

THE CONTRIBUTION OF WAQF INSTITUTIONS IN MALAYSIA AND TURKEY IN IMPROVING THE SOCIO-ECONOMIC CONDITIONS OF THE SOCIETY

Norma Md SAAD¹, Saim KAYADIBI², and Zarinah HAMID³

Abstract

It has been widely acknowledged that waqf institutions play an important role in the socio-economic development of the Muslim Ummah in the Islamic history. This paper elaborates the contribution of selected waqaf entities in Turkey and Malaysia in improving the socio-economic conditions of the society. The waqaf entities involved in this study include two corporate waqaf institutions from Malaysia, namely Al-Bukhary Foundation and Kumpulan Waqaf An-Nur Berhad; and four waqaf entities in Turkey, namely, IHH Foundation, Diyanet Foundation, Hakyol Foundation, and TIMAV. This study discusses the projects and programs undertaken by these selected waqaf entities to achieve their respective objectives. Such a comparison is important considering the diverse experiences of these selected waqaf entities in view of the differences in their endowments and different corporate management models. The paper investigates whether these waqaf entities have implemented a novel approach in developing waqaf programs and experimenting new ways of new reaching out to the beneficiaries.

Keywords: Waqf, Best Practice, Management Model, Malaysia, Turkey

MALEZYA VE TÜRKİYE'DEKİ VAKIFLARIN TOPLUMUN SOSYO-EKONOMİK KOŞULLARINA YAPTIĞI KATKILAR

Özet

İslam tarihinde vakıf kurumlarının müslüman ümmetinin sosyo-ekonomik gelişiminde önemli bir rol oynadığı yaygın olarak kabul edilmektedir. Bu makale, Türkiye ve Malezya'daki seçilmiş vakıf kurumlarının toplumun sosyo-ekonomik koşullarına yaptığı katkıları incelemektedir. Makalede ele alınan vakıflar, Malezya'dan Al-Bukhary Vakfı ve Kumpulan Waqaf An-Nur Berhad vakfı, Türkiye'den ise İHH Vakfı, Diyanet Vakfı, Hakyol Vakfı, ve TİMAV'dır. Çalışmamız, bu vakıfların proje ve programlarının belirtilen amaçlara ulaşmalarını sağlayıp sağlamadığını tartışmaktadır. Seçilmiş bu vakıfların sahip oldukları imkanlarda ve yönetim modellerindeki farklılıklarla elde ettikleri geniş tecrübeler bu karşılaştırmayı önemli kılmaktadır. Bu vakıfların, vakıf

¹ Professor, Department of Economics, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia, Gombak, 53100 Kuala Lumpur.

² Corresponding author, Associate Professor, Department of Economics, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia, Gombak, 53100 Kuala Lumpur. E-mail: skayadibi@yahoo.com

³ Professor, Department of Economics, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia, Gombak, 53100 Kuala Lumpur

programlarını özgün bir yaklaşımla geliştirip geliştirmedikleri ve ihtiyaç sahiplerine yeni yollarla ulaşım ulaşımlarını araştırmaktadır.

Anahtar Kelimeler: Vakıf, en iyi uygulama, yönetim modeli, Malezya, Türkiye

1. Introduction

Waqf is an act of dedicating a corpus of property or financial assets in perpetuity for the cause of Allah SWT. The ownership of the property or assets are transferred to Allah SWT but the benefits are dedicated to the poor, sick, marginalized segment of the society, or any other virtuous causes. The main purpose of sacrificing these properties or assets is gain the pleasure of Allah of SWT.

Waqf institutions had played an important role in Islamic society in the history of Islamic civilization. This Islamic institution was well spread and was accepted as one of the foundations to build the human society especially in providing the basic need and functions as system supporter as well as free infrastructure. History of Islamic awqaf goes back to the time of the Prophet (peace be upon him). The institution has always provided public goods that range from education and health care to water supply and highway facilities on a voluntary basis by the non-profit sector. But it has generally been considered as a religious and charitable provision. Emphasis on its socio-economic role is rather a recent phenomenon.

The institutions of waqf are among several instruments instituted by Islam to combat poverty and enhance welfare in the society. Waqf provides the material infrastructure and creates a source of revenue for use in, among others, social welfare enhancing activities both at family, community and state levels. Waqf is a voluntary act of charity that comes under the general terms of Sadaqah and Infaq.

Muslims are inspired to perform an act of waqf from many verses of the Holy Quran and the Hadith of Prophet Muhammad SAW. The Holy Quran says,

لن تتوا البرحتى تنفقوا مما
تحبون وما تنفقوا من شيء فان الله به عليم

“Even so, O believers, you shall never attain to the highest virtue of faith until you spend in charity from that which you love. And anything you spend, indeed, God is all-knowing of it.” (Al-Imran, 3:92)

The encouragement of performing an act of waqf during the Prophet’s time is recorded in Sahih Muslim, “Ibn Umar reported: Umar acquired a land at Khaibar. He came to Allah’s Apostle (may peace be upon him) and sought his advice in regard to it. He said: Allah’s Messenger, I have acquired land in Khaibar. I have never acquired property more valuable for me than this, so what do you command me to do with it? Thereupon he (Allah’s Apostle) said: If you like, you may keep the corpus intact and give its produce as Sadaqa. So Umar gave it as Sadaqa declaring that property must not be sold or inherited or given away as gift. And Umar devoted it to the poor, to the nearest kin, and to the emancipation of slaves, aired in the way of Allah and guests. There is no sin for one, who administers it if he eats something from it in a reasonable manner, or if he

feeds his friends and does not hoard up goods (for himself).” Sahih Muslim, Book of Bequests (Kitab Al-Wasiyya)

Since historically, waqf has been proven to be an effective tool to eliminate, hunger, poverty, misery, and promote equitable distribution of wealth, it is important to identify the successful contemporary waqf institutions and examine the management practice or approach in managing the waqf properties or assets. It is equally important to study how effectively these waqf institutions distribute the proceeds of waqf investments to the intended beneficiaries. This study compares the different practices of managing waqf institutions in Malaysia and Turkey with the aim of identifying the best management practice or approach. The findings would make a contribution to waqf managers and towards improvement of the administration and management of waqf institutions.

2. Literature Review

2.1. Waqaf in Socio-Economic Development

The practice of Waqaf is not new in history. Waqaf-like charity has a history older than Islam and the Islamic model of waqaf has influenced the world at large. Great institution such as the famous Oxford University was established by following the Islamic model of waqaf. According to Gaudiosi (1988, pp. 1231-61) as cited in Cizacka (1998): “... it has been definitely established that the famous Oxford University was built on the Islamic Waqf model (Cizacka, 1998, p. 11).

Waqaf institutions have been known to play an important role in the socio-economic development of the Muslim Ummah particularly in the middle period of the Islamic history. These non-profit organizations had played a significant role through their varied and wide contributions to ensure the social and economic life of human beings could be established and uphold with fairness and justice. In Islamic history and civilisation, waqaf institutions had played an important role in providing the social goods (education and health), public goods (roads, bridges and national security), utilities (water and sanitation), religious services (building and maintenance of mosque and graveyards), helping the poor, orphans and the needy, creating employment, supporting agricultural, commercial business and industrial sector (Sadeq, 2002). As reported by Kahf (2004) in 1800s, waqaf lands covered substantial proportion of land area in Egypt, Algeria, Turkey and Palestine. Most of the waqf revenues were spent on mosques, to pay for the salaries of imams, teachers and preachers, in addition to covering for the expenses on maintenance of the mosques. This independent source of financing enabled the religious leaders and teachers in the Muslim countries occupied under colonization to take social and political positions independent of that of the ruling class.

The practice of waqaf in Malaysia could be traced back during the Malacca Sultanate in the 15th century (Aun, 1975). During this period, waqaf was one of the popular practices among the Muslims in Malaysia. The development of waqaf properties went through significant changes during the colonisation periods by the Portuguese (1511-1641), the Dutch (1641-1824) and the British (1826-1946). Gradually, the responsibility of waqaf management was placed under the respective State Islamic Religious Councils (SIRC). On 27 March 2004, the government of Malaysia set up

JAWHAR to monitor the effectiveness and efficiency of waqaf, zakah and hajj administration in every state in Malaysia (JAWHAR, 2012).

Another area that has been a major beneficiary from the waqaf fund is education. According to Kahf (2004), education has been the second largest recipient of waqaf revenues. At the beginning of 20th century, all schools in Jerusalem are waqaf and were supported by awqaf properties. Similarly, waqaf has been supporting the education sector in Turkey and Syria. Similarly in Egypt, the University of al-Azhar in Cairo which was founded in 972 was also financed by its waqaf revenues. Sadeq (2002) reported that more than 8000 educational institutions in Bangladesh including universities, colleges and schools were based on waqaf.

With regards to funding education, while there is a popular belief that only religious education benefits from waqaf funds, in actuality this is merely a misconception. Waqaf funds have benefitted wide range of education, including the area of medicine. In the modern context of education today, waqaf funds have been tapped for the building of Islamic schools in the western world such as in the US (AlHajeri and Thomas, 2011).

