

# [Marketing solutions for waqf in the uae essay sample](https://assignbuster.com/marketing-solutions-for-waqf-in-the-uae-essay-sample/)

Abstract

The dissertation is based on the objective of studying and understanding the concept and practice of Waqf (endowment) in Islam. In this regard the main emphasis of the dissertation is on the Waqf practices followed in the UAE, the existing Waqf bodies and their functions, local public awareness about the Waqf practices, and more importantly the new endowment projects and new investment and marketing strategies that need to be followed in this regard. In order to meet these goals the dissertation employs a qualitative study on the roles of various Endowment foundations present in the UAE, the recent conferences and new projects that have been made up till now to enhance the application of Waqf in the society.

For this, the aims and objectives of endowment bodies like the General Authority of Islamic Affairs and Endowments in the UAE (GAIAE), the Awqaf and Minors’ Affairs Foundation (AMAF); the contribution of other bodies like the Dubai International Financial Center (DIFC) investments and Dubai Islamic Bank (DIB) in the Waqf services, the Charity Waqf; and the remarkable Dubai International Conference on the Endowment Investments, with outstanding conclusions made in by the combined effort of professionals, has been extensively covered. The contemporary endowment practices followed at the International level are also discussed in the dissertation. The practices have been compared with the old ones followed in the Islamic countries, and a need for resurgence has been highlighted. In this regard the Yale University Endowment Model as well as the Harvard College Endowment Model has been studied in research. In the end, the revival of the Waqf’s institution has been discussed, showing light on the applicable innovative approaches as well as the strategies through which endowments can instigate empowerment.

1. Introduction

The concept of Waqf (Endowment) refers to an important Islamic institution, which, within its legal sphere, has merged massive areas of land within the Muslim world. Under the Islamic law (Shariah), it has been an acknowledged, established, and accepted legal mechanism that has been in progress for more than a millennium. A Waqf is generally dedicating a plot of land or a building for charitable or religious causes.

The Waqf is perpetual in nature. This very nature of Waqf lead to the accumulation of Waqf properties over the entire Muslim lands and the diversity of its objectives started extending assistance for extensive religious and philanthropic activities. The dealing dimensions of the Waqf and its aims and objectives perform a vital function in the sociopolitical life of Muslim societies and communities.

This dissertation is aimed at understanding different aspects of endowment practices in the UAE with a broader picture of the entire Muslim world as well. In this regard the dissertation looks at the importance of financial institutions and appropriately sets up bodies in the advancement of endowment activities, the areas where the improvement lacks, either due to following the conventional concept of the application of Waqf, or lack of required assistance. Under the required assistance come the marketing solutions present in UAE, strategic plans for endowment projects, the methods for developing this marketing as well as investments, and novel ideas for its sharpening parallel to the contemporary concepts followed by the West about Waqf as endowments.

For this purpose, certain endowment bodies have played a vital role, e. g. the Awqaf and Minors Affairs Foundation, which dedicatedly supervises over the Awqaf, by managing its investments and spending its finances in control and according to the Islamic laws; and the General Authority of Islamic Affairs and Endowments in the UAE, which executes the UAE’s policies regarding Islamic Affairs, while putting them into application as well, besides supervising the endowment practices. These bodies in collaboration with the other financial institutions of the UAE have arranged a number of councils, seminars, and conferences for this purpose. Due to the participation of both professionals from around the world as well as some of the common youth of the UAE, a number of proposals and new ideas took birth, both for investments and marketing development. To a much extent awareness was also spread to the local public who had an old-fashioned notion about the Waqf. Above all, the private sector has been encouraged to participate in the endowment sector, as well as the philanthropy programs been initiated to facilitate philanthropists to contribute to the Waqf funds.

In addition to this the existing UAE Waqf model has been studied in detail, which calls for the need of a lot of new acceptable ideas, which could go in parallel to the modern systems assumed by the West as well as match the Shariah too. For this purpose, two models, namely the Yale University Endowment Model and the Harvard College Endowment Model, which exercise a strong strategy development, and hold endowment practices intensely marked by performance orientation, have also been taken into account.

Then, the focus is towards focusing on the Waqf waking up in a contemporary world, where concerns for its revival are greatly rising. The dissertation discusses innovative approaches to the Waqf administrative structure, where the role of the Organization of the Islamic Conference (OIC) has also been signified. Last but not the least, some strategies have been highlighted through which endowments can instigate empowerment, which include the acknowledgment of the capacity in the insurgence of Waqf concepts, encouragement of Islamic philanthropy through the Waqf, reformation of management of the Waqf, and re-flourishing of the ineffective State endowments or mishandled lands.

Thus the dissertation highlights the strategic planning for endowment projects, methods of investment and marketing developments, establishment and creating of new marketing ideas for Waqf projects, touching the problems and solutions as well.

1. 1 Key Objectives of the Research

The research is aimed at understanding and explaining the importance of proper application of Waqf practices in the Muslim world which are firmly based on the Islamic laws. The exercising of Waqf practices in the United Arab Emirates is studied as research. In this regard the paper mainly focuses on the role of Waqf bodies in the UAE that are working on bringing about certain steps for the revival of Waqf application, which includes investment plans, contemporary marketing strategies and solutions and development of the Waqf projects. An outlook on the strategies followed by the Endowment Institutions under the international realm has also been presented with the purpose of carrying out its careful comparison with that followed by the UAE and other Islamic countries. In this context the key objectives of the research are as followed:

* To study the concept of Waqf (endowment) in Islam and its practicality among Muslims in regard to various aspects
* To underline the role of endowment bodies in the UAE, in founding new investment and marketing projects and arranging conferences
* To deeply study the various programs initiated in the UAE for the purpose of promoting The Waqf and its proper application
* To extensively go through the Dubai International Conference on Endowment Investments which has been an outstanding conference for the cause of developing Waqf up till now
* To highlight the concept of Waqf used in the West in a more contemporary fashion, presenting studies on the Yale University Endowment Model and the Harvard College Endowment Model, and comparing it with that used in the Muslim world, specifically the UAE
* To understand the solutions required for reviving and modernizing the Waqf administration
* To draw attention to the strategies for empowerment through Islamic endowments

1. Overview

Under the Islamic Waqf, the owners of property (both movable and immovable), permanently settle it and its legal right of usage for the benefit of beneficiaries for a certain causes(s). In essence the Islamic endowment is firmly linked with the Islamic principle of charity. Endowments have been nationalized or highly controlled in several Muslim countries due to the contemporary amendments. A slight decline of the Waqf has created emptiness in the ring of public services, filling in of which has not been an easy task for the State in many Muslim countries. Nonetheless, the thought and impression of Waqf as well as the ideal body of Waqf itself stay prominent and effective and there are certain signs of its re-strengthening. The Waqf has been functioning as a medium of public policy along with influencing on all facets of Muslim life.

