students does not mediate the influence of education level, access to media information, and level of religiosity on the intention to donate cash waqf.
9. The study highlights the importance of education in increasing cash waqf literacy levels and the intention to donate cash waqf among students of Islamic economics in Bandung, Indonesia. Several previous studies have also confirmed this relationship (e.g., Amin *et al.*, 2014; Ismail, 2020; Juliana *et al.*, 2023).

The results of the study indicate that access to media information has a positive and significant influence on increasing the literacy level of waqf for students. However, access to media information does not show a significant effect on the intention to donate cash waqf among students. This finding may be attributed to students' limited income and their focus on basic needs.

The study also found that students' intention to donate cash waqf is influenced significantly by the level of religiosity. This finding corresponds with previous studies, where it was shown that religiosity is a crucial factor in determining people's willingness to engage in cash waqf (Syafira *et al.*, 2020; Juliana *et al.*, 2023). Another interesting result concerns waqf literacy: its level is not significantly related to students' intention to donate cash waqf. This finding contradicts some previous studies (e.g., Al-Harethi, 2019) which emphasised the importance of waqf literacy in influencing the intention to donate.

In conclusion, the study suggests that waqf institutions should emphasise strong Islamic values in their cash waqf products and communicate religious messages to millennials about the benefits of making cash waqf donations. Additionally, increasing waqf literacy through effective campaigns is vital for enhancing awareness and the intention to donate cash waqf among students.

Theoretical and Practical Implications

This study offers a simplified model of the determinants that influence students' intention to donate cash waqf. Understanding these factors is crucial for developing effective education and training policies to promote the intention to donate cash waqf among students.

From a theoretical perspective, the research contributes to a better understanding of the factors influencing cash waqf literacy and the intention to donate among students. It emphasises the importance of education in improving the literacy rate of students as well as their willingness to make cash waqf donations. Thus, this study recommends setting up waqf education programmes at the official level that adopt interactive and inventive teaching styles into campus teaching. It also holds that access to media information is beneficial to enhancing cash waqf literacy and highlights the influence of religiosity on the intention to donate cash waqf.

Practically, the findings of this research provide valuable insights for the development of waqf education programmes. It suggests the need to integrate waqf education from basic education to the university level and to incorporate waqf programmes into the curriculum for all majors. Evaluation of educational programmes, especially online modules and interactive applications, should be considered.

For universities, emphasising the religious aspects of cash waqf can encourage more participation from students to donate. Promoting cash waqf in mosques or religious events can reach religious individuals who are more likely to be involved in such activities.

Future waqf promotion campaigns should focus on interesting and easily understandable content, ease of access to information, and sharing reliable information about cash waqf. The 'Waqf Quality Time' movement—a movement which advocates for a family-oriented and engaging approach to enhance awareness and knowledge about cash waqf, involving both parents and family members in cash waqf literacy—is a potential approach.

Universities in Indonesia can play a vital role in delivering waqf education and training programmes to increase students' intention to donate cash waqf. Building partnerships with waqf institutions, government agencies, and ministries can strengthen the impact of educational programmes. Internships in waqf institutions can provide students with practical experience in cash waqf management practices.

Collaboration between the Indonesian waqf agency, Badan Wakaf Indonesia (BWI) and Indonesian Waqf Savings (TWI) institutions is essential to focus on outreach, training, and the empowerment of waqf stakeholders in terms of education and awareness. Waqf beneficiaries' education is essential for creating informed, empowered, and responsible individuals who can actively participate in and benefit from waqf initiatives, ultimately contributing to the broader socio-economic development of the community. When these institutions collaborate, they can provide higher quality and more extensively based educational programmes. For cash waqf stakeholders, including BWI and the Ministry of Religion, involving students in internship programmes and workshops can contribute to their capability to provide education and promote cash waqf within the community. The department of Islamic economics at universities can also play a significant role by inviting guest lecturers or practitioners to give lectures on cash waqf, enhancing students' understanding and practical knowledge.

CONCLUSION

Introducing students to cash waqf while they are in college is highly important for generating interest in waqf participation. The main objective of this study is to identify the factors that influence the intention to donate cash waqf—with the variable of waqf literacy acting as a mediator—among Muslim students in Bandung, Indonesia.

The research findings indicate that two key determinants of students' intention to donate cash waqf are their level of education and level of religiosity. Additionally, the level of education and access to media information have a significant impact on the level of cash waqf literacy among students. However, the study finds that the literacy level of cash waqf does not act as a mediator in the relationship between education level, access to media information, and level of religiosity on students' intention to donate cash waqf.

The study underscores the crucial role played by the level of education in enhancing both the literacy levels and intention to give cash waqf among college students. Therefore, it is suggested that the government, academics and national and local cash waqf authorities pay particular attention to educational and outreach programmes for cash waqf. In particular, universities should investigate new pedagogical models to teach and promote cash waqf among college students.

In light of these findings, the study recommends that colleges and universities throughout Indonesia include courses on waqf in the curriculum for all majors studied. In this way, students from different fields of learning will receive exposure to the concept and importance of waqf, which will ultimately lead them to participate in cash waqf donations in the future.

Limitations and Further Research

Several limitations have been identified in this study. Firstly, the study only considered three variables that impact cash waqf literacy and intention to donate. Future research needs to investigate more closely how digital waqf education may play its role, as well as other possible factors which are likely to affect different aspects of cash waqf behaviour. Secondly, the user base in this survey is relatively small: it consists only of students majoring in Islamic economics at universities in Bandung, Indonesia. To enhance the generalisability of the findings, future studies could expand the sample to include students from various majors in universities across Indonesia. Moreover, conducting comparative studies between Indonesian students or millennials and their counterparts in other countries can yield insights from different perspectives into the potential of cash waqf. Additionally, it is crucial for future studies to include participants from the general public who have their own sources of income, as this would better represent the broader population and allow for a more comprehensive understanding of cash waqf behaviour.

Finally, with the Digital Sharia Banking System (DSBS) platform, studying the intention of the young generation to donate cash waqf would constitute a fascinating new field. This might reveal the impact of technology and digital platforms on cash waqf participation and provide an insight into how these technologies can help increase contributions.

Addressing these limitations and conducting further research on these aspects will enrich the understanding of cash waqf literacy and the intention to donate among students and the wider public, and it could lead to the development of more effective strategies for promoting and enhancing cash waqf practices.

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DECLARATION

Credit Authorship Contribution Statement

- Yana Rohmana: Research ideas and writing process
- Juliana Juliana: Analysis and literature management
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The authors declare that they have no known competing financial interest or personal relationships that could have influenced the research work.

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The authors declare that they understand the Ethical Guidelines and have adhered to all the statements regarding ethics in publishing. They also confirm that this paper is original and has not been published in any other journal nor is under consideration by another publication.

Data Availability
Data is available upon request from the authors.

Disclaimer
The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

Appendix
None

AN ANALYSIS OF CASH WAQF INSTITUTIONS AND REAL WAGES IN OTTOMAN RUMELIA, 1500–1914

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ABSTRACT

Purpose — This study employs a substantial number of primary sources of cash waqf contracts (*waqfiyyas*) to conduct a long-term analysis of cash waqf institutions (henceforth abbreviated as cash waqfs) and the real wages of waqf employees in Ottoman Rumelia from the sixteenth century to World War I.

Design/Methodology/Approach — The descriptive analysis includes economic variables recorded in contracts. The analysis focuses on the trend of capital levels, profit shares (*ribḥ*), and numbers of cash waqfs that prevailed over the 50-year sub-period used in the analysis, and the daily wages of five different groups, including imams, muezzins, scholars, trustees and daily workers.

Findings — The findings of this study indicate that, despite experiencing a decline in capital and income, cash waqfs in Rumelia paid employees wages close to market wages. It has been observed that although the real purchasing power of employees and their living standards have increased when measured in current Turkish lira and US dollar values, this improvement did not occur during the early twentieth century.

Originality/Value — This study conducts a comprehensive and quantitative assessment of the long-term changes in the capital levels and real wages of Rumelia's cash waqfs, providing a valuable contribution to the field of study.

Research Limitations/Implications — The results reveal that the wages of individuals employed in cash waqfs increased from the sixteenth to the late nineteenth century, which may suggest economic growth and rising living standards. These wages were close to market wages paid in Istanbul. During the early twentieth century, real wages decreased, potentially due to a decline in capital levels and external shocks resulting from wars, uprisings and revolutionary movements in Rumelia. Further research that expands the sample size and geographical scope to encompass other regions within the empire would be beneficial. Such an expansion would facilitate the generalisation of the findings obtained in this study.

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Practical Implications — To guarantee the long-term success and achievement of objectives of contemporary financial institutions that draw inspiration from this historical experience, it is crucial to maintain an efficient balance between wages and income from capital.
Keywords — Cash waqf, Cash waqf institutions, Economic history, Islamic finance, Real wages, Rumelia, The Ottoman Empire
Article Classification — Research paper

INTRODUCTION

The literature on the roles and functions of waqf institutions in the Ottoman Empire is extensive, yet quantitative and systematic analyses of these private organisations are progressing at a slow pace (Çizakça, 1995; Bulut *et al.*, 2019; Adıgüzel & Kuran, 2021; Özvar & Yıldırım, 2022). The primary obstacle to conducting an aggregate analysis of waqf institutions is the lack of longitudinal data. Difficulties in establishing longitudinal data have hindered economic historians from conducting long-term analyses of cash waqf institutions (henceforth abbreviated as cash waqfs). This study aims to provide a quantitative and systematic analysis of cash waqfs in the Ottoman Empire, focusing on the provinces of Rumelia from the beginning of the sixteenth century to World War I. Additionally, this study aims to analyse the wages of different socioeconomic groups, including imams, muezzins, scholars (*mudaris*), trustees (*mutawallis*), and daily workers, from cash waqfs established in Ottoman Rumelia.

This study aims to investigate the fluctuations in wages and living standards of individuals employed in cash waqfs over time. The amount of cash waqf wages depends on the income generated by capital. Consequently, higher capital yields higher wages. However, no extensive studies have been conducted on cash waqf wages. The primary objective of this study is to analyse the long-term trends in cash waqf wages and the correlation between these wages and living standards. To achieve this, assessments will be made of daily wages that meet the minimum standard of living as well as real wages. The central question that this study seeks to answer is whether the decline in cash waqf capital over the long term leads to a decrease in wages.

In an attempt to contribute to the existing literature, this study conducts a descriptive analysis of cash waqfs, as outlined in waqf contracts (*waqfiyyas*). Second, this study examines wage levels and utilises data to present long-term trends. This study has two primary objectives. The first objective is to conduct a descriptive analysis of cash waqf organisations established in Ottoman Rumelia, utilising primary sources such as waqf registers and court records from the provinces in Rumelia. These primary sources generate a new dataset of cash waqf institutions. This study categorises each cash waqf organisation based on its capital levels on a scale of four categories. This categorisation is essential for conducting a comparative analysis of cash waqf organisations in the long term. The primary expectation is that cash waqfs with higher capital levels would pay market-level wages to their employees. The second objective is to construct wage levels by focusing on cash waqf contracts and the deeds of these organisations, as determined by the founders. By doing so, this study presents the trend of wages for certain socioeconomic groups over the long term. This analysis uses wage levels in both US dollars and Turkish liras, using 2019 prices. In other words, presenting daily wages by 2019 allows for a comparison of daily wages in the Ottoman Empire across centuries.

This study is significant in that it presents a long-term investigation of the wages paid to employees by cash waqfs, which played a crucial role in the economic structure of the Ottoman Empire. Specifically, the decline in the capital of these organisations over time is of particular importance in terms of both the economic function of cash waqfs and the trajectory of wages. As capital decreases, higher wages reduce the ability of these organisations to finance other social and religious services. In essence, wages consume revenue from capital, thereby diminishing the capacity of these organisations to provide various services. Consequently, the investigation of the trajectory of cash waqf wages will not only contribute to the literature on the economic role of these organisations, but also to the broader literature from a distinct perspective by offering new insights into the wages and living standards of cash waqf employees.

The findings have two dimensions. First, the capital levels of cash waqf organisations provide information about individual wealth in Ottoman Europe. Changing shares of cash waqfs according to their capital levels reflects long-term economic conditions. The results indicate that the number of cash waqfs with the lowest capital levels increased during the twentieth century, likely due to individuals accumulating savings over time. For other categories, the trend of newly established cash waqfs exhibited an inverted U-shaped pattern between 1550 and 1914. The number of cash waqfs for the first three quartiles in terms of capital levels peaked, particularly during the eighteenth century, likely due to improving economic conditions for individuals. Moreover, this period shows that the daily wages of waqf employees reached their highest levels. Second, this study presents the daily wages of five different socioeconomic groups in terms of US dollars and Turkish liras with 2019 prices. Daily wages in Ottoman currencies increased from the sixteenth to the twentieth century. However, the real values reveal that the trend of daily wages had an inverted U-shape, similar to the trend of cash waqfs by capital level. Thus, there is a positive relationship between the emergence of cash waqfs and the daily wages of waqf employees.

The remainder of this study is structured as follows. The first section provides a comprehensive review of the literature on the role of cash waqfs in the Ottoman economy. The second section analyses the cash waqfs of Ottoman Rumelia, focusing on their functions, profit rates, and capital levels using historical data. This section also presents the cash waqf wages of five distinct groups: imams, muezzins, scholars, trustees, and daily workers. The third section offers assessments of cash waqf wages and standards of living for individuals paid by these organisations. The study concludes by summarising the key findings.

LITERATURE REVIEW

The waqf institution and its subsequent form, cash waqf institutions, played a significant role in the economic and social lives of Muslim societies in the first decades of their emergence. The waqf generated a significant portion of philanthropic organisations established for charitable and religious purposes (Çizakça, 1995; Arjomand, 1998; Shatzmiller, 2001). The capital of these organisations consists of the founders' immovable assets. Cash waqfs established with cash capital emerged as an innovative design for generating and promoting services for the society. The emergence of these institutions was based on zakat (alms), one of the most important obligations in Muslim societies (Koehler, 2014). The last messenger, Prophet Muhammad (SAW), promoted waqf institutions as an innovation in providing alms among Muslims. His companions followed the same way. Consequently, waqf institutions began to dominate the economic and social environments of Muslim societies from the seventh century onwards. In this sense, each waqf emerged as a founder's private organisation.

The Ottoman Empire incorporated waqf institutions into its economic, political and social fabric. Although the initial purpose of these private organisations was to distribute alms during the seventh century, their functions expanded over time. During the Ottoman period, the scope and functions of waqf institutions peaked. The emergence of cash waqf represented the final stage of the development of the institutional framework. It can be said that the cash waqf organisations are the Ottoman's innovation. These institutions can be accepted as the first type of modern interest-free financial institutions based on the waqf model.

From this perspective, three distinct functions emerged for innovative cash waqf in the Ottoman Empire. First, recent scholarly works concur with the assertion that waqf organisations contribute to the production of public goods on behalf of state finance. Regardless of waqf goals, each founder allocated a certain share of revenue to support religious and social objectives. These shares were mostly for producing public goods, such as mosques, lodges, *zawiyas* (religious-based education facilities), madrasahs (schools), *bedestens* (covered bazaars), caravansaries, roads, bridges and waterways, which increased the welfare of city dwellers (Barkan, 1942; Mandeville, 1979; Çizakça, 1995; Arjomand, 1998; Shechter, 2005; Alias, 2012; Wilson, 2015). Overall, these organisations played a crucial role in increasing human capital by providing resources to micro enterprises (Thaker, 2018; Thaker *et al.*, 2021). Furthermore, these organisations had the capacity to provide employment for individuals, as examined below.

Two examples are sufficient to demonstrate the functions previously described. The waqf of Grand Vizier Süleyman Pasha was one of the most comprehensive cash waqfs, providing financial resources for commercial organisations (such as caravansaries, shops, and covered bazaars), education (including madrasahs and smaller schools), and infrastructure (such as stone bridges, pavements, fountains, and roads). In 1677, Süleyman Pasha established this cash waqf by endowing 4,000 *kuruş* (Ottoman currency; see **Table 5**) and various real estates in the town of Milşuva. The revenues generated from the corpus capital, with a profit rate of 15 per cent, financed both commercial and infrastructure projects in the town (VGMA, 744/155/39). Yahya Pasha, another titled military official, established a cash waqf in 1506 by dedicating 38,500 *akçe* (Ottoman currency, a smaller unit than a *kuruş*; see **Table 5**) and various real estate properties in the town of Üsküp (Skopje) in Macedonia, with a profit rate of 10 per cent to finance commercial structures, education and soup kitchens (VGMA, 629/422–29/33).

These organisations provided resources for the relief of the poor by financing soup kitchens, shelters and clothing (Peri, 1992; Shatzmiller, 2001; Khan, 2015; Kachkar, 2017). Two cases are sufficient to present these functions of cash waqfs in the Ottoman Empire. Hatice Hatun established a cash waqf in Çorlu Town of Tekirdağ in 1739 by devoting 750 *kuruş* with 15 per cent profit rate to provide food, shelter, and clothing for the poor (VGMA, 626–2/437/529). Sheikh Mustafa Effendi, a member of the ulema, established a cash waqf in Timurinçe Village of Albania in 1896 by devoting 4,000 *kuruş* with 15 per cent profit rate to finance the relief of the poor (VGMA, 988/97/33).

Second, the literature suggests that cash waqfs were established because of the inheritance law of Islam, which was based on egalitarian principles (Kuran, 2008). These laws require the distribution of estates among all successors according to the specific rates determined in the Qurʾān. Founders established cash waqfs to prevent capital partitioning among successors (Barkan, 1940; Layish, 1997; Singer, 2013). Cash waqf organisations helped protect the capital from fragmentation while enabling founders to provide financial resources on a larger scale for borrowers. To manage waqf, founders typically assigned relatives, kin or children as trustees or managers (*mutawalli*) who earned a fixed income specified in contracts as long as the waqf existed (Layish, 1997; Arjomand, 1998). The prevailing belief was that family members would devote themselves to maintaining the perpetuity of waqf to preserve their gains (Barkan, 1942). In conclusion, the second function of waqf institutions in the Ottoman Empire was to preserve wealth.

The third function of waqf institutions encompasses both the microeconomic and macroeconomic aspects and stability. With regard to macroeconomics, waqf institutions diminished government expenditure, leading to reduced budget deficits, a phenomenon that was favourable to the state. The demand for financial resources diminished, causing a decline in the demand for government borrowing. Consequently, interest rates remained low within the economic framework (Çizakça, 2000; Wilson, 2015). Lower interest rates also stimulated investment and productive and profit-seeking activities in the economy. According to Barkan (1942), cash waqfs represented the most efficient and cost-effective means of creating public goods and reducing government expenditures across the extensive territories of the Ottoman Empire. From a microeconomic perspective, the cash waqf institution emerged as a financial organisation that facilitated credit relations in the market. These private institutions provided financial resources to merchants, producers and consumers since their establishment, with varying interest rates across different regions of the Ottoman Empire (Çizakça, 1995; Bulut & Korkut, 2016; see also **Figure 1**). Therefore, they played a key role in the stability and sustainability of the Ottoman economy and society in the long run.

This study investigates the economic factors associated with cash waqf institutions. As previously noted, recent scholarship has primarily focused on the practices of private organisations. However, cash waqfs are not limited to providing public goods, maintaining wealth distribution, or offering credit. The contracts indicate that cash waqfs employed individuals from diverse socioeconomic backgrounds for purposes specified by their founders. Thus, this study not only offers a descriptive analysis of the cash waqfs in Ottoman Rumelia but also provides insight into the long-term wage levels of their employees, making a distinctive contribution to the field. Two questions generate the main purpose of the analysis conducted in this study:

1. How did capital levels change in the long term?
2. How did wages of waqf employees vary over time?

METHODOLOGY

Source

This study utilises a dataset of 934 cash waqf contracts spanning a 422-year period from the early sixteenth century to the early twentieth century. The dataset, published in collective works, is compiled from microfilm of cash waqf contracts housed in the archives of the T.R. Directorate General of Foundations (VGMA), Gazi Husrev Beg Library, and court records stored in the National Library of Türkiye (Bulut *et al.*, 2019). The dataset encompasses cash waqf contracts from Ottoman Rumelia, covering the period 1506–1921. However, there are only a few cash waqf contracts in the dataset for the first half of the sixteenth century, as cash waqf organisations were not yet widespread in the society at that time.

Prepared by the Ottoman judiciary at the behest of the founders, cash waqf contracts comprise comprehensive information pertaining to the endowed capital, profit rates (*ribḥ*), the location of the establishment, the names and appointment of the trustees, methods of capital management, deeds of the organisations, employee wages, date of establishment, and the names of the witnesses present in court. Moreover, cash waqf contracts provide information on the complete names of the founders, including their titles, names, and the names of their fathers. This information facilitated our undertaking of a descriptive analysis of over 900 cash waqfs in Ottoman Rumelia.

