




## Why does Waqf Literacy Matter?

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**Abstract:** Many studies have highlighted a low literacy level of waqf among Muslims all over the world. In Indonesia, an effort to measure the level of waqf literacy using an index was initiated by the Indonesian Waqf Board in 2020. The result has proven that there is a low level of waqf literacy in Indonesia. This study aims to explore the reasons behind the low level of waqf literacy and understand the importance of waqf literacy. Based on a literature survey, the following aspects need to be clearly explained and elaborated to effectively improve waqf literacy among the public. First, the unique characteristics of waqf compared to other Islamic alms; second, waqf literacy is positively related to waqf collection; third, the utilization of waqf can be further enhanced when the literacy is higher; and fourth, disputes and conflicts about waqf ownership are frequently due to lack of waqf literacy. In summary, this study is expected to increase the interest and attention of all stakeholders toward enhancing waqf literacy. Waqf authorities and waqf institutions are encouraged to intensify education and socialization about waqf, while researchers are expected to study more on waqf literacy. To further develop the waqf sector, it is necessary to have a road map to increase waqf literacy.


**Originality/Value:** The study aims to explore the reasons behind the importance of waqf literacy in Indonesia. Identifying these reasons in the Indonesian context could pave the way for tailored interventions and policies to improve waqf literacy, which may have implications for similar contexts elsewhere.


## Introduction

Recently, Islamic financial literacy has been discussed intensively. Many papers have addressed this issue. However, the discussion on Islamic financial literacy is mostly focused on the issue of inclusion in Islamic banking and finance. Saifurrahman and Kassim (2021) have reminded that Islamic financial literacy should cover not only Islamic banking and finance but also include zakat and waqf. Islamic Financial literacy puts more emphasis on public well-being compared to conventional financial literacy which concentrates on personal/group wealth maximization.

Likewise, Abdullah and Razak (2015) suggested that Islamic financial literacy should cover a wider aspect of finance. This includes (i) basic money or wealth management – such as savings for future use and emergencies, (ii) financial planning – this involves takaful, pension schemes, and shariah-compliant investments (iii) charity donation, waqf and sadaqah, (iv) zakat, law of inheritance (*faraid*) and *wasiyah*.

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In fact, there is a growing research interest in waqf. The bibliography analysis on waqf has been documented by Yusuf et al. (2021), Aldeen (2021), Alshater et al. (2022), Harahap and Qomar (2022), and Uluyol et al. (2021). For instance, Alshater et al. (2022) reviewed 319 articles on waqf extracted from the Scopus database, covering a period exceeding 100 years from 1914 until June 2020. Another research by Yusuf et al. (2021) found a total of 476 scholarly papers were extracted using the Scopus database for the established period (1914-2019). Uluyol et al. (2021) explained that there has been a significant increase in waqf publications since the year 2010, and it peaked in the year 2018 (94 publications). He argued that this substantial increase is due to the establishment of several research institutions in Malaysia and Turkey, such as the International Centre for Education in Islamic Finance (INCEIF), IIUM's Institute of Islamic Banking and Finance (IIBF), the International Centre of Islamic Economics and Finance (Istanbul Sabahattin Zaim University) and among others.

Furthermore, Uluyol et al. (2021) categorized the publications mostly concerned with four topics: waqf and its historical roots, waqf for the management of sustainable development, waqf as a philanthropy tool, and waqf and its relationship with Islamic law. Hence, he recommended several areas that need to be researched further, one of which is about the societal acceptance of waqf. It is another important dimension in waqf research. Some research should focus on how the societal acceptance of waqf can be integrated into some marketing theories, such theory of planned behavior and others.

Against this background, this paper aims to explore the reasons why waqf literacy is important. Raising this issue, hopefully, may trigger more studies on waqf literacy. This paper is structured as follows: the first section is an introduction, the next part discusses the waqf features in comparison with other charities and then followed by the issue of waqf literacy and waqf collection. The next section elaborated on the role of waqf literacy in enhancing the potential contribution of waqf to socio-economic development. The next issue will be discussing waqf literacy and the dispute on waqf property. A further issue will be the need to have a waqf literacy index. Lastly, the paper will be closed with a conclusion and recommendations.