2. 1 Comparison with Trust Law

Due to the increasing interest in the Middle East regarding the ensuring of family wealth to stay available for future generation’s benefit, a couple of structures have been designed. For the very purpose, a Trust structure is an effective channel. And besides, due to such a long recognized and conventional concept of the Waqf in practice, the principles of Trust aren’t an unfamiliar idea.

Under the Islamic law, the concept of Waqf is quite similar to the Trust Law. Under both the concepts, property is set aside and retained, and the legal right to use this property for the benefit of specific individuals or for a usual charitable purpose is appropriated; the capital or principal becomes inalienable; perpetual estates in support of successive beneficiaries and without much consideration to the law of inheritance or the rights of the heirs can be formed; while at the same time stability is safeguarded by the sequential appointment of trustees. (Gaudiosi, 19998)

2. 2 Significance of Waqf

The endowment is a significant Islamic establishment that has had an impact on the Islamic as well as the whole world’s economic development. Its capacity in future development should greatly be valued. The importance of Waqf stems out of its centrality to the Islamic article of charity (Zakat in Arabic).

Islamic endowments (Awqaf) spread to about one-third of the Islamic Ottoman Empire, to a considerable part of other Muslim lands, and grew to cover more areas. As it is popular today, similarly it was an important public institution under the realm of Islam along with the cities which were under the Ottoman rule. The Ottoman rulers thought themselves to be chiefly accountable for safety, defense, tax collection, etc., while the Waqf was an essential channel for the support and well-being of ordinary and needy people. It has been argued as to whether the Waqf offered quality services or whether it was a better contributor in the past. Nonetheless, its revitalization has implications for future progress.

As such there is no precise reference of Waqf in the Quran; the very idea of it basically was evolved from repeated prominence given to charity by Islam.

2. 3 Legal Scaffold for the Waqf

As aforementioned, the owner of the property, under the Islamic Waqf foundation, settles it to the beneficiaries’ usage for life. The Waqf is established when the owner pronounces that a certain amount of income from the property is permanently set aside for a certain purpose. The principles of regulation concerning the Waqf are a fundamental part of Islamic Shariah.

Besides up keeping the mosques, and providing charitable services like hospitals and orphanages, there are other areas relating to law and society where the Waqf deals, for instance, will, inheritance, gifts and marriage. Thus endowments could be said as a part of family law.

The most common endowments are land. This is because of the fact that endowment is an act of ‘ continuous charity’, where its permanence and security is most important to Waqf, and it gets easily evidenced in case of land. Sometimes easily moved assets, for instance furniture, farm animals or books may be bound with the Waqf, but money, known as the cash Waqf, has not really been allowed in the past. A controversy known as Cash Waqf controversy was resulted due to this. It was only after the Ottoman Sultans, who considered the cash Waqfs vital for the Islamization of South Eastern Europe, that the cash Waqf, by which money was settled for social and religious causes, that this form of endowment got approved by the courts. (Sait & Lim, pp. 10, 2005)

2. 4 Characteristics of Waqf

Following are the two characteristics of the Waqf:

* Perpetuity – it specifies the concept that a Waqf remains a Waqf for a lifetime once any assets or property is dedicated in its name. Its removal from the Waqf needs a problematic and lengthy process. It requires replacement against another property of equivalent worth with sanction from the local court. Followed by the accomplishment of such an exchange, the new piece of property becomes the Waqf right away for the same objective and beneficiaries of the previous Waqf. Therefore hypothetically in theory, the concept of perpetuity implies that the properties of Waqf should not reduce. The originators of Waqf and courts made a special additional safety measures while recording and maintaining the Waqf deeds. There are certain courts in a number of towns and cities that have preserved detailed documents of Awqaf properties even from the 15 th and 16 th centuries.
* Permanent conditions of the Waqf founder – as a voluntary act of benevolence, the Waqf has to undergo a number of conditions, which are specified by the Waqf founder. The conditions are to be met unless they challenge the Shariah law. This brings to light the fact that the proceeds of Waqf should entirely be utilized for the objective put forward as a condition by its founder. It is not to be violated or altered in any way by administration or supervisory courts unless the objective is well-suited, on one hand with the Shariah, while on the other with feasibility. If the objective of Waqf turns out to be unfeasible, the proceeds of this Waqf should be used on the closest available purpose. If not even this, then the revenue should go to the needy and poor. The permanent nature of this wraps around all the stipulations of the founder, be it the purpose, distribution of proceeds, administration, or etc.

1. Research Area

The objectives of the research are achieved through exercising a detailed presentation of different existing Waqf bodies, some newly made, for the new causes that move in line with modern concepts followed in the West, as well as with the Islamic laws. Different centers and financial institutions have contributed into the formulation of these endowment bodies, which would carry out the goals towards progression by giving a boost to the UAE economy in general, as well as improve the lifestyle of the poor and needy. Much emphasis by these bodies has been laid upon to the education sector, for the purpose of helping the brilliant students who have lack of financial resources. In order to accommodate maximum students, the Waqf lands, besides for building mosques, are more inclined towards building educational institutions which lack more than mosques.