When conducting quantitative research on cash waqf contracts as historical sources, it is essential to acknowledge and address the limitations arising from various factors. These limitations include:

1. The changes in the territories of provinces over time, which can affect the reliability of the data.
2. A tendency to underrepresent earlier organisations, while overrepresenting cash waqf organisations in subsequent periods, which can skew the results of the analysis.
3. The uneven distribution of cash waqf contracts among different provinces, making it challenging to compare the practices of different regions.
4. The problem of whether the sample of cash waqf contracts represents all organisations, which can call into question the validity of any conclusions drawn from the data.
5. The lack of complete documentation of cash waqf contracts in Rumelia province, as primary sources often fail to provide all relevant documents.

Data

This study encompasses eleven provinces in Ottoman Rumelia, extending from the Northwest Marmara region to Bosnia. These provinces comprise Albania, Bosnia, Bulgaria, Greece, Kosovo, Macedonia, Romania and Serbia in the Balkan regions, as well as the Thracian cities of Tekirdağ, Edirne, and Kırklareli in the Northwest Marmara region. Due to various economic and political factors, these provinces exhibit inconsistent numbers of cash waqfs throughout the sixteenth century to the early twentieth century. To address the issue of uneven distribution of cash waqfs across the regions, this study has grouped them into five main regions.

The data displayed in **Table 1** offers a long-term perspective on the allocation of cash waqfs among various regions. Upon initial examination, the number of newly established cash waqfs remained relatively low and improved from the second half of the eighteenth century. During the first half of the sixteenth century, only six cash waqfs were recorded. The highest annual average number of cash waqfs established (8.22) was observed in the most recent period. The distribution of cash waqfs by region is more balanced than the periodic distribution. Among these regions, Thrace holds the highest number of cash waqfs, at 248. The cash waqfs established in Bosnia closely follow Thrace. The remaining cash waqfs are distributed relatively evenly among the remaining regions. In contrast to the rapid proliferation of cash waqfs in Istanbul (Barkan & Ayverdi, 1970; Özcan, 2003; Kuran, 2011; Gürsoy, 2017, 2021; Gürsoy & Özdeğer, 2022), these findings indicate that cash waqfs became more prevalent in Rumelia during the second half of the eighteenth century.

Among the cash waqfs given in **Table 1**, a significant proportion (68%) belongs to titled individuals. In the Balkan region, the share of commoners and women in cash waqf formation is approximately 32 per cent. **Table 2** presents the distribution of cash waqfs by title. Eighteen different titles are available in the cash waqf deeds. The titles can be classified into two categories. The first group consists of military/administrative-based titles, whereas the second comprises judicial/religious-based titles. As depicted in **Table 2**, the former category encompasses eight titles (Agha, Beg, Pasha, Soldier, Beşe, Kethüda, Khan and Captain), whereas the latter includes nine titles (Effendi, Hadji, Mullah, Sheikh, Dervish, Judge, Hodja, Preacher, and Seid). It is uncertain whether the Çelebi is an honorific title. The proportion of military/administrative groups was approximately 67 per cent, whereas that of judicial/religious groups was approximately 33 per cent. Although an assessment carried out by Güçlü Tülüveli (2005) provided more comprehensive information about the titles, a similar methodology was applied to the present classification. The data reveal a higher participation of individuals in the titles of Agha and Effendi. This finding is consistent with recent literature based on individual wealth levels, which suggests that individuals holding these titles comprised the wealthiest groups in the Ottoman Empire (Ergene & Berker, 2008; Coşgel & Ergene, 2011). Consequently, it is expected that these groups would participate more actively in cash waqf formation than the other groups. The proportion of men in waqf formation (85%) is notably higher than that of women (15%). This disparity in distribution among social groups impedes the ability of this study to conduct comparisons between these groups.

The distribution of services financed by cash waqfs in the Balkan Region is shown in **Figure 1**. These services were designated by the founders at the time of their establishment, and court officials recorded each service in the contracts. Each cash waqf provided financial resources to these services from the revenues generated through credit relationships. The shares in **Figure 1** exceeded 100 per cent because a waqf could finance more than one service. Religious services, which encompassed financing mosques, masjids, maintaining these facilities, and paying employees, were by far the most prevalent functions, and education was also substantial. No fewer than 26 per cent of all cash waqfs supported educational facilities, paid the salaries of scholars (*mudaris*), and provided scholarships to students. The remaining two categories appeared in only a few cash waqfs. Poor support, which included providing the poor with soup kitchens, shelters and clothing, had the lowest share (16%). Secular services, such as financing commercial facilities and infrastructure (e.g., roads bridges, waterways), appeared to be an important function in 22 per cent of the contracts.

Table 1: Cash Waqfs by Regions and Sub-Periods

	5 Countries*	Thrace**	Bulgaria	Greece	Bosnia	Total
1500/49	1	2	0	1	2	6
1550/99	4	25	2	4	11	46
1600/49	5	12	0	5	12	34
1650/99	11	8	5	5	3	32
1700/49	13	16	23	11	8	71
1750/99	13	71	22	30	18	154
1800/49	11	24	35	32	22	124
1850/99	55	53	36	62	80	286
1900/21	59	37	15	28	42	181
Total	172	248	138	178	198	934

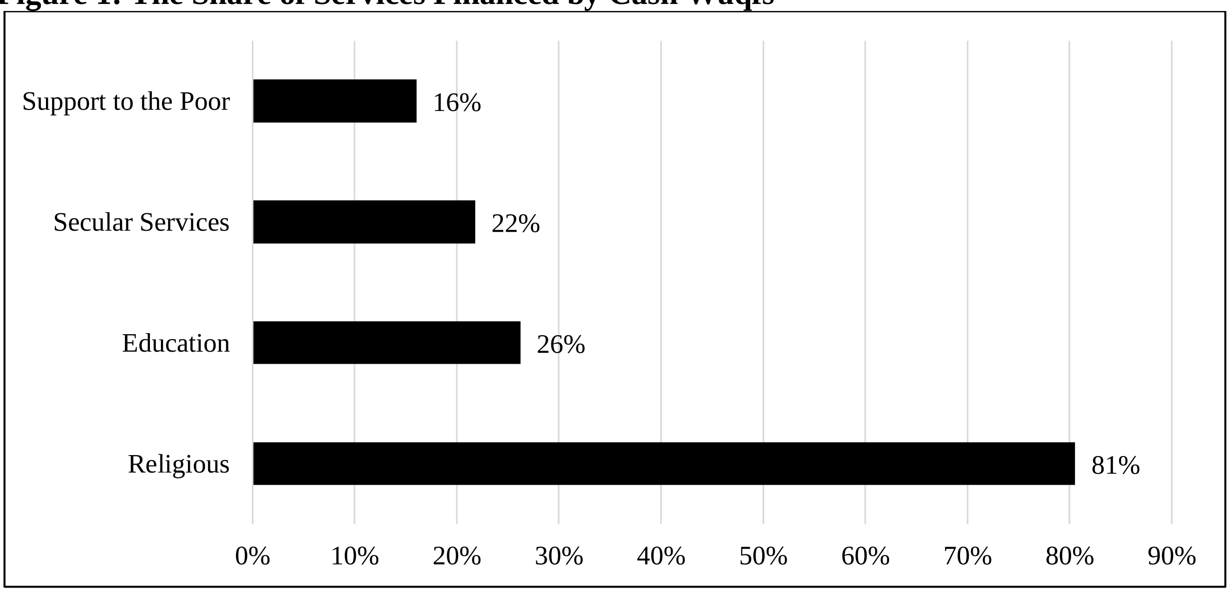
Note: * Include Macedonia, Serbia, Albania, Kosovo, Romania. ** Include Edirne, Kırklareli, Tekirdağ.
Source: This data is derived from primary sources, see Bulut *et al.* (2019).

Table 2: Titles of Founders

Title of Founders	Number of Cash Waqfs	Title of Founders	Number of Cash Waqfs	Title of Founders	Numbers of Cash Waqfs
Ağa (Agha)	310	Asker (Soldier)	11	Çelebi*	2
Efendi (Effendi)	116	Şeyh (Sheikh)	6	Kethüda (Chamberlein)	1
Hacı (Hadji)	57	Derviş (Dervish)	6	Hafız (Preacher)	1
Bey (Beg)	48	Beşe**	5	Han (Khan)	1
Paşa (Pasha)	46	Kadı (Judge)	4	Reis (Captain)	1
Molla (Mullah)	17	Hoca (Hodja)	3	Seyyid (Seid)	1

Note: * Even if Çelebi seems to be a title, this study evaluates individuals with this title as commoners in the Ottoman Empire. ** A title given to people of military background.
Source: This data is derived from primary sources, see Bulut *et al.* (2019).

Figure 1: The Share of Services Financed by Cash Waqfs



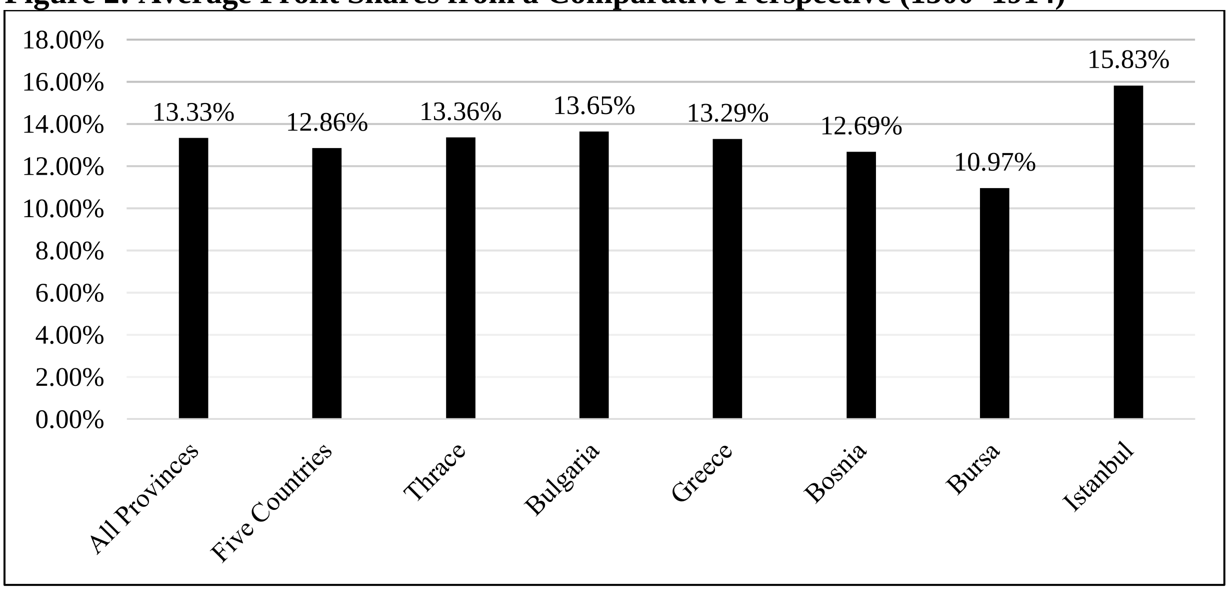
Source: This data is derived from primary sources, see Bulut *et al.* (2019)

The other significant aspect of cash waqf contracts was the specified rate of return on capital, which was necessary to finance waqf deeds. Although there were controversies about the nature and legitimacy of these rates, whether these rates constituted interest or not, waqf was required to generate profits to maintain perpetuity (as noted by Mandeville, 1979). In other words, each cash waqf was obligated to earn a particular amount of revenue, and the term ‘earn’ was of utmost importance in this context (Çizakça 1995, p. 330). Consequently, this study refers to the rate of return derived from the specified rates in cash waqf contracts as the profit share (*ribḥ*). Çizakça

(1995, pp. 330-31) posited that profit share represents the profit/capital ratio within a cash waqf institution.

Figure 2 presents the average profit share from a long-term perspective, encompassing eight categories that include both the regions in this study and two other important provinces of the Ottoman Empire. The ‘all provinces’ category represents the average of the Balkan regions examined in this study. Among these observations, the town of Bursa had the lowest rate. Bursa was a significant commercial and industrial province of the Ottoman Empire, known for its silk production and textiles from the middle of the sixteenth century (Çizakça 1980). Credit relations were dense, and more than 700 cash waqfs operated as borrowing organisations (Çizakça 1995). Thus, Bursa had lower interest rates than other provinces. Although Istanbul had more cash waqfs than other provinces, a higher density of credit relations emerged not only within cash waqfs, but also in different markets. Consequently, Istanbul had the highest profit rate of approximately 16 per cent, which was unexpected given its economic scale. This finding is noteworthy for future research.

Figure 2: Average Profit Shares from a Comparative Perspective (1500–1914)



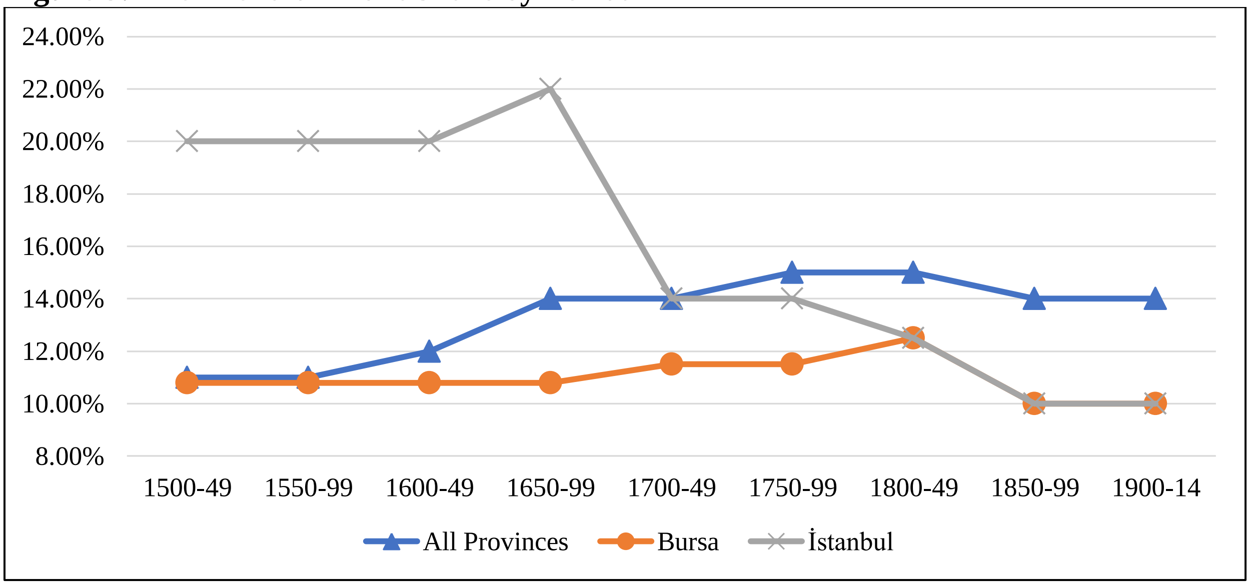
Source: This data is derived from primary sources, see Bulut *et al.* (2019). For Bursa, see Çizakça (1995, p. 331), and for İstanbul, see Çizakça (2004, pp. 15–16).

This study examined several regions and discovered that three provinces (Thrace, Bulgaria, Greece) had profit rates exceeding 13 per cent. The remaining two regions had slightly lower profit rates, at approximately 12.86 and 12.69 per cent, respectively. The overall profit share for Rumelia was 13.33 per cent, which was situated between the rates of Bursa and Istanbul provinces. Additionally, **Figure 3** illustrates the fluctuations in profit rates from the sixteenth century to the early twentieth century.

As depicted in **Figure 3**, the profit shares of Bursa and Ottoman Rumelia were nearly equal, at about 11 per cent during the sixteenth century, whereas the rates in Istanbul were higher, at 20 per cent. In the seventeenth century, however, the profit share of Ottoman Rumelia

(14%) diverged from Bursa (11 percent), and notably, Istanbul's profit share reached 22 per cent in the second half of the century. Although the trend of profit shares between Bursa and Balkan regions continued, the rates in Istanbul significantly declined to 14 per cent in the eighteenth century. Ottoman Rumelia experienced various difficulties due to autonomy and independence movements in the Balkan provinces (Palairet, 1997). These political problems offset the positive effects of centralisation, resulting in a higher profit share in the Balkan region. The data indicate a decreasing trend of rates for Bursa and Istanbul towards 10 per cent, while these rates remained at higher levels for the Balkan regions at about 15 per cent during the nineteenth century. Even though the profit share decreased slightly in Ottoman Rumelia during the early twentieth century, this rate was still above the rates of Bursa and Istanbul.

Figure 3: The Trend of Profit Share by Period



Source: This data is derived from primary sources, see Bulut *et al.* (2019). For Bursa, see Çizakça (1995, p. 331), and for Istanbul, see Çizakça (2004, pp. 15–16).

The level of capital endowed by founders is a key economic variable in cash waqf contracts. This study examined the capital levels of cash waqfs established in Ottoman Rumelia from two different perspectives and constructed a dataset on six different scales based on the capital level (see **Table 3**). The capital values were expressed in silver using the silver content of the *akçe* (Ottoman currency) given in **Table 6**. The main reason for using silver values is to provide values in a simpler way, whereas using *akçe* results in higher numbers of digits. The lowest tier of cash waqfs comprised those established with capital below 10,000 grammes of silver, and these private institutions were the most prevalent in all provinces. The share of cash waqfs in the second tier was also substantial at 23 per cent. Conversely, the highest tier included cash waqfs with capital exceeding 100,000 grammes of silver, constituting only 6 per cent of the total cash waqfs. The lowest share, however, appeared in the third tier, at 5 per cent in all provinces.

Table 3: Allocation of Cash Waqfs by Capital (Ottoman *Kuruş*)

	5 Provinces*	Thrace	Bulgaria	Greece	Bosnia	All Provinces
< 10,000	128 (74%)	174 (70%)	85 (62%)	111 (62%)	118 (60%)	616 (66%)
10,000–49,000	31 (18%)	52 (21%)	35 (25%)	43 (24%)	52 (26%)	213 (23%)
50,000–99,999	7 (5%)	7 (3%)	10 (7%)	9 (6%)	12 (6%)	45 (5%)
> 100,000	6 (3%)	15 (6%)	8 (6%)	15 (8%)	16 (8%)	60 (6%)

Note: * Include Macedonia, Serbia, Albania, Kosovo, and Romania.
Source: This data is derived from primary sources, see Bulut *et al.* (2019).

In the Balkan region, the distribution of cash waqfs by capital segment differed across regions. Notably, cash waqfs with the lowest capital comprised approximately 70 per cent of the share in Thrace and the cluster of five provinces (see first and second columns in **Table 3**), while the remaining three regions had a share of around 60 per cent. Conversely, cash waqfs with higher capital were less prevalent in these regions. In the second segment, the share of cash waqfs varied between 21 per cent and 26 per cent in the four regions, with the cluster of five provinces having a share below 20 per cent. The share of cash waqfs in the higher capital segments is lower than that in the lower capital segments. Specifically, the first region had the highest percentage (below 10%) of cash waqfs with high capital, while Bulgaria, Greece, and Bosnia had a percentage of approximately 13 per cent. Overall, a significant proportion of cash waqfs had lower capital, and high-capital organisations were relatively low in all regions.

Table 4 presents an analysis of the distribution of cash waqfs by capital segment according to period. During the sixteenth century, a more pronounced share of high-capital cash waqfs was observed than lower-capital cash waqfs. This might be attributed to the limited number of organisations (only six) included in the observations. In the second half of the sixteenth century, the number of observations improved and the share of the highest-capital cash waqfs surpassed that of the lowest segment. Although this trend persisted throughout the seventeenth century, the share of the second segment increased substantially to an average of 45 per cent. From the eighteenth century onward, these trends reversed and the share of the lowest-capital cash waqfs significantly increased by up to 65 per cent. During this period, the share of the highest segment ranged between 7 per cent and 17 per cent. In the nineteenth century, the trend among capital segments shifted in favour of the lower segments. **Table 4** indicates that the share of the lowest segment increased by 87 per cent, whereas the share of the highest segment was only 1 per cent. The highest capital segment disappeared in the early twentieth century. These findings reveal two main outcomes: first, participation in waqf formation with higher capital declined starting in the eighteenth century, and second, the participation of lower-wealth groups in waqf formation increased over time.

Table 4: Allocation of Cash Waqfs by Period (Ottoman *Kuruş*)

	1500/49	1550/99	1600/49	1650/99	1700/49	1750/99	1800/49	1850/99	1900/14
< 10,000	1 (17%)	16 (35%)	6 (18%)	4 (13%)	16 (23%)	77 (50%)	81 (65%)	249 (87%)	166 (92%)
10,000–49,000	1 (17%)	10 (22%)	15 (44%)	15 (47%)	30 (42%)	60 (39%)	37 (30%)	31 (11%)	14 (7%)
50,000–99,999	1 (17%)	2 (4%)	7 (20%)	7 (22%)	13 (18%)	6 (4%)	5 (4%)	3 (1%)	1 (1%)
> 100,000	3 (50%)	18 (39%)	6 (18%)	6 (18%)	12 (17%)	11 (7%)	1 (1%)	3 (1%)	-
Total	6 (100%)	46 (100%)	34 (100%)	32 (100%)	71 (100%)	154 (100%)	124 (100%)	286 (100%)	181 (100%)

Source: This data is derived from primary sources, see Bulut *et al.* (2019).