An excellent example of funding of the education sector through waqaf fund is the Muslim waqaf communities in Turkey. Indeed, for centuries, the Islamic schools (*madrassa*) were the institutions that constructed the intellectual, political, and legal foundations of the Ottoman Empire. Its prominence in the rise of the Ottomans and Turkic-Islamic civilization cannot be downgraded. The *madrassa* was the most fundamental institution that shaped the Ottoman mindset, identity, source of knowledge, and worldview, as well as its official and social organizational types. It was a kind of living organism that nurtured Ottoman thinking, the education system, and social life.

Since the *madrassa* was an independent institution free of state inspection and intervention, it was shaped by the dominant social and religious characteristics. That was why it was strong when the Ottoman society appeared healthy and vibrant. Society was stable because the state was powerful. Another important reason of social stability was religious and moral cohesiveness. As time passed, however, external and internal factors led to the decline of the Ottomans, and social bonds weakened. This social change caused the waqafs to destabilize. Because of economic and political instability, rich families no longer felt safe or secure. Therefore, they either did not donate their wealth or they began to form their own special foundations. In time, these families converted their foundations into a form from which they earned their living. Hence, foundations failed to retain their religious and social status. Family foundations became one of the factors that uprooted the *madrassa* system, as privileged classes and staff became more dominant in the *madrassas*. Foundation trustees began to appoint incapable people as managers and teachers, and *madrassas* were transformed from a center of learning where science was produced, to a place where merely the history of science was taught without analytical thinking; thus, old information was repeated. Eventually, politics penetrated the *madrassa* system, and it deprived the *madrassa* of its independence as an institution. While independent, the *madrassa* had reached its climax in terms of religious, social, and cultural influence.

Of course, there are other cultural, social, and cultural reasons that led to the collapse of the *madrassa*. Other factors included the emergence of European countries as superpowers, and the power of westernization movements influencing state policy during the Tanzimat period. This was the result of such movements importing and substituting a Western mind-set, and a goal to change social and socio-cultural life. Such developments necessitated that the *madrassa* and educational system be re-examined.

Realizing the big potential of waqaf to support the educational development in a country, similar efforts are being undertaken in Malaysia by the Yayasan Iqra (Iqra Foundation). The foundation aims at promoting wealth creation through Muslim endowment principles and set to make corporate Islamic endowment Malaysia's third financial force. Islamic endowment principles ensured transparency and accountability in managing finance while weaning off reliance on the Government for funds. The foundation provides a platform for individuals and the corporate sector to commit shares or financial instruments as endowment with a portion of the profits returning to the principal sum and the remaining channelled to the community.

2.2 Issues in Management of Waqaf

The perpetual nature of waqaf resulted in the build-up of waqaf properties in many Muslim countries, including Malaysia. Hasan and Abdullah (2008) stated that in Malaysia, waqaf lands are reported to be over 32,000 acres. According to Hasan and Abdullah, these lands have the potentials to be invested and generate income to benefit the Muslim society. Hasan and Abdullah quoted an example of a large scale investment of waqaf land in Malaysia involving the Federal Territories' Islamic Religious Council, Tabung Haji, TH Technologies Sdn. Bhd., and Bank Islam Malaysia Berhad to construct a 34-storey building at a cost of RM151 million. Despite this development, Hasan and Abdullah observed that waqaf land is under-utilized and under-developed.

Based on the statistics reported in the Portal i-Wakaf by JAWHAR, in Malaysia there are 4523 units of waqaf land with a total size estimated to be 11091.82 hectare and worth RM99 million (JAWHAR, Portal i-Wakaf 2012 cited in Sulaiman, 2012, page 158). Although some of the waqaf lands are situated at strategic locations and have potentials to be developed, they remain idle mainly because of financial constraints faced by the State Islamic Religious Councils (SIRCs). Thus far, the government of Malaysia is the only source of funding for waqaf projects. In the 9th Malaysia Plan (RMK-9), the federal government of Malaysia allocated RM256.89 million but it was substantially reduced to only RM72.6 million in the 10th Malaysia Plan (RMK-10) due to economic reasons. Based on this limited budget in RMK-9 and RMK-10, the SIRCs only managed to develop 0.16 percent of the total waqaf land available (A. Pitchay, 2015). According to Ngah (2012) as cited by A. Pitchay (2015, page 67), the SIRCs needed at least RM80 billion to develop the entire waqaf lands in Malaysia. Hence, the question arise to what extent the waqaf institutions have to depend on the State and Federal Government for sources of funding for the development of waqaf properties. Sulaiman (2012) asserted that there must be innovative ideas and new mechanism to ensure a sustainable contribution in developing these waqaf lands.

According to Hassan and Shahid (2010), despite the important and great potential of waqaf in the Muslim socio-economic development, the present state of waqaf institutions are unsatisfactory. As a result of the poor management of the waqaf institutions, the vulnerable segments of the Muslim society are no longer under the cover of the waqaf. In many countries, waqaf institutions are not being given proper attention, resulting in a vast amount of waqaf properties being ill-managed. Many of these properties have vast commercial potentials, but are not being maintained properly, resulting in these properties not yielding their greatest benefits to the society. Several factors have been identified as the source for the non-satisfactory waqaf management, including legislative lacunae, administrative lapses, lack of political will, indifferent attitude of the management of the awqaf, and lack of honesty and integrity. Sulaiman (2012) studies concurs similar issues and challenges in developing these waqaf lands. As a solution to the problem, the study suggests that the waqaf institutions to be managed into a professional way of managing the assets within a modern administrative framework. In particular, the study suggests that the principles of stakeholders' to be introduced in the waqaf management. Additionally, in efforts to revitalize the waqaf assets, the study proposes two sources of funds, namely cash waqaf and musharakah sukuk to provide the financial needs for the development of the waqaf properties.

Sait and Lim (2005) highlight several factors that result in the decline of the waqaf sector. This includes the impact of colonial powers which prefer a status quo with regard to endowments, the power base of the religious clergy which has some degree of economic independence by taking credit for the benefits of the endowment system, the issue of perpetual benefits of waqf has always been highlighted to a point that the benefits accruing to an individual were insignificant, and the issue of rigidity in managing the waqf, which many attribute as the main cause for the backwardness of the Muslim economy. The study provides several suggestions to revive the role of waqf in the contemporary setting, such as having an international support, particularly from the OIC, IDB and the ISESCO, bringing up innovation in the administrative structure of the waqf sector, and providing innovative approaches to waqf lands by releasing the potential of a high proportion of these lands in the public interest. With regard to modernizing the administration of waqf, the study suggests that waqf should be seen as a civil society institution providing public space, thus capable of promoting democratization and good governance. This includes relating the challenges of adapting modern management techniques to the prevailing economic relations among societies where waqf exists such as linking waqf funds to microfinance through the Islamic microfinance initiatives.

3. Research Methodology

The research focuses on several waqaf institutions in Malaysia and Turkey to examine the different approaches used to improve the socio-economic conditions of the poor people in both countries. The paper also looks at the different management practices adopted by the selected waqaf insitutions. By learning from the experience of other country, the study would eventually contribute towards highlighting the best approach by waqf institution, thus enhancing the contribution of these institutions in improving the socio-economic conditions of the society, especially the poor and marginalized segment of the society. The study uses both primary and secondary data obtained from the selected waqaf institutions in Malaysia and Turkey. The data are used to identify and compare the

activities, beneficiaries, organizational set up and channel of accountability of selected waqf institutions. The waqaf institutions involved in the study include two waqaf entities in Malaysia namely, Al-Bukhary Foundation and Kumpulan Waqaf An-Nur Berhad; and four waqaf entities in Turkey, namely, IHH Foundation, Diyanet Foundation, Hakyol Foundation, and TIMAV.

4. Experiences of Selected Waqf Organizations

4.1. Albukhary Foundation

The Albukhary Foundation was established in 1996 by Syed Mokhtar Albukhary, a well-known and successful businessman. The Foundation aims to create a more caring and progressive world through a wide ranging initiatives such as education, health, welfare, and culture. The foundation carries out its activities through three different entities:

1. Albukhary Foundation
2. Islamic Arts Museum Malaysia
3. Kompleks Ilmu Sharifah Rokiah (Sharifah Rokiah Knowledge Complex)

4.1.1. Albukhary Foundation

Albukhary Foundation focuses on humanitarian activities, helping the less fortunate and at-risk groups to become independent individuals and communities. Islamic Arts Museum Malaysia, on the other hand, engages in the promotion of Islamic culture and heritage to help build a more tolerant and harmonious society. Last, but not least, Kompleks Ilmu Sharifah Rokiah embodies the spirit of the foundation in promoting excellence in education, health, and welfare. Again, the poor is the target group in order to help them to have a better future.

The Albukhary Foundation can be traced back to Bukhary Sdn Bhd, a company founded by Syed Mokhtar Albukhary in 1974, when he contributed half of his income to 15 needy families in his village. In 1980s, Syed Mokhtar consolidated his businesses, and moved from Alor Setar, his hometown, to Kuala Lumpur where he had obtained trading and manufacturing contracts. In the 1990s, when Malaysia was intensifying its industrialization programs, Syed Mokhtar managed to secure several mega projects such as Johor Port, Port of Tanjung Pelepas, Malakoff, and Bernas. In 1996, Syed Mokhtar founded Albukhary Foundation to formalize his ever-expanding charitable activities.