The research moves forward, as will be seen in the dissertation, to covering important seminars, campaigns, and conferences conducted by these very endowment bodies, with the primary purpose to market the Waqf concept in such a way that it raises awareness among the local public of the UAE. Other goals include the aims towards establishing the Waqf practice by new strategic marketing and investment ideas, ensuring a significant advancement in the Waqf field, reviving its concept and practice, and developing the UAE community at a large scale, both economically and socially. The center of focus has also been spread from the realm of UAE progress to other Muslim states’ as well. Strategies have been welcomed from all over the world, not just from the Muslim communities but also the West, the effectiveness of which then instigates a notion to adopt those methodologies in the common practice.

The dissertation concludes with stating the need for innovative approaches to the whole of the Waqf structure, slightly mentioning the effective role of OIC, along with spreading awareness of the fact that local actors from within the community, be it in the UAE or any other, can prove to be the most productive. The research wraps with stating the strategies, using which, the endowments can instigate empowerment.

3. 1. Endowment Bodies

The dissertation discusses three endowment bodies, which may be regarded as recent. The Waqf Trust services, which strives for guaranteeing the progress and preservation of the lines of descent, as well as providing protection to the families’ financial assets and guiding them through their best utilization, is discussed. Then comes the General Authority of Islamic Affairs and Endowments, which works on spreading awareness about the Islamic culture and administer endowment practices by looking over and aiding new Waqf projects. Last but not the least is the Awqaf and Minors’ Affairs Foundation, which assumes its responsibility in the administration and investment of its funds for the foundation of productive economic projects, following the modern models of the Waqf Investment as well as the Shariah at the same time.

3. 1. 1. Waqf Trust Services

In the year 2007, Dubai International Financial Centre (DIFC) investments and Dubai Islamic Bank (DIB) proclaimed that they have introduced a project to institute ‘ Waqf Trust Services’, which is the first Islamic provider in the world that offers trust services, conforming with the Shariah. Dubai Financial Services Authority (DFSA) approved it, and finally its activation and maneuvering started from the DIFC. (Press Release, n. p. 2007)

The company is established to function along the parameters of the ‘ Trust law of 2005’, sanctioned by the Prime Minister and vice president of UAE, Sheikh Mohammed Bin Rashid Al Maktoum, Ruler of Dubai and President of the Dubai International Financial centre. The directive is mainly aimed at ensuring an appropriate progression and preservation of lineage, at the same time letting families to handle and cope with their wealth in such a way with regards to promising a fair disbursement of their inheritance. At the same time they are suppose to firmly observe the Shariah’s directions.

Both the corporate and individual clients are offered a diverse range of services provided by the Waqf Trust Services provider. These services chiefly include the delivery of such instruments that help clients in protecting their assets, wise plans to progress, and ways of preserving family wealth. Almost always, the important and essential tool that drives the demand, having an effect on the market for personal trust services, is the presence of wealth. Fundamentally, it is the wealth of individuals that play a key role. The protection and preservation of assets, their investment, and the tendency to pass them on to future generations, greatly depends on this wealth. Intrinsically, the process that can be extremely intricate is that of planning. And therefore it has to involve highly trained professionals for providing assistance, especially in cases which involve different authorities and asset types.

The officials of Waqf Trust Services think that Islamic Finance and wealth management are crucial areas of aim in the Middle East and intrinsically Waqf marks the introduction of an important and instrumental extra line of business to the DIFC family. This very line of business, as a foremost part of DIFC’s vision, ensures to maintain the best interests of future generation. Previously executed by the Dubai International Capital (DIC) authority, the complete range of non-public administration and commercial activities, along with the control and supervision of subsidiaries, have been assigned to DIFC Investments. Moreover, under their responsibility also, comes the process of developing DIFC’s Investment strategy in addition to pertinent guiding principles and coalitions that will assist in accomplishing aims, objectives, and visions of the DIFC.

3. 1. 2. The role of General Authority of Islamic Affairs & Endowment

The UAE has certain policies regarding Islamic affairs and endowments. The General Authority of Islamic Affairs & Endowment is responsible for executing these policies, and putting them into operation. It plays a vital role in spreading awareness about Islam and Islamic culture and supervises the endowment practices.

Among other things, it provides spiritual convention, assistance, and counseling to gradually impart the standard of moderation, sharing out the Islamic culture and elevating Islamic awareness. It oversees and manages mosques, assisting them with the required services to carry out and achieve their mission. Importantly, it administers Islamic endowments (Awqaf), growing the necessary funds, and creating and aiding new endowment projects, while at the same time, improving and taking forward the endowment tradition within the UAE society.

3. 1. 3. The role of Awqaf & Minors’ Affairs Foundation (AMAF)

The Awqaf & Minors’ Affairs Foundation is a Dubai Government program to embrace and care for minors, administer and invest their funds, and socially make them eligible and inspire them until they are legally adult and responsible. The AMAF’s basic responsibility is the administration and investment of its funds to institute effective economic projects by adhering to the most contemporary models of endowment investment according to the Shariah.

The foundation works to establish new associations and strategic unions, in search for improved practices and innovative and productive programs for endowment foundations. It does this with the aim of increasing the financial and investment incorporation with the help of around the world existing endowment foundations co operation. This is basically for extensive growth and success.

The Awqaf & Minors Affairs Foundation looks upon its devotion towards the legal authority over the Awqaf, a concern for its development, care & investment. It also assumes a responsibility for administering, managing and spending its finances and revenues. However it is crucial that it does this by staying within the perimeters of the stipulations brought in front by the donator with the purpose of achieving the Shariah objectives and purposes. It also assumes, within the confines of this law, the carrying out of provisions of the Islamic Shariah, the required strategies and methodologies to safeguard the funds of the Minors, ineligible and disqualified, lost persons and to look after their affairs.

AMAF also organizes international conferences on endowments’ investments, with the assistance of a number of national and international endowment foundations, and with the presence of skilled specialists in the fields of endowments.

3. 2. Programs for Supporting Waqf

The United Arab Emirates holds an extremely highly industrialized economy. It is its economy that makes it one of the most progressive and developed in the world. This can be said taking into account several socioeconomic indicators for instance the Gross Domestic Product (GDP) per capita, the Human Development Index (HDI), and the energy consumption per capita. The GDP of the UAE was $168 billion in 2006, and this way it was ranked second in the CCASG, with Saudi Arabia ranked at position one.