## Literature Review

### Waqf Definition

Literally, waqf is an Arabic word derived from *waqafa-yaqifu-qif-waqfan*. The subject is waqif, while the object is *mawquf*. The meaning is “(to) stop”, “(to) withhold”, “(to) forbid”. It can be transitive and intransitive. The plural form is awqaf. For instance, *waqafa al-masyiya* means to stop the walker. Another example, *waqafu ad-dar waqfan li al-masaakiin* means to withhold the house in the way of Allah. An example of the intransitive form is *waqafu ala al-minbar* which means I stop (standing) on stage. A similar word of waqf is *habs* which has the same meaning (Sabri, 2008; Umar, 2008).

In terminology, there are different opinions among Muslim scholars. Four Islamic Jurisprudence schools namely Hanafiyah, Malikiyah, Shafi'iyah, and Hanabilah have interpreted waqf differently. According to Abu Hanifah<sup>1</sup> from the narration of Imam ash-Sharkhosi<sup>2</sup>, waqf is “*Habsul mamluk 'anit tamlik minal ghoir*”<sup>3</sup>, withholding property from any ownership from others”. Meanwhile, al-Marghinani said that the definition of waqf according to Abu Hanifah is withholding a property (‘ayn) owned by the waqif (donor) and spending its benefits by means of charity whereby the status of property is in loan.<sup>4</sup> Based on those two definitions, it can be interpreted that Abu Hanifah viewed waqf as similar to a loan. The owner may not utilize the property when it is on loan. However, the ownership still belongs to the donor, so, he can revoke the property anytime.

Meanwhile, Malikiyah scholars defined waqf as the donation of usufructs/benefits of a property, binding on the donor so long as it exists, and the ownership remains with the donor, though as bare ownership only (Layish, 1983; Sabri, 2008). Based on this definition, it is argued that the ownership of waqf property remains with the donor, so it can revert to the donor after a certain period.

Imam Nawawi, a prominent scholar of Shafi'I school defined waqf as withholding a property that can be utilized so long it exists, while the owner of the property will be deprived of his ownership rights.

<sup>1</sup> The founder of Hanafi school

<sup>2</sup> A renowned scholar in Hanafi school (d. 1097 M)

<sup>3</sup> See kitab *al-Mabsuth*

<sup>4</sup> See *al-hidayah* vol. 3, p. 10.

The benefit of the property is spent in the form of charity to get closer to Allah SWT. Similarly, Imam al-Syarbini defined waqf as withholding property that can be utilized so long it exists, while the owner of the property will be restrained from utilizing it for permissible purposes (Sabri, 2008).

Ibnu Qudamah, a prominent jurist of the Hanafi school, defined waqf as to retain a property and to distribute the proceeds in the way of Allah SWT. This definition refers to the saying of the Prophet PBUH to Umar bin Khattab ra, “withhold the property and distribute the proceeds.” Sabri (2008) argued that this definition is the best definition since it is based on the hadith, whereby the Prophet is the most fluent in Arabic and He is very clear in his explanation. Moreover, he viewed other items such as the issue of ownership, perpetuity, purpose, and the beneficiaries should be excluded from the definition. Those are the requirements and cornerstones of waqf that should be discussed separately. All in all, Muslim scholars interpreted the meaning of waqf differently. Those differences have several consequences for the waqf features that will be explained in the discussion part.

### **History of Waqf**

Every religion had worship places even before the time of Rasulullah SAW. Those places could be interpreted as waqf or similar to waqf. *Ka'bah* is one of the oldest buildings built by prophet Ibrahim and his son (Sabri, 2008). However, Rasulullah SAW introduced the waqf concept which is not limited to worship places. Sabiq (1995) explained that what is meant by waqf is to hold the substance of possessions and to spend the benefits generated in the way of Allah. Furthermore, he emphasizes that the concept of waqf was not known during the Jahiliya period. This form of charity is the result of ijtihad from Rasulullah PBUH, and he always invites Muslims to love to perform waqf because there is good in it. Imam Shafi'<sup>5</sup> stated that the people of Jahiliya never pledge their home or land as waqf. It is Muslims who started these charities.