The Albukhary Group of companies was reorganized under three flagship companies: MMC Berhad, DRB-HICOM Berhad, and Tradewinds Berhad. The Albukhary foundation receives funding from Syed Mokhtar's personal income coming from the three flagships. The foundation is also funded from the CSR programs of the three companies. As at December 2011, the Foundation had contributed RM1.42 billion (approximately USD500 million) locally and internationally divided in four different categories: religion; health, welfare and sports; education; and culture. Table 1 displays the contributions made by the Foundation according to the four different core activities in Malaysia as well as at the international level from 2011 to 2013. The figures show that as at 2013, the Foundation has contributed a total of RM1.5 billion.

Table 1. Contributions According to Different Categories from 2011-2013

Year	Religion	Health, Welfare Social and Sports	Education	Culture	International	Total
2011	865,900	17,561,032	21,411,749	2,000,000	750,000	42,588,681
2012	4,161,071	6,650,595	14,871,099	2,000,000	-	27,682,765
2013	4,386,060	41,199,494	6,396,843	170,000	-	52,152,397

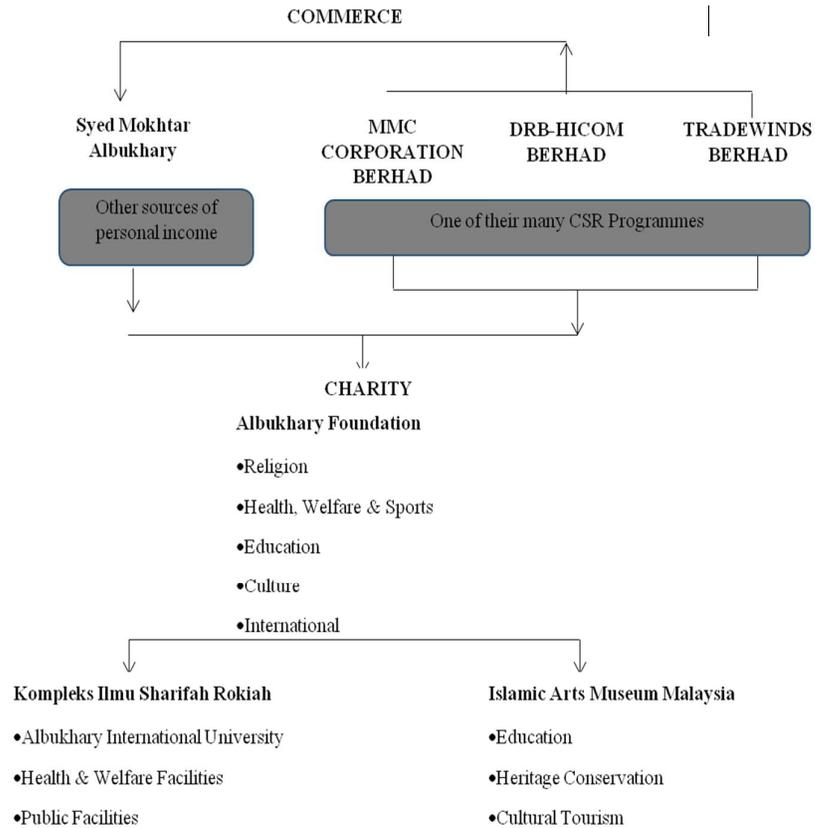
In the education sphere, the Foundation greatest contribution is the Albukhary Tuition Program. It is a nationwide free tuition program to assist underperforming Malaysian secondary students pass their final year examination. A network of 200 tuition centres were created across the country helping more than 80,000 students from 500 schools mostly in rural areas. The program which comprised of three compulsory subjects, English, mathematics, and science, was designed exclusively for poor rural students classified by their teachers as ‘borderline’ or ‘underachievers’. These student attended remedial classes every day after school.

The tuition program was proven to be a success as students achieved examination results well above the national average. It gave the opportunity to students who were once considered failures to realize their potential. The most notable success was the performance of students from a high school in remote area in Sarawak, where for the first time in its history, students qualified to enter Form Six, the pre-requisite for entrance to public universities.

The following is the list of the Foundation’s additional involvement in the area of education (Albukhary Foundation, 2012):

1. School Uniform Donation Program
2. Langkawi Project. A comprehensive campaign launched by the Malaysian Chinese association in 1993 to improve the standard of education in rural areas.
3. Jawi Reading Program and Educational Column
4. Construction of Tower Block of the Wawasan Open University
5. Financial contribution for the construction of permanent campus of Universiti Tunku Abdul Rahman (UTAR) in Kampar, Perak
6. Asian Institute of Medicine, Science and Technology (AIMST)
7. Darul Uloom Islamic Academy of Brisbane
8. Sarajevo School of Science and Technology
9. Upgrading boarding school in Taulihawa, Nepal
10. Schevenezia Software Technologies IT College, Peshawar

Figure 1. Sources of Funds for Albukhary Foundation



Source: Making A Difference: The Caring Malaysian, Albukhary Foundation, 2012.

With regards to involvement in religious activities, the Albukhary Foundation is engaged in construction of mosques and surau (musolla) in new townships, commercial centres, and residential areas throughout Malaysia. The Foundation has built more than 20 mosques to meet the needs of the Muslims in the country. In addition to constructing new mosques, the Foundation is also involved in renovating and upgrading older mosques. The second renovation of Masjid Negara or the National Mosques in 2003 is a notable example. Masjid Negara is the official venue of national Islamic events, and as the first national mosque in Malaysia, it is a symbolic structure confirming Islam as the official religion of the country. The Albukhary Foundation sponsored a three-year project carrying out major renovation and upgrading of the Mosque facilities from 2003 to 2005.

At the international level, the Foundation has been involved in several initiatives in South Africa and India. The Foundation bought a heritage church in Cape Town, South Africa, renovated and converted it as a mosque to serve the need of the growing Muslim

population living in the city. The renovated mosques has a capacity for 2,000 worshippers. In India, the Foundation responded to an appeal by the Muslim community in Kerala to rebuild two mosques that were in the state of disrepair.

Table 2. Pilgrims Sponsored by the Albukhary Foundation

Year	No. of Pilgrims	Expenses (in RM)
2000	199	1,832,269.32
2001	59	587,594.32
2002	50	472,250.00
2003	48	442,150.00
2004	44	416,880.00
2005	50	472,250.00
2006	38	359,100.00
2007	40	377,800.00
2008	44	415,580.00
2009	50	499,000.00
2010	50	499,000.00
2011	50	554,000.00
2012	50	534,000.00
2013	722	7,461,873.64

Source: Mohd Nasir Daud, Director, Albukhary Foundation

Another unique activities undertaken by the Albukhary Foundation is to sponsor the poor to perform Hajj or pilgrimage to Makkah. As Hajj is the fifth of the five pillars of Islam, the founder of the Albukhary Foundation has always been sympathetic to the predicament of the poor Muslims who are not able to bear the high costs of travelling to perform Hajj. Working in tandem with Tabung Haji, or the Pilgrims Fund Board of Malaysia, which organizes Hajj pilgrimages for Muslims in Malaysia, the Foundation sponsors elderly poor Muslims who have never performed Hajj to realize their life-long desire to complete the five pillars of Islam. Table 2 shows that as at 2012, the Foundation had helped 722 pilgrims travel from Malaysia to Makkah to perform their Hajj with the total cost of RM7.46 million.

In the area of health, welfare, sports, and culture, the Foundation has made its name known through its various activities. Among the contributions made by the Foundation in these areas are (Albukhary Foundation, 2012):

1. Constructing the head office of the Heart Foundation of Malaysia in Kuala Lumpur
2. Establishing hemodialysis centres in the states of Perlis and Johor to serve the needs of kidney patients
3. Building a community centre for Yayasan Budi Penyayang to serve as a venue

- for training programs to improve the skills of the poor
4. Financial contribution to Heritage Fund
 5. Financial contribution to improve facilities at Taman Tasik Perdana
 6. Contribution to Malaysian Cancer Research
 7. Building old folk homes in Penang to accommodate elderly persons, mainly the hard core poor or abandoned by family members
 8. Rehabilitation program in refugee camps in Peshawar
 9. Construction of a building to serve as a madrasah in Kozarac, Bosnia
 10. Donation to earthquake victims in Sichuan, China
 11. Disaster Relief and Albukhary Rehabilitation Centre, Bharavat Camp, Iran
 12. Albukhary Orphanage Program, Aceh, Indonesia
 13. Saidina Abubakar Hospital, Kampala, Uganda. The hospital specializes in HIV/AIDS treatments

4.1.2. Islamic Arts Museum Malaysia

The Albukhary Foundation's Islamic Arts Museum Malaysia was established in 1998 to enhance the knowledge of Malaysians of the artistic heritage of Islamic civilization and its contribution to the world. The museum's collection highlights the diversity of the Muslim world traversing over 13 centuries and more than 100 countries. The Islamic Arts Museum Malaysia has achieved a prominent status in just a short period of time. In 2003, the museum won IRCICA (Research Centre for Islamic History, Art and Culture, based in Istanbul, Turkey) Award as a remarkable centre of learning and research aimed at protecting and conserving the history, arts, and cultural heritage of the Islamic world. In the same year, the museum received the Montblanc Arts & Patronage Award from the Paris –based Montblanc Cultural Foundation honouring those who support and dedicate time, energy, and money for the arts to thrive and flourish.

In addition to the vast collections of Islamic arts, the museum houses Scholar's Library to support the museum as a centre for the study of Islamic arts, culture, and civilization. It has a collection of more than 10,000 items relating to the literary heritage of Islamic art and architecture. The Library also aims to become a centre for the study and documentation of Malay manuscript research by providing users with access and materials concerning the manuscript studies.