Wage Estimations

This study aims to investigate the wage levels of cash waqfs by gathering data from primary sources. These variables are essential for analysing major trends in wages. To convert all values into a common currency, this study utilises the exchange rates of various Ottoman currencies, with *akçe* serving as the primary unit of measurement (**Table 3**). By employing *akçe* as the primary currency, this study compares the values in a unique monetary unit. Second, the study employs the consumer price index to deflate nominal values, as the existing index is based on Ottoman *akçe* (Özmucur & Pamuk, 2002). This approach facilitates a more straightforward analysis of data from a long-term perspective using the monetary values in *akçe*. Therefore, this section presents a wage analysis for the five working groups commonly employed in cash waqf organisations. These groups are imam, muezzin, scholar (*mudaris)*, trustee, and daily workers. The first two groups consist of individuals who work in religious facilities, while the third group, *mudaris*, is high-level lecturers or professors who work in *madrasahs*. Trustees represent the management groups employed by these organisations, and the final group, daily workers, provides low-skill services to these organisations.

The examination of wages paid to employees of waqf organisations has certain limitations. One limitation of this analysis is that it only determines whether wages remain stable. The inflationary effect is a significant problem in determining the wage levels. Furthermore, it is challenging to determine whether these organisations have increased wages to maintain their purchasing power. These findings may reflect lower outcomes than expected. Additionally, it should be noted that individuals employed in cash waqf organisations have the opportunity to work in other organisations, which may offer higher wages than those provided in the cash waqfs used in this study. This limitation likely contributes to the emergence of outcomes lower than expected. The third limitation is based on the capital levels of cash waqfs. Small-scale cash waqfs have limited abilities to provide adequate financial resources. Wages depend on revenues, defined as profit shares determined by the *ribḥ*. As shown in **Tables 3** and **4**, the higher shares of these small-scale organisations also cause lower wage levels than expected. Consequently, this analysis employs wages given only in cash waqf contracts, and the results should be evaluated based on these limitations.

Since the Ottoman Empire utilised various currencies, with cash waqf contracts involving different currencies based on their founding periods, this study identifies two stages in transforming all values into current values using prices from 1913. For example, during the first half of the sixteenth century, founders endowed capital in dirham, a silver-weight unit. Cash waqfs established with dirham had silver capital in gramme measurements. Ebubekir Effendi's cash waqf, established in 1577, had 46,466 dirhams of silver capital (VGMA, 623/65/71). In 1579, Hüdaverdi, a commoner, established a cash waqf with 141,600 dirhams of silver (Sarajevo Gazi Husrev-beg Library, V-169110). The Empire minted *akçe* from dirhams in varying amounts in response to exogenous shocks and endogenous changes. In the first half of the sixteenth century, 100 dirhams of silver comprised 420 *akçe*, which increased to 1,000 *akçe* a century later (Pamuk, 1997, p. 355). From the second half of the seventeenth century, dirham and *akçe* were replaced by Ottoman *kuruş*, another unit of currency. In the first stage, this study converted dirham values and *kuruş* to *akçe*, using established exchange rates from cash waqf contracts.

Table 5 provides a comprehensive overview of the exchange rates utilised to convert all values into Ottoman *akçe*, which also demonstrates the various currencies employed in cash waqf contracts. The 'values' column denotes 10 distinct currencies that are documented in the contracts, and these figures are utilised to perform the conversion of all values into Ottoman *akçe*. Subsequently, in the second stage of this study, the prices of consumer baskets and the consumer price index are employed from reliable secondary sources in accordance with the subperiods (Özmucur & Pamuk, 2002).

Table 5: Exchange Rates

Years	Values	Equivalents
1513	1 Coin (*sikke*)	6.5 *Akçe*
1588	1 Coin (*sikke*)	8 *Akçe*
	1 *Kise-i Rum*	500 *Kuruş*
	1 *Divani Kese*	416 *Kuruş*
Until 1689	1 *Riyal Kuruş*	80 *Akçe*
Until 1689	1 *Esedi Kuruş*	70 *Akçe*
After 1690	1 *Kuruş*	120 *Akçe*
After 1820	1 *Mecidiye* Gold	100 *Kuruş*
After 1820	1 Ottoman Gold	100 *Kuruş*
After 1875	1 *Forint*	2 *Krons*
After 1875	1 *Forint*	12 *Kuruş*
After 1875	1 *Kron*	6 *Kuruş*
After 1875	1 Hungary Gold	61.5 *Kuruş*

Source: Exchange rates are derived from various cash waqf contracts (*waqfiyyas*) that include monetary values (VGMA 990/68–69/59; 732/1–3/1; 990/39/33; 1595/1/1; Sarajevo Gazi Husrev Beg Library V-145533; V-081262; 2/110–11/430; Rodoscuk Court Records 08597.00004, v.15a).

Before delving into the overall trends in wages, it is essential to discuss the primary sources through which wages are determined. A relevant comparison can effectively illustrate the necessity of employing cash waqfs from the highest capital group. In 1598, Governor Mehmed Pasha established a cash waqf in the Mostar Province of Bosnia, depositing 23.220 Ottoman *Kuruş* (Sarajevo Gazi Husrev Beg Library, 1/216/147). The corpus amounted to approximately

1,857,600 *akçe* in the same year. The trustee of this private organisation had the authority to lend to borrowers at a 15 per cent profit share (*ribḥ*) on the cash waqf contract. According to the contract, the yearly profit of Governor Mehmed Pasha's waqf was approximately 3,500 Ottoman *kuruş*, equivalent to 280,000 *akçe*. The trustee was tasked with organising deeds for cash waqf based on the annual profit generated from credit transactions. In essence, this private organisation had large financial resources to manage the founder's deeds. In 1582, Sinan Beg, the son of Bayram Agha, established another significant cash waqf in Zepçe town of Bosnia by endowing 5,500 Ottoman *kuruş* (440.000 *akçe*) as the corpus. Sinan Beg allowed the trustee to lend to borrowers at a 10 per cent profit share, granting the trustee the authority to manage deeds as specified in the contracts, amounting to 550 Ottoman *kuruş* (44.000 *akçe*) per year. This study found that the latter, with limited financial resources, was unable to allocate a substantial portion of waqf revenue to the daily wages of employees. In contrast, the former had the financial resources to pay 120 *akce* per day to a scholar, whereas the latter could pay only 18 *akce* per day. It is important to note that the disparity was not a result of any difference in intellectual capacity between the scholars but, rather, a consequence of the varying financial resources of the two cash waqf organisations. To mitigate such issues, this study focuses on organisations from the highest capital group (see **Tables 3** and **4**).

According to **Table 6**, daily wages increased approximately 100 times from the sixteenth century to the early twentieth century. As noted above, this study used cash waqfs with the highest capital to calculate daily wages. These cash waqfs, which were the largest in terms of capital, provided financial resources for educational organisations. Each educational organisation, which was part of the cash waqf, employed scholars, teaching assistants, and students who received a certain level of scholarship. These organisations covered a broad range of subjects, including religious education, social sciences, health sciences, physical sciences, and astronomy. For example, a cash waqf established in 1836 provided funding for *muvakkithane*, a facility that was used for small-scale astronomy studies (The Waqf of Mehmed Emin Pasha, VGMA, 746/381/172). This cash waqf had an annual revenue of 1,200 *kuruş*, 70 per cent of which were designated to support astronomical research. The highest-paid scholars were those who held the highest teaching positions within cash waqf organisations. However, data on the daily wages of teaching assistants were not included in the analysis because of the lack of available information. Additionally, the daily wages of students (who received scholarships) were found to be similar to those of daily workers employed in cash waqf organisations.

Table 6: Daily Wages in Ottoman Rumelia by 1913 Prices

Periods	Imam	Muezzin	Scholar	Trustee	Daily Worker
16th Century	44,88	28,56	48,00	22,00	9,20
17th Century	105,00	67,00	113,00	52,00	22,00
18th Century	214,00	136,00	229,00	105,00	44,00
19th Century	3120,00	1985,00	3336,00	1529,00	639,00
20th Century	4661,00	2966,00	4985,00	2285,00	956,00

Source: This data is derived from primary sources, see Bulut *et al.* (2019).

Each contract related to cash waqf provides specific information regarding the daily wages of religious employees within an organisation. A substantial portion of cash waqf organisations allocate financial resources to support religious institutions, including mosques, lodges, *zawiyas*, and *masjids*. These institutions employ individuals, such as imams, muezzins, and other religious staff. Cash waqf contracts provide comprehensive details on the daily wages of these individuals. The founders of these organisations determine the distribution of labour among these groups, as well as their respective daily wages, based on the nature of their work. In this regard, imams are paid the highest wages compared to muezzins and other religious employees.

The trustees were tasked with managing the financial resources of these organisations. Each trustee was entitled to receive compensation for their service. The founders had the power to determine who would serve as trustees and what remuneration these groups would receive. Consequently, cash waqf contracts typically included information on the daily wages or salaries of trustees. In some instances, founders explicitly identified trustees by naming them in contracts. Additionally, the founders had the authority to designate subsequent trustees for the cash waqfs. Thus, the data revealed that trustees had generally lower wages than both imams and scholars.

This study also employs the USD values of earlier Ottoman currencies to calculate the net real wages in 2019 by converting 1998 USD values to 2019 values through a reliable secondary source.[1] By doing so, it enables the comparison of daily wages among various groups across different periods, ranging from the sixteenth to the early twentieth century. **Table 7** illustrates the daily wages expressed in recent Turkish lira, utilising 2019 prices, which serves as the initial attempt to determine real wage levels.

Table 7 illustrates the real wage rates in US dollars and Turkish lira, adjusted for 2019 prices, to show these two dimensions. This method is essential for comparing wages across groups over time. First, long-term changes in real wages provide insights into the relative positions of the different groups. Second, and more significantly, the progression of daily wages in real terms over centuries reflects the economic performance of the Ottoman Empire in the long run. The results in the final two columns of **Table 7** indicate that the trend in real wages forms an inverted U-shape for all groups. In other words, the data reveal that cash waqf organisations were more effective in offering higher wages during the seventeenth and eighteenth centuries in the Ottoman Empire. However, daily wages declined to their lowest levels during the initial years of the twentieth century. It can be inferred that the wars, uprisings, and revolutions that emerged in North Africa (Libya), the Balkans, and West Asia (modern Middle East) before World War I resulted in economic stagnation. The revolutions and insurrections in Balkan territories, specifically, ought to have had detrimental consequences for cash waqf organisations in Ottoman Rumelia.

[1] For values of Ottoman currencies in 1998 US dollars, see, https://ata.boun.edu.tr/sites/ata.boun.edu.tr/files/faculty/sevket.pamuk/database/1.3._tablo_gecmis_yillara_ait_parasal_buyukluklerin_esdegerleri.pdf. To convert values in US dollars from 1998 to 2019, see Williamson (2021).

Table 7: Wages in Ottoman Rumelia by 2019 Prices

	Daily Wage (*Akçe*)	Daily Wage (2019 US Dollars)	Daily Wage (2019 Turkish Lira)	Monthly Wage (2019 Turkish Lira)
16th Century				
Imam	44,88	43	286	8.580
Muezzin	28,56	27	180	5.400
Scholar	48,00	46	306	9.180
Trustee	22,00	21	140	4.200
Daily Worker	9,20	10	67	2.010
17th Century				
Imam	105,00	44	293	8.790
Muezzin	67,00	29	193	5.790
Scholar	113,00	48	320	9.600
Trustee	52,00	22	147	4.410
Daily Worker	22,00	10	67	2.010
18th Century				
Imam	214,00	57	380	11.400
Muezzin	136,00	37	247	7.410
Scholar	229,00	62	413	12.390
Trustee	105,00	29	193	5.790
Daily Worker	44,00	13	87	2.610
19th Century				
Imam	3120,00	60	399	11.970
Muezzin	1985,00	38	253	7.590
Scholar	3336,00	65	433	12.990
Trustee	1529,00	30	200	6.000
Daily Worker	639,00	13	87	2.610
20th Century				
Imam	4661,00	38	253	7.590
Muezzin	2966,00	24	160	5.400
Scholar	4985,00	40	266	7.980
Trustee	2285,00	19	127	3.810
Daily Worker	956,00	8	54	1.620

Source: The data for daily wages in *akçe* is derived from primary sources, see Bulut *et al.* (2019). The other findings are calculated as given above.

RESULTS AND DISCUSSION

The real-term daily wages of cash waqf employees exhibit a roughly symmetrical pattern characterised by a U-shape. The data suggest that there was an increase in living standards relative to real wages until the end of the nineteenth century. However, in the early twentieth century, real wages decreased for all occupational groups. This decline is likely attributable to a decrease in cash waqf capital, wars, uprisings and political struggles. The last three may have caused a decrease in capital, population and wages. A recent study argues that the factors affecting waqf capital were population decline, military campaigns, and environmental shifts (Orbay, 2014, pp. 985–86). It is hypothesised that the onset of the Balkan Wars at the beginning of the twentieth century and the ramifications of the transition to World War I may have contributed to the decrease in wages. It is possible that all of these factors contributed to the simultaneous decrease in wages. Owing to the lack of sufficient data, it is difficult to quantify the impact of these factors on the wages charged by cash waqfs in Rumelia. With respect to nominal *akçe*, there was a noticeable upward trend in daily wages, which could be attributed to the inflationary pressures that persisted over time. Given that the findings derived from the analysis of daily wages reflect patterns, it is crucial to conduct comparisons to appreciate their significance.

The findings provide mixed support for recent literature on daily wages and living standards in the Ottoman Empire (Özmucur & Pamuk, 2002). During the sixteenth century, unskilled workers earned an average of 6.93 *akçe* per day in İstanbul, while daily wages in Rumelia cash waqfs stood at approximately 9.20 *akçe*. In the seventeenth century, unskilled workers in Istanbul earned 17.28 *akçe* per day, while workers in Rumelia cash waqfs earned about 22 *akçe*. In the eighteenth century, the daily wages in Rumelia's cash waqfs increased to 44 *akçe*, while unskilled workers in Istanbul earned 37.8 *akçe*. Throughout the eighteenth century, the daily wages of unskilled workers in Rumelia's cash waqfs exceeded those of unskilled workers in Istanbul. However, this trend reversed in the nineteenth and early twentieth centuries, with unskilled workers in Istanbul earning approximately 676 *akçe* per day, whereas workers in Rumelia cash waqfs earned 639 *akçe*. Moreover, unskilled workers in Istanbul earned double the daily wages of workers in Rumelia's cash waqfs. In the early twentieth century, the daily wage in Istanbul was approximately 1800 *akçe*, whereas in Rumelia, this was approximately 936 *akçe*.

In a related observation, the compensation of skilled workers displayed a parallel trajectory, particularly until the late eighteenth century. However, unlike the trends of unskilled workers from the nineteenth century onwards, the average daily income of skilled groups in Rumelia's cash waqfs continued to exceed those in Istanbul. While the living standards and conditions of unskilled workers employed in Rumelia cash waqfs appeared to decline compared to those in Istanbul, the living standards and conditions of skilled workers in this region remained superior to those in Istanbul.

Based on these findings, it is evident that Rumelia's cash waqfs offered substantial daily wages to skilled workers. However, as demonstrated in the data, the number of organisations with significant capital tends to decrease over time. Consequently, the income from cash waqfs remains low. Because wages are paid from these revenues, high wages are expected to restrict the financing of services from these revenues. Therefore, it is not surprising that cash waqfs have evolved into institutions that provide employment and high wages to individuals and groups rather than financing more social and religious services.

It is challenging to determine whether employees of cash waqfs earn income from a single job or from multiple organisations. For instance, if a professor works at multiple cash waqfs that fund education, their income is likely to be higher than the average level given in this study.

Considering these factors, the wages earned by those employed in cash waqfs may be on par with those reported in this study. However, these individuals may also receive substantial compensation from participating in additional cash waqfs, which could restrict their ability to redirect capital towards their primary objectives. To mitigate such circumstances, it is recommended that employees of cash waqfs be remunerated at the subsistence level. Consequently, even if these groups work for multiple organisations, these groups would receive a smaller portion of their capital income. This would enable cash waqfs to finance the services specified in cash waqf deeds with greater ease. Furthermore, a mechanism should be established to ensure equitable income distribution and prevent employees from working in other cash waqfs. This would allow more resources to be allocated to funded services.

CONCLUSION

Employing data from cash waqf contracts in Ottoman Rumelia, this study contributes to one of the first quantitative and systematic examinations of cash waqf institutions in the Ottoman Empire spanning from the sixteenth to the early twentieth century. The results of this research help address an important knowledge gap regarding the capital levels of cash waqf organisations and the long-term trend in wages for waqf employees. While economic historians and historians have paid considerable attention to the roles and functions of cash waqf institutions in the Ottoman Empire, there has been a scarcity of aggregate estimates and analyses of these institutions. The findings of this study encourage further research on the long-term examination of cash waqf institutions in other regions and provinces of the Ottoman Empire, and suggest new approaches to understanding the patterns, trends and economic variables of these private organisations.

The findings reveal that the average capital levels of cash waqfs were higher during the sixteenth century than during the subsequent periods. This may be attributed to the fact that high-ranking bureaucrats and military personnel were inclined to establish these private organisations. It is reasonable to assume that individuals with a high social status had substantial financial resources to devote a significant portion of their wealth in establishing cash waqfs during the sixteenth century. The spread of cash waqf institutions for various reasons should have encouraged other segments of the society from the seventeenth century. Consequently, an increase in the number of cash waqfs with greater participation from different segments of the society would result in a decrease in the average capital levels of these private institutions. Although the increasing number of cash waqf organisations should have arisen from the higher participation of different socioeconomic groups in the Ottoman Empire, the trend of cash waqf institutions exhibited an inverted U-shaped pattern, particularly between the sixteenth and mid-nineteenth centuries. This pattern holds true for the first three quartiles of average capital levels until World War I. The only exception occurs in the last quartile, which includes cash waqf organisations with an average capital of less than 10,000 silver, in which the pattern increases during the same period.

The trend in daily wages paid by cash waqf organisations also displays similar results and outcomes. When examining the trend in Ottoman currencies, daily wages for different socioeconomic groups demonstrated a rising trend during the same period. This study employs real values for average daily wages, expressed in US dollars and Turkish lira with 2019 prices. The results show that real daily wages increased until the end of the eighteenth century and began to decrease during the nineteenth and early twentieth centuries. In other words, the long-term trend in average real daily wages exhibits an inverted U-shaped pattern. The peak points of both average capital levels and average real daily wages intersect in the same sub-periods. These two trends may be indicative of economic growth in the Ottoman Empire until the beginning of the nineteenth century.

Recommendations

Economic historians are encouraged to create new datasets for various economic variables found in waqf contracts (*waqfiyyas)*. This research offers a new method for analysing these variables through descriptive analysis. Furthermore, it is suggested that these primary sources have immense potential for developing new analyses. As more analyses become available, policymakers can utilise the past experiences of these private organisations. This process has enabled economists to establish new modern financial organisations over time. Moreover, in addition to private and public sector performance, the waqf sector (philanthropy) must be taken into consideration in the comparison of the living standards between the East, West and Islamic world (the centre).

Implications of the Study

The establishment of cash waqf organisations served as a crucial means for accumulating capital, which subsequently facilitated the provision of public goods that augmented social welfare. Additionally, the results of this study suggest that these organisations play a role in fostering employment opportunities. People with diverse occupational expertise were able to secure employment within these organisations, receiving wages that were in close proximity to market rates. The waqf sector (philanthropy) can play a significant role in realising economic and social welfare and financial stability in the present time and the future.

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DECLARATION

Credit Authorship Contribution Statement

The authors contributed equally to the conceptualisation, writing, methods, discussion of findings, and conclusion sections.

Declaration of Competing Interest

The authors declare none.

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Ethical Statement

The authors declare that they understand the Ethical Guidelines and have adhered to all the statements regarding ethics in publishing. They also confirm that this paper is original and has not been published in any other journal nor is under consideration by another publication.

Data Availability

The data used in this study comprise contracts that served as the primary source of cash waqfs in Ottoman Rumelia (see, Bulut *et al.*, 2019). Despite the long-term nature of these data, the data are not suitable for econometric analysis owing to significant gaps. Consequently, alternative statistical data were employed and are presented in the form of tables and graphs. The authors proceeded with their efforts to prepare a dataset for econometric analysis and make this data suitable for use.

Disclaimer

The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

Appendix

None

EMPOWERING THE FUTURE OF CASH WAQF THROUGH DIGITALISATION: AN INSIGHT INTO THE PHILANTHROPIC INTENTION OF THE INDONESIAN MUSLIM COMMUNITY

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ABSTRACT

Purpose — This research explores the dimensions of perceived *iḥsān* (altruism) and trust, utilising a framework rooted in the Unified Theory of Acceptance and Use of Technology (UTAUT), to comprehensively explore the intricate motivations and ethical considerations underlying individuals' engagement with digital waqf platforms.

Design/Methodology/Approach — Structural Equation Modeling (SEM) was applied to analyse primary data collected from 202 Muslims residing in four cities in Indonesia.