There are several examples of waqf applications in the time of the Prophet Muhammad. Among them: are the making of a well by Uthman ibn Affan (in another narration that Uthman bought it from someone from Bani Ghaffar), a beautiful garden waqf (*bayraha*) by Abu Talha, and Khaybar land waqf by Umar and others (Sabiq, 1995). Muslim scholars have different opinions about the first person who donated waqf in Islam. The *Muhajirun* (those who migrated from Makkah to Madinah) said that Umar bin Khattab (R. A). Is the first person who committed waqf in Islam. The argument is based on a narration from Ibn Umar (R. A). He said that his father, Umar bin Khattab, asked the Prophet (P. B. U. H), “I have acquired land in Khaibar. I have never acquired more valuable for me than this. Thus, what do you command me to do with it?” The Prophet (P. B. U. H) said: “If you like, you may give the benefit to charity whilst preserving it, so that it can no longer be bought, nor be sold, nor may it be possible to give it away or bequeath it.” Umar endowed the land as Waqf to the benefit of the community and declared that the property must not be sold or inherited or given away as a gift (Sahih Muslim).

Meanwhile, the Ansar (the citizens of Madinah who helped and gave aid to the Muhajirun), said that Rasulullah (P. B. U. H) was the first person who committed waqf. It is based on several narrations that Rasulullah (P. B. U. H) donated lands given by Muhayriq (a Jew) as his will if he died in the Uhud war. He has seven lands in the Madinah. Rasulullah (P. B. U. H) acquired the land after the death of Muhayriq and then donated it in the way of Allah S. W. T (Al-Khassaf, 1999).

The practice of waqf has been followed by most companions. Qudamah bin Musa said: “I heard Muhammad bin Abdurrahman bin Sa'ad bin Zirarah say: I don't know any companion from the Badr fighters who have not performed waqf yet. They donated their property, not being sold, inherited, or given to others (Al-Khassaf, 1999). When 'Umar bin Khattab established many departments/offices, waqf was administered under the finance department. As the practice of waqf became popular, a judge from Egypt in the time of Hisham bin Abdul Malik (Umayyad dynasty), Taubah bin Namr al-Hadrami, put his serious concern upon the waqf administration. At that time, the government established an independent department of waqf not only in Egypt but also in the whole region of the Islamic dynasty. The administration of waqf continued to evolve in the time of Abbasid and then Uthmanic (Sabri, 2008). Up to date, there are several Muslim countries that have a special ministry administering waqf.

<sup>5</sup> *Al-umm*, vol. 4, p. 72 & *hasiyah asy-syarwani ala tuhfatil muhtaj*, p. 236

### Waqf as Part of Islamic Financial Literacy

The term financial literacy is quite popular these days. OECD International Network on Financial Education (INFE), the forefront of financial literacy measurement worldwide, has defined financial literacy as follows:

*“A combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.”*

Departing from this definition, OECD/INFE developed a method to calculate the level of financial literacy comprising financial knowledge, behavior, and attitude. The measurement for this financial literacy is depicted in Table 1. Unfortunately, the measurement includes the interest element which is not allowed in Islamic finance. Accordingly, any effort to introduce financial literacy may provoke society to accept the interest rate concept (Dinc et al., 2021). Therefore, a different measurement of financial literacy that complies with sharia is necessary. In this regard, Islamic financial literacy (IFL) is crucial.

Many studies have proposed a measurement of IFL. For instance, Dinc et al. (2021) developed a valid and reliable IFL scale that consists of four factors namely Islamic financial behavior, Islamic financial knowledge, Islamic financial attitude, and Islamic financial awareness. Likewise, Widityani et al. (2020) tested the relationship between socio-demographic characteristics and Islamic financial literacy. They measured literacy with three indicators: perception, attitude and behavior, and knowledge. It is found that gender, type of educational institution, level of education, and participation in Islamic finance courses have a significant relationship with literacy level.