The actual growth rate of the UAE has been assessed as quite deviating, but nonetheless all the available data and figures point towards the fact that the UAE, at present, represents as one of the rapidly growing economies of the world. The general picture of the economic situation in the UAE makes its dynamic nature very clear. In comparison with other countries, the UAE is believed to be very competitive in nature. Its effective strategies of carrying out the economy so well and its rhythm of moving ahead in progress, makes the other countries follow it.

However, if considering individual sectors, specifically that of the Waqf at the time being, it has been noticed that the management of the Waqf is currently a bit old-fashioned. Not much has been changed in the practices that have been moving since old-times, even from times when the Waqf was newly originated. Although it is in any matter compulsory that the practices be in conformity with the Islamic Shariah, nonetheless they may be provided a slight modification so that they get parallel to the ones followed at a contemporary level. The West, specifically, has been seen to pick the concept to Waqf from Islam and mold it in a modern fashion, using it in quite a productive manner.

Therefore, the UAE has, and still is, considering working on those modern lines to bring a revival in the Waqf institution, suiting it useful for the needy sections of the society, be it the destitute deprived of the basic necessities of life, or the students who lack financial resources to acquire education, as well as for the much needed relief supplies in the situation of a natural calamity. It, however, does not mean that the establishment of religious institutions is started being ignored, for due to the Waqf’s former only concern towards building mosques in every small street was pointed out as too conventional. It is just the fact that now more focus has been, and is being, given to education and financial uplift of local public and the entire economy at the large scale.

With the very need felt for developing the Waqf institution in the UAE as well as other Islamic communities, a number of projects and programs including campaigns, lectures, seminars, and conferences have been held, with the basic purpose of constituting strategic plans for the advancement of the Waqf, methods of investment and marketing development, and new innovative ideas and approaches for its progress.

The endowment campaign, in which the UAE Khalifa made his remarkable contribution, has been touched. The council for the support of charity Waqf, entitled ‘ The Charity Waqf and its Impact on Social Development’ has also been conferred. Besides these a Memorandum of Understanding was reached at between the Waqf Trust Services and the AMAF, the dissertation covers that as well. Furthermore, a philanthropy program is pointed out, under which, the Arab center for philanthropy was formed. Then, a lecture held at the Zayed University is also discussed, in which the Islamic Endowments and the development of the educational establishment was addressed upon, putting forward the advice to the private sector to take active part in the endowment activities.

3. 2. 1. The Endowment Campaign

An endowment campaign was organized by the General Authority for Islamic Affairs and Endowment, for which the President Sheikh Khalifa Bin Zayed Al Nahyan, granted 370 million Dirham. He announced this grant under a ceremony which was held under the patronage of General Sheikh Mohammad Bin Zayed Al Nahyan the Crown Prince of Abu Dhabi and Deputy Supreme Commander of the Armed Forces of the UAE.

In the endowment campaign, a number of sponsors, philanthropists, and students participated, who were greatly honored by the Foreign Minister, Sheikh Abdullah Bin Zayed Al Nahyan, for their commendable contribution and assistance to the success of the campaign. Cash prizes, souvenirs, and certificates of appreciation were awarded to these key participants.

The campaign was launched with the aim of reviving the Waqf and aiding to ease the burden of the penurious and the poor. It supports and backs the orphans, poor students, and the destitute people. Along with that it offers healthcare and to build, refurbish, and renovate mosques. The sponsors of the campaign rise ahead in helping it to fulfill its utmost potential. (Emirates News Agency, 2007)

3. 2. 2. Supporting the Charity Waqf

A council was held last year in fall, entitled ‘ The Charity Waqf and its Impact on the Social Development’. The Vice President of UAE, the ruler of Dubai, Prime Minister Sheikh Mohammed Bin Rashid Al Maktoum, provided a huge support to the Charity Waqf through his innovative projects in the very field. He has already been supporting the Awqaf & Minors’ Affairs Foundation (AMAF) for the same cause of charity. (AMAF News, 2007)

The council was organized by the Society of Awareness and Minors’ Protection. AMAF also participated in it. It highlighted the need of establishing the committee for social affairs, to manage and control the charity activities and social support to the penurious groups and categories. An Islamic Herald and indeed an Islamic personality for the Dubai International Award that happened last year, Sheikh Mohammed Ali Al-Sabouni, was also present at the council. He suggested the constitution of funds with the aim of supporting and circulating the charity Waqf in local areas, specially the public places. He also perceived the need for increasing awareness and understanding of the significance of the charity Waqf in all the fields. He highlighted that with reference to enhancing the social development. In addition to this, he directed the charity Waqf resources to focus on the priorities; the basic and the essential needs and demands of the society.

The charity Waqf that has descended from non-governmental parties has been playing a vital role in the Islamic world, especially in the areas that revolve around social development and security.

The council was directed by Dr. Mohammed Mrad, who is the Director of the Center of Support and Decision-making in Dubai Police. He proclaimed that the council, besides other things, revolves around five main areas. They include the details about charity Waqf and social security, the significance of the Waqf that exists now, the possible tools for reenergizing its position and function in the comprehensive social development, as well as the revised and modernized fields that might be improved with the Waqf contribution, and the structure and system of the Awqaf management so as to maintain their assets and keep up their independence.

The Commander of Dubai Police, Dahi Khalfan Tamim, recommended that a Department for the Social Affairs be constituted in every Emirate, which does not really assume the functions of a Ministry, but only serve as its assistant, on the condition that the Department’s function involves safeguarding the pure families and that the Waqf would be expended on that. He was also of the view that all the charity institutions should be drawn together as one department for social activities, which shall be the sole in charge of them, so that the waste and disorganization be avoided. He also put emphasis on the spreading of awareness of the charity foundations to the local public.

Another thing that he noticed is the remarkable investment development that has been attained by the foundation through the last two years. As the financial report says, this is due to the investment of Waqf funds and the rise in benefits. Hence, as a result, the amount of 23 million Dirham increased to 31 million Dirham from the year 2005 to 2006. It was anticipated that it would reach 35 million by the end of year 2007, and as much as 90 million by 2009.