Findings — The investigation unveiled that performance expectancy, social influence and perceived *iḥsān* significantly impact the intention of digital waqf usage. On the other hand, trust affects a person's intention, shaping their behaviour to donate through digital waqf platforms. In contrast, effort expectancy does not affect the intention to engage in waqf through digital channels, and facilitating condition do not affect user behaviour.

Originality/Value — This study introduces a novel approach by incorporating perceived *iḥsān* and trust dimensions into the UTAUT model to achieve the objective of this research. In particular, it offers unique insights into the disbursement of cash waqf among Muslims via digital platforms (e.g., online channels).

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Practical Implications — The study emphasises that individuals from the low middle-class demonstrate empathy and mutual support in the face of financial limitations. The article offers valuable recommendations to the government, aligning with Indonesia's Golden 2045 goal. These recommendations encompass the implementation of advanced digitisation in waqf management, integration of waqf data into robust financial management systems, and intensified educational campaigns aimed at raising public awareness on cash waqf, particularly among the younger generation.
Keywords — Cash waqf, Digital waqf, Intention to donate, Perceived *iḥsān*, Trust, UTAUT
Article Classification — Research paper

INTRODUCTION

Indonesia has the potential to raise philanthropic funds because it has the world's largest Muslim population (Usman, 2020). In addition to zakat (alms), donations in the form of *infāq* (spending in the way of Allah) and waqf (Islamic endowment) have been successful in reducing many financial and societal hardships (Sulistyowati *et al.*, 2022). According to Abdullahi (2022), the practice of waqf cannot be separated from sustainable development. Historically, one of the primary goals of waqf has been the reduction of poverty, with waqf contributing to the welfare of the needy as well as the larger society in different sectors, including health, education and infrastructure development (Linge, 2017; Abdullah, 2018). Moreover, the primary characteristic of waqf is the permanent transfer of private ownership of the waqf assets from the donor to Allah (SWT) such that the waqf assets can be utilised for any Sharīʿah-compliant purpose in perpetuity, generating lasting benefits for the society.

Indonesia's large Muslim population, which makes up about 86.7 per cent of the total population, is a key reason why waqf has significant development potential in the country (Putra, 2020). Thirteen per cent of all Muslims worldwide are from Indonesia, followed by Pakistan, India and Bangladesh being the next three countries with the most Muslims (World Population Review, n.d.). Caf (2021) highlighted that Indonesia is ranked first among the countries with the most population making donations. The Indonesian Waqf Board, Badan Wakaf Indonesia (BWI), states that the annual collection of cash waqf can reach up to IDR20 trillion, with 20 million Indonesians contributing IDR1 million or less each year, which is equivalent to less than IDR100,000 per month (BWI, 2022b). However, according to the latest data, the amount of cash waqf collected in 2022 was significantly lower than the possible amount. It totalled approximately IDR1.4 trillion, which is less than five per cent of the potential amount (BWI, 2022a). Lack of literacy, governance issues, issues relating to the waqf portfolio, and the ease of making waqf donations are attributed as the underlying causes to this problem. A recent study also found that one of the difficulties in optimising cash waqf is the ease of using technology (Masrizal *et al.*, 2022). Thus, these hindrances require policy formulation to maximise the people's welfare through waqf (Fajariah *et al.*, 2020).

Technological transformation has changed the ways individuals make charitable donations, requiring institutional responses to be sensitive in delivering schemes to facilitate the collection of waqf funds from the community (Rahmawati *et al.*, 2021; Kasri & Chaerunnisa, 2022). Thus, waqf institutions have recently engaged in the productive management and collection of cash waqf by leveraging on technological advancements (Nurjanah & Hasanah, 2021; Kasri & Chaerunnisa, 2022). Research on digital waqf in Indonesia is, however, still limited, mostly focusing on theoretical aspects. The main focus of the discussion revolves around the impact of waqf on enhancing the well-being of individuals (Fitri & Wilantoro, 2018) and promotion of education and awareness about waqf (Hasan *et al.*, 2019; Hayati *et al.*, 2022).

This study focuses on digital cash waqf, examining the dimensions of trust in waqf institutions and perception of *iḥsān* (altruism) in influencing donors' intention to make waqf donations. As Rofiqo *et al.* (2021) asserted, establishing trust of waqf management institutions is essential for raising community satisfaction and ensuring continuation in intention to donate. Other studies also uncovered that the perception of *iḥsān* affects a Muslim's desire to make cash waqf (Rizal & Amin, 2017). *Iḥsān* is related to a person's level of piety, sincerity in doing good deeds, and intention to please Allah (SWT), and is reflected in their practice of the religion, worship, transactions and morals (Azmi *et al.*, 2022).

In recent years, numerous research studies have been conducted to investigate the elements that influence individuals' intention and behaviour in donating cash waqf (Amin *et al.*, 2014; Sakti *et al.*, 2016; Osman & Muhammed, 2017; Shukor *et al.*, 2017; Wadi & Nurzaman, 2020; Nuraihan & Shatar, 2021; Triantoro *et al.*, 2021; Berakon *et al.*, 2022a; Berakon *et al.*, 2022b; Kasri & Chaerunnisa, 2022; Nour Aldeen *et al.*, 2022; Allah Pitchay *et al.*, 2023; Hassama & Ismail, 2023; Jatmiko *et al.*, 2023; Masrizal *et al.*, 2023; Maulina *et al.*, 2023). However, all of the studies mainly focused on the middle-upper class. In particular, previous studies have not investigated the relationship between monetary waqf payments and behavioural characteristics in income categories ranging from low to middle income.

According to the above-mentioned rationale, this study examines the motivations behind the Muslim community's use of digital waqf in the context of Indonesia. In particular, this study examines the role that waqf through digital channels plays in influencing interest and behaviour by analysing performance expectancy, effort expectancy, social influence, facilitating condition, perceived *iḥsān* and trust. This empirical investigation differs from others in that it was developed using a framework drawn from the UTAUT theory (Unified Theory of Acceptance and Use of Technology), along with trust and perceived *iḥsān*.

This probe is important for several reasons. First, the ease of performing waqf through digital channels is a potential that must be developed in modern waqf management. Second, despite the fact that the National Sharia Board, notably the Indonesian Ulama Council (DSN-MUI), issued a fatwa on cash waqf in 2012 encouraging the expansion of the digital cash waqf sector in the country, there are still numerous hindrances that are affecting digital waqf institutions in maximising waqf funds' collection in practice. These include people not recognising online waqf as a possible avenue for waqf due to the lack of popularity of digital waqf institutions and the difficulty in retaining regular donors (Amaliyah *et al.*, 2022). Because of this, it is essential to examine the factors that affect the growth of digital waqf.

This research will undoubtedly be a stepping stone for waqf management institutions to develop strategies and come up with policy directions in building a waqf ecosystem to escalate literacy and public awareness on digital waqf in Indonesia. This research also bridges the literature gap on digital cash waqf administration in Indonesia by providing actual data.

Accordingly, this paper is organised as follows: the following section provides a review of the literature on cash waqf in Indonesia, discusses the digitalisation of cash waqf, and presents an overview of the UTAUT model employed in this study. Subsequently, the study introduces the formulated hypotheses and presents the methodology, covering the research instruments and sample. It then presents and discusses the results. The last section concludes the paper.

LITERATURE REVIEW

Cash Waqf in Indonesia

Waqf is a form of Islamic endowment where assets are dedicated and preserved for charity or religious reasons. Prophet Muhammad (SAW) formed the first waqf when he established Medina's Quba Mosque. A waqf with seven gardens was also established in Medina to help the less fortunate. The second Caliph, Umar (RA), continued the tradition (Bulut & Korkut, 2019).

From the religious perspective, a waqf is a form of charity with eternal and constant reward, even though the person has passed away. The Prophet (SAW) said, ‘When the human being passes away, all his deeds are cut off except for three things: ongoing charity, useful knowledge, and a pious child who prays for him’ (Muslim).

The practice of waqf development continues to expand. According to Masrizal *et al.* (2022), the progress of Indonesian waqf can be divided into three distinct phases. In the initial phase, known as the traditional phase, the use of waqf was exclusively employed to construct mosques, prayer chambers, and for Islamic education. During this phase, waqf was used mainly for religious purposes. In the second phase, the role of waqf was further developed, emphasising construction of a community motivated by the benefits of waqf. Therefore, the role of waqf expanded to include social and community causes. In the third phase, waqf made significant progress, with professional management involved and waqf being transformed into a Sharīʿah-compliant financial instrument. Furthermore, new developments in waqf include Cash Waqf Linked Sukuk (CWLS) and Waqf Core Principles (WCP). At present, Indonesia is in its third phase; however, the Indonesian Waqf Board (BWI), in its capacity as the waqf authority in Indonesia, must exert considerable effort to further accelerate the development of waqf in the country.

The awareness of waqf practices in Indonesia, which are traditionally associated with immovable property, has evolved over time in response to the increasing significance of cash transactions. Recognising this shift, the DSN-MUI issued a fatwa on 11 May 2002, permitting cash waqf, provided that the fundamental purpose ensures sustainability and perpetual use. Cash waqf is essentially the donation of assets in the form of cash or other securities held by Sharīʿah-compliant financial institutions, whereby the proceeds from the investment of these assets are directed towards supporting those in need. It is noteworthy that the donated money remains intact and cannot be divided. Waqf managers have the flexibility to allocate funds across various halal and productive business institutions (Atabik, 2016).

The adoption of cash waqf among Indonesian Muslims has grown, driven in large part by the DSN-MUI’s fatwa and the regulatory framework outlined in Law No. 41/2004 concerning waqf and Government Regulation No. 42/2006 (Maulina, 2022). Additionally, the establishment of the Indonesian Waqf Board (BWI) in 2007, an autonomous body overseeing waqf management and *nāẓir* (manager) supervision, has further catalysed the development of cash waqf institutions. According to the latest data as of October 2023, 407 cash waqf institutions are registered with the BWI.

Cash Waqf Digitalisation

According to Amin *et al.* (2014), online waqf denotes monetary contributions made by Muslims electronically. Specifically, it encompasses transactions remotely conducted by individuals from any location. The advent of online waqf has simplified philanthropy for Muslims, enabling them to contribute cash waqf directly through internet-connected devices, thereby bypassing the necessity for direct engagement with trustees (Kasri & Chaerunnisa, 2022). This not only conserves time and resources but also streamlines the donation process. In response to the surge in digitalisation, waqf institutions have embraced information technology to facilitate cash waqf transactions via internet networks (Berakon *et al.*, 2022b). In essence, cash waqf can now be accessed online at any time and from any location (Umaiya & Ibrahim, 2022).

Unified Theory of Acceptance and Use of Technology (UTAUT)

Fintech, an abbreviation for financial technology, embodies software programmes providing financial services, wherein information technology is integral to its functioning. Fintech, a dynamic field at the intersection of finance and technology, encompasses a spectrum of entities, including innovative startups, diverse financial services, cutting-edge technologies, established businesses, digitalisation initiatives, industrial advancements, evolving consumer demographics, opportunities for growth, a plethora of products, and inherent risks (Liudmila *et al.*, 2017). Within the interdisciplinary domain of fintech, primacy is placed on the seamless convergence of traditional money management principles with transformative technology and relentless innovation (Leong, 2018). To examine the relationship between attitudes and intentions in the fintech sector, the present research employs the Unified Theory of Acceptance and Use of Technology (UTAUT) model. Developed by Venkatesh *et al.* (2003), UTAUT comprises fundamental hypotheses elucidating the acceptance and behaviour associated with technology usage. Originating as a response to the Technology Acceptance Model (TAM) (Davis, 1989), UTAUT explores individuals' intentions to embrace technology and their ensuing behaviour. Abbas *et al.* (2018) contend that technological traits, encompassing performance expectancy and effort expectancy, alongside contextual components such as social influence and facilitating condition, constitute the four exogenous variables of the UTAUT model.

Performance expectancy pertains to the anticipation that technology will enhance job performance, while effort expectancy gauges an individual's comfort level in using technology. Social influence gauges the perceived importance of external influences, such as relatives, co-workers and subordinates, in motivating the adoption of a new system. Meanwhile, facilitating condition measures the belief in the capability of the existing organisational and technological infrastructure to enable the system's use (Venkatesh *et al.*, 2012).

The literature indicates that UTAUT has been applied across various technologies and tested in diverse contexts and industries. These include mobile e-banking (Bhatiasevi, 2016; Abbas *et al.*, 2018), shopping behaviour (Celik, 2016; Soh *et al.*, 2020), hospitality and tourism (Gupta *et al.*, 2018; Kamboj & Joshi, 2021), e-learning (Rahi *et al.*, 2019; Gupta *et al.*, 2019; Abbad, 2021; Khan *et al.*, 2022), mobile commerce (Marinković *et al.*, 2020), user satisfaction (Maillet *et al.*, 2015; Chen *et al.*, 2021), and usage behaviour (Dwivedi *et al.*, 2019). The inclusion of the perceived security variable in the UTAUT model, as explored by Rahma *et al.* (2021), revealed that the primary motivator for Gen Y *waqīf* (donors) to engage in online payment of cash waqf or waqf through digital money is habitual behaviour. Another study conducted by Diniyah (2021) found that social influence significantly affects an individual's decision to participate in waqf crowdfunding. The adoption of the UTAUT model also demonstrated that social influence plays a significant role in shaping the intention of young people to use digital platforms for understanding online zakat movements through creative animation, as reported by Suki *et al.* (2022). Despite the extensive use of UTAUT in various contexts, the authors' research uncovered a limited application of UTAUT in studying waqf behaviour using digital platforms.

This study seeks to contribute to the body of knowledge by applying UTAUT in the realm of Islamic philanthropy, particularly waqf, acknowledging its diverse applications. The empirical study incorporates perceived *iḥsān* and trust. Altruism, defined as *iḥsān* by Rizal and Amin (2017), encompasses the demonstration of compassion towards vulnerable individuals. This inclination extends to acts of kindness towards parents, siblings and neighbours. Therefore, the higher the level of compassion, the stronger the inclination towards philanthropic donations. This distinction sets this research apart, as previous studies have often considered these two variables as fundamental to the contemplation of Islamic philanthropy. According to Rizal and Amin (2017), the perceived *iḥsān* dimension significantly influences a person's behavioural intention to donate cash waqf. Trust, defined as an individual's belief in the correlation between the partner's intentions and capabilities, is crucial (Deutsch, 1960). Kasri and Chaerunnisa (2022) further explained that trust plays a vital role in shaping the attitudes of Indonesian millennials, thereby influencing their intentions to engage in digital waqf.

According to the UTAUT model and variable development, this study formulates seven hypotheses:

H1: There is a positive and significant influence of performance expectancy on the intention of the Muslim community to use digital waqf.

H2: There is a positive and significant effect of effort expectancy on the intention of the Muslim community to use digital waqf.

H3: There is a positive and significant social influence on the intention of the Muslim community to use digital waqf.

H4: There is a positive and significant influence of perceived *iḥsān* on the intention of the Muslim community to use digital waqf.

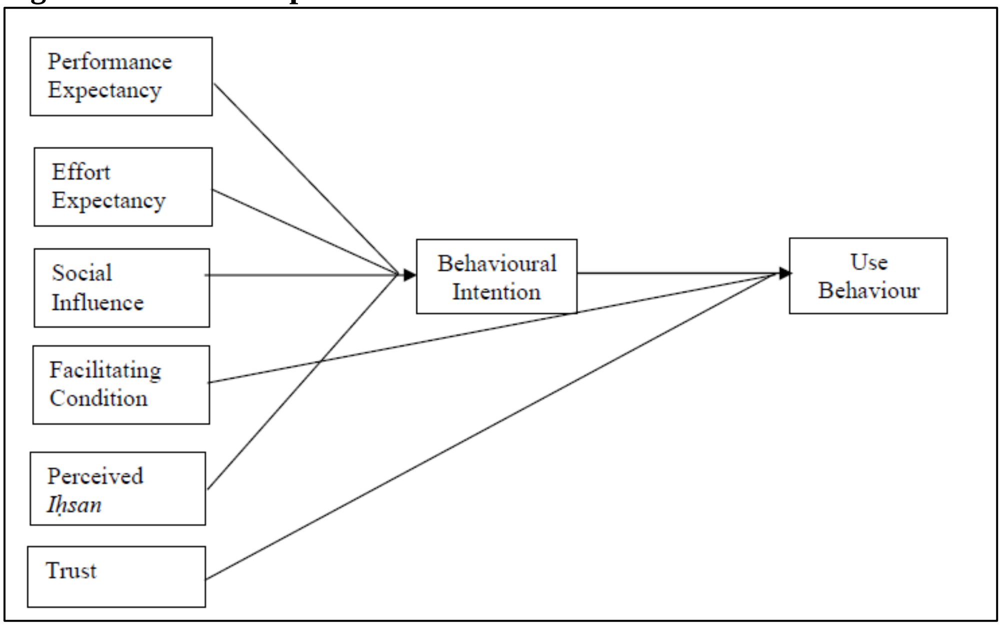
H5: There is a positive and significant effect of facilitating condition on the intention of the Muslim community to use digital waqf.

H6: There is a positive and significant effect of trust on the intention of the Muslim community to use digital waqf.

H7: There is a positive and significant influence of behavioural intention on use behaviour of the Muslim community to use digital waqf.

Figure 1 depicts how the variables interrelate with each other. The questionnaire items for measuring the constructs in the current study are presented in **Table 1**.

Figure 1: Relationship Between the Variables



Source: Authors' own

Table 1: Measurement Items

Performance Expectancy
[PE1] The use of digital waqf benefits me
[PE2] The application of digital waqf allows me to donate waqf more quickly
[PE3] The implementation of digital waqf facilitates me to donate waqf whenever I wish and wherever I am
[PE4] The use of digital waqf increases my effectiveness in the provision of waqf
Effort Expectancy
[EE1] My interaction using digital waqf is transparent and straightforward
[EE2] It was simple for me to learn how to use digital waqf
[EE3] I affirm that the system of digital waqf is easy to use
[EE4] It is easy for me to carry out waqf utilising digital waqf
Social Influence
[SI1] The people closest to me encourage me to participate in waqf by using digital waqf
[SI2] My family encourages me to donate waqf by using digital waqf
[SI3] My friends encourage me to join in waqf by utilising digital waqf
[SI4] Religious leaders encourage me to participate in waqf by using digital waqf
Facilitating Condition
[FC1] I have the knowledge needed to use digital waqf
[FC2] I have the necessary resources (e.g., smartphone, laptop and others) to implement digital waqf
[FC3] It is easy for me to get a guide to operating digital waqf
[FC4] I choose waqf through an institution that regularly publishes its waqf performance reports
Trust
[T1] In my opinion, digital waqf is beneficial for the community
[T2] I believe that digital waqf is compliant with Islamic principles
[T3] I believe that digital waqf is credible and responsible

Table 1: Measurement Items (Cont.)

Perceived *Iḥsān*
[PI1] Helping others is crucial for me
[PI2] Benefiting others is essential to me
[PI3] Showing love to my family is significant for me
[PI4] Being nice to others is essential for me
Behavioural Intention
[BI1] I intend to participate in utilising digital waqf
[BI2] I am interested in employing digital waqf
[BI3] I prefer to use digital waqf compared to conventional waqf
Use Behaviour
[UB1] I regularly employ digital waqf
[UB2] I used to apply digital waqf
[UB3] I have to use digital waqf as it is suitable to my needs

Source: Authors' own

METHODOLOGY

Research Instrument and Sample

The questionnaires employed in this study comprised nine sections, namely 'demographics profile', 'performance expectancy', 'effort expectancy', 'social influence', 'perceived *iḥsān*', 'trust', 'behavioural intention', and 'use behaviour' related to digital waqf usage. This quantitative research, designed as an explanatory study, collected data through questionnaires. The explanatory approach utilised hypothesis testing to explore causal relationships between variables and elucidate empirical phenomena (Sukmawati & Nurfitriani, 2019). Factors were assessed using the Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), with respondents selecting one of the possible alternative responses. Performance expectancy factors and items were adapted from the following previous literature: effort expectancy, facilitating condition and social influence (Kasri & Yuniar, 2021; Suki *et al.*, 2022), perceived *iḥsān* (Rizal & Amin, 2017), and trust (Shukor *et al.*, 2017).

The research population consisted of donors who contributed cash waqf through digital channels. For data collection, an online survey using purposive sampling was employed. Purposive sampling deliberately selects specific individuals or groups with the desired information or meeting specific criteria set by the researcher (Sekaran, 2003). In this method, the researchers did not rely solely on easily accessible or convenient participants but chose specific target groups to obtain the desired information.

The data for this study were gathered through the administration of questionnaires during the survey process. A total of 250 questionnaires were distributed to individuals residing in the Jakarta metropolitan area, East Java, Bali and West Nusa Tenggara. However, only 233 respondents participated in the survey. Thirty-one (31) responses were excluded due to their lack of knowledge and insight on waqf. Consequently, only 202 valid data points remained for further analysis. This study adhered to the criteria outlined by Hair *et al.* (2014), ensuring a sample size of at least five to 10 observations per estimated parameter for each group. The analytical tool employed in this research was the Structural Equation Model (SEM). Early data screening involved examining missing values and conducting normality tests, preparing for multivariate analysis and ensuring the data's integrity. Following this, the data underwent cleaning and sorting, and descriptive statistics were utilised to explore the sample's demographics. The complete model's validity and reliability were then assessed using a Confirmatory Factor Analysis (CFA), specifically the measurement model. The likelihood that the data would conform to the model was estimated by considering model fit recommendations such as Goodness of Fit Index (GFI), Adjusted Goodness of Fit (AGFI), Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), Root Mean Square Residual (RMSR) and Chi-square/degrees of freedom ratio (χ^2/df) (Hair *et al.*, 2019).