Moreover, the Library has a Special Collections section consisting of rare books, out-of print material, collectors' editions, prints, photographs, and audio-visuals. Among the influential works available at the Special Collections are Owen Jones's *Plans, Elevations, Sections and Details of the Alhambra* (1842-25), Prisse d'Avesness's *La Decoration Arabe* (1874) Arthur Pope's *A Survey of Persian Arts*, Frederick Saree's *Islamic Bookbinding* and Grohmann's *History of Islamic Books*. Other facilities available at the are Children's Library and Musuem Shop. In addition, educational programs made available to visitors are guided tours, gallery programs, workshops and seminars.

4.1.3. Sharifah Rokiah Knowledge Complex

Sharifah Rokiah Knowledge Complex is a waqf made by Syed Mokhtar Albukhary dedicated to the poor and marginalized segment of the society. The complex is built on a family land and managed by the Foundation as an integrated complex of educational, health and welfare, and community facilities. At the heart of the centre is

Albukhary International University, a private waqf university. Nearby the University are health and welfare facilities for the poor, disabled, sick, and the elderly. Other facilities available to the public are mosques, a community education centre, residences, and a shopping mall.

4.1.4. Endowments and Awards

In addition to the above three core activities, the Albukhary Foundation has given several major endowments and awards to local and international organizations. Albukhary Chair was set up in 2003 between the Foundation and the Faculty of Architecture and Environmental Design, International Islamic University to promote Islamic culture and heritage. The Chair is entrusted to organize programs and conduct research to increase the knowledge and understanding of Islamic arts and culture.

At the international level, the Foundation signed an agreement with the London School of Economics in 2009 to award a grant for a fellowship on International Affairs in South East Asia. Moreover, two major endowments; Dr. Mahathir Mohamad International Fellowship, and Albukhary Fellowship for the Study of Islam in Southeast Asia were given to Oxford Centre for Islamic Studies.

4.2. Waqaf An-Nur Corporation Berhad, Malaysia

Waqaf An-Nur Corporation (WANCorp) is a Limited Guarantee Company. It was established on 25 October 2000 to manage assets and shares of Johor Corporation⁴ (JCorp) which have been transferred to them as waqaf assets. A memorandum of understanding (MOU) was made between JCorp and Islamic Religious Council of Johor on 4 December 2009 whereby the Johor Islamic Religious Council has agreed to appoint WANCorp to act as a special Mutawalli to manage shares and assets which have been made waqaf assets by JCorp and transferred to WANCorp (Borham, 2011). In the MOU, the Mufti of Johor and his Deputy, the Director General of Johor Islamic Religious Council, and executives from Johor Islamic Religious Council who were in charge of awqaf were made directors of WANCorp while some selected executives from JCorp were appointed as mutawallis.

On 3 August 2006, JCorp announced that RM200 million of the company's shares were given away as waqaf assets and transferred these shares to WANCorp (Waqaf An-Nur Corporation, 2008). These shares were taken from JCorp's public listed subsidiaries consisting of 12.35 million unit shares in Kulim Malaysia Bhd, 18.60 million unit shares in KPJ Healthcare Bhd, and 4.32 million unit shares in Johor Land Bhd. On 29 June 2009, WANCorp had used the *istibdal* principle to substitute waqaf share from Johor Land Bhd with share from Al-'Aqar KPJ REIT since Johor Land Bhd. was no longer listed in the Malaysian Bourse. As at 31 December 2014, JCorp held 49 percent equity interest in Al-'Aqar KPJ REIT and as such, the latter's financial statements were consolidated directly with the corporation (JCorp Annual Report, 2014, page 136).

⁴ JCorp was formerly known as Johor Economic Development Corporation. It was established by the Johor State government on 18 May 1968 (Borham, 2011)

WANCorp continues to play the role as the *Maukuף Alaihi* of shares and other forms of company securities collectively allocated into waqaf. As a corporate waqaf entity, WANCorp strives to achieve the following objectives:

- i. Incorporating Islamic values in the management and administration of JCorp and its subsidiary companies.
- ii. Undertaking research on contemporary approach and providing policy recommendations in making JCorp an Islamic corporate entity.
- iii. Coordinating and managing the operation of Waqaf An-Nur Clinics to ensure that the objective of providing affordable health care and dialysis service to the poor is realized.
- iv. Planning and coordinating Islamic activities and incorporating Islamic values in JCorp and its group of companies.
- v. Acting as the Secretariat for Mosque Committee and coordinating the management of mosques which belong to JCorp.
- vi. To be a main centre of reference for business management from Islamic perspective.

All income earned by WANCorp is declared as dividend. In terms of distribution of benefits, 70% of the benefit goes back to JCorp for reinvestment and human capital development, 25% goes to WANCorp for Fisabilillah and 5% is distributed to Islamic Religious Council of Johor. The idea behind this 70:25:5 formula and JCorp receiving bulk of the dividend is that the core contributor (JCorp) to the awqaf must continue to grow to enable it to contribute more of its assets to awqaf in the future. For the distribution of benefits under Fisabilillah, it has been used to fund charity and social works, human capital development, and for treatment of sick patients.

One of the most outstanding contributions of WANCorp through corporate waqaf is offering health services to the poor through chain clinics known as An-Nur Waqaf Clinic (KWAN) and Hospital Waqaf An-Nur (HWAN) which started their operation in June 2007 (Waqaf An-Nur Corporation, 2008). This was made possible with the professional and financial support of KPJ Healthcare Berhad, a subsidiary of Johor Corporation Berhad. At the end of 2014, WANCorp owns and operates 19 branches of An-Nur Waqaf Clinic, several dialysis centres, and one waqaf hospital at Pasir Gudang managed by KPJ Healthcare Bhd (JCorp Annual Report, 2014). These KWAN and HWAN were established on the fundamental of charity through waqaf concept's adaptation. They provide healthcare treatments and dialysis facilities to the general public. As of 31 December 2014, three new clinics are being constructed and nearing completion at Pasir Pekan (Kelantan), Pelabuhan Kelang (Selangor) and Rembau (Negeri Sembilan). All these new clinics are expected to commence operation in 2015. In addition to using its own resources, WANCorp also received cash donations and in kinds donations, such as medicine, dialysis machines, and medical equipment from the community members and also corporate donors. Since starting its operation until 31 December 2014 An-Nur Waqaf clinics had extended more than 1,057,154 treatments to patients from various ethnic groups and religious background with only a nominal charge of RM5 for each treatment. This figure is a 10 percent increase compared to the previous year. Out of more than 1 million treatments, 8 percent or 79,312 were discharged to non-Muslim patients (JCorp Annual Report, 2014). All An-Nur Waqaf clinics are equipped

with dialysis machines to cater the needs of patients at subsidized rates. In some cases, for deserving patients, the services are given free of charge.

Besides operating waqaf clinics, WANCorp is also involved in management of mosques and development of waqaf land. As of 2014, WANCorp is managing 5 mosques and 2 Islamic schools as well as developing a piece of land for to be used as orphanage. Currently, Masjid An-Nur Bandar Dato' Onn will be the sixth mosque being built. It is expected to be in operation by the middle of 2015. With respect to socio-economic development, WANCorp has set up a fund called Waqaf Business Fund to give microcredit to small business using qardul hasan concept. At the end of 2014, WANCorp has disbursed monetary assistance amounting to RM526,800 microcredit loans given to 292 micro-entrepreneurs (JCorp Annual Report, 2014 p. 80).

On the humanitarian side, WANCorp has established waqaf brigade to provide emergency and relief works for victims of earth- quake, flood, tsunami, etc. In 2011, a total of RM127,414 has been channelled to provide relief for victims of natural disasters. Meanwhile, in August 2014 and December 2014, waqaf brigade lent a helping hand in dispatching aid to storm victims in Segamat and flood victims in Kelantan, respectively.

Table 3. Disbursement of Benefits

Beneficiaries/Activities	2010	2011	2012
	(Amount in RM)		
I. Reinvestment in JCorp (70%)	10,297,744	28,650,000	36,270,000
II. Fisabilillah (25%)	866,635	930,218	3,460,420
a. Charity and health services	192,027	132,000	509,000
b. Community programs held at mosques		20,000	25,000
c. Construction of mosques, suraus, and Islamic centre		223,825	647,083
d. Community service, orphans, and other CSR activities		439,244	2,088,117
e. Entrepreneurship and human capital development	35,000	74,116	1,312,303
f. Special projects			
i. Orang Asli		41,034	60,000
ii. Imam Bukhari Theater	659,608		
III. Johor Islamic Religious Council, MAIJ (5%)	380,000	718,076	2,861,700

Source: Annual Reports, WANCorp.

Table 3 shows details of distribution of benefits in 2010 until 2012 according to 70:25:5 formula as agreed between Johor Corporation and Johor Islamic Religious Council in 2006. In general, it can be seen from Table 1 that disbursement of proceeds to the three categories of beneficiaries increased significantly from 2010 to 2012. The amount reinvested in JCorp in 2011, for example, is more than doubled (RM28.65 million) compared to that of in 2010 (RM10.30 million). In 2012, the amount reinvested increased steadily to RM36.27 million. Proceeds allocated for Fisabilillah has also increased rapidly from RM0.93 million in 2011 to RM3.46 million in 2012. Furthermore, the beneficiaries under the category of Fisabilillah have also been expanded from 3 subcategories in 2010 to 6 subcategories in 2011 so that the allocation can cover more activities. It is also shown in Table 1 that the amount given to MAIJ has also increased significantly from only RM0.38 million in 2010 to RM2.86 million in 2012.