3. 2. 3. Memorandum of Understanding

The Waqf Trust Services and the Awqaf & Minors Affairs Foundation (AMAF) signed in coalition this year in February, a Memorandum of Understanding with the purpose of coordinating and cooperating activities and enterprises for the development of UAE community, both economically and socially. The Memorandum aims to ascertain a suitable framework, inside the limits of which the collaboration between Waqf and AMAF is expected to develop with the aim of enhancing and investing endowments and minors’ funds, along with elevating awareness of charity, its social agendas and other events, in order to promote and advance the local UAE community. (Middle East News, 2008)

The Waqf Trust Services had been promoting and aiding a number of worthy causes in the very region. Waqf has been an innovative and groundbreaking initiative conforming to the Shariah, and after reaching an agreement with AMAF, which is said that to be a real advantage to the region’s community and entire economy overall, it has promised to guarantee the welfare and enhancement of the minors’ funds and at the same time actively promoting awareness to the advancing and developing role of endowment through this alliance. This agreement is believed to play a vital role in the charitable work. AMAF itself, which holds an aim towards enhancing the concept of social harmony, does work to develop the local community and create a sense of solidarity and concern for the comfort and welfare of others. Having the support of Waqf Trust Services, it feels pleased with the agreement, which gives them a chance to promote their important role in the field of charity and assist the local people, boosting them to participate in this worthy cause.

The Secretary General of the Dubai AMAF, Engineer Abdul Rahman Al Shared said: “ We believe that this agreement illustrates Waqf’s respect for the work that we do and their long term commitment to the local community and regional economy.”

3. 2. 4. Philanthropy program

In January 2008, the Vice President of UAE, the ruler of Dubai, Prime Minister Sheikh Mohammed Bin Rashid Al Maktoum publicized the inauguration of “ Arab Centre for Philanthropy”, in pursuit of preparing action in strategic giving and elevating management and harmonization within various other Arab philanthropic programs.

Prime Minister Sheikh Mohammed made his announcement in the course of his meeting with conspicuous leaders of philanthropy from the Arab world. The meeting was conducted under the perimeters of the regional talks and discussions on the prospect of philanthropy in the region. In Dubai, by the end of January 2008, a two day conference was coordinated by Mohammed bin Rashid Al Maktoum Foundation.

The Arab Centre for Philanthropy is buckled down to perform a prominent role in influencing the level of cooperation among Arab philanthropists with the aim towards enhancing their contribution while driving to rise above the regional challenges, and more significantly to encourage and facilitate them to contribute to Waqf funds. Besides proclaiming the launch of the very scheme, Sheikh Mohammed laid emphasis on the significance of shared giving, regardless of whether it originated from individuals or organizations.

He highlighted the weak points of philanthropy in the Arab world, implying that the slanders hurled on some of the philanthropic institutions have defaced the integrity and standing of the whole industry. Besides discouraging several people from doing any business with them, these incompetently and ineffectively controlled organizations have also pushed real and authentic philanthropic organizations to be more dependent on the personal funds and assets of their organizers or sponsors.

Sheikh Mohammed emphasized by restating the fact that, accomplishments in the philanthropic arena could never be pulled off by the accessibility and convenience of only the finances. In his statement, he was of the view that, an achievement is the product of a mixture of elements. The elements include “ creativity of individuals, organizational support, availability of funds, and the importance of volunteering and knowledge sharing”.

Apart from the felt need of reviving Awqaf to the contemporary level, the Arab world, in general, is facing immense challenges. Sheikh Mohammed stated that they could not afford to go by the option of failure during the encounter of these challenges. He placed substantial responsibility on the shoulders of wealthy Arabs to help propel the region in handling and resolving these challenges. They were encouraged to contribute to the Awqaf department as philanthropists so as to improve the economic situation of UAE in general.

As the ‘ Arab Centre for Philanthropy’ moves forward, it aims to operate in the direction of attaining a number of imperative objectives. Behind the curtain they are serving the objectives of developing Waqf projects as well. Some of them include respecting and providing confidence to leaders of societal philanthropy; building up the volume of philanthropic organizations as well as their staff while encouraging them and developing their transparency; encouraging wealthy Arabs to take part in philanthropy, and making sure that they coordinate in order to solicit financial assistance. This way the awareness about the importance of carrying out the Waqf practices in an effective manner is also spread.

The centre also aims towards fulfilling the requirement of spreading the philosophy of volunteerism and muster the commitment and dedication of the youth towards their communities and state at a small level, and the whole UAE federation at a larger one. Additionally, the centre seeks to provide funds’ backing to the scientific research in connection with philanthropy in the whole Arab World.

The new centre intends to launch several strategic agendas that encompass around granting scholarships for social leaders, giving out a manual and directory of Arab philanthropic programs in addition to shaping philanthropy workshops for the development of skills for strategic planning within the staff of philanthropic institutions. The centre also plans to focus on nurturing young philanthropic leaderships as well as supporting them with the required skills to direct and manage the philanthropic organizations.

The Arab philanthropists who had participated at the regional session commended the vision of Sheikh Mohammed. They were of the view that the notion of an ‘ Arab Centre for Philanthropy’ reveals and signifies his commitment to concentrate and address real imperative regional issues. (Emirates News Agency, 2008)

3. 2. 5. Advice for private sector to take part in endowment activities

It was being advised to the private sector of UAE, that they take part in the Awqaf as a part of their social responsibilities. They were also urged to support the educational institutions and research projects in the UAE.

Mr. Abdul Saleh, the Assistant Undersecretary in the Ministry of Economy, said that his Ministry intended to provide incentives to the companies so that they participate in building educational institutions or in the establishment of research centers for the purpose of developing manpower in the country. This was under a lecture that he delivered at Zayed University, addressing on the ‘ The Islamic Endowments and the Developing of the Education Establishments’.