Most Islamic financial literacy studies cover only the banking sector. Therefore, Dinc et al. (2021) extended the IFL scales that may cover other Islamic financial sectors i.e., insurance and capital markets. However, this coverage still has missed other aspects of Islamic finance. Islamic finance is not only commercial but also social (Tamanni et al., 2022). Islamic finance has a wider coverage of the spending/saving behavior such as donation (zakat and waqf). Therefore, Abdullah and Razak (2015) suggested that Islamic financial literacy should cover a wider aspect of finance. This includes (i) basic money or wealth management – such as savings for future use and emergencies, (ii) financial planning – this involves takaful, pension schemes, and shariah-compliant investments (iii) charity donation, waqf and Sadaqat, (iv) zakat, law of inheritance (faraid) and wasiyah.

Table 1 Financial Literacy Measurement of OECD/INFE

|  |   |  |
|--|---|--|
| Knowledge  | Understanding the impacts of inflation on purchasing power                  |  |
|  | Understanding <b>interest</b> paid on loan                                  |  |
|  | Ability to calculate simple <b>interest plus principle</b>                  |  |
|  | Awareness of the additional benefit of <b>compounding</b>                   |  |
|  | Understanding the relationship between risk and return                      |  |
|  | Understanding the definition of inflation                                   |  |
|  | Awareness of the benefit of diversification                                 |  |
| Behavior   | Financial   | Using a budget                               |
|  | Control   | Taking responsibility for financial decision |
|  |   | Thinking before making a purchase            |
|  |   | Paying bills on time                         |
|  |   | Keeping watch of financial affairs           |
|  | Financial resilience  | Active saving                                |
| Making ends meet when income does not quite cover living costs |   |  |
| Striving to achieve a long-term goal                           |   |  |
| Making informed choices of financial products                  |   |  |
| Attitude   | Preference on the short term or longer term (spending now or future/saving) |  |

Saifurrahman and Kassim (2021) also argued that Islamic Financial literacy puts more emphasis on public well-being compared to conventional financial literacy which concentrates on personal/group

wealth maximization. In this case, Islamic financial literacy should include literacy on zakat payment, infaq, and waqf. Bank of Indonesia also encourages the extension of coverage of Islamic financial literacy not only Islamic commercial finance but also Islamic social finance (Bank Indonesia, 2007).

Ali et al. (2020) found that financial literacy is the most important factor that influences Islamic financial inclusion from the demand side. Likewise, Albaity and Rahman (2019) proved that Islamic financial literacy influences the intention of potential customers to use Islamic banks in the UAE. A positive relationship is found when it is mediated by the attitude towards Islamic banking. Another study conducted by Takidah and Kassim (2021) also supported the significant contribution of Islamic financial literacy to financial inclusion.

### ***Waqf Understanding in Indonesia***

Indonesia has no official Islamic jurisprudence school. However, most people follow Shafi'I school. In consequence, people's understanding of waqf is mostly influenced by Shafi'I school. Based on this madzhab, waqf must be perpetual and the ownership must be released from the donor (Allah is the owner). As perpetuity is an important requirement of waqf in the Shafi'I school, the object of waqf must be limited to immovable property. Nevertheless, the fatwa (sharia resolution) of the Indonesian Ulama Council (MUI) issued in 2002 has changed the landscape of waqf understanding in Indonesia. The fatwa stated the permissibility of cash waqf which is a movable asset. Since fatwa is not binding, the Indonesian government enacted a special act of waqf in 2004 based on the opinion and resolutions of MUI. The act defined waqf as a waqif legal act to separate and/or hand over some of his or her possessions to be exploited perpetually or for a certain period in accordance with his interests for the purposes of worship and/or general welfare. Furthermore, the Government has issued Government Regulation No. 42 of 2006, followed by several regulations of the Indonesian Waqf Board and Regulation of the Minister of Religious Affairs. The existence of the Law and several rules have provided legal certainty for the development of waqf in Indonesia.

Those regulations allow waqif in the form of individuals, organizations, and legal entities. The organization may only conduct waqf if it complies with the provisions of the organization to grant the waqf property that belongs to the organization in accordance with the relevant organizational budget. Similarly with incorporated waqifs. Similarly, a nazir can also be an individual, organization, and legal entity. Nazir is the one who receives waqf property from waqif to be managed and developed according to its provisions. In carrying out his duties, Nazhir is permissible to receive compensation from the net revenue of property management and development of endowments in the amount not exceeding 10% (ten percent).