Until 31 December 2014, a total of RM3.51 million has been disbursed to these three categories. The first category receives RM1.31 million and it includes charity and health services, maintenance of the mosques, community programs at the mosques, community service, orphans and other CSR activities. The second category which provides assistance to entrepreneurship programs and human capital development receives RM720,00 while special projects which falls under the third category receives RM1.48 million (Waqaf An-Nur Corporation, 2014 Annual Report, pages 37-41).

4.3. The Humanitarian Relief Foundation (IHH Foundation)

The Humanitarian Relief Foundation (IHH) (İnsan Hak ve Hürriyetleri ve İnsani Yardım Vakfı), was established with a purpose of delivering humanitarian aid to make any effort to prevent violation of basic rights of people who have been oppressed, victimized, fallen into any natural disasters, calamities and wars, as well as to provide shelter and food to homeless for those who are in hunger in any part of the world. Activities of the foundation began as voluntary efforts in 1992 and it was institutionalized in 1995. Fehmi Bülent Yıldırım and Mahmut Savaş are the founders of the foundation. The foundation became well known to the entire world after what happened to the Mavi Marmara freedom ship project which was involved in an aid convoy intended to breach the blockade of Gaza in 2010. Nine aid volunteers were killed during a clash between the volunteers and the Israeli forces that raided the vessel which was on its way to Gaza (https://en.wikipedia.org/wiki/IHH_Turkish_NGO).

In order to achieve its determined goals, the foundation is permitted and authorized by the article 48 of the Turkish Civil Code. The foundation has also bodies to run and supervise it. These include Board of Trustees, Executive Board, Auditing Board, Higher Advisory Council (<http://www.ihh.org.tr/en>).

IHH Humanitarian Relief Foundation, which has reached out to 136 countries and regions in five continents, prioritizes while carrying out its mission in spread of sharing, solidarity, and brotherhood feelings, as well as numerous social and cultural activities. In the pursuit of materializing its goals, IHH Humanitarian Relief Foundation prioritizes war-hit, post-war regions, natural disaster zones, and impoverished countries and regions (<http://www.ihh.org.tr/en>).

An interview was conducted on 30th August 2014 with Yavuz Dede who is a pharmacist, and currently the Vice Chairman of the foundation, member of the Board of Trustee and also member of the Board of the Directors, emphasised that the foundation until today have reached Muslims in 140 countries where they fully operate now. Besides its short term project, the foundation has also long term projects which include schools, orphanages, professional courses, mosques, clinics, wells for drinking water, as well as cultural projects. Basically, these projects increase well-being of social-economic conditions of the society. In terms of human rights, the Foundation also offers some projects which support the rights of the victims to be heard by the public. This can be done through symposium, civil rally or protest on the international level collaborating with international organizations by preparing reports and sharing these reports with national or international media outlets, voicing out the issues to be the main agenda of the world.

Mr. Dede explained that the tradition of foundation in Turkey is well rooted and it needs a strong financial support to establish a foundation. The money collected is pooled in a specific account in order to achieve the determined goals. The money is also invested and the returns are used finance the activities carried out by the foundation. The foundation receives very little support from the government. The support can be the form of a collaboration or financial backing.

As mentioned above, currently the foundation has been working within 140 countries. The reason behind this success is credited to the experience that the foundation gained since 22 years of its establishment. The foundation carries out collaboration work with many people and organizations from different part of the world. Currently it employs 290 full time workers, and their pay is given by the foundation according to the Islamic law which allows the foundation to use up to 20% of the donation for services as zakat portion. As zakat receivers are divided into 8 categories, 12.5% of the donation is used by the foundation based on this categories.

The foundation also provides scholarship for all types of students from the lowest to the highest level of education, including undergraduate and post-postgraduate levels. In terms of financial management, the foundation has its own centre to finance their activities as well as manage it. With regards to relationship with the government, Mr. Dede said that the Turkish government tries to ease procedures and corporates with them efficiently. In Turkey, foundations are governed by the General Directorate of Foundations, which is officially recognized organization. As other foundations, the IHH is also accountable to the General Directorate of Foundations and therefore, all foundations are responsible to give report to the Directorate about every activities that the foundation does.

Although Turkish government provides all kinds of support, there are still some obstacles. One of the most significant obstacles that the foundation had encountered is in the official dealings. Mr. Dede said that, at some point, rules and regulations are not sufficient to ease the activities of the foundation domestically or internationally.

Financial resources play a vital role in the organisation to achieve its objectives. Financial resources are known as available money to be spent in the form of cash, liquid securities and credit lines. To be successful, foundations needs to have sufficient financial

resources available. In this case, the IHH foundation has different sources of income. Its sources of income in 2014 is shown in Table 4.

Its main source of income derived from rent, income benefits, exchange income, donations and other incomes. All amounts are shown in Turkish Lira (YTL). Accordingly, the highest amount of income achieved from donations is 407.496.591,90 (YTL). The lowest income is derived from rental activities with 258.772,88 (YTL) in 2014. Other incomes equal 772.104,37 (YTL); income benefits equals 925.419,50 (YTL) and exchange income equals 1.948.049,36 (YTL) in 2014. The total amount of income sources was 411.400.938,01 (YTL) in 2014.

Table 4. The Sources of Income in 2014

Activities	Income (in YTL) ⁵
Rent	258.772,88
Other incomes	772.104,37
Income benefits	925.419,50
Exchange income	1.948.049,36
Donations	407.496.591,90
Total	411.400.938,01

Source: "Gelir-Gider tablosu", *ihh.org.tr*. Accessed May 20, 2016.
<http://www.ihh.org.tr/tr/main/pages/gelir-gider-tablosu/86>

Table 5 The Distribution of Expenditure in 2014

Activities	Expenditure (in YTL)
Education	8.837.451,02
Health	15.834.802,71
Social activities	298.901.706,39
Cultural activities	4.288.406,50
Activity expenditures	35.381.783,21
Other expenditures	1.477.021,56
General management expenditures	8.068.181,05
Total	372.789.352,44

Source: "Gelir-Gider tablosu", *ihh.org.tr*. Accessed May 25, 2016.
<http://www.ihh.org.tr/tr/main/pages/gelir-gider-tablosu/86>

⁵ YTL refers to Yeni Turk Lirasi, the currency of Turkey.

According to Table 5, the distribution of expenditure (2014) includes education, health, social activities, cultural activities, activity expenditures, other expenditures and general management expenditures. Its total expenditure was 372.789.352,44 (YTL) for 2014. The highest expenditure derived from social activities, which is 298.901.706,39 (YTL) and the minimum expenditure is for other expenditure with 1.477.021,56 (YTL). The next highest expenditure after social activities is activity expenditure with 35.381.783,21 (YTL). Other activities expenses from education expenditure was 8.837.451,02 (YTL), while general management expenditure reached 8.068.181,05 and health expenditure 15.834.802,71 (YTL). It shows that IHH foundation incurred the highest expense from social activities.

Finally, waqf institutions should have specific code of conducts to follow in order to be successful and therefore the IHH foundation is following the these codes: Leading in its field; Being transparent; Acting as an arbitrator; Voicing problems of the disadvantaged; Being a bridge between societies; Making best use of entrustments; Contributing to the spread of justice and rule of law; Emphasizing service rather than brand or title; Contributing to the reconstruction of a just world free from exploitation; Helping any individual and community irrespective of their religion, language or race (<http://www.ihh.org.tr/en>).

4.4. Diyanet Vakfi Foundation

The *Diyanet Vakfi* (The Turkish Religious Foundation) is one of the most significant public institutions in Turkey. It employs approximately more than one hundred thousand personnel and has central as well as provincial organs. The president, vice president, High Commission of Religious Affairs, Qur'an Verification Commission, and Departments of Religious Services, Religious Education, Hajj [pilgrimage], Religious Publications and Foreign Affairs compose the central organs, while the provincial organs consist of the province and county muftis' offices, educational centres, and Qur'an courses.⁶ On the other hand, the duties that *Diyanet* carries out today is one of the functions of the institute of sheikh-ul-Islam in Ottoman state. The new Turkish state, after the opening of the Turkish Grand National Assembly on April 23, 1920, established a ministry entitled *Şeriye ve Evkaf Vekaleti* to carry out religious services. Later, on March 3, 1924, the *Diyanet* took over the duties of this ministry. The *Diyanet* appeared in a constitutional text for the first time in 1961. After that time, a law was promulgated to regulate the *Diyanet's* sphere of duties and authority.⁷

The Turkish *Diyanet* Foundation, which was founded in 1975 and has its headquarters in Ankara, is a juristic entity under the supervision of the General Directorate of Foundations. The organs of the Turkish *Diyanet* Foundation (hereafter TDF) can be categorized under four main headings: the General Assembly, Board of Trustees, Auditing Committee, and Directorate General. The Board of Trustees elects the Foundation's General Director either from among its own members or from outside. The

⁶ See on the Diyanet's duties: www.diyamet.gov.tr; and waqf: www.Diyanetvakfi.org.tr; The Muslim World 98:2-3 (2008); Şenol Korkut, The Diyanet of Turkey and Its Activities in Eurasia after the Cold War, *Acta Slavica Iaponica*, Tomus 28, pp. 117-139.