He said that the outline of the new piece of legislation regarding investment would contain articles that will grant additional incentives to firms and companies for agreeing to assume social responsibilities, besides stating the known fact about the exemption of taxes on the investors by the government. In his lecture, Mr. Saleh emphasized on Awqaf as a key Islamic institution. He was of the view that Awqaf has integrated vast areas of land all over the Muslim world, under its legal sphere, strongly linked with the Islamic principles of charity.

An Islamic scholar, Al Habib Al Jeferi, who was also attending the lecture, said that the endowments for education should really be focused upon. He said that the culture and principles of endowment should be spread among the Muslims to conduct a part of their donations to the educational field.

The endowment concept followed by the Muslim community as too conventional and old-fashioned, where the concerns had been to either build mosques and religious institutions or for assisting the needy. The West, however, has taken the concept of endowment from the Islamic Waqf and developed it in a more contemporary fashion, focusing more on its better utilization in the education sector, which serves towards strengthening the foundation of any country’s bright future.

Addressing the same thing, as well as the lack of educational endowments in the Arab and other Islamic countries, Dr. Naser Aref, Head of the Islamic Studies Division at Zayed University, was of the view that the West, due to their extra ordinary innovative strategies and mechanisms in carrying out the endowment projects and keeping more focus towards building educational institutions by preserving the Awqaf donations.

The Chairman of the General Authority of Islamic Affairs and Awqaf, Dr. Hamdan Al Mazrouei, announced that they, in collaboration with the Ministry of Education, have arranged a competition amid students from different grades to study the significance of endowments for the progress of a society, specifically in the educational area. The students were asked to prepare researches on this. (Aziz, n. p., 2007)

3. 3. Dubai International Conference for Endowment Investments

Under the condescending kindness of the Vice President of UAE, the ruler of Dubai, Prime Minister Sheikh Mohammed Bin Rashid Al Maktoum, and the Dubai International Conference on Endowment Investments was held on the 4 th of February. It was conducted at Al-Bustan Rotana Hotel and a number of Muslim, public individuals, professionals, and experts from across the world, including top officials from the Awqaf and Minors’ Affairs Foundation and several Directors and Supervisors of a number of Public Administration in Dubai were present.

It was basically organized by the Awqaf and Minors Affairs Foundation, based on the strategies for the endowment investments in the Muslim World and farther than that. A large number of national and international endowment foundations took part, along with experts in the field of social development, Islamic economy, and most of all endowments, and extended their support to the maximum.

As put forward by the conference, working on the development of endowments’ accepted standards and incomes, using appropriate means, which agree with the quality and sort of endowments and also the Shariah, is really the basis of endowment money investment. Thus the basic goal of the conference was to discover a strategic investment plan which rests as the means for the accomplishment of existing endowment foundations.

The conference revolved around a number of aspects. A plan was needed that required the endowment workers leadership and other parties to enter an agreement. A legislative context for endowments’ investment was to be shaped. Beneficial investment patterns were to be brought forward in conformity with the Islamic banks and financial companies. Moreover, it was proposed that the stock and money endowments be advertised among the public so that they feel stimulated and encouraged to participate in the practices, and also that the scope of investments be expanded so that the risks facing the endowments’ investments be trimmed down.

Besides this, an appropriate shape was to be given to the accounting system that needed to suit the technical endowments dealings, helping to improve on investment decision making. The past experiences and functions related to endowment money investments were to be drawn on, in addition to bolstering a lattice of communication between the various endowments investment foundations’ projects, with the primary aim of increasing cooperation.

All these aspects were actively addressed in the Dubai International Conference for Endowment Investments. Besides all these standpoints, a significant aim was also inclined towards keeping the endowment financial foundation in line with the endowment investment projects carrying out around the world, those which are in conformity with the Islamic Legislature.

3. 3. 1. Best ways to manage Endowment Investments

In the three-day conference in Dubai, it was argued that the endowment investments can operate to the best if the government administers its presence to almost nil in the practices. Participation was from all over the world; speakers discussed the challenges and ways to tactically and usefully manage and carry out the endowment investments within the scaffold of the Islamic Legislative frame. As the conference moved ahead, experts reached a consensus that the endowment investments was in need of further support and awareness, more involvement by the market, and a modification in the overall administration and supervision of these investments.

When Dr. Monzir Kahf, who is a lecturer and a remarkable economic consultant in the US, made his speech in the conference, he was of the view that the involvement of the government in the Awqaf investments, which started in the last century, is indeed an unfortunate and inappropriate practice. He further added that when such a practice by the government did not exist in the past, the people with wealth used to start Awqaf in order to keep away from the government’s control over their properties. (Najami, n. p. 2008)

In the conference, Abdul Rahman Al Sharid, secretary General of the Awqaf and Minors’ Affairs Foundation, showed light on the financial side, and said that a total of 36 real estate projects were managed by the foundation with a finance of Dh2 billion. He highlighted that since the last 30 months, the financial account has been increased by 260 percent, and also that the annual profit handed over to Awqaf and to real estate has also doubled since then.

A support was extended from Dr. Khalid Hussein, Economics Affairs Officer at the United Nations Economic and Social Commission for Western Asia, who provided backing for the Awqaf investments by investing in small and medium projects, known as the ‘ small and medium enterprises (SME)’. It was said that the SME is the ‘ engine of the economy.’ Dr. Hussain, highlighted the advantages of using SME, saying that they have triggered the addition of 62 percent of the labor force, which is then absorbed by these enterprises. He presented the 62 percent in the UAE in comparison with the 50 percent in the US, and 81. 4 percent in Japan. The situation in the UAE is nonetheless remarkable, which is at least the highest among the GCC countries.

3. 3. 2. A persistent need to form organizational structure for global endowments

The Dubai International Conference for Endowment Investments, which was hosted by the Emirates government in the early February of this year, among other things stressed on the need for creating an organizational structure for global endowments. As aforementioned, it was organized by the Awqaf and Minors’ Affairs Foundation (AMAF).