RESULTS

Demographics

The demographic analysis revealed an equal distribution among the respondents, as shown in **Table 2**. A significant portion of participants fell within the age groups of 18 to 25 (55%) and 31 to 40 (20.8%). This pattern suggests a notable inclination of the younger generation towards adopting online waqf services, recognising them as a practical alternative aligned with contemporary technological advancements. Studies conducted by Faturohman *et al.* (2020), Berakon *et al.* (2022b) and Masrizal *et al.* (2022) supported this observation, indicating that the younger demographic group favours online payment methods for cash waqf due to peer support and confidence in the system's efficacy.

In terms of education, a significant proportion of respondents completed high school (40.1%), while 37.6 per cent held a diploma or bachelor's degree. Occupationally, the majority identified as part-time working students (50%) and employees (34.2%). Part-time working students, despite limited income, actively contribute to waqf as a means of supporting essential charitable causes. The study by Kasri and Chaerunnisa (2022) highlighted the influence of factors such as waqf knowledge, trust and religiosity of the younger generation, particularly students, in contributing to cash waqf through online payment methods. The tech-savvy nature of the young Muslim population significantly contributes to the increasing acceptance of digital services for cash waqf in Indonesia, as highlighted by Berakon *et al.* (2022b).

As for monthly income, 52 per cent of the respondents reported earning below Rp. 1,000,000, while 25.2 per cent had incomes exceeding Rp. 5,000,000. Despite the majority facing economic constraints due to part-time employment, the findings suggest a resilient charitable intent among respondents. This commitment aligns with the World Giving Index (CAF, 2023), reflecting Indonesia's reputation as a benevolent nation. The study emphasises that charitable actions are not exclusive to the affluent, challenging the common assumption that charitable giving primarily originates from the wealthy. **Table 2** provides a detailed breakdown of respondent demographics.

Descriptive Statistics

To conduct the investigation, Structural Equation Modeling (SEM) was employed, as outlined by Hair *et al.* (2019). SEM is particularly valuable in this proposed model for examining both direct and indirect causal relationships. Furthermore, SEM facilitates the comprehensive exploration of all relationships concurrently, considering potential measurement errors for multidimensional and complex phenomena (Fidell, 2014; Hair *et al.*, 2019). It is crucial to note that SEM analysis does not inherently eliminate causal linkages. Instead, the causal ideas underpinning the research, drawn from prior studies, research design, scientific expertise and logical arguments, guide the SEM process. In essence, the validity of SEM findings is contingent upon the extent to which the researchers' causal hypotheses are substantiated (Bollen & Pearl, 2013). For enhanced data analysis, software version 22 of SPSS and AMOS was selected. SEM, in this context, serves not merely to identify a suitable model but also to determine the validity of the proposed model (Jonathan, 2010). This analytical tool assesses the impact of performance expectancy, effort expectancy, social influence, facilitating condition, perceived *iḥsān* and trust on digital waqf adoption. **Table 3** provides the descriptive statistics of the measurement items.

Table 2: Demographic of the Respondents

Demographic Aspects	Frequency	N (%)
Gender		
Male	101	50
Female	101	50
Age Group		
18–25	111	55
26–30	16	7.9
31–40	42	20.8
41–50	31	15.3
>50	2	1.0
Highest Academic Qualification		
Senior High School	81	40.1
Diploma/Undergraduate	76	37.6
Postgraduate	45	22.3
Occupation		
Student	101	50.0
Employee	69	34.2
Entrepreneur	2	1.0
Others (Housewife, Freelance, etc.)	30	14.9
Monthly Income		
<Rp1,000,000	105	52.0
Rp1,000,000–Rp2,999,000	21	10.4
Rp3,000,000–Rp 4,999,000	25	12.4
>Rp5,000,000	51	25.2

Source: Authors' own

Table 3: Descriptive Statistics of Measurement Items

Measurement Item	Mean	Std. Deviation
Performance Expectancy		
[PE1] The use of digital waqf benefits me	4.38	0.48
[PE2] The application of digital waqf allows me to donate waqf more quickly	4.48	0.50
[PE3] The implementation of digital waqf facilitates me to donate waqf whenever I wish and wherever I am	4.47	0.50
[PE4] The use of digital waqf increases my effectiveness in the provision of waqf	4.43	0.49

Table 3: Descriptive Statistics of Measurement Items (Cont.)

Measurement Item	Mean	Std. Deviation
Effort Expectancy		
[EE1] My interaction using digital waqf is transparent and straightforward	4.29	0.45
[EE2] It was simple for me to learn how to use digital waqf	4.24	0.42
[EE3] I affirm that the system of digital waqf is easy to use	4.24	0.43
[EE4] It is easy for me to carry out waqf utilising digital waqf	4.33	0.47
Social Influence		
[SI1] The people closest to me encourage me to participate in waqf by using digital waqf	4.39	0.50
[SI2] My family encourages me to donate waqf by using digital waqf	4.62	0.51
[SI3] My friends encourage me to join in waqf by utilising digital waqf	4.44	0.52
[SI4] Religious leaders encourage me to participate in waqf by using digital waqf	4.48	0.52
Facilitating Condition		
[FC1] I have the knowledge needed to use digital waqf	4.44	0.50
[FC2] I have the necessary resources (e.g., smartphone, laptop and others) to implement digital waqf	4.48	0.51
[FC3] It is easy for me to get a guide to operating digital waqf	4.48	0.51
[FC4] I choose waqf through an institution that regularly publishes its waqf performance reports	4.47	0.52
Trust		
[T1] In my opinion, digital waqf is beneficial for the community	4.17	0.38
[T2] I believe that digital waqf is compliant with Islamic principles	4.12	0.32
[T3] I believe that digital waqf is credible and responsible	4.15	0.36
Perceived *Iḥsān*		
[PI1] Helping others is crucial for me	4.63	0.48
[PI2] Benefiting others is essential to me	4.67	0.47
[PI3] Showing love to my family is significant for me	4.73	0.46
[PI4] Being nice to others is essential for me	4.76	0.44
Behavioural Intention		
[BI1] I intend to participate in utilising digital waqf	4.35	0.49
[BI2] I am interested in employing digital waqf	4.28	0.45
[BI3] I prefer to use digital waqf compared to conventional waqf	4.20	0.47
Use Behaviour		
[UB1] I regularly employ digital waqf	4.28	0.45
[UB2] I used to apply digital waqf	4.27	0.44
[UB3] I have to use digital waqf as it is suitable to my needs	4.23	0.42

Source: Authors' own

Before proceeding with the analysis, it is imperative to scrutinise the validity and reliability of each construct. This study scrutinised the loading factor values of the construct validity test for each variable. Subsequently, reliability was assessed using the construct reliability (CR) and average variance extracted (AVE) methods. The results of the construct testing are presented in **Table 4**.

Table 4: Item Loadings for Relevant Variables

Construct	Items	Factor Loading	CR (Above 0.7)	AVE (Above 0.5)
Performance Expectancy			0.7	0.8
(PE)	PE4	0.646		
	PE3	0.794		
	PE2	0.738		
	PE1	0.63		
Effort Expectancy			1.48	0.76
(EE)	EE4	0.603		
	EE3	0.607		
	EE2	0.704		
	EE1	0.602		
Social Influence			1.77	0.77
(SI)	SI4	0.733		
	SI3	0.808		
	SI2	0.759		
	SI1	0.532		
Facilitating Condition			0.92	0.64
(FC)	FC4	0.621		
	FC3	0.627		
	FC2	0.622		
	FC1	0.625		
Perceived *Iḥsān*			0.85	0.84
(PI)	PI4	0.606		
	PI3	0.791		
	PI2	0.904		
	PI1	0.748		
Trust			1.18	0.75
(T)	T3	0.409		
	T2	0.595		
	T1	0.562		
Behavioural Intention			1.07	0.76
(BI)	BI1	0.66		
	BI2	0.749		
	BI3	0.531		
Use Behaviour			1.19	0.84
(UB)	UB1	0.838		
	UB2	0.88		
	UB3	0.472		

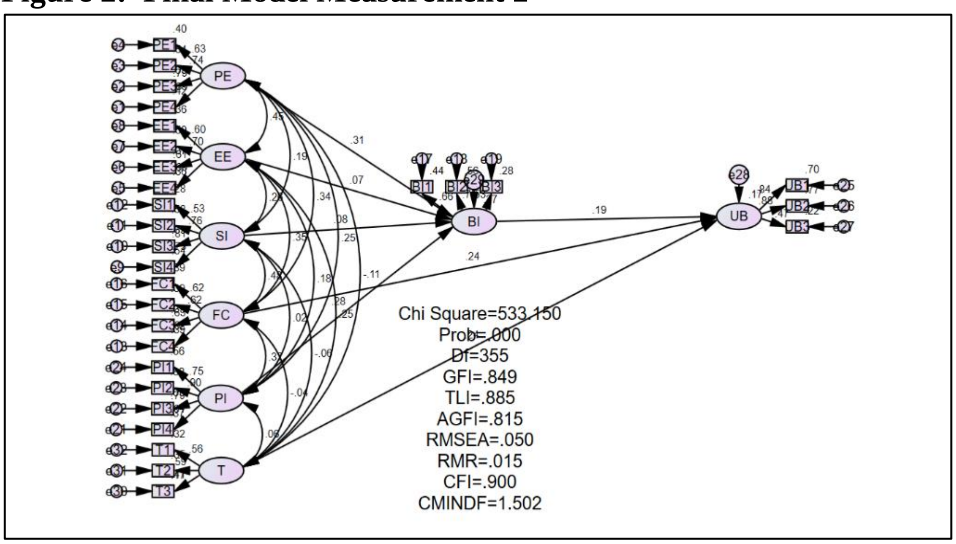
Source: Authors' own

As depicted in **Table 4**, the test results for each variable indicator in this study were deemed valid, given that their loading factor values exceeded 0.05. Significantly, this study employed the construct reliability approach to assess the construct reliability by determining the instrument reliability index within the examined SEM. In accordance with the established criteria, a construct is considered reliable if the CR value is 0.70 and the AVE value is 0.50. Following the calculations, it was concluded that the performance expectancy (PE) variable exhibited reliability, with a CR value of 0.70 and an AVE value of 0.50. Similarly, for the effort expectancy (EE) measure, the CR value was 1.48 (exceeding the 0.70 threshold), and the AVE value was 0.76 (surpassing the 0.50 criterion), indicating the questionnaire's trustworthiness for the EE variable. The same criteria were applied to the social influence variable, revealing an AVE of 0.77, a CR value of 1.77 (exceeding 0.70) and an AVE of 0.77 (surpassing 0.50), establishing the trustworthiness of the social influence variable questionnaire.

The facilitating condition (FC) variable demonstrated a CR value of 0.92 (meeting the ≥0.70 criterion) and an AVE value of 0.64 (satisfying the ≥0.50 criterion). Similarly, the perceived *iḥsān* (PI) variable attained CR and AVE values of 0.85 and 0.84 (both meeting the ≥0.70 and ≥0.50 criteria), affirming the accuracy of the claim regarding the PI variable. The Trust (T) variable exhibited an AVE value of 0.75 (≥0.50) and a CR value of 1.18 (≥0.70), supporting the assertion of the variable's dependability. For the behavioural intention (BI) variable, the CR value was determined to be 1.07 (≥0.70), and the AVE value was 0.76 (≥0.50), validating the questionnaire statement's accuracy. Finally, the use behaviour (UB) variable demonstrated a CR value of 1.19 (≥0.70) and an AVE value of 0.84 (≥0.50), confirming the validity of the statement regarding the UB variable questionnaire.

As shown in **Table 5** and **Figure 2**, the fit of the model was examined using the Goodness of Fit Index (GFI) and Comparative Fit Index (CFI), both ranging from 0 to 1.0, with a perfect fit indicated by a score of 1.0. The GFI assesses overall fit, while the CFI measures the variation accounted for in the covariance matrix, with values falling between 0.0 and 1.0 (Fan *et al.*, 2016). In accordance to Rizal and Amin (2017), the Root Mean Square Error of Estimate (RMSEA) is considered favourable between 0.05 and 0.08, the Chi-square/degrees of freedom ratio (χ^2/df) should be less than 5, and the Adjusted Goodness of Fit Index (AGFI) ought to exceed 0.8. In this inquiry, the structural model yielded an χ^2 value of 533.150 with 355 degrees of freedom. The obtained figures for GFI (0.849), AGFI (0.815), CFI (0.90), RMSEA (0.05), RMR (0.05), and χ^2/df (1.502) collectively suggest that the structural equation model is fitting well, indicating readiness for the subsequent analysis stage.

Figure 2: Final Model Measurement 2



Source: Authors' own

Table 5: Goodness of Fit Index

Model	χ^2	df	GFI	AGFI	CFI	RMSEA	RMR	χ^2/df	Comment
MM3	533,150	355	0.849	0.815	0.90	0.05	0.05	1.502	Fit (Suitable)

Source: Authors' own

DISCUSSION

The subsequent stage involves exploring the direct and indirect effects of Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Condition, Trust and Perceived *Iḥsān* on behavioural objectives and behaviours associated with the adoption of digital waqf. The measurement model representing the output outcomes is provided in **Table 6**.

Table 6: Structural Equation Model (SEM) Estimation Results

Hypothesised Path	Estimate	Critical Ratio	p-value	Result
H1:Performance Expectancy→Behavioural Intention	0.316	2.841	0.004	Accepted
H2:Effort Expectancy→Behavioural Intention	0.078	0.638	0.523	Rejected
H3: Social Influence→Behavioural Intention	0.068	0.905	0.365	Accepted
H4: Perceived *Iḥsān*→Behavioural Intention	0.336	2.977	0.003	Accepted
H5: Facilitating Condition→Use Behaviour	0.287	2.582	0.01	Rejected
H6:Trust→Use Behaviour	0.616	2.141	0.032	Accepted
H7: Behavioural Intention→Use Behaviour	0.219	1.998	0.046	Accepted

Source: Authors' own

The t-value utilised in hypothesis testing maintained a significance threshold of 0.05. Hypotheses were deemed approved if the Critical Ratio (CR) value reached 1.967 or if the probability value (P) was 0.05 (Junaidi, 2021). The empirical results indicated a significant relationship between performance expectancy, social influence, perceived *iḥsān* and behavioural intentions associated with digital waqf. Trust played a pivotal role in influencing the behaviour of using digital waqf, while effort expectancy and facilitating condition did not significantly impact behavioural intentions or user behaviour in digital waqf.

The empirical findings contribute to the understanding of digital waqf adoption by identifying the integrative roles of various variables, including performance expectancy, effort expectancy, social influence, facilitating condition, perceived *iḥsān*, trust, with behavioural intentions and usage behaviour. The study highlights specific determinants influencing *waqīf* (donators) who utilise digital technology-based waqf services.

Performance expectancy was found to positively and significantly influence *waqīf* intentions to implement digital waqf services, enhancing the system's efficacy in waqf. Trust in the system also played a crucial role in improving waqf effectiveness. Additionally, the study revealed that digital waqf services, by allowing waqf to be more accessible anytime and anywhere, increased the public's intention to use such services, aligning with previous empirical studies (Wadi & Nurzaman, 2020).

Contrary to expectations, effort expectancy did not emerge as a strong indicator of the likelihood of deploying digital waqf. Aspects such as skills, usability, learning and interaction did not significantly influence *waqīf* intentions to implement digital waqf services. This finding contradicts previous literature by Wadi and Nurzaman (2020) and Diniyah (2021), which reported a significant positive correlation between effort expectancy and *waqīf* behavioural intentions in waqf through crowdfunding.

Moreover, the role of effort expectancy remains inconclusive in influencing behavioural intentions to utilise digital waqf. This outcome highlights the need to explore alternative determinants of behavioural purposes when engaging with digital waqf services, aside from effort expectancy. Furthermore, this investigation reveals that social influence has a significant and positive impact on behavioural intentions related to digital waqf. The immediate social environment, encompassing close relationships with family, friends and religious leaders, plays a pivotal role in shaping an individual's behaviour towards digital waqf utilisation. This observation aligns with the findings of Sakti *et al.* (2016), affirming the influential nature of social impact on people's intentions, emphasising its potency in the waqf context. Similarly, earlier research by Wadi and Nurzaman (2020) highlighted the potential for *nāẓirs* to leverage social influence by engaging influential figures to attract attention towards waqf through digital platforms. Consequently, these preliminary findings suggest that social impact is crucial in determining an individual's willingness to participate in digital waqf. However, Diniyah (2021) revealed that a lack of public literacy did not hinder the surrounding environment's interest in implementing waqf crowdfunding.

This empirical evidence prompts the exploration of additional factors beyond perceived *iḥsān* to understand and promote individuals' intentions with digital waqf services. Perceived *iḥsān* emerges as a factor influencing a *waqīf*'s intention to employ digital waqf. In parallel, Rizal and Amin (2017) demonstrated a strong correlation between *iḥsān* and an individual's desire to perform waqf. On the contrary, this study found that the behaviour of individuals using digital waqf remains unaffected by facilitative conditions. Facilitating conditions, encompassing necessary knowledge and resources, guidelines for using digital waqf, and the publication of waqf institutions' reports, do not necessarily spur user behaviour to participate in digital waqf. Additionally, this study empirically examines the impact of trust on using digital waqf, revealing a favourable and substantial correlation between these two variables. Similarly, research conducted in Malaysia by Shukor *et al.* (2017), Shukor *et al.* (2018) and Kasri and Chaerunnisa (2022) found that people's inclination towards cash waqf was positively influenced by their level of certainty and faith in waqf institutions. These findings suggest that waqf institutions should prioritise building confidence to successfully solicit cash from local communities. Interestingly, donors using mobile zakat services did not consider the legitimacy and accountability of zakat organisations, contradicting previous findings.

Most importantly, the findings emphasised that behavioural intention significantly impacts users' inclination to use digital waqf services. Additionally, behavioural purposes can indirectly correlate with user behaviour in utilising digital waqf services. This discovery aligns with an earlier study by Bhatiasevi (2016) demonstrating how behavioural goals influence customers' adoption of mobile banking. Consequently, a more in-depth focus on behavioural intention is crucial for understanding community users' behaviour towards digital waqf services.

CONCLUSION

This study highlights that despite facing income constraints, individuals from the low-middle class exhibit a noteworthy level of concern for one another. In line with Indonesia's Golden 2045 vision, the research provides valuable recommendations for the government's consideration. Notably, these findings resonate not only with previous studies concentrating on the middle-upper class (Amin *et al*., 2014; Sakti *et al*., 2016; Shukor *et al*., 2017; Osman & Muhammed, 2017; Wadi & Nurzaman, 2020; Triantoro *et al*., 2021; Berakon *et al*., 2022a; Berakon *et al*., 2022b; Kasri & Chaerunnisa, 2022; Nour Aldeen *et al*., 2022; Hassama & Ismail, 2023; Allah Pitchay *et al*., 2023; Jatmiko *et al*., 2023; Masrizal *et al*., 2023; Maulina *et al*., 2023) but also with the specific focus of the present research on the low and middle-income demographics, where a substantial contribution to cash waqf is observed. Economic constraints notwithstanding, individuals in this stratum remain committed to caring for others. As a result, this research holds relevance for the government, particularly considering the anticipated capital influx by 2045. Furthermore, Indonesian society's benevolence across various segments is evident, prompting the need for the government to bolster the waqf infrastructure for increased efficiency and effectiveness, ultimately positively impacting the society. Strategic measures, such as the enhanced digitisation of the *nāẓir*, integration of waqf data, and heightened educational campaigns aimed at raising public awareness—especially among the younger generation—about cash waqf, are imperative. Initiatives like roadshows to schools and universities can prove to be effective methods. The growing presence of donors emphasises the urgency of fortifying the waqf infrastructure sector.

While the study successfully achieves its objectives, it is important to acknowledge its limitations, paving the way for future research endeavours. Subsequent investigations could assess the applicability of this compliance model in other Muslim and developing nations to enable the generalisation of findings. Furthermore, these inquiries demand larger sample sizes, more diverse participant groups, and broader observational networks. There may be methods to enhance the current model's construction while acknowledging the potential positive response bias. Future research could benefit from incorporating additional variables or exploring the interaction between variables, as the present study relies solely on characteristics identified in earlier studies.

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DECLARATION

Credit Authorship Contribution Statement

- Dahlia Bonang: Conceptualisation, Methodology, Data collection and analysis, Manuscript drafting
- Shafinar Ismail: Supervision, Methodology, Edited manuscripts, Verified study findings
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Data Availability
Data will be made available on request to the corresponding author.