In regard to the object of waqf, the law requires the waqf properties to have long durability and/or long-term benefits as well as economic value according to sharia. It is only permissible when it is owned and controlled by lawful law. The property of waqf consists of immovable objects and moving objects. Immovable object cover: a) land rights in accordance with prevailing laws and regulations applicable to both registered and unregistered; b) a building or part of a building standing on the ground as referred to in letter a; c) crops and other objects related to the land; d) proprietary property of the flats in accordance with applicable prevailing laws and regulations; e) other immovable objects in accordance with the provisions of the Islamic law and the prevailing laws and regulations. Meanwhile, movable objects are goods that cannot run out because it is consumed, including a) money; b) precious metals; c) securities; d) vehicles; e) intellectual property rights; f) lease rights; and g) other moving objects in accordance with the provisions of sharia and prevailing laws and regulations.

Abandoned waqf property is prohibited to: a) used as collateral; b) confiscated; c) granted; d) sold; e) be inherited; f). exchanged, or g) transferred in the form of another transfer of rights. Waqf property can be exchanged if the waqf property has been used for public purposes in accordance with the general spatial plan (Rencana Umum Tata Ruang) based on the prevailing laws and regulations and is not contrary to sharia. Waqf possessions that have been amended shall be exchanged for a property whose benefits and exchange rate are at least equal to the original waqf property.

Waqf donation becomes legal when the pledge of waqf is made in the presence of the Notary Deed Official Pledge of Waqf (Pejabat Pembuat Akta Ikrar Wakaf) with a witness. In the case of Waqif not being able to express vows of waqf orally or cannot be present in the execution of pledges of waqfs for

reasons justified by law, Waqif may appoint his proxy by a power of attorney reinforced by 2 (two) witnesses.

In order to achieve the purpose and function of waqf, waqf's property can only be allocated for: a) worship facilities and activities; b) education and health facilities and activities; c) assistance to the poor, abandoned children, orphans, scholarships; d) progress and improvement of people's economy; and/or; e) other general welfare advances that are not contrary to sharia and legislation. In the case of Waqif not assigning allocation of waqf property, Nazhir may stipulate the allocation of waqf property carried out in accordance with the purpose and function of the waqf.

The waqf period can be either forever or within a certain period. A certain period means that after the time is due, the waqf property will be returned to the waqif. The ownership will be revoked to the donor. So far, the government only regulated the temporary waqf for cash waqf with a minimum duration is one year.

## Method

This paper adopts a qualitative method. Literature regarding literacy on waqf has been surveyed to understand the topic. It covers the literacy of all waqf stakeholders; Muslim society as waqif, nazir, and waqf authorities. Reports of the waqf literacy index and the number of waqf collections have also been analyzed. The scope of research is general with special attention to the case of Indonesia.

## Results and Discussion

### *Waqf and Other Islamic Charities: A Comparison*

Waqf is a special form of voluntary sadaqa. Literally, sadaqa is what is donated in order to please God not for generosity. This meaning covers both zakat and voluntary sadaqa. In surah at-Tawbah: 60, Allah SWT explained the beneficiaries of zakat using the word sadaqa instead of zakat. Ar-raghib al-asfahani defined sadaqa as a part of one's wealth spent to please the God. Mostly, the word sadaqa is commonly interpreted by jurists as the voluntary sadaqa (Kuwait Ministry of waqf and Islamic Affairs, 2006). This voluntary action is not necessarily monetary. Every good deed is also considered as sadaqa (Narrated by Bukhari and Muslim). Even one's smile can be considered as sadaqa. Rasulullah PBUH is the best example of performing sadaqa. It was narrated that the Prophet was the most generous of people, and he was most generous during Ramadan" (Hadith, Bukhari).