⁷ Şenol Korkut, The Diyanet of Turkey and Its Activities in Eurasia after the Cold War, *Acta Slavica Iaponica*, Tomus 28, pp. 119

General Director executes the decisions made by the Board of Trustees. The General Directorate consists of the Office of Legal Consultancy, the Department of Inspection Committee, the Personnel and Administrative Directorate, the Directorate of Foundation Accounting, Directorate of Hajj and Umrah Accounting, Directorate of Construction and Real Estate, the Directorate of Education, Culture and Social Services, the Foreign Relations Directorate, the Directorate of Supplies and the Directorate of Information Processing Centre. Another organ of the Foundation elected for two years is the Auditing Committee. This committee audits the functions and accounts of the Foundation on behalf of the General Assembly.⁸

An interview was conducted on 26th August 2014 with Mustafa Tutkun, who is the Deputy President of the *Diyanet* Foundation and a graduate of International Islamic University Malaysia (IIUM) as well as one of the founders of Malaysia Alumni Chapter. He emphasised that the *Diyanet* Foundation has all kind of humanitarian activities including Higher Education. The Presidency of religious Affairs has 976 offices country wide. There is a research centre called the Center for Islamic Research, conducting research activities and publishing its work which includes Islamic Encyclopaedia. The foundation runs 29 Mayıs University as a *Waqf* University and it organizes the Haj and Umrah packages. Mustafa highlighted that the foundation cooperates with different offices of the government as part of their projects, and these projects are mostly co-sponsored by their office and the government office. For instance, in order to refurbish and rebuild old Ottoman historical architectures, the foundation cooperates with Turkish Cooperation and Coordination Agency (TİKA).

As of 2007, the Foundation had branches in 914 cities and districts. The branches of the Foundation abroad follow the same structure as those within the borders of Turkey. TDF branches abroad are not new branches directly linked to the Foundation but rather independent organizations founded according to the regulations of the country in which they are located. Religious counsellors and attachés in these countries are the heads of the Foundations. A few of these are: The Holland Religious Foundation in Holland (1982), The Belgium Turkish Islam Religious Foundation in Belgium (1982), The Turkish Islam Union of Religion in Cologne and Berlin, Germany (1982 and 1985), The Denmark Turkish Religious Foundation in Denmark (1985), The Turkish Islam Union of Religion in France (1986), The Switzerland Turkish Religious Foundation in Switzerland (1987), and The Austria Turkish Islam Union of Culture and Social Aid in Austria (1991).⁹ These Foundations operate like Turkish cultural centres. They organize cooking and handicraft classes, offer language and vocational courses, and teach basic religious facts to Turkish people living in those countries.

The foundation provides 485 mufti offices and 4,325 personnel houses throughout the country, the number of Qur'anic learning centres owned by the Foundation was 1,666 as of 2007 and its budget was around USD 922 million. In its first 20 years, the Foundation provided the needy families with medicine, paid for their hospital expenditures, and supplied medicine and medical equipment to healthcare organizations

⁸ Ömer Turan, The Turkish Diyanet Foundation *The Muslim World*, Volume:98, April/July 2008, p. 370; <http://www.diyantvakfi.org.tr/> (accessed 28 July 2015)

⁹ Ömer Turan, *ibid.*, p. 371

in which 9,472,505 people benefited from social aid provided by the TDF in its own medical centres and hospitals. In terms of education, the TDF formed a private education unit in 1994. In this framework, TDF improve the quality of education through providing financial aid to various educational facilities, especially to the theology faculties of the various Turkish universities and Imam-Hatip High Schools. In addition, in kind and financial aid is offered to non-Turkish students, especially to ones who come from Turkic Central Asian Republics and other related communities. Foundation, students are accommodated in 240 hostels and boarding houses that are opened by branch offices. The ownership of all these hostels and boarding houses belong to the Foundation.¹⁰

The foundation deals with a project of establishing *Encyclopaedia of Islam* started in 1983 and the first volume of it was published in 1988. This is a completely original work and has 16,915 items. The thirty second volume of the *Encyclopaedia* contains contributions from 2000 authors from Turkey and all over the world. Its complete version is predicted to be about 40 volumes and is the first of its kind.¹¹

The most important institution of the Foundation in the field of science and culture is Centre for Islamic Research (ISAM). It was founded in Istanbul in 1988 to conduct scientific research, and publish books and academic papers, especially for those who are focusing on Islamic and Eastern sciences and culture. TDF began sending students abroad to various prestigious universities for MA and PhD degrees in the fields of theology, history, philosophy, sociology and other social sciences. Centre for Islamic Research is a very significant research centre. It has a very impressive and efficient library which contains manuscripts as well as new books such as native, foreign sources that are archived and documented in the centre. There are 182,000 volumes of books, 2,720 types of periodicals, 17,000 files of documents, 4,340 reprints, and 19,144 microfilms in the Ottoman Court Archives (*Seriyye*), 411 microfiche and microfilm and 640 CDs in the library. ISAM has two periodicals besides publishing books under the following names: Academic Research, Conference and Symposium Reports, Anthologies and Translations, Critical Text Publications and Fundamental Cultural Series.¹²

The foundation provides all kinds of religious, spiritual and cultural support to Turkish citizens who migrated to industrialized countries such as the United States, Australia, and Western European countries. After the collapse of the Eastern Bloc, many “Turkish Republics” and Muslim societies have emerged. Therefore, the Foundation began to help them like Mongolia, Bosnia, Indonesia, Tataristan, Balkan and Caucasus areas. Turkey began to assist the Muslims in these regions, responding to local demands.

Several Islamic countries in Asia and in Eurasia have even imitated the *Diyanet* system into their practices. Basically, these countries perceived the *Diyanet* not as an institution that took shape in the Turkish Republic, but as if it had been passed from the Ottoman Empire. The concept of “foreign Turks” plays a significant role among Turkic Republics in Central Asia including Muslim communities in the Russian Federation with an affection of countries’ relationships. Currently, consultants from Turkey provide religious services in the following countries which are Germany, the United States,

¹⁰ Ibid., p. 372

¹¹ Ibid. 375

¹² Ibid. 376

Austria, Belgium, Bulgaria, Denmark, France, the Netherlands, Sweden, Switzerland, Great Britain, the Russian Federation, Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan, Macedonia, Georgia, Albania, Kosovo, and the Republic of Northern Cyprus, and twenty-two religious attachés are in operation, especially in Germany. In Eurasia, only Nakhchivan and Romania have religious attachés from Turkey. These consultants and attachés also work together as presidents of NGOs and associations established by the *Diyanet* in Germany, Austria, Belgium, Denmark, France, and the Netherlands.¹³

Furthermore, women's branch of the TDF was established in order to spread correct religious understanding and prevent the exploitation of women through religion, and to strengthen women both culturally and economically. It has more than 5,000 members with professional discipline. They provide courses that offer professional certificates from the Ministry of Education in areas such as reading-writing lessons, wood painting, various kinds of Turkish handicrafts and tailoring. Women are mostly involved in art and culture, as foundation offers courses on classical decorative Turkish arts like marbling (*Ebru*) and *tezhip*, painting, Turkish music. Besides that, language courses are also offered like Turkish, English, Ottoman Turkish and Arabic. Social events are also organized on special days and weeks such as International Women's Day, Mother's Day, The Elderly Week, and Martyrs' Week among others. These kind of celebrations help the society to be more conscious and socialize with each other to increase the awareness of culture and customs.

The Foundation are involved in business practices from various areas ranging from nutrition to transportation; and from construction to cleaning. For example, GINTAS and TEMSAS were established. As illustrated in Table 6, activities column indicates the types of activities performed by the Foundation and followed by the years column indicating the income gained for the year. All the stated figures are given in Turkish Lira, which is the currency in The Republic of Turkey. The following amounts apply to headquarters as well as branches of the Diyanet Foundation.

¹³ Şenol Korkut, *ibid.*, p.124.

Table 6. Sources of Income (Years 2013, 2014 and 2015)

Income	2013	2014	2015
Total income	404.038.020,61	584.713.253,35	632.080.029,34
Endowments from organisations and institutions	2.203.868,63	-	-
Other donations and endowments	332.590.431,56	403.911.002,14	517.334.496,09
Economic operating revenues	5.641.847,06	4.295.282,46	7.299.418,02
Real estate revenues	32.713.426,21	91.358.050,92	41.938.091,16
Publication	290.735,23	268.403,04	-
Other incomes	30.597.711,92	84.880.514,79	65.508.024,07
TOTAL (TL=Turkish Lira)	404.038.020,61	584.713.253,35	632.080.029,34

Source: Türkiye Diyanet Vakfı, Diyanetvakfi.org.tr Accessed Jul.14,2016
<http://www.diyantvakfi.org.tr/TR/site/icerik/tdv-genel-merkez-ve-subeler-gelir-ve-giderleri-1049>

According to Table 6, the total income of Diyanet Foundation for 2013, 2014 and 2015 is 404.038.020,61 TL; 584.713.253,35 TL and 632.080.029,34 TL. The income significantly increased yearly with a total difference from 2013 to 2016 is 228.042.008,70 TL. Income of endowments from organisations and institutions (2014 and 2015), as well as publication income, are not stated in Table 6.