Disclaimer
The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

Appendix
None

REDEFINING BOUNDARIES: THE CASE FOR ENTERPRISE-STRUCTURED WAQF OVER CORPORATE WAQF

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ABSTRACT

Purpose — This paper highlights the overextension in the definition of the term corporate waqf in the current literature, proposing a return to its original meaning. It also advocates for the use of a new term, enterprise-structured waqf, to capture the broader and more inclusive contexts of waqf. This paper further elaborates on and categorises the facets of the newly advocated term, clearly delineating its scope.

Design/Methodology/Approach — This paper utilises a qualitative content analysis (QCA) methodology to recognise specified characteristics within the corporate waqf literature. It prudently dissects the prevailing narratives, revealing areas of conceptual ambiguity and inconsistency. It further proposes new narratives.

Findings — It is shown that the extended definition of the term corporate waqf has left it ambiguous, with two meanings. The first is waqf that is established by corporate entities. The second is waqf whose assets are dedicated to entities with strategic business frameworks, regardless of the founder's corporate or non-corporate status. The second meaning, while innovative, is misleading. It is therefore proposed that the term corporate waqf be returned to its original meaning and the term enterprise-structured waqf be used instead to capture the broader and more inclusive contexts of waqf.

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Originality/Value — This paper is the first to highlight the overextension in the definition of the term corporate waqf, propose a return to its original meaning, and advocate for the use of an alternative term, namely enterprise-structured waqf.
Practical Implications — Returning to corporate waqf's original meaning while distinguishing it from the broader concept of enterprise-structured waqf will potentially help expand waqf engagement and resource mobilisation.
Keywords — Corporate waqf; Enterprise-structured waqf; Islamic philanthropy; Islamic social finance
Article Classification — Conceptual paper

INTRODUCTION

For centuries, waqf has served as the backbone of Islamic civilisation. Waqf—one of the most recognised and practised economic institutions within Muslim societies—has historically facilitated the establishment of mosques, schools, hospitals, and a wide variety of public utilities, allowing for the sustainable support of various religious, humanitarian, and social endeavours (McChesney, 1991; Baer, 1997; Cizakca, 2000).

Given its significance, waqf has attracted significant scholarly attention, leading to a rich tapestry of classical and contemporary research. The research includes a range of topics, from waqf's legal perspectives (Oberauer, 2013; Joseph, 2014; Abdullah, 2018, 2020) and institutional aspects (Shatzmiller, 2001; Hennigan, 2004; Komilov, 2023), governance issues (Awaludin *et al.*, 2018; Aziz & Ali, 2018; Kamaruddin & Hanefah, 2021), development roles (Ibrahim *et al.*, 2019; Lamido & Haneef, 2021; Medias *et al.*, 2021), to innovative applications in a modern context (Majid, 2021; Hassan *et al.*, 2023; Khan *et al.*, 2023).

The evolution of waqf in recent decades has also brought about the development of literature on the subject, notably with the emergence of 'corporate waqf'. There is now a vast and emerging corpus of literature emphasising the potential roles of corporate waqf (Mohsin, 2013, 2014; Darus *et al.*, 2021; Hassan & Noor, 2021; Çilingir, 2022), documenting the implementation of corporate waqf (Dukhan *et al.*, 2021; Jamaluddin & Hassan, 2021; Huda & Santoso, 2022), or evaluating the critical factors that affect the performance of corporate waqf management (Ramli *et al.*, 2018; Raja Adnan *et al.*, 2022). There is also a small body of literature that looks at corporate waqf from the perspective of potential contributors (Hasbullah *et al.*, 2016; Ahmad, 2020).

There seems to be no study that has critically examined the term 'corporate waqf'. This study is important because the term 'corporate waqf' has been used in a number of different ways, making it unclear whether it refers to waqf founded by corporations (Johor Corporation, 2008; Ramli & Jalil, 2013; Jalil & Ramli, 2014) or waqf whose assets are dedicated to entities adopting strategic business frameworks, regardless of the founder's corporate or non-corporate status (Hasbullah *et al.*, 2016; Saad, 2019; Abdul Manaf, 2020; Ahmad, 2020; Yusoff *et al.*, 2021). The adjective 'corporate' in corporate waqf also adds to the ambiguity. It introduces restrictions that mistakenly imply that dedicating waqf to entities adopting business frameworks is exclusively within the purview of corporations, disregarding other potential *wāqif* (donors) from non-corporate entities.

Combining traditional waqf principles with contemporary strategic business frameworks requires a more sophisticated understanding and a precise definition encompassing the many forms of waqf. By critically examining the term corporate waqf and its associated concepts, it is possible to open the way for more effective integration of waqf into the current multifaceted and ever-changing socioeconomic environment.

This paper highlights the overextension in the definition of the term corporate waqf in the current literature, proposing a return to its original meaning. It also advocates for a new term, 'enterprise-structured waqf', to capture the broader and more inclusive contexts of waqf, which includes not only corporate waqf established by corporate entities but also a variety of other *awqāf* (pl. of waqf) that, while adopting strategic business frameworks, may be initiated by non-corporate founders. This paper further elaborates on and categorises the facets of the newly advocated term, clearly delineating its scope.

This paper utilises a qualitative content analysis (QCA) methodology to recognise specified characteristics within the corporate waqf literature. The methodology can validate prevailing hypotheses, offer detailed depictions of individual contexts or phenomena, and support the progression of fresh hypotheses and models (Neuendorf, 2002). In highlighting the overextension of the term corporate waqf and proposing a return to its original meaning, this paper prudently dissects the prevailing narratives, revealing areas of conceptual ambiguity and inconsistency. Further, in advocating for the term enterprise-structured waqf, this paper proposes new narratives that align the foundational principles of waqf with business frameworks to ensure that the waqf assets are not only managed and preserved but are also grown to provide sustainable sources of funding for religious, humanitarian, and social endeavours.

The novelty of this paper lies in its approach to critically examining the term corporate waqf. Different from the existing works on corporate waqf (Ramli & Jalil, 2013; Mohsin, 2013, 2014; Jalil & Ramli, 2014; Hasbullah *et al.*, 2016; Ramli *et al.*, 2018; Ahmad, 2020; Darus *et al.*, 2021; Dukhan *et al.*, 2021; Hassan & Noor, 2021; Jamaluddin & Hassan, 2021; Raja Adnan *et al.*, 2022; Huda & Santoso, 2022), this paper highlights the overextension of the term corporate waqf, proposes a return to its original meaning, and advocates for the use of an alternative term, notably enterprise-structured waqf.

The remainder of this paper consists of several sections. The literature review section provides a somewhat detailed explanation of waqf's origins and historical progression, and pinpoints the overextension of the term corporate waqf. The paper then explains the methodology used for the conduct of this research. It then elaborates on and categorises the facets of enterprise-structured waqf, the alternative term proposed in the research. It further explores the implications of the conception, and then concludes the paper.

LITERATURE REVIEW

Corporate Waqf: Background and Historical Origin

The term waqf, derived from the Arabic root word '*waqafa*', conveys the notion of halting or preserving something in perpetuity. Loosely, it refers to the voluntary act of dedicating particular assets for religious, humanitarian, or social causes according to Islamic law (Kahf, 1992; Cizakca, 2000; Al-Shirbani, 2015). Waqf is perpetual and irrevocable (Ahmad, 1987; Sadeq, 2002; Othman, 2013). Once established, it remains in effect indefinitely and cannot be revoked.

Waqf comprises four institutional elements, without which it becomes void. The elements are the founder (*wāqif*), the waqf assets (*mawqūf*), the beneficiaries (*mawqūf ʿalaih*), and the waqf declaration (*ṣīghah*) (Khatib, 2017; Ghazali *et al.*, 2019; Kasdi, 2021). The process of establishing waqf begins with the intention of the founder to dedicate a particular asset as waqf, continues with the designation of the beneficiaries of waqf and ends with the selection of a trustee (*mutawallī*) to manage the waqf assets. The trustee is responsible for adhering to the founder's stipulations and ensuring that the waqf assets generate benefits to the designated beneficiaries as intended.

The practice of waqf can be traced back to the early years of Islam, during Prophet Muhammad's (SAW) era. One notable example is the waqf established by the Prophet (SAW) and his companions to construct the Quba mosque and the Prophet's mosque in Medinah (Kahf, 2000). Another example is the waqf founded by Sayyidina ʿUmar (RA), one of the Prophet's (SAW) close companions and the second caliph of Islam. When acquiring a piece of fertile land in Khaybar, he sought the Prophet's (SAW) counsel regarding its use. Heeding the Prophet's (SAW) advice, he dedicated the land's yield to waqf (Gil, 1998; Al-ʿAsqalānī, 2000; Abdullah, 2020).

It should be noted that, despite these early waqf practices, a complete jurisprudential framework for waqf existed only many decades later. Since waqf is not mentioned explicitly in the Qurʾān (Othman, 1983; Abbasi, 2012; Oberauer, 2013), its justification is based on the more general Qurʾānic emphasis on charity and the more practical guidance of hadiths—the sayings or traditions of Prophet Muhammad (SAW). The detailed characteristics of waqf, including its definition, the conditions for its establishment, the roles and responsibilities of trustees, and its regulatory mechanisms, were developed over time through the work of Islamic jurists and scholars (Hennigan, 2004; Oberauer, 2013; Abdullah, 2020).

For centuries, the existence of waqf has mirrored the broader socioeconomic circumstances of the Muslim societies that oversaw it (McChesney, 1991; Cizakca, 2000; Komilov, 2023). There were prolonged periods in which waqf experienced prosperity and prominence, often coinciding with strong Islamic states' presence. However, there were also periods of adversity and neglect, particularly during political instability and the failure of Islamic states. Western imperialism, which took place in the 19th and 20th centuries, has resulted in tremendous complications within Muslim societies and poses severe challenges to waqf (Cizakca, 1997; 1998). Despite these challenges, the inherent adaptability of waqf has helped preserve its relevance.

The emergence of corporate waqf demonstrates a major historical development of waqf (Cizakca, 2018). While it was brought to prominence by Johor Corporation (JCorp) in 2006 (Johor Corporation, 2008), corporate waqf has been practiced in India, Pakistan and Turkey since the 1970s. One can view corporate waqf as an innovative model that seamlessly blends traditional waqf principles with modern business frameworks. It makes it possible for corporate entities to establish waqf using their resources (Ramli & Jalil, 2013; Mohsin, 2014; Saad, 2019), creating a sustainable funding source for religious, humanitarian and social endeavours.

The Overextension of the Term Corporate Waqf

The term corporate waqf has garnered considerable attention within academic circles. This burgeoning interest has spurred the proliferation of conceptual and empirical studies aimed at unravelling the complexities and subtleties of this modern waqf model. However, despite this scholarly enthusiasm, a closer inspection reveals that the term corporate waqf is mired in ambiguity, with its use oscillating between two different meanings (Ahmad, 2017; Hassan & Noor, 2021).

The first meaning views corporate waqf as waqf established by corporate entities, where the corporation's resources—shares in business, *ṣukūk*, mutual funds, real estate, lands, buildings, machineries, vehicles or any other permissible assets—are allocated for philanthropic endeavours (Johor Corporation, 2008; Ramli & Jalil, 2013; Jalil & Ramli, 2014). Here, the emphasis is on the source of the waqf, underscoring the role of corporations in mobilising their resources and operational prowess to support societal welfare initiatives (Jalil & Ramli, 2014, p. 312). Within the first meaning, corporate waqf is positioned as an extension of the corporate social responsibility projects, seamlessly blending business principles with the generous spirit of Islamic philanthropy.

For example, Jalil and Ramli (2014, p. 312) define corporate waqf as 'waqf asset and distribution of waqf proceed by a corporate entity independently or collectively with other parties'. Under this definition, it is corporate entities that act as the *wāqif*, creating waqf by utilising and managing their assets to generate benefits to the designated beneficiaries, independently or collectively with other parties.

The second meaning extends corporate waqf to include all endowments comprising shares in businesses, *ṣukūk*, mutual funds, real estate, lands, buildings, machineries, vehicles or any other permissible assets dedicated to entities with strategic business frameworks, regardless of whether the founder has corporate or non-corporate status (Mohsin, 2014; Saad, 2019; Yusoff *et al.*, 2021). For example, Mohsin (2014, p. 16) defines corporate waqf as 'the confinement of an amount of liquid money, shares, profit, dividends by the founder(s) such as individuals, companies, corporations, organizations or institutions, and the dedication of its usufruct in perpetuity to the welfare of society'. Explaining the core features of corporate waqf, Yusoff *et al.* (2021, p. 99) assert that corporate waqf must be formally established as a company and must uphold and abide by business principles and Sharīʿah principles. According to Yusoff *et al.* (2021, p. 99), the founders of corporate waqf can be corporate or non-corporate entities, including members of the general public. Similarly, Saad (2019, p. 3) believes that corporate waqf can be founded by corporate or non-corporate entities as long as the waqf assets are dedicated to entities with strategic business frameworks. These definitions suggest that the distinguishing feature of corporate waqf that sets it apart from traditional waqf models is the application of strategic business frameworks in its management, operation, and sustainability.

The second meaning, while innovative, is misleading for at least two reasons. Firstly, it dilutes the distinct role of corporate entities as active founders and managers of waqf, reducing the emphasis on corporate initiatives in philanthropy. By focusing solely on the nature of the assets that are dedicated or the business strategies employed, this meaning overlooks the significance of corporate entities in establishing and managing waqf. Secondly, it blurs the boundary between more traditional waqf models and corporate waqf, as any waqf comprising business shares, *ṣukūk*, mutual funds, lands, buildings, machineries, vehicles, and other permissible assets dedicated to strategic business frameworks could be misclassified as corporate waqf, regardless of its founding entities (Ahmad, 2017).

To uphold corporate waqf's conceptual clarity and integrity, it becomes crucial to advocate for a reversion to its authentic essence, namely waqf established by corporate entities, utilising their assets for religious, humanitarian or social endeavours. Returning to the original meaning of corporate waqf helps differentiate corporate waqf from other models of waqf, ensuring that corporate entities' unique contributions and responsibilities in Islamic philanthropy are recognised and encouraged. Further, by returning to the original meaning of corporate waqf, it is possible to see corporate waqf as a model for corporate social responsibility, demonstrating how businesses can extend beyond profit-oriented goals to address societal challenges.

Moreover, the qualifier 'corporate' in corporate waqf has introduced constraints that inadvertently exclude a broader spectrum of waqf possibilities. Specifically, it implies a limitation where the act of endowing waqf to enterprises that adopt strategic business frameworks seems to be exclusively within the purview of corporations, sidelining a myriad of other potential contributors from non-corporate founders who might be equally poised to dedicate shares, financial investments, real estate, or other permissible assets for various religious, humanitarian and social endeavours.

In order to encompass the broader spectrum of waqf that involves business shares, *ṣukūk*, mutual funds, lands, buildings, machineries, vehicles, and any other permissible assets dedicated to enterprises with strategic business frameworks, the term 'enterprise-structured waqf' is proposed. This term is designed to function as a superset that includes not only corporate waqf established by corporate entities but also extends to cover a variety of other *awqāf* that, while adopting strategic business frameworks, may be initiated by non-corporate founders such as individuals, communities, non-profit organisations, or business enterprises. The concept of enterprise-structured waqf acknowledges the diverse sources of modern waqf and accommodates innovative ways of managing, preserving and growing the assets of waqf.

THE CONCEPT OF ENTERPRISE-STRUCTURED WAQF

Enterprise-structured waqf can be defined as a model of waqf whose assets comprise financial assets such as business shares, *ṣukūk* and mutual funds, as well as physical assets such as lands, buildings, machineries, vehicles and any other permissible assets dedicated to enterprises that adopt strategic business frameworks, not only to manage and preserve but also to grow such assets. The feature unique to enterprise-structured waqf is its strong focus on asset productivity, efficiency and profit generation while maintaining fidelity to Islamic philanthropic principles.

Built upon this feature, enterprise-structured waqf involves business methodologies to guide decision-making, resource allocation and operational processes in managing, preserving and growing waqf assets. Increasing productivity, efficiency and local market penetration might be the main priorities for small-scale enterprises. Practical tools that are easy to use and integrate into existing production flows, such as electrically-powered equipment, wireless inventory scanners and autocut dispensers, basic accounting software, along with customer relationship management systems, might be employed in this case. Meanwhile, larger corporate entities might find their businesses increasingly complex and require advanced strategic business frameworks, including corporate governance structures, thorough risk management frameworks and cross-border production plans. These entities might also require advanced analytical tools and business intelligence systems to maintain their productivity, efficiency and global market penetration.

Enterprise-structured waqf can be classified into several categories to delineate its scope. These include the classification based on the enterprise's establishment status, the form of enterprise, the enterprise's relation to the *wāqif*, the enterprise's capital assets, the enterprise's strategic objectives, and the enterprise's business model.

Enterprises' Establishment Status

Depending on the establishment status of the enterprises involved, enterprise-structured waqf can be classified into three distinct categories. The first of these three categories pertains to waqf whose assets are dedicated to already existing, pre-established enterprises. It involves enterprises that are already operational and have an established presence in the market before associating with the waqf. Under this category, the enterprises use their established market presence to manage, sustain, and develop the waqf assets.

The second category pertains to waqf whose assets are dedicated to newly initiated enterprises that are established specifically to support waqf's objectives. Such enterprises use their initial assets to start a business from scratch. The enterprises are usually designed to be self-sustaining, with their profit feeding back into the waqf to support the continued growth of waqf assets and advance benefit to the designed beneficiaries.

The third category encompasses joint ventures, where waqf assets are combined with external partners' resources, expertise and networks to create collaborative enterprises. This category capitalises on the collaboration between the *nāẓir* of the waqf (waqf manager) and their partners, pooling resources to achieve shared objectives and amplifying the impact of the waqf. Such joint ventures not only improve operational capacity, but also bring in additional expertise and market access, significantly boosting the effectiveness of waqf management.

Forms of Enterprises

Enterprise-structured waqf can be classified into three categories based on the forms of the enterprises involved. The first category pertains to waqf whose assets are managed by cooperative associations—enterprises established to improve their members' economic and social conditions through the joint efforts of shared ownership, democratic decision-making and distribution of profit based on each member's contribution rather than capital investment. Cooperative associations promote community involvement. Therefore, this form of enterprise can be particularly effective for managing waqf assets that serve community-oriented objectives.

The second category is waqf whose assets are dedicated to partnership enterprises. Partnership enterprises are enterprises that are jointly funded and managed by two or more partners who assume joint responsibilities for the enterprises' profit and losses. Partnership enterprises might take the form of a general partnership or a limited partnership. A general partnership requires all partners to share unlimited liability for the enterprise's debts and obligations and to participate actively in the management and decision-making processes. Unique in this form of enterprise is the close collaboration and shared responsibilities among partners, which can be advantageous for waqf assets necessitating direct, personal oversight by the partners. Meanwhile, a limited partnership (*commanditaire vennootschap* or CV in some jurisdictions) includes general and limited partners. General partners manage the enterprise and have unlimited liability. By contrast, limited partners are not directly involved in managing the enterprises. Their liability is restricted to the investment made in the partnership. This form of enterprise can be suitable for waqf assets that require a combination of active management by some and capital contributions by others to achieve the waqf's goals.

Waqf, whose assets are managed by limited liability companies, constitutes the third category. Limited liability companies are enterprises that are set up as separate legal entities with limited liability for their shareholders. Limited liability companies assume their debts and obligations in case of legal action or business failure. This form of enterprise can therefore protect waqf's broader assets from the enterprises' liability and enable flexible management and ownership arrangements.

Enterprises' Relation to the *Wāqif*

Depending on the arrangement in which the waqf assets are managed in relation to the *wāqif*, enterprise-structured waqf can be classified into three categories. First, waqf whose assets are managed within the *wāqif*'s enterprises. Second, waqf whose assets are managed by independent enterprises. Third, waqf whose assets are managed by enterprises that have no direct relationship with the *wāqif* but maintain a close partnership with the *wāqif*'s enterprises.

The first category delineates a scenario where the assets of the waqf are incorporated into and administered in conjunction with the assets of the *wāqif*'s enterprises. By virtue of their decision-making positions within their respective enterprises, the *wāqif* retain direct or indirect authority over the management of the waqf assets. This arrangement allows for a seamless alignment of the philanthropic objectives of waqf with the business strategies of the *wāqif*'s enterprises, ensuring that the waqf capitalises on the operational efficiencies, market intelligence, and strategic undertakings of the *wāqif*'s enterprises.

In the second category, the waqf assets are entrusted entirely to enterprises without any direct relationship with the *wāqif*. This arrangement ensures that the enterprises managing the waqf assets operate with autonomy, guided by professional management practices and strategic objectives aligning with the waqf's philanthropic objectives. Such an arrangement underscores a clear separation between the waqf's stewardship and the *wāqif*'s other business interests, fostering transparency and accountability in managing the waqf assets.

In the third category, the waqf assets are managed by enterprises that have no direct relationship with the *wāqif* but maintain a close working partnership with the *wāqif*'s enterprises. This arrangement leverages strategic alliances between the *wāqif*'s businesses and the enterprises that manage the waqf assets, combining expertise and resources to advance the philanthropic objectives of waqf. While the enterprises managing the waqf assets operate independently, their collaboration with the *wāqif*'s businesses may enhance the waqf's impact through shared goals, networks and market insights.