The interpretation of sadaqa as waqf can be found in the hadith of Rasulullah PBUH, *tasaddaq bi aslihi, laa yuba', wa laa yuuhab, wa laa yuurath, wa laakin yunfaq tсамруhu* (make a charity with the principle (property), not being sold, given (to others), and inherited (to the heirs), while the proceeds are spent). In fact, waqf is a specific form of Islamic voluntary charity (non-compulsory *Sadaqa*). Waqf provides continuous rewards to the donors so long as the waqf property is still beneficial. Waqf is an ongoing charity (*sadaqa jariyah*), one of the three good deeds, that will sustain although the donor dies. Rasulullah saw. Said: "When a man dies, his good deeds come to an end, except three: Ongoing charity, beneficial knowledge, and a righteous child who will pray for him." (Narrated by Muslim). Scholars interpreted ongoing charity as waqf.

Waqf is different from zakat which is compulsory and more regulated. People may perform waqf with any amount of money or goods, while zakat is determined by the Sharia. No *nisab* (minimum amount of wealth to be obliged to pay zakat) or even a *hawl* (e.g. a lunar year) is required as compared to zakat.

Waqf has three distinctive features: perpetuity, irrevocability, and inalienability (Abdullah, 2019). The majority of jurists are not very strict on the condition of perpetuity (*ta'bid*), so they generally approve the practice of cash waqf (Islahi, 2006). The ownership status has a significant consequence on the perception of the perpetuity issue. Shafi'i jurists, some Hanafi, and Hambali require the perpetuity of the waqf property. The giver cannot take back what he has donated as he has relieved his ownership right upon the object. However, Maliki school has a different opinion. They argued that waqf can be timely for a certain period as stipulated by waqif in the beginning. After a certain period, the donors may revoke what the founder has endowed (Zuhayli, 2006).

Interestingly, most contemporary scholars allow the practice of temporary waqf donation following the Maliki school. International Islamic Fiqh Academy has issued a resolution no. 181 in 2009 that stated the permissibility of temporary dedication of property as waqf. Timing of Waqf per donor's condition is permissible in all types of Waqf properties. Indonesian Ulama Council also issued a fatwa in 2002 declaring that cash Waqf is permissible, provided the principal value of endowments must be maintained. In other words, the perpetuity restriction is applied within the waqf endowment period (Ambrose & Asuhaimi, 2021).

Another waqf distinction is the irrevocability of waqf. Based on the opinion of the majority of scholars (*jumhur*) once the founder performs waqf, he/she has released the right upon that object. Hence, he/she cannot revoke what he/she has endowed. The irrevocability of waqf is the requirement to maintain the perpetuity nature of waqf. A different perspective comes from Abu Hanifah who argued that waqf is not binding the donor. He may revoke what he has donated. It looks like a loan, whereby the creditor may ask the debtor to return it back anytime (Sabri, 2008)

The third distinction is inalienability. Inalienability means that the donor no longer right to any disposal of the waqf property. The donor is restrained to sell, to give, and to inherit it to his heirs. This view is held by majority jurists namely some Hanafiyah schools, Malikiyah, Shafi'iyah, and Hambali.

Since waqf has a distinctive feature compared to other Islamic charities, education or socialization is needed to nurture people's understanding of waqf. Many papers have mentioned the low literacy level of waqf among Muslims. Most people do not know how the process of waqf payment (Huda et al., 2012). Moreover, they do not know the important role of waqf in alleviating poverty (Puad et al., 2014). Waqf literacy surveys have been conducted in Brunei Darussalam. The results show that 50% of the population of Brunei has sufficient knowledge about waqf and only 20% claimed to have donated waqf. In addition, their perspective on the object of waqf is still limited to physical assets, such as mosques, sandals, and others (Abdullah & Razak, 2015). Similar perception is also found in Indonesia (Huda et al., 2014; Khairunisa et al., 2018; Rusydiana & Devi, 2014; Siswantoro & Dewi, 2007).

Similarly, the level of awareness of Malaysians towards waqf is also low. Puad et al (2014) argued that one of the challenges for Majelis Agama Islam Selangor (MAIS) is the low awareness of the important role of waqf in economic development. Most people still regard zakat as the single best instrument for alleviating poverty and reducing the level of inequality between the rich and the poor. In addition, a survey conducted by Majelis Agama Islam Selangor (MAIS) in 2008, that 70% of people are not aware of any stock of waqf.