The Director General of Awqaf and Minors’ Affairs Foundation, Engr. Abdulrahman Al-Sharid, first assumed the floor and gave an opening speech. In his speech he emphasized the fact that AMAF in Dubai pursues to present the best knowledge, understandings, tutoring, experiences, and practices in the arena of endowments foundation and management, besides investing, which in such ideal manner and optimum quality required with an opinion to “ Qualified Minor, Growing Endowment”.

The world practices implemented under the sphere of endowment organization and investment through either or both the effective communication with Arab, Islamic, and International endowment foundations, or in other case, local and international conferences in the near enough practical experience in the international functions and practices need to be kept in mind. These, besides replicating the outclass performance and excellence for achieving the top prominent position in the field of administration and investment of the endowment are also to be taken under consideration.

The Director General of Awqaf and Minors’ Affairs Foundation, Al-Sharid was of the view that, politics accepted by the foundation since it was formed, pursues only to apply its strategic program in concrete expression of the vision of a sensible and astute leadership or governance of the UAE. This is for establishing an organization competent enough for securing the eminent services inside the sphere of management and investment of the endowments as well as for the welfare of minors’ affairs. Such a foundation is supposed to be and stay in line with the aims of the vision and strategy formulated by the Dubai Government, which, in addition to that, would be the foundation stone to the city of money and business.

Besides this, Al-Sharid has recommended that the AMAF has also established a distinctive sector known as the ‘ Investment Department’, which is entitled to attain a maintainable progress in the financial assets funds regarding the endowments. The department also aims towards maximizing the returns and earnings made in such a way that would be in accordance with the lawful objectives, strengthening the social unanimity, and growing the division of beneficiaries of the AMAF’s services. In this connection, this refers to the fact that even though the AMAF runs 40 real estate projects for a sum worth of approximately 2 billion dirham, 260% of an increase in their financial assets in 30 months of work, and twice the increase in their profits as well as the revenues and annual returns are possessed by the endowments and their properties was resulted. AMAF also looks forward to attaining a four times increase in annual endowments returns since the year 20005.

In addition to this, he also said that in the meantime emphasis has been retained on the efficient financial planning; building a repute and status, financial volume, improving and maturing revenues; trimming down costs through assessing, evaluating, and reducing risks; approving the channel by which the financial plans would be composed and recorded; firmly holding the concept of the financial management, auditing, and reviewing; amplifying the sources of investment that are needed as a purpose for the progress of the foundation and beneficiaries for keeping its growth on the go; and enriching its services, having under consideration the legal objectives and legal framework.

Al-Sharid declared that with the purpose for attaining excellence in the institutional work, the foundation, in a well-paced manner, regularly pursues to bring the Arab and International expertise and potentials together and stimulate them for action. He said that the local practices, for arriving at the finest contemporary ways and scientific organizing systems inside the realm of enriched performance and productive quality, should be validated.

This was basically the reason that provided grounds for arranging the second international conference, which came under “ Dubai International Conference for Endowment Investments”. The conference held an extensive and magnanimous participation, along with extra-ordinary inputs, from endowment and international foundations. The experts of endowment, social, economic, and Islamic development had also come from around the world to attend the three-day conference.

He also stated that the purpose of the conference is to develop an investment strategic plan that is assisted and strengthened by the participation and approval of the prominent endowment foundations working inside the sphere of investment and financial enhancement of endowments. He preferred emphasizing on that rather than arriving at a practical legal scaffold for investing the Awqaf and coming to grips with practical investment models that would be applicable in investment of endowments. The Islamic banks and other financial companies are to be coordinated with in this regard.

More importantly, he focused on delving into the prospects of inflating the very concept of “ Investment of the cash endowments and endowment shares and trading them amongst the public”, besides the idea of spreading out the approved investment areas for curtailing risks that might impede the Waqf investment. Among his other suggested strategies were, the formulation of computer-aided models among the controls which would suit the endowments’ technical transactions, providing assistance in making the suitable investment decisions; the benefit from expertise and applicable usage of investment of the cash endowment; the establishment of communication networks; and the documentation of the cooperation managed among the very many projects of the investment Waqf foundations at the international level.

Across many other scientific sessions and workshops, the conference was to touch upon the following points:

Attributes of contemporary Waqf investment, assessing the assets development, the returns and earnings from the Waqf, enhancing the endowment funding sources, and incorporation between the Arabic and international official expertise in the discipline of the Waqf investment, and working out an investment strategic proposal for a modern Waqf foundation.

More than 25 expert worksheets out of the so many worksheets presented from within the state as well as outside it, participated in the conference. These worksheets were put forward by the most prominent figures operating in the field of Awqaf investment and organization, and also by those figures who were working with the means by which their efficiency and output would be increased. Besides the participation of these figures, a number of directors and representatives of local, Arabic, and international organizations were also present.

3. 3. 3. Real Estate Investments and ways to develop them

In the same Dubai Conference, some other areas of investment were also touched. A number of dissertations were presented on the endowment development strategies through real estate projects. For instance, Dr. George Earl from Bound University, Australia, presented a dissertation around the ethics of maintainable properties investment, highlighting the need for focus on the use of the real estate project during the period of development. He gave example from his Australian experience, saying that in the direct investment activity, each one million Australian dollar used would chip in producing around ten permanent job opportunities having an effect on the entire economy, and when this strategy emerges into the light, it would add together two extra functions for every permanent job. He then made a general comment, that such factors, if used astutely, might alone acquire the scaffold for the real estate sector, for which sustainable ethical and economic support is needed.

From Malaysian University, Dr. Dhulkifi Hassah participated, who also explained the methods of endowment land investments as a vital mechanism for the progress of the whole Islamic economy. He also highlighted the fact that investment made in endowment properties, would above all, direct in producing more income to the endowment institution. His focus was specifically the lands. He then referred his notion to his country Malaysia, where there were more than 30 thousand endowment lands which could possibly be invested for the betterment of Islamic society, out of which one large-scale land investment is used in the construction of 34 multi-storied building, costing more than $150 million. With this he also said that the endowment lands investment is regarded as a catalyst for Muslims for progress in the economic sector in Malaysia.

Singapore was also taken as a model for this, from the Awqaf Foundation of which two participants, Zahir Yacoub and Shemaisa Abdulkareem also presented their analysis on the possible methods by which the endowment investment practices would improve.