Enterprises' Capital Assets

Depending on the types of assets dedicated to enterprises' capital, enterprise-structured waqf can be classified into four categories. The first category is waqf whose assets are managed by enterprises with financial capital assets. This category encompasses enterprises that are primarily supported by business shares and other financial investments such as *ṣukūk* and mutual funds. The enterprises leverage financial markets and investment strategies to generate profit, which is then channelled towards waqf's philanthropic endeavours.

Waqf, whose assets are managed by enterprises with physical capital assets, falls into the second category. This category encompasses enterprises that are underpinned by lands and other physical assets such as buildings, machineries and vehicles. These enterprises generate profit through rental agreements, agricultural production, or other forms of utilisation that translate physical assets into profit, which is then channelled towards waqf's philanthropic endeavours.

The third category is waqf whose assets are managed by enterprises that operate with intellectual capital assets—all intangible assets enabling enterprises to enter the market, excel in competitiveness, and extract value such as patents, copyrights, trademarks, or proprietary technologies. To generate profit, enterprises managing waqf under this category may need to commercialise their licensing rights, royalties, or exclusivity clauses.

The fourth category is waqf whose assets are managed by enterprises with diversified capital assets. Diversified capital assets—from financial and physical to intellectual capital assets—can provide a robust and resilient financial foundation for the enterprises managing waqf.

Enterprises' Strategic Objectives

Enterprise-structured waqf can be classified into three categories according to the enterprises' strategic objectives. These three categories are waqf whose assets are managed by enterprises with purely fund-raising objectives, waqf whose assets are managed by enterprises with fund-raising and social objectives, and waqf whose assets are managed by enterprises with fund-raising and economic development objectives.

In the first category, the emphasis is on generating profit through various business activities. It does not mean that the enterprises ignore everything else. The Islamic principles require that profits be made with honesty, justice and freedom from exploitative conduct. The emphasis on generating profit is simply that it is the primary strategy to support waqf assets' continued growth and to advance the benefits of the waqf assets to the designated beneficiaries.

In the second category, the waqf assets are managed by enterprises that have fund-raising and social objectives. Instead of focusing merely on generating profit, these enterprises also have a secondary objective of directly addressing certain social issues through their core business activities. Enterprises that manage waqf assets of lands and wells to provide clean water access to households in dry and remote areas, or enterprises that utilise waqf lands to process waste materials and turn them into valuable recycled items are two pertinent examples.

In the third category, waqf assets are managed by enterprises that have fund-raising and economic development objectives. In addition to generating profit, enterprises managing waqf under this category attempt to stimulate local economies, create employment opportunities and promote entrepreneurship. One pertinent example is enterprises that manage waqf-based tourism destinations and involve local youths in work or apprenticeships.

Enterprises' Business Model

Finally, enterprise-structured waqf can also be classified based on the business model of the enterprises involved. Loosely speaking, the business model represents general ideas or plans for how enterprises create, deliver, and extract value in the markets. It specifies the products or services that enterprises intend to sell, their target markets, and estimated revenues and costs.

The first category classified based on enterprises' business model is waqf whose assets are managed by enterprises espousing an asset-driven business model. This category encompasses enterprises that utilise their assets to create, deliver and extract value in the markets, generating profit that is then channelled towards the waqf's philanthropic endeavours. The assets utilisation can range from holding shares to earn dividend yields, managing lands and buildings for rental income, or operating machinery for production.

Waqf, whose assets are managed by enterprises with a market-driven business model, constitutes the second category. This category encompasses enterprises that attempt to understand consumers' needs and preferences, designing products or services that meet the needs and preferences of their target markets, and maintaining revenues over costs to generate profit that is then channelled towards the waqf's philanthropic endeavours.

The third category is waqf whose assets are managed by enterprises that espouse a hybrid business model. This category encompasses enterprises that combine the elements of asset-driven and market-driven business models. The combination of the two business models allows enterprises to utilise their assets effectively while remaining aware of market dynamics and opportunities. The combination of the two business models also allows for a more diversified operation, complementing asset management's stability and efficiency with market-oriented activities' growth potential.

FURTHER DISCUSSION AND IMPLICATIONS

Returning to corporate waqf's original meaning and using the term enterprise-structured waqf allows for the delineation of the universe of waqf that consists of non-enterprise-structured and enterprise-structured waqf. Non-enterprise-structured waqf refers to traditional models in which assets, including land, buildings, or other physical properties, are devoted to religious, educational, or social welfare purposes without explicitly intending to employ strategic business frameworks for their management, preservation and growth. Here, the focus is on preserving and using the waqf assets in perpetuity for the benefits of the designated beneficiaries. By contrast, enterprise-structured waqf entails the dedication of assets to enterprises that adopt strategic business frameworks. In addition to preserving and using waqf assets in perpetuity to benefit the designated beneficiaries, the goal is also to grow the waqf assets.

Returning to corporate waqf's original meaning and using the term enterprise-structured waqf also makes it possible to delineate the relationship between enterprise-structured waqf and other waqf-related terms, such as 'productive waqf'. Despite the absence of an exact definition of productive waqf in the literature, this term is generally understood as the active management of waqf assets to generate benefits for the designated beneficiaries. This term—particularly highlighted by Indonesian authors (Hakim & Sarif, 2021; Ascarya *et al.*, 2022; Syibly *et al.*, 2022) and institutions like the Indonesian Waqf Agency (Badan Wakaf Indonesia, BWI) (Listiana *et al.*, 2021)—emphasises the transformation of waqf assets into ongoing sources of benefit, moving beyond mere preservation to active productivity. The relationship between enterprise-structured waqf and productive waqf is predicated on their mutual emphasis on maximising the productivity of waqf assets while maintaining fidelity to Islamic philanthropic principles. However, enterprise-structured waqf substantiates this emphasis by incorporating structured approaches typically used to organise, analyse, and solve complex business problems into the management of waqf assets. Thus, in contrast to the term productive waqf that focuses on the outcome of waqf asset management, the term enterprise-structured waqf emphasises the methods and structures employed to achieve these productive outcomes. Not all productive *awqāf* are enterprise-structured, and not all enterprise-structured *awqāf* are productive. However, enterprise-structured waqf inherently aims to be productive, leveraging business insight and innovation to fulfil the philanthropic missions of waqf in a contemporary context.

Furthermore, returning to corporate waqf's original meaning while distinguishing it from the broader concept of enterprise-structured waqf yields significant clarity in the academic realm. This clarity sharpens the focus of scholarly investigations into the complex mechanisms, governance structures, and societal impacts of different corporate waqf practices. By returning to corporate waqf's original meaning, it will be easier to envisage that research focusing on corporate waqf would extend from the mechanisms and dynamics of waqf establishment decision-making processes (e.g., who initiated the process, who was involved, to what extent certain constituencies have influenced the decisions), the governance frameworks that dictate the management of waqf assets (e.g., the composition and role of the waqf's management board, the investment policies and the accountability measures), to the degree to which waqf assets have been benefiting the designated beneficiaries and the wider community. Thus, theoretical and empirical works on corporate waqf can better contribute to the understanding of how corporate entities can effectively blend profit motives with philanthropic objectives, creating sustainable models for corporate social responsibility.

The use of the term enterprise-structured waqf particularly broadens the landscape of waqf studies and paves the way for new research areas and scholarly debates. By using the term enterprise-structured waqf, it is possible to examine all waqf whose assets are dedicated to enterprises adopting strategic business frameworks, regardless of the founders, whether individuals, communities, non-profit organisations or corporate entities. A pertinent area of research could be the effectiveness of enterprises of different establishment statuses or the potentials and challenges of different forms of enterprises in managing enterprise-structured waqf. An analysis of the different motivations and consequences of different arrangements in which the waqf assets are managed in relation to the *wāqif* or the complexities of managing, preserving and growing the waqf assets dedicated to enterprises with different capital assets is also relevant.

Finally, returning to corporate waqf's original meaning and using the term enterprise-structured waqf carries practical implications for the Islamic philanthropic landscape. By returning to the original meaning of corporate waqf, it is possible to recognise the potential contributions of a variety of entities, including individuals, communities, non-profit organisations, or business enterprises. It will also be possible to improve public understanding and awareness of the nature of enterprise-structured waqf, promote waqf participation in the forms of assets dedicated to enterprises that adopt strategic business frameworks, and enhance resource mobilisation to provide sustainable sources of funding for religious, humanitarian, and social endeavours.

CONCLUDING REMARKS

This paper has highlighted the overextension of the term corporate waqf, proposing a return to its original meaning. This paper has also advocated for the term enterprise-structured waqf to capture the broader and more inclusive contexts of waqf, which includes not only corporate waqf established by corporate entities but also *awqāf* that, while adopting strategic business frameworks, are founded by non-corporate entities. This paper has further elaborated on and categorised the facets of the newly advocated term based on six criteria: the enterprise's establishment status, the form of enterprise, the enterprise's relation to the *wāqif*, the enterprise's capital assets, the enterprise's strategic objectives, and the enterprise's business model.

Returning to the original meaning of corporate waqf while distinguishing it from the broader concept of enterprise-structured waqf carries significant theoretical and practical implications. From a theoretical point of view, it yields significant clarity and sharpens the focus of scholarly investigations. It also helps expand the theoretical landscape of waqf studies. From a practical point of view, the clarity and inclusivity brought about by distinguishing between corporate and enterprise-structured waqf can enhance community engagement and participation.

This paper has several limitations. Most importantly, it is conceptual. This paper does not attempt to empirically examine corporate waqf. This paper also does not attempt to empirically examine how enterprise-structured waqf has been or could be implemented among Muslims. Future works could explore these gaps as potential avenues for research.

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DECLARATION

Credit Authorship Contribution Statement

- Akhmad Akbar Susamto: Conceptualisation, Writing – original draft, Writing – review and editing
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- Anang Rikza Masyhadi: Conceptualisation, Writing – review and editing
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As this is a conceptual paper, no further data is available. All the information used in the paper have been listed in the reference list.

Disclaimer
The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

Appendix
None

NEW ISSUES IN TEMPORARY MUSLIM ENDOWMENTS (WAQFS)

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ABSTRACT
Purpose — This study aims to discuss several examples of temporary Islamic endowments (waqfs) in the modern period, arguing that jurists and Muslim endowment managers should utilise them more widely to adjust to current societal circumstances and open the door for new ways of caring for those in need.
Design/Methodology/Approach — It employed textual analysis of legal opinions related to temporary waqfs, outlining the positions of scholars on both sides of the issue, including a presentation and analysis of their evidence.
Findings — The research findings show that temporary waqfs are an essential means of renewable and sustainable economic support, where wealthy people endow their money for religious gain and to help others in need.
Originality/Value — Unlike some previous studies, this article specifically examines modern and contemporary forms of temporary endowments and demonstrates some of their effects in supporting the economy and the needy in society.
Practical Implications — Following this paper's recommendations, those with funds and everyone who can create an endowment should support endowment institutions in modern ways and in different areas of temporary endowments, which would be very beneficial in eliminating poverty and supporting the economy.

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Research Limitations/Implications — Due to the limited scope of the study, its findings are limited to contemporary jurisprudential issues related to temporary endowments. Hence, it is related to the Islamic economy and steps for strengthening it in Muslim societies.
Keywords — Charity; Endowments; Islamic jurisprudence; Islamic law; Temporary waqf
Article Classification — Research paper

INTRODUCTION

A waqf (Islamic endowment) is the most permanent form of charity as it is, by definition, the 'stopping' of a property from being bought and sold, along with benefit being taken from its yield. Muslim jurists consistently encourage waqf managers to preserve the property they oversee so that it may continue to operate and provide benefits without interruption. Temporary waqfs are a modern creative phenomenon in Islamic finance and require a significant degree of ease and liberty when creating rulings for them. In addition, circumstances have changed, and interactions between individuals have developed far beyond what existed in the past. Due to these developments, it is necessary to clarify Islamic rulings to make them suitable for current conditions.

The importance of the present study lies in the relevance that waqfs have to several fields of societal development, including knowledge production, healthcare, and social services. This study is significant because most modern matters of Islamic jurisprudence are based on scholarly interpretation (*ijtihād*) rather than direct derivation of rulings from explicit revealed texts. The development of creative solutions regarding waqf assets and how their funds may be utilised to support the needs of modern society according to the Sharīʿah (Islamic law) is a practical need and religious duty. One of the advantages of the waqf system is that it develops with changes in human interactions to fulfill the needs of the Islamic nation (*ummah*).

The current study clarifies the importance of temporary waqfs in expanding the realm of charity, opening new doors for donors and recipients alike. The study also emphasises that most juristic waqf rulings are based on interpretation (*ijtihād*), not textual evidence. Therefore, just as previous jurists developed waqf based on the circumstances of their times, we must suggest new waqf approaches that can positively impact sustainable and holistic development.

This study is divided into the following main sections: the literature review defines temporary waqfs and discusses the evidence used to justify their permissibility in previous writings. It is followed by the methodology section, which explains the research approach adopted in the conduct of this study. The findings section discusses the importance of temporary waqfs and their standard forms as well as outlining new issues in the realm of temporary waqfs. The last section summarises the paper and concludes the discussion.

LITERATURE REVIEW

Defining Temporary Waqfs

The linguistic definition of waqf is 'to restrain' and the meaning suggests permanence. It is said, 'A person creates a permanent waqf from his land, or that he has restrained it from being sold or inherited' (Ibn Manẓūr, n.d., p. 63). Ibn Qudāmah (1968, vol. 3, p. 6) defined waqf as 'the restraining of the property and the direction of its fruits'. Conversely, temporary waqfs are those limited to a specific period by their creator. When the period ends, the waqf returns to the creator's ownership for him to dispose of as he wishes. Kahf (2000) has suggested a more specific definition, stating that temporary waqfs are those 'where the property is consumed through its use, and no condition exists that it be replenished through a part of the proceeds. It also requires the specification of a period by its creator' (Kahf, 2000, p. 159). Another definition states that temporary waqfs 'are waqfs restricted by a period stated by their creator. When the period expires, so does the waqf. It then transforms into a charitable endowment or returns to its original owner' ('Abd al-Rahman, 2017, p. 13).

The legal concept of temporary waqf is derived from several definitions created by earlier Muslim jurists, including:

1. The Mālikī scholar al-Kashnāwī, who stated, 'It is known in Islamic law that a waqf does not need to be permanent. Rather, a person may create an endowment for a specific period, such as a year or more, so long as that period is fixed. When the period ends, it returns as property to the creator of the original waqf or another' (al-Kashnāwī, n.d., vol. 3, p. 102).
2. The Mālikī scholar Ibn ʿAbd al-Salām who stated that a waqf 'creates a usufruct benefit from the property, whether by charging rent or from its natural profits, for a period defined by its creator' (al-Ṣāwī, 1952, vol. 4, p. 98). He also stated, 'It does not require permanence. For example, if the waqf property was a mosque'. His statement that a waqf is created for a period 'defined by its creator' indicates that it is permissible for a waqf to be either permanent or temporary, according to the desires of its creator.

By studying the nature of temporary waqfs, some researchers have suggested dividing this category of endowments into two types:

1. A waqf that ends and transforms into a charitable endowment
2. A waqf that ends and the property returns to its original owner

It should be noticed that the first type is a generality for both family and specific waqfs. This definition is not specific to a form or beneficiary. The second type is a general statement of truth about the temporary nature of waqfs and can be applied to all its forms ('Abd al-Rahman, 2017, p. 14).

Likewise, it should be noted that the concept of permanence or temporality of a waqf for pre-modern jurists was limited to the conditions of the form of contracts of sale, defined by jurists as requiring an offer and acceptance. However, the temporality of a waqf is not limited to its form. Instead, it can include three areas: the form, the property being endowed, and the beneficiary of the endowment. For example, a waqf may be temporary through the statements made in the contract creating it. Likewise, a waqf may be temporary regarding its beneficiary in that the beneficiary of an endowment may be non-permanent or have no fixed beginning, middle, or end. Finally, a waqf may be temporary regarding the property endowed in that it is movable, whether or not it remains in its same state when transferred from one place to another. This final type of waqf is automatically removed from the realm of permanence ('Abd al-Rahman, 2017, p. 9).

A detailed survey of pre-modern juristic discourse on waqfs finds plenty of information on temporary endowments, particularly in the Mālikī school. However, the other schools (Ḥanafī, Shāfiʿī and Ḥanbalī) make permanence a requirement for a waqf to be valid, as a waqf means to remove property from the hands of individuals. Such removal may not be temporary, such as when setting free a slave or turning a home into a mosque (al-Mawardī, 1999, vol. 7, p. 521; Ibn Qudāmah, 1968, vol. 6, p. 26).

Ibn Qudāmah stated the following regarding waqfs, ‘If its end is connected to a condition, as if one were to say ‘my home is a waqf for a year, or until I complete the Hajj’, it is not valid because it contradicts the very meaning of waqf which is that it is permanent’ (Ibn Qudāmah, 1968, p. 6, p. 26).

Evidence for the Permissibility of Temporary Waqfs

Through a survey of the works of pre-modern jurists, it is found that only a minority have supported them, particularly:

1. Mālikī scholars (al-Dusūqī, n.d., vol. 4, p. 87): These scholars argue that the Prophetic statements regarding waqfs do not indicate the condition that endowments should be permanent, as explained by Shaykh al-Dardīr in *al-Sharḥ al-Kabīr*. (Al-Kharshī, n.d., p. 92) detailed the statement that waqfs ‘do not carry the condition of permanence’, which means that a period must be set during the creation of the waqf, after which time it returns to the possession of its creator. Al-Dusūqī (n.d., vol. 4, p. 87) commented on the writings of Aḥmad al-Dardīr by writing, ‘There is no condition of permanence in the validity of the waqf. It may be determined from this that any condition changing or modifying the nature of the endowment will be accepted’. Al-Qarāfī (1994, p. 6, p. 326) stated in his work *al-Furūq* that ‘a waqf does not have to be issued immediately. If a person says that a waqf occurs at the beginning of the following month, it will be valid so long as the waqf property remains intact until that time’.
2. Abū Yūsuf of the Ḥanafī school (al-Bukhārī, 2004, p. 6, p. 108; al-Babartī, n.d., vol. 6, p. 222): His view is that there is no requirement that a waqf be permanent so long as the property remains present. Ibn al-Humām narrated, ‘Abū Yūsuf indicated that a waqf may return to the descendants [of the original owner]. Likewise, creating a waqf for twenty years is permissible, and there is no difference between these two rulings’. He later wrote, ‘The ruling for the permissibility of a temporary waqf is the primary position of the Ḥanafī school’ (Ibn al-Humām , n.d., vol. 6, p. 214).
3. One opinion of the Shāfiʿī school: al-Nawawī wrote, ‘If a person were to say, ‘I turn this property into a waqf for one year’, it would be correct to say that most jurists reject this approach. However, others suggest that it is correct. The waqf expires with the period’s conclusion, just as occurs with all proclamations that are not bound by time, like setting a slave free’ (al-Nawawī, n.d., vol. 15, p. 334). Al-Mawardī wrote, ‘Just as a person may donate all or part of his wealth for the service of God, so may he do so for all time or a part of it’ (al-Mawardī, 1999, vol. 7, p. 521).
4. One opinion of the Ḥanbalī school: In the work *al-Inṣāf,* it is written that ‘if a person declared a waqf for one year, the school’s opinion is that it is not valid. However, other texts have validated them, stating that it ends just as the property may cease to exist’ (al-Mardāwī, n.d., vol. 7, p. 35).
5. Opinions of contemporary scholars: ‘Contemporary practice in Muslim societies and others indicate that creating temporary waqfs achieve several public benefits and open the doors of charity that should not be closed. These waqfs care for their beneficiaries in a contemporary way to help them fulfill their temporary needs’ (Kahf, 2000, p. 62).

Basis for Permissibility of Temporary Waqfs

The scholars who permit temporary waqfs rely upon *qiyās* (analogy) and logic. The analogy is built on the Prophetic statement that allows permanent endowments. There should be no barrier to the development of temporary endowments whose profits are spent temporarily, as the common factor between both types of endowments—spending money for charitable purposes—is achieved by both permanent and temporary waqfs. On the other hand, logic shows that a waqf carries with it the purpose of giving charity. Charity may be given from one's property permanently or temporarily, and no textual evidence prevents individuals from doing so.