### **Waqf Literacy and Waqf Collection**

Ali et al. (2020) found that financial literacy is the most important factor that influences Islamic financial inclusion from the demand side. Likewise, Albaity and Rahman (2019) proved that Islamic financial literacy influences the intention of potential customers to use Islamic banks in the UAE. A positive relationship is found when it is mediated by the attitude towards Islamic banking. Another study conducted by Takidah and Kassim, (2021) also supported the significant contribution of Islamic financial literacy to financial inclusion.

Likewise, poor understanding is considered the main factor behind the low level of waqf collection in Indonesia (Huda et al., 2014; Khairunisa et al., 2018; Khusaeri, 2015; Huda et al., 2012; Rusydiana & Devi, 2014; Siswantoro & Dewi, 2007). Siswantoro and Dewi (2007) examined the effectiveness of cash waqf instruments on Danareksa issued in 2004 in Indonesia on a fixed income basis. The results show that the ineffectiveness of cash waqf institutions is due, 1) lack of government support, which still has not considered waqf as the main source of economic growth. 2) community understanding that waqf is limited to physical assets.

Rusydiana and Devi (2014) found that a lack of public trust in Islamic philanthropic institutions, including waqf, leads people to donate directly to the waqf project without going through legal waqf institutions. In addition, there are many people even scholars who still think that waqf must be in the form of physical assets and waqf in the form of money is not permitted. Muntaqo (2015) argued that most Indonesian people follow mazhab Shafi'I, whereby the object of waqf must be perpetual physical. On the other hand, the socialization of the new fatwa (MUI Fatwa) on waqf is lacking. Those are among the main problems that hinder the collection of cash waqf in the waqf institutions.

Adequate understanding of the waqf is necessary to increase the level of community participation in doing waqf. Research conducted by Osman et al. (2012) relates to any variable that could affect a person's desire to donate waqf. With the literature review, they found that there were at least 5 factors: 1) spiritual satisfaction, 2) understanding of waqf, 3) trust, 4) demography, 5) efficient management, and 6) tax incentives. It can be seen that the level of understanding of waqf is placed in the second order which encourages one to donate waqf.

Waqf literacy is also empirically proven as an important factor of waqf collection. Jazil et al. (2019) proved the effect of waqf literacy on the motivation to donate waqf. The same thing happened in Brunei Darussalam. Surveys conducted by Abdullah and Razak (2015) show that only 50% of Brunei's population has adequate knowledge of waqf. The level of participation in doing waqf is still in the figure of 20%. In other words, 1 in 5 of Brunei's population once donated waqf. Unfortunately, donations are still limited to physical assets, such as mosques, sandals, and others.

### ***Waqf Literacy and the Optimization of Waqf Property***

Furthermore, the public knowledge and awareness regarding waqf land are very low. These become the main factors that impede the development of waqf land in Indonesia. Hence, the waqf land problems need to be classified, ordered, and prioritized. People still assume waqf lands should only be dedicated to worship grounds such as mosques, graveyards, and schools. They are not willing to manage the waqf asset professionally to earn profit. They do not realize the great potential of waqf to increase the socio-economic welfare of society. Consequently, it is truly important to intensify education and socialization of waqf literacy to the public. Lack of education and socialization in the community causes the empowerment of waqf to not be optimal (Fitri & Wilantoro, 2018; Hasanah, 2012; Muntaqo, 2015).

Therefore, massive waqf socialization from the early stage is required. The education could be delivered through formal and non-formal channels. Formal education means waqf education should be inserted into the education curriculum in the schools, while the latter could be conducted through expo activities or speeches on religious events. Education and socialization should be directed to all elements of society, including government, nazhir, and the wider community who basically still have the traditional understanding of waqf. The socialization can be done through lectures, Friday prayers, printed and online media, and various social media (Fauzi et al., 2022).