As for other donations and endowments, it was 332.590.431,56 TL in 2013 and increased to 403.911.002,14 TL in 2014 and 517.334.496,09 TL in 2015. From the point of view of the Foundation, it can be considered a significant increase. Regarding real estate revenues, it reached 32.713.426,21 TL in 2013 and was the highest in 201 with 91.358.050,92 TL.

The amounts of other incomes were 30.597.711,92 TL, 84.880.514,79 TL and 65.508.024,07 TL for the years 2013, 2014 and 2015. It increased in 2014 to 84.880.514,79 TL but decreased to 65.508.024,07 TL in 2015. The total income for 2013, 2014 and 2015 was 404.038.020,61 TL, 584.713.253,35 TL and 632.080.029,34 TL.

Table 7. The Distribution of Expenses (Years 2013, 2014 and 2015)

Expenditure	2013	2014	2015
Total Expenditure	314.074.109,84	383.497.096,79	482.638.242,10
General management expenses	31.618.618,84	38.695.969,07	53.182.579,32
Purposeful expenses	282.455.491,00	344.801.127,73	429.455.662,77
Humanitarian aids and social services	55.846.063,44	16.349.776,35	22.664.495,52
Charitable and religious services	164.832.796,79	138.777.767,06	164.128.029,07
Educational and research services	32.801.395,46	74.403.801,68	53.045.608,20
Overseas religious, charitable and educational services	28.975.235,31	95.624.725,42	159.837.863,30
Other purposeful services	-	19.645.057,22	29.779.666,69
Surplus Income	89.963.910,77	201.216.156,55	149.441.787,25
TOTAL (TL=Turkish Lira)	404.038.020,61	584.713.253,35	632.080.029,34

Source: Türkiye Diyanet Vakfı, Diyanetvakfi.org.tr Accessed Jul.16,2016
<http://www.diyantvakfi.org.tr/tr-TR/site/icerik/tdv-genel-merkez-ve-subeler-gelir-ve-giderleri-1049>

Table 7 illustrates the Foundation's spending as well as its surplus income. According to Table 7, total expenditure equals 314.074.109,84 TL, 383.497.096,79 TL and 482.638.242,10 TL for 2013, 2014 and 2015. Surplus income equals 89.963.910,77 TL, 201.216.156,55 TL and 149.441.787,25 TL for the 2013, 2014 and 2015.

General management expenses and purposeful expenses increased significantly within the given years. However, humanitarian aid and social services expenses decreased yearly with 55.846.063,44 TL, 16.349.776,35 TL and 22.664.495,52 TL. Charitable and religious services expenses were 164.832.796,79 TL in 2013 and decreased in 2014 to 138.777.767,06 TL. It increased in 2015 to 164.128.029,07 TL.

The Diyanet Foundation shows substantial support to education with an expenditure of 32.801.395,46 TL in 2013, 74.403.801,68 TL in 2014 and 53.045.608,20 TL in 2015. This increase in educational and research services indicates its focus on this sector.

Overseas religious, charitable and educational services increased from 28.975.235,31 TL to 95.624.725,42 TL in 2013 and 2014 respectively. It increased to 159.837.863,30 TL in 2015. Other purposeful services are not indicated in 2013 but reached 19.645.057,22 TL and 29.779.666,69 TL in 2014 and 2015. In 1983 and 1989, respectively. KOMAS, another Foundation's company, deals with the marketing of computers and office supplies, export/import activities and the establishment of nationwide modern stores was established in 1990. DIVANTAS was established in 1993 to market the Foundation's publications and VETAS was established as an education company in 1994 in order to establish and manage educational institutions from pre-school to high school.¹⁴

The Foundation also organized the Week of the Blessed Birth of the Prophet Muhammad (pbuh). The birthday of the Prophet Muhammad (pbuh) was first celebrated by the Seljuks during the reign of Erbil Muzafferuddin Gokboru (1154–1232). Since then, the celebration of the Prophet Muhammad's (pbuh) birthday in the custom of Mawlid ceremonies has become a tradition.¹⁵

4.5. Hakyol Foundation

Hakyol Education Solidarity and Friendship Foundation was established in the leadership of intellectual and man of heart, the late Professor Dr. Mahmut Es'ad Coşan in 1980. It was founded with specific objectives to be achieved through bringing up and educating people at both the local and international levels, with universal Islamic values such as believing in fairness, equity and justice; to provide all kinds of economic and social aids to those in need of assistance; to manifest activities without discrimination to increase cooperation and to develop peace, love, brotherhood, unity and solidarity spirit between people. The focal point of developing the society is education, and with that reason, the foundation focuses on education in order to train Muslim generations physically, spiritually and mentally. Hence, comprehensive contributions carried out for the increase of educational level, such as numerous public/private schools, cultural centres, libraries, mosques are constructed and operated in different parts of Turkey. Conferences, seminars, panels, open sessions, and competitions are organized in various areas including scientific, ideological, cultural, health and art subjects. Furthermore, bulletins and magazines are published, book sales, national and religious celebration programs are organized. The foundation is involved in reunion meetings, summer

¹⁴ Ömer Turan, *ibid.*, 380.

¹⁵ *Ibid.*, 381.

schools, cultural and historical excursion, recreation and entertainment programs oriented towards introducing Turkish and Islamic intellectuals. In addition to organizing all kinds of activities related to education, the foundation also provides educational scholarships to many students to meet all their needs irrespective of their level of studying from primary to higher education.¹⁶

An interview was conducted on 2 September 2014 with Hasan Pak, a Lawyer and the Chairman of the Hakyol Foundation. Mr. Pak mentioned about the establishment of the foundation that *waqf* activities became a priority concern in 1980s due to the military coup which happened in early 1980s which caused the closure of many foundations. According to Mr. Pak, in order to engage in community services and some other social activities, *waqf* is a necessity. In that term, Hakyol Waqf had delivered community services in almost every field starting from education, charity, health till providing the scholarships for students to further their studies. It had delivered important services such as ensuring the financial assistance to the poor families, restoration of heritages, meeting with families and health scanning services. During that period, the number of waqf organizations was small. Hakyol had provided the leadership position for other *waqfs* to be established. Hakyol led the way for other *waqfs* starting from *waqf* policies and sample activities that they had undertaken. According to Mr. Pak, there are three factors that affect the process of the *waqf* organization to reach at this level; donated wealth, vision, and mission of the *waqf*. Definitely, the wealth that *waqf* organization received from donation needs to be increased and developed in order for *waqf* to operate well and fulfil the responsibilities given by the donors. Therefore, money received from donors are other sources of incomes are invested to ensure sustainability.

Hakyol waqf has three important targets to fulfil and these are education, charity, and friendship. On the education initiative, students from kindergartens to higher level of education are granted with scholarship, and provided with accommodation. Hakyol also organizes seminars, conferences and so on. Besides this, Hakyol waqf provides regular payments for poor families, distributes meat for the needy people during Eid al-Adha in several countries, including Indonesia since 2009. The Foundation has delivered relief funds in both financial and in-kind aids for more than 36,000 families and also protected 5,000 orphans.

4.6. Turkey Imam Khatibs Foundation (TIMAV)

Turkey Imam Khatibs Foundation (Türkiye İmam Hatipliler Vakfı-TIMAV) was established on 5th of August, 1994 in Konya.¹⁷ An interview conducted on 22 August 2014 with Abdullah Ecevit, who is the Director of the TIMAV, mentioned that the foundation is an extension of İttifak Holding that has as a mission to ease the social burden of poor people or people in need. Although, the foundation is a very young organization, it has many activities especially helping Imam Khatib graduates. The main objective of the foundation is to educate generations through education. For this purpose, the foundation strategize on how to create an ideal students that they will be giving their contribution to the Ummah.

¹⁶ <http://www.hakyolvakfi.org/en/hakkimizda.asp> (accessed 28 July 2015)

¹⁷ <http://www.timav.org.tr/> (accessed 29 July 2015)

The foundation gets support from the government from time to time to carry out its activities. There are various kinds of donors, some people donate their money, others donate properties while those who have nothing to donate, donate their time. The foundation is built upon the different contributions of the people, which in turns, produce some greater benefits for the people in need. This is the reason why the government and the foundation try to keep connected together. However, the government does its own work and have its own plans and strategy, and, on the other hand, foundations have their own strategy. Government has its own social responsibilities where social problems are specifically taken care of by the government. There are semi-government foundations that state uses to achieve social goals and objectives. In this kind of situations, foundation will step back in order to give government space. If this social projects are not left in the hands of the government, then it would mean that government is at risk for abandoning its role.

Finally Mr. Abdullah emphasised that the activities of the foundation and non-governmental organizations which are based on volunteerism which has a great impact on the society. When someone with a rich spirit contributes to the society based on the *iman* (faith) and sincerity, this kind of contributions help to develop the Muslim civilization. Although TIMAV has no great deal of financial resources, it is involved in many educational activities. TIMAV utilizes every single penny that they have to the maximum. This foundation values their projects highly and works hard to make these projects successful ones.

5. Conclusion

This study examines the role played by selected waqaf institutions to improve the socio-economic development of Muslim ummah, the different activities and management style of waqaf institutions and the experiences of selected corporate waqaf entities in Malaysia namely Al-Bukhary Foundation, Waqaf An-Nur Corporation and four waqaf entities in Turkey specifically IHH Foundation, Diyanet Foundation, Hakyal Foundation and TIMAV.