Some scholars have questioned the validity of the analogy used to justify temporary waqfs, arguing that permanent endowments are not built on the principle of analogy. Using a further analogy to allow temporary endowments cannot be accepted. This argument may be rebutted by stating that even though the legal validity of a waqf may be contrary to some established legal principles, it is the result of a logical conclusion that may be used as the basis for an analogy. Others may say that a temporary waqf violates juristic principles. However, this is not the case, as the Sharīʿah accepts and establishes restricting property from being bought or sold for a specific period. Instead, it is the permanent waqf that is the anomaly. So long as permanent waqfs, which go against juristic principles are accepted, temporary waqfs should be considered valid (Abū Zahra, 1972, pp. 68–9; Yusuf, 2016, p. 18; Faydum, 2019, p. 411). From the above discussion, the following determinations can be made about temporary waqfs:

1. The Mālikī school, based in the Prophetic city of Medina and which took as its foundation the practice of its people, including the Companions of the Prophet Muhammad (SAW), should be considered more valid than the others.
2. Those who advocate for the permissibility of temporary waqfs base their opinion on easing matters for the population and caring for the general good of Muslims and their societies, allowing that suitable for their time.
3. It is established that the requirement that waqfs be permanent is relative and applies to land that is not subject to change. However, moveable property may deteriorate, regardless of maintenance and proper care, and its economic value is limited. Therefore, it may function as a waqf if its expenditures equal its income or when it is enough to provide benefit (al-Miṣrī, 1999, p. 32; al-Qarawshi, n.d., p. 15).
4. The permissibility of temporary waqfs helps to achieve more flexibility in this realm of the law by allowing the desires of its original owner to be fulfilled as a method of voluntary charity. Charity should not be burdened with conditions such as permanence. Instead, charity should be encouraged for all who can provide it, and the virtue of giving charity should be promoted in society; as Imam al-Qarāfī wrote, 'Waqfs are the greatest form of charity and its conditions should be reduced as much as possible' (al-Qarāfī, 1994, vol. 6, p. 322).

This study sheds light on the importance of temporary waqf for expanding the doors of goodness for the waqf donors, and opening new windows for the beneficiaries. It also shows the importance of the developmental role that endowments can play in many areas of development, such as scientific and health development, as well as societal issues, especially since most of the jurisprudential issues in endowment are based on diligence. This study further enhances innovation and creativity in endowments in a way that keeps pace with the needs of the era and its progress in accordance with Islamic law, because one of the characteristics of waqf is that it should keep pace with time and meet the nation's need.

METHODOLOGY

This research scrutinises, through its analytical and comparative approaches, the rich juristic discourse of the classical and contemporary jurists on the permissibility of temporary waqf and its vitality in supporting the needy and enhancing the economy. The analytical methodology is used to assess the diverse legal opinions of those scholars and their textual evidences pertaining to the temporary and permanent waqf. The analysis of these opinions demonstrates that many of the legal rules of waqf*s* are derived through interpretations and analogy, proving the soundness of endowments to be of limited time. The comparative methodology is also applied to identify the similarities and differences between temporary and permanent waqf practices. This comparative analysis has been reinforced by traditional and contemporary applications of temporary waqf to demystify its permissibility and its vital status in Islamic finance.

FINDINGS AND DISCUSSION

The Importance of Temporary Waqfs and Their Typical Forms

The importance of temporary waqfs is no less than that of permanent ones, in that the former provide investment property that can be continuously extracted for benefits and provide a constant channel for the society to provide for those less fortunate or solve its problems. Likewise, temporary waqfs open the doors of continuous charity to a degree that may not be fully realised by permanent waqfs, as temporary endowments allow for the quick treatment of new issues and encourage all levels of the society to contribute to their success. In addition to the above, the importance of temporary waqfs includes:

1. They allow all forms of wealth to be utilised for charitable purposes. The wealthy of today do not just hold real estate, as was the case in the past, and they may have other forms of moveable property such as bank accounts, stocks, automobiles, equipment, technology, or even services that, through temporary waqfs, can be utilised to generate income for charitable purposes and benefit the entirety of society (Yusuf, 2016, p. 21).
2. They open the door for real property holders to participate in endowments even though they might not be able to create a permanent waqf. This will directly benefit the poor and needy. For example, if an owner of an apartment only needs it for a certain period of the year and leaves it empty, it can be turned into a temporary waqf to house students during the academic year and returned to him when he needs it (Yusuf, 2016, p. 21).
3. They provide several easy ways to participate in charitable activities, as there are several instances in the Muslim world where immediate, but temporary, help is needed. Temporary waqfs help to fill this need, encouraging members of the society to participate and contribute to charity (Kahf, 2015, pp. 68–72).
4. They may help solve a significant problem found in permanent waqfs, as in many cases, the property used to create a waqf may deteriorate over time while the number of beneficiaries only continues to increase. Turning this property into a temporary waqf may

provide a more significant benefit, encouraging the supervisors to maintain the endowed property well until the waqf expires (Yusuf, 2016, p. 21).

5. They allow for more participants and, as a result, a more significant number of beneficiaries. The overall benefit to the society is more significant for temporary waqfs as they can cover a larger number of needs and encourage community cohesion (Hazza', 2006, p. 2).
6. They treat the problem found in permanent waqfs by limiting it to a specific purpose, such as building mosque or an institute for memorising the Qur'an, without setting aside capital or a form of income to maintain it over time. Studies have shown that instituting these purposes as temporary waqfs, then allowing them to turn into general public endowments, is much more effective for their overall management and sustainability ('Abd al-Rahman, 2017, p. 10).

Examples of Traditional Applications of Temporary Waqfs

Students who have observed the practice of the schools of jurisprudence can easily see that temporary waqfs were regularly used, including in the following rulings:

1. Scholars have permitted turning real or moveable property into a waqf for a set period, following which it is transferred back to the owner to deal with as he chooses. This opinion is most evident in the Mālikī school, as they classify what is endowed as the usufruct benefits of the property and not the property itself. This can be found when they say, 'A waqf means to designate the benefit of the property, its rent, or excess, to a beneficiary for a period set by its owner' (al-Ṣāwī, 1952, vol. 4, p. 98).
2. Scholars permitted establishing waqfs for temporary items such as buildings, animals, furniture, and weapons. This is the accepted opinion of the Shāfiʿī and Ḥanbalī schools and is the majority view of the Mālikīs and Zufar of the Ḥanafīs (al-Sarakhsī, 1993, vol. 12, p. 45; al-Nawawī, 1991, vol. 5, p. 316). The evidence for their position is found in the collection of al-Bukhārī, in which the Companion Abū Hurayrah reported that Prophet Muhammad (SAW) stated, 'Khālid has endowed his shields and returned them in the path of God' (al-Bukhārī, 2001, vol. 2, p. 116). Moveable property can be temporarily endowed without any restriction, as Imam Mālik approved the endowment of a wall for two or three years, as it is stated in *al-Mudawwanah,* 'If a man stated that the income of his wall for 2 or 3 years is dedicated to the poor then it shall be taken from him as charity' (Mālik, n.d., vol. 2, p. 360).

Through a careful reading of the works of classical Muslim jurists, one discovers that they also allowed for the creation of a waqf with the characteristics of a temporary one. However, they chose to classify it differently. This is the case regarding all items that depreciates in value over time, such as real estate, trees, and books. Jurists ruled that there is no problem creating permanent waqfs for these items, even though the endowed property is not permanently available. However, only some moveable property should be accepted in the rules of permanent waqfs as it decays over time (Mansuri, 2014, p. 11).

Financial Waqfs

For those scholars who have allowed them, creating waqfs from cash or money is an important method for establishing temporary waqfs, with some suggesting that cash is ideal for permanent waqfs. Imam Mālik wrote, ‘I was asked about a man who endowed 100 dinars for a year or two, after which it returns to him to trade as he pleases. I stated that he is liable for any reduction in the principal. In reality, it is a loan. He may get it back or leave it’. A later commentator on the text asked, ‘In the opinion of Mālik, are these dinars a waqf? He responded, ‘Yes, they are a waqf for the period they were made so by the owner, as an endowed loan’’ (Mālik, n.d., vol. 14, p. 499).

Usufruct Waqfs

Al-Shaykh al-Dardīr wrote, ‘If a person rents his home for a specified period, he may endow the benefit of that rental, with the money returning to him once the rental period ends, so long as he does not make permanence a condition’ (al-Dusūqī, n.d., vol. 4, p. 76).

Modern Applications of Temporary Waqfs

Modern Muslim jurists have discussed the creation of new forms of temporary waqfs to handle situations that did not exist in previous eras to create new benefits and expand the legal realm of endowments and charity. Jurists have used the legal principle ‘The original ruling of all matters is permissibility, so long as there is no clear text that prohibits it’ to encourage the development of law in this field of transactions (*muʿāmalāt*), an area of Islamic jurisprudence that relies heavily on interpretation (*ijtihād*). For example, al-Zarqā (1986, p. 15) stated, ‘All of the principles and rules related to waqfs are based on interpretation and analogy. Therefore, there is significant room for new opinions here’.

Applications of Temporary Waqfs in Usufruct and Service Endowments

Several modern jurists argue that the benefits of a free man’s services may be used as the object of a waqf. Jurists have already, in principle, agreed that such services carry value. For example, authors of books, inventors, and creative minds have the right to sell, rent, or endow their creations. Based on the majority approach of the jurists, any property that has value can be turned into a waqf. For example, Ibn Qudāmah (1968, vol. 5, p. 327) stated, ‘Everything that has a value that can be sold can be rented, as a rental contract is like a sale. Likewise, it is permissible that consideration [in a contract] can be physical or usufruct. This is permissible even if they are of the same type, for example, exchanging the benefit of one home for that of another’. Jurists also accepted that the working time of a person could be turned into a temporary waqf (volunteering) according to several conditions (al-Zarqā, 1983, pp. 71–73; al-Rifa’i, 2016, p. 16):

1. The benefit of the work must be within the owner’s rights, as is the case with a university professor who teaches a particular subject. He must be a specialist in that field.
2. The endowed work must have a legally-recognised value, regardless of whether it is physical or mental work. This includes creative activity, as it is customary for these activities to carry a monetary value.

3. The endowed work must be capable of being completed. The person willing to endow their time must be capable of doing so for the organisation, and the organisation must benefit from it. For example, if a mechanic agrees to spend his effort repairing cars of a charitable organisation for free, he must hold to his agreement as he would if it was being done for money.
4. The endowed time must be recorded as a contract for a specified time and to an organisation that accepts the endowment. For example, an engineer must inform the organisation he will volunteer with that he is prepared to complete the work as necessary without any compensation. Likewise, a hospital director who will provide free medical care to an orphanage must do so in writing for a set period (al-Rifa'i, 2016, p. 16).

The law of the United Arab Emirates (UAE) has followed the conditions outlined above, as Law 14 of 2017 regarding the Organization of Endowments and Gifts in Dubai states in Article 13 that 'the thing endowed must meet the following conditions:

1. Its beneficiaries must be specified. If the creator of the endowment does not specify it, it will be considered as specified for the poor. The creator of the endowment may specify a beneficiary at any time during his life. If no specification is made, the endowment will continue to be used for the poor after his death;
2. It must be used for a legal purpose;
3. It must be present or potentially present in the future. The creator of the endowment, during his life, may move the benefits from one beneficiary to another;
4. It must be a thing that is legally allowed to be used as an endowment; and
5. Its use in the endowment must not contradict public policy'.

These new forms of temporary waqfs fall within the general meaning of the narration from the Prophet (SAW), who stated:

> 'Every Muslim must give charity'. When his Companions asked, 'What should he do if he does not have money to give?', the Prophet (SAW) responded, 'Then he should work with his hands, spend what he needs, and give charity'. When his Companions asked, 'What should he do if he cannot or will not do this?', the Prophet (SAW) responded, 'Then he should help those in need directly'. When his Companions asked, 'What should he do if he does not do this?', the Prophet (SAW) responded, 'Then he should order others to do good'. When his Companions asked, 'What should he do if he does not do this?', the Prophet (SAW) answered, 'Then he should refrain from doing evil as that is charitable for him' (al-Bukhārī, 2001, vol. 8, p. 11).

This Prophetic statement indicates that those in need should be helped, whether by statement or action, as explained by several later scholars (al-ʿAsqalānī, 1959, vol. 5, p. 149).

Potential Temporary Waqfs for Craftsmen

Temporary waqfs may be considered for different fields of work. The following are examples of temporary waqfs that craftsmen may undertake:

1. Mechanics, who may present their services to a charitable institution that owns cars, stating that he will repair them for free as an endowment of their work to God.
2. Electricians, who may present their services to the homes of regular citizens or offer to repair the electronics in cars belonging to a charitable institution, stating that they will repair anything electronic for free for a set period as an endowment of their work to God.
3. Carpenters, who may provide their services for free to a school, educational centre, or orphanage, stating that they will repair their building to the best of their ability for free for a certain period, regardless of how much work will be needed during that time.
4. Computer specialists, who may provide their services to repair computers and other IT equipment for free to a company or organisation (al-Rifa'i, 2016, p. 26).

Potential Temporary Waqfs for Handicrafts

Previous studies have shown the possibility of using temporary waqfs for the handicrafts created by companies or organisations, including:

1. Tailors, who may provide their services to organisations that provide care to orphans, including catering for their housing and education needs. The children under the care of these organisations need clothes and school uniforms. The owner of a tailor shop may pledge to provide clothes (or simply the tailoring work and not the material) for orphans during a specified period, with the result acting as a temporary waqf of the shop's labour.
2. Transportation companies that provide their services to charitable organisations which require large items and groups of people to be moved across long distances. The owner of a transportation company may pledge to provide for those transportation needs during a fixed period, resulting in a temporary waqf (al-Rifa'i, 2016, p. 30).

Potential Temporary Waqfs for Freelance Workers

The following are examples of temporary waqfs that freelance workers may undertake:

1. Professors may pledge to commit their spare time during the week to teach or develop a curriculum for those in need. For example, if a university professor is required to teach several lectures each week, they could offer to teach an additional two hours without additional payment in service of knowledge; and
2. Doctors may pledge to commit their spare time to treat the poor and those in need, whether individually or in a charitable clinic. For example, a doctor may pledge to provide six hours spread across the week to work in a charitable clinic without compensation (Manṣūr, 2005, p. 54; al-Rifa'i, 2016, p. 31).

This category can be extended to any other analogous form of work, including:

1. Engineers, who may pledge to contribute designs to a charitable organisation or work for a specific period or on a particular building project without compensation.
2. Public school teachers, who may pledge to dedicate, for example, two hours of their time every day to help out weaker students.
3. Volunteering time as a waqf. In this situation, a person may dedicate any amount of their spare time to, for example, help provide services to those in need or accompany people on the pilgrimage. This type of waqf may be essential for university students who have

additional time and energy to dedicate to additional work or require experience before heading into the job field (Mansuri, 2014). Volunteering one's time is considered one form of waqf and, as long as it is done during a specified period, can be classified as a temporary waqf.

The above are simply a few examples of potential avenues through which temporary waqfs can be easily applied in the contemporary context, particularly as waqfs encourage charity and provide blessings from God. There is a severe need for endowments like these in today's societies, particularly as the financial situation of Muslim countries means that charitable and societal organisations provide more essential services. Waqf may be an important part of the answer to these growing problems.

Potential Temporary Waqfs for Real Property

Several researchers have suggested that new forms of temporary waqf need to be explored from real property, including (Faydum, 2019, p. 9):

1. Specifying periods for mosques and graveyards to be considered waqf property. For example, a non-religious space can be designated as a mosque for a certain period, returning to the owner at its close, as the need for the mosque is temporary. This is particularly important when a prayer space is needed while constructing a permanent mosque. Likewise, graveyards can also be designated as temporary waqf and then transformed for other uses later, so long as the general Islamic rulings of dealing with the dead are followed (Kahf, 1998, pp. 134–35).
2. Creating temporary waqfs for agricultural land. These types of endowments can be created for one or more harvest cycles or be given to a specific farmer for a certain period until it moves to its permanent owner. Such lands can also be temporarily designated as space for Eid prayers, rain prayers, or service structures such as parking until a permanent space is created (Hazza', 2006, p. 22).
3. Creating temporary waqfs for commercial products. A company may create an endowment from products they create during a specific period or dedicate a percentage of their products to a charitable cause. For example, a dairy company may pledge to give one week of its production yearly to charitable causes (Kahf, 1998, p. 136).
4. Creating temporary waqfs from future products not created directly by the owner of the endowment. For example, a scientific journal may dedicate the next ten years of its publications to be given to a library. This is valid even though the issues have not yet been published (Kahf, 1998, p. 148).
5. Temporary waqf ownership of property. For example, if a person owns a piece of real estate but uses it sparingly throughout the year, he may turn that real estate into a temporary waqf when he is away, renting it to students until he returns. As a result, he will receive reward from God and the benefit of the rent from students. Likewise, day labourers from far-away villages could use such real estate rather than returning to their villages regularly or staying on the street. Instead of the real estate owner only being able to turn his property into a permanent waqf, the concept of a temporary waqf would allow him more leeway and would enable those who might not have the ability to create

permanent endowments to benefit from this system (Yusuf, 2016, p. 22; Faydum, 2019, p. 9).

Temporary Waqfs Created from Money

Modern jurists created temporary monetary waqfs as a result of significant interpretation. For example, the concept of a ‘good loan’ (*qarḍ ḥasan*) is one where an amount of money is turned into an endowment for two years, during which the owner has no access. The funds can then be used to fund small projects that have an enormous impact at the local level, even though the amount may be relatively small. Some of the most important books written in this area are those of Dr. Fu’ad ‘Abd Allah al-‘Umar (al-‘Umar, 2012, p. 15; Faydum, 2019, p. 420).

The following is a list of some examples of these types of temporary waqfs extracted from Mālikī (al-Dusūqī, n.d., vol. 4, p. 77) and Ḥanbalī scholars (Ibn Qudāmah, 1968, vol. 6, p. 34):

1. Temporary money waqfs for funding small projects for the poor: This can be done by providing funding through Islamically legal means to poor individuals who would like to establish productive projects but need more credit than is available from traditional banking institutions or would prefer to access credit through an option compatible with their faith. This type of endowment would provide the necessary securities to the poor debtors and allow them to get started on their projects and improve their livelihoods (Mansuri, 2014, pp. 20-22).
2. Endowing part of a salary or profit: This is done by a person or group of individuals who decide to deposit part of their salaries into an endowed fund for a specified time (Dunya, 2006, p. 16).
3. Endowing reserve funds of publicly traded companies: This form of waqf is completed when a company takes a part of its profits every year to repair damage (personal or environmental) that has occurred during the past year as a result of its activities. This form of waqf should include all of the legal guarantees to ensure that the shareholders are protected, and the principal amount used for the waqf should always be maintained as a reserve in case the company becomes insolvent (Kahf, 1998, pp. 157–58).
4. Endowing the entirety of an investment fund: This means an investment company dedicates all its assets and liabilities to an endowment. These types of companies are well known in the Arab world, and many owners order that, upon their death, their companies will be turned into endowments or added to existing endowment funds. This can be done for general charitable benefits, specific causes, or individual benefits. This type of endowment could also be set up where, for a specific period, all of a company’s profits are directed towards a charitable cause and afterwards to a selection of individuals from the original owner’s family (Kahf, 2000, p. 202; Faydum, 2019, p. 420).

The above examples are just a few instances where temporary waqfs can be used in the contemporary context, where new interpretations must be applied to meet the changing needs of Muslims. As has been seen, many of these examples are analogies from earlier forms of endowments that were closer to that of Prophet Muhammad (SAW), his Companions, and generations of pious Muslims who were adamant about providing for those in need whenever and however they could. One important instance of an interpretation of waqf is that of Saladin, who created a waqf that would supply milk and sugar water for poor mothers to feed their children two days a week (Junayd, 1996, p. 37).

CONCLUSION

This study clarifies the importance of temporary waqfs in expanding the realm of charity, opening new doors for donors and recipients alike. The study also emphasises that most juristic waqf rulings are based on interpretation (*ijtihād*), not textual evidence.

The study has several implications. The first is that temporary waqfs are permissible for most Muslim jurists, as their ruling is based upon sound evidence. Additionally, societies' need for new ways to create endowments overrides any evidence to the contrary. Finally, as many of the rules of waqfs are derived through interpretation and analogy, allowing endowments to be limited by time provides an even broader and more flexible interpretation of the law. It falls in line with the will of the endowment's creator. As the Mālikī scholar al-Qarāfī (1994, vol. 6, p. 322) wrote, 'A waqf is the greatest way to become closer to God, and its conditions should be lessened as much as possible'. Traditional forms of waqfs included real and moveable property endowments for a set period, after which the principal returns to its original owner. Buildings, animals, furniture, and weapons were also used as endowments, just like money, and usufruct rights of real and moveable property.

One of the most important results of this study is that temporary waqfs open a wide door for real estate owners who find it difficult or impossible to create permanent property endowments. By setting a specific period, owners may now be able to provide more help to the poor and needy, for example, by giving out their apartment in the summer months when they do not need it. Some further examples of these temporary waqfs in the contemporary period may include creating temporary endowments for mosques and graveyards, endowing money to fund small businesses, and setting aside a portion of a person's labour or services to volunteer work, such as the temporary endowment of university youth's time and effort to provide volunteer services to pilgrims during the pilgrimage season.

This study increases the awareness of temporary waqf and its impact on construction and development, as indicated by contemporary experiences for Islamic societies and others. Creating temporary waqf endowments can achieve multiple interests that cannot be overlooked in modern times.

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DECLARATION

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- Moath Alnaief: Conceptualisation, Investigation, Writing original draft, Review & editing, Supervision.
- Kotb Rissouni: Investigation, Writing, Methodology, Formal analysis, Visualisation, Resources.
- Reda Ibrahim Abdelgalil: Formal analysis, Resources, Writing, Review & editing, Visualisation.
- Maryam Almansoori: Formal analysis, Resources, Review & editing, Visualisation.

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None

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Appendix

None

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