From the Endowment Development Section in Qatar Endowment Authority, the President, Mr. Badr Al Mahmoud, shared his experience of the Qatar Endowments Authority in the specialized endowment real properties projects. In his demonstration, he covered the financial securities portfolio, real properties portfolio, and general investments portfolio. Focusing on the investment in the field of real estate, he demonstrated his studies, stating the effect of these practices on the viewpoint of investment.

From Beroche University, Dr. Fernarz Kogelmen took part and put light on the German Philanthropic Foundations. He overviewed the German Law and regulations relative to the public interests and private organizations. He stated that due to government initiatives, one result has been that persons, authorities and big corporations have assumed the structure, form, and practices of a donation foundation, but only with the purpose of exploiting the tax reduction grant provided by the government.

From AMAF in Dubai, Dr. Sami Salahat brought to light the function of endowment investment in supporting and substantiating the financing layouts and arrangements for a contemporary endowment foundation. He focused on the significance of investment and development of the endowments for improving their numbers, multiplying their profits, and intensifying their economic and investment bases, taking into consideration the necessity of minimizing financial risks.

3. 3. 4. Researches and Studies

The second session of the ‘ Dubai International Conference on the Endowment Investments’ was the most remarkable as it presented in detail, the researches and dissertations.

The second session was held under the supervision of Engr. Abdullah El-Hashimi, in which a number of researches were considered. A research around “ Institutional Management for Islamic Endowment” was tendered by Dr. Mondhir Kahf, Economic Advisor in USA. He recapped that the merging historical attributes of the Waqf has often been conditioned on misuse, waste, disregard, larceny, fraud, and exploitation to the level that certainly weakened the role and worthiness of the endowment in the society. Hence, a proposition was put forward that a new organizing system should be designed for the management, supervision and control, by using various methods required for gauging the effectiveness of the management of the endowments’ properties.

Dr. Kahf was of the view that a radical change needed in the Waqf’s management should provide the chance to the Waqf’s properties for improving their functioning by encouraging the search for new Waqf properties or the maximum advantageous use of the existing properties. This suggestion only implies creating an organizational structure for the endowment and formulating some criteria regarding the management’s performance.

As mentioned before as well, a thesis was submitted by Dr. Khalid Hussein, Member of ESCWA in the United Nations. His thesis revolved around the Waqf investment in the small-and-medium-sized project, also called as the small and medium enterprises or SME. He said that in the entire economy, these kind of foundations represent more than 90% of the entire current foundations, and that more than half of the population rely on these foundations regarding employment and income generation. He said that after a common awareness of their importance around the whole world, the number of such foundations has magnified and replicated in the last few years.

Although, these foundations are subject to less capital and investment, nonetheless they are very effective and easily managed. Moreover, such foundations do not require an intricate and dense managerial structure. Hence, a number of banks and mutual funds assume to finance these small-and medium-sized projects in the Arab region.

In addition to this, he implied that in most circumstances, the endowment foundations could be categorized as being SME projects, and in considering so, these foundations should be regarded as long-run investments, which are not capable of investing in the risk-involving properties or assets.

So, for one reason, the larger part of the endowment investments are to be in the shape of properties and real estate, and alternatively, the small and medium-sized projects arrange for favorable investment chances in different economic sectors with a high profit or return rate. Such a profit is deemed as even higher than the one attained from real properties. This is because many small-and medium-sized projects are no more considered as risk investments.

Dr. Hussein also made sure that massive investments made by endowment foundations in real properties has become a practice surrounded by a number of hazards, while on the other hand investment in the SME sized projects is believed to secure the endowment foundations the possibility to broaden their horizons regarding their financial portfolios, trim down the risks, and attain higher percentage of profitability.

From the Institute of Leading Management in USA, Dr. Khalil El-Jassam was a prominent figure who participated. He tendered a dissertation covering the practice of the internet network in collecting the endowments. In his thesis, he denoted two schemes for financing the investment movement i. e. direct and indirect financing.

Indirect financing method has emerged particularly by means of financing foundations, and gathering and spreading financial capital. It is indeed a known fact that indirect financing is widely used in developed communities for the purpose of investment financing activities. Indirect financing, however, weighs in several costs as well because of the irregularity of information and costs of transaction.

Dr. Khalil was also of the view that “ first performance of endowment as gift and endowment entity” amounts to gathering together and organizing economic resources besides the flow of returns that could assist in financing the investments. Muslims who possess a strong financial portfolio may support an endowment by adding a part of their growing wealth. However, the Waqf and its nature, whose practices have deteriorate a lot along the Islamic history, its bad state is due to the result of the lack of effective Islamic financial foundations that could settle and sharpen the Waqf system.

He stated that his paper only focused at illuminating the means and methods by which those two key foundations could be integrated within the Muslim Society through underlining the tools and mechanisms, which the foundations could use for their operation in the first place. And secondly, by elucidating how such foundations could be associated with each other for spreading out and sharpening the practices of the endowment and Islamic financial services.

3. 3. 5. Another aspect

In the same council, it was the Dubai Police Commander, Dahi Khalfan, who put this forward in front of the Vice President of UAE, the ruler of Dubai, Prime Minister Sheikh Mohammed Bin Rashid Al Maktoum, that according to recent studies, in UAE, there are around 78, 500 millionaires who own financial liquid assets of worth more than a million dollars. He was of the view that if each of those millionaires makes an endowment of around 5, 000 Dirham per month, which would make 60 thousand Dirham per year, the total funds endowed like this would rise up to 4 billion and 700 million Dirham per year. In addition to this, the investment yield of the very amount, as well as the lower income people coming forward to endow funds in their due capacity, in total, besides enhancing, would amount to a remarkable substance to the social security of the state.

In the council, besides other conclusions, an underlying conclusion was made by Dr. Obeid Ali Al Hijazi, the Profesor of Economy and Financial Legislation in the Dubai Police Academy, who was of the view that the endowment projects and practices should and shall be apart from the government’s business   
3. 4. Comparing End