Waqaf institutions have been known to have the ability to contribute to the economy and could play an important role in the socio-economic development of the Muslim society. According to Hasan and Abdullah (2008), waqaf property in Malaysia, especially in the form of land is reported to be more than 32,000 acres and if these lands are invested and managed properly, they have the potentials to generate a steady stream of income that could benefit the Muslim society. However, as in many countries, waqaf institutions are not being given the proper attention, resulting in a vast amount of these properties being ill-managed. Many of the waqaf properties have immense commercial potentials, but are not being maintained properly, resulting in these properties do not yield their greatest benefits to the society. Among the factors identified include: legislative lacunae, administrative lapses, lack of political will, indifferent attitude of the management of the awqaf, and lack of honesty and integrity.

This study also discusses the best practices of selected waqaf entities in adopting different approaches in improving the socio-economic conditions of the society. The first corporate waqaf entity is Albukhary Foundation, founded in 1996 by Syed Mokhtar Albukhary, a prominent philatrophist and successful businessman. The Foundation

focuses on three core activities: humanitarian aids, education, and promotion of Islamic culture and heritage to build a more tolerant and harmonious society. In the education field, the Albukhary Foundation provides free tuition classes to the poor and underprivileged student at the secondary school level. The Albukhary International University was established as a waqaf university to provide access for students coming from the economically dis-advantaged background to tertiary level education.

The second corporate entity is Waqaf An-Nur Corporation (WANCorp) which was set up on 25 October 2000. It was established to manage assets and shares of Johor Corporation (JCorp) which have been transferred to them as waqaf assets. WANCorp declares all income earned as dividend and distributes the benefits with 70:25:5 formulae of which 70% of the benefit goes back to JCorp for reinvestment and human capital development, 25% goes to WANCorp for Fisabilillah and 5% is distributed to Islamic Religious Council of Johor. This formula enables the company to sustain its growth and enable it to contribute more of its assets to awqaf in the future.

The experience of Turkey in developing and administering waqaf sector has been quoted as a success story and best examples in many forums. IHH Foundation focuses its activities on providing humanitarian work at the international level, reaching out 140 countries in 5 continents. The Foundation became well known, after its freedom ship project, Mavi Marmara, carrying aid convoy was attacked by the Israeli forces. IHH survives on donation from the public and invests the funds received to cover for operating expenses as well as its humanitarian activities.

Diyanet Foundation is one of the largest publicly owned waqf institutions in Turkey employing more than 100 thousand employees. Unlike IHH which operates on its own, Diyanet Foundation cooperates closely with different government offices to carry out its projects. Most of these projects are co-sponsored by the Foundation's office and the government. Diyanet Foundation concentrates its activities on science and culture, religion, spiritual, and cultural support to Turkish citizens living abroad.

Hakyol Foundation, on the other hand concentrates its activities on education. The Foundation's specific objective is to educate people in the country and throughout the world on universal values, believe in fairness, equity, and justice. The Foundation also provides all kinds of economic and social aids to those in need. The fourth waqf organization in Turkey is TIMAV, which is an extension of Ittifak Holding. A relatively young organization, TIMAV's mission is to ease social burden and need of the poor people. The main activities of TIMAV are similar to Hakyol Foundation, whereby both foundations focuses their activities on education.

In conclusion, it has been found that both waqf institutions in Malaysia and Turkey concentrate their activities on education as one of the ways to improve socio-economics conditions of the society in the long run. In addition to extending humanitarian aids to those deserving, the foundations have also come up with innovative projects to sponsor Islamic arts, science, and culture to build a well-balanced society. These innovative programs undertaken by waqf institutions in Malaysia and Turkey could be replicated and adopted by waqf institutions in other countries to achieve commendable results in waqf projects and better serve the society.

References

- Abdul Karim, S. (2010). Contemporary shari'a compliance structuring for the development and management of waqf assets in singapore. *Kyoto Bulletin of Islamic Area Studies*, 3(2): 143-164.
- Ahmad Zaki Hammad, (2009). *The Gracious Quran*, Lucent Interpretations, LLC.
- Aun. W.M. (1975). *An Introduction to the Malaysian Legal System*, Kuala Lumpur: Heinemann Educational Book, Asia Limited.
- Albukhary Foundation, (2012). Making a Difference: The Caring Malaysian.
- AlHajeri, K, R and Thomas A. (1999). Applying Waqf Formula on a Global Basis, Proceeding of the Third Harvard University Forum on Islamic Finance: Local Challenges, Global Opportunities, Cambridge, Massachusetts.
- Borham, A.S. (2011). Pelaksanaan pembangunan wakaf korporat Johor Corporation Berhad (JCorp). In: International Conference on Humanities.
- Chowdury, M. S. R., Ghazali, M. F. and Ibrahim, M.F. (2011). Economics of Cash Waqf Management in Malaysia: A Proposed Cash Waqf Model for Practitioners and Future Researchers. *African Journal of Business Management*, 5 (30). pp. 12155-12163.
- Cizacka, M. (1998). Awqaf: In History and Implications for Modern Islamic Economics, paper presented at the International Conference on Awqaf and Economic Development, Kuala Lumpur, 2-4 March.
- Diyanet, accessed on July 28, 2015, <http://www.diyamet.gov.tr/>
- Diyanet Vakfi, accessed on July 28, 2015, <http://www.diyanetvakfi.org.tr/>.
- Hakyol Vakfi, accessed on July 28, 2015, <http://www.hakyolvakfi.org/en/hakkimizda.asp>
- Hassan, A. and M.A. Shahid, (2010). Management and development of the aqwaf assets. Proceedings from the Seventh International Conference – The Tawhidi Epistemology: Zakat and Waqf Economy, Bangi pp. 309-328.
- Hasan, Z. and M.N. Abdullah, (2008). The investment of waqf land as an instrument of muslims' economic development in Malaysia. Dubai International Conference on Endowments' Investment, 4-6th February 2008 organized by Awqaf and Minors Affairs Foundation, Dubai, the United Arab Emirates.
- JAWHAR (Jabatan Wakaf, Zakat dan Haji OR The Department of Waqaf, Alms and Hajj), accessed on January 12, 2012, <http://119.110.108.126/spmwj/>.
- JAWHAR (Jabatan Wakaf, Zakat dan Haji OR The Department of Waqaf, Alms and Hajj) (2012). Accessed on July 22, 2015, http://www.jawhar.gov.my/images/Keratan_Akhbar/bh050213%20r.pdf, ().
- JCorp Annual Report, (2014). Accessed on July 20, 2015, <http://www.jcorp.com.my/annual-reports-19.aspx>,

Kahf, M., (2004). The Role of Waqf in Improving the Ummah Welfare, paper presented in the International Seminar on Waqf as a Private Legal Body, January 6-7, 2004, Medan, organized by the Islamic University of North Sumatra, Indonesia.

Korkut, Şenol. (2010). The Diyanet of Turkey and Its Activities in Eurasia after the Cold War, *Acta Slavica Iaponica*, Tomus 28, pp. 117–139.

Megat Abdul Rahman, M. M. G. and Othman, A. (2006). Development of Waqf Land: Issues, Prospect, and Strategies. *Malaysian Journal of Real Estate*, 1 (2), pp. 39-46.

Ngah, N., Pelbagaikan Sumber Urus Tanah Waqaf, Berita Harian (Newspaper in Malaysia) accessed on October 25, 2012, <http://www.jawhar.gov.my/pelbagaikan-sumber-urus-tanah-wakaf/>

Omar, H. H. and Ab Rahman, A. (2013). The Application of Sukuk in Sustaining the Waqf Asset: Experience of Selected Waqf Trustee. *Shariah Journal*, 21(2), pp. 89-116.

Pitchay, A., Meera, K. M., and Saleem, M.Y. (2015). Factors Influencing the Behavioral Intentions of Muslim Employees to Contribute to Cash-Waqf Through Salary Deductions, *JKAUU, Islamic Economics*, 28(1), pp. 63-98.

Sahih Muslim, online version, accessed on July 25, 2015, <http://www.dic-chicago.org/books/SahihMuslim.pdf>,

Sait, S. and H. Lim. (2005). Waqf (endowment) and islamic philanthropy. Working paper, The Hague: United Nations Human Settlements Programme.

Sadeq, M.A. (2002). Waqf, Perpetual Charity and Poverty Alleviation, *International Journal of Social Economics*, 29(1/2), pp. 135-151.

Sulaiman, S. (2012). Isu Pembangunan Wakaf Menggunakan Struktur Amanah Pelaburan Hartanah Islam di Malaysia: Satu Tinjauan. Jabatan Kemajuan Islam Malaysia. *Makalah*, 24 Kanun (2), hal. 149-177.

Timav, accessed on July 29, 2015, <http://www.timav.org.tr/>

Turan, Ömer. (2008). The Turkish Diyanet Foundation *The Muslim World*, Volume:98, April/July, p. 370.

Waqaf An-Nur Corporation, 2008. Johor Corporation Corporate Waqaf Concept.

Waqaf An-Nur Corporation, 2011. Annual Report.

Waqaf An-Nur Corporation, 2012. Annual Report.

Waqaf An-Nur Corporation, 2014. Annual Report.