### ***Dispute on Waqf Properties***

Manaf (2020) recommended increasing public awareness of waqf to prevent disputes. She argued that lack of awareness has contributed to the disputes. It has led to the conflict between nazhir and waqif or beneficiaries. She demonstrated one example, the case of eviction of settlers on Tanah Wakaf Abdul Cauder in Butterworth, Penang, whereby the tenants of the waqf property resisted moving as the land was developed. The land has been endowed by Kavana Ibrahim in 1892. In 2010, the JAWHAR had allocated RM 50 million to develop the land. However, 14 of 46 tenants rejected the proposal. The dispute lasted about eight years. The MAIPP as nazhir has spent millions of RM due to this conflict.<sup>6</sup>

Likewise, Mardamin and Burhanudin (2021) argued that the Government Officer who documented the waqf statement must be well-literate. The waqf literacy for government officers covers literacy in the administration, regulation, and law. The low literacy level has caused a legal dispute on the waqf property. Cases were found such as a Notary Deed Official Pledge of Waqaf (PPAIW) has issued a letter of cancellation of a waqf deed pledge (APAIW) which resulted in the loss of the status of the waqf land. Another case was also found in which PPAIW replaced Nazhir and issued the Waqf deed Pledge every five a year, giving rise to multiple waqf certificates in one donated land location.

In Nigeria, there are cases where a person has given out a particular mosque or land as waqf and the succeeding generation takes over the property as an inherited estate. Islamic law in the country transcends Maliki School. So, a holistic understanding of the law of waqf from the classical sources and as understood in the four major schools of Islamic jurisprudence is necessary for waqf legislation in Nigeria (Oseni, 2012)

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<sup>6</sup>[https://www.mainpp.gov.my/images/PRESS\\_RELEASE\\_JLN\\_MENGGUANG\\_FINAL\\_DRAFT\\_9\\_MAC\\_2019\\_8\\_MLM\\_-\\_UTK\\_YDP.pdf](https://www.mainpp.gov.my/images/PRESS_RELEASE_JLN_MENGGUANG_FINAL_DRAFT_9_MAC_2019_8_MLM_-_UTK_YDP.pdf)



To conclude, waqf literacy level is important to prevent dispute between waqif and his family, nazir, and beneficiaries. Moreover, [Munandar and Arwana \(2021\)](#) urged every party to understand the procedure and registration process. It is not enough to have a waqf certificate, waqf land must be registered with the National Land Agency and have a certificate for legal protection. In this regard, [Manaf \(2020\)](#) urged Four methods of socialization and education of waqf literacy: grassroots-level education in school, community engagement, media to communicate, and annual communication with beneficiaries.

## Conclusion

Having it is found several reasons why waqf literacy matters. First, the unique characteristic of waqf compared to other Islamic alms. Second, waqf literacy is positively related to waqf collection. Third, the utilization of waqf can be more optimized. Lastly, disputes and conflicts about waqf ownership are sometimes due to a lack of waqf literacy. All in all, this paper is expected to leverage the attention of all stakeholders toward waqf literacy. Waqf authorities and waqf institutions are encouraged to intensify education and socialization about waqf, while researchers are expected to study more on waqf literacy. To further develop the waqf sector.

Waqf is a special form of Islamic charity that has special features of perpetuity, irrevocability, and inalienability. The donors may earn a continuous reward as the object of waqf is benefited by others. Consequently, those who have better literacy of waqf may be attracted to them to perform waqf. In addition, with adequate literacy of waqf, the utilization of waqf can be more optimized. People not only donate to mosque, madrasah, and graveyards, but also to profit-generating asset. Likewise, nazir with adequate literacy may optimize the object of waqf. Last, lack of waqf literacy may create disputes and conflicts about waqf ownership in the future.

Based on those four reasons, it is argued that waqf literacy is truly an important matter. Therefore, several important steps must be conducted to leverage the literacy level. First, massive education and socialization are needed. The waqf authorities and waqf institutions must hand in hand to educate society. It is necessary for the authorities to have a roadmap to escalate waqf literacy. Second, more research on waqf literacy issues. Several issues that could be researched related to waqf literacy are improving the existing waqf literacy index, finding the determinants of literacy, and formulating strategies to improve the waqf literacy of nazir, potential donors, and regulators.

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