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**The Status of “Waqf” as “Sadqāh Jārīyah”
(Continuing Charity): A Model for Sustainable
Social Development and Welfare**

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The Status of “Waqf” as “Sadqāh Jārīyah” (Continuing Charity):

A Model for Sustainable Social Development and Welfare

Abstract

Economic systems have played a key role in the formation and stability of human societies. Islam has provided a comprehensive financial framework, which also includes "Waqf" (endowment). "Waqf" is a voluntary but lasting practice that embodies the concept of ongoing charity.

This research paper examines the institution of "Waqf" (endowment) as a continuing charity and welfare work. The main objective of this study is to clarify that the concept of "Waqf" in the Islamic economy is not just a charitable act but a structured financial system. Despite the fact that the word "Waqf" does not appear directly in the Holy Quran, its foundations are linked to the Qur'ānic principles of spending in the way of Allah and sacrifice. "Waqf" as a continuing charity is clearly established in the "Ahadeeth" and "Seerah" (PBUH) with many practical examples such as the endowment of the land of the Prophet's Mosque, the endowment of a well by Hazrat Usman Ghani (RA), and the endowment of the land of Khaybar by Hazrat Umar Farooq (RA).

During the era of the Holy Prophet and the era of the "Khulfa e Rashdin",

"Waqf" played a fundamental role in economic development and building social infrastructure. The Companions were pioneers in endowment of wells, educational institutions, and properties for the needs of the poor for welfare purposes.

This paper adopts the methodology of Analytical and Descriptive Study of Classical Literature Based on Quran, Hadith, Jurisprudence and Islamic History. Contemporary Islamic financial literature is also used to understand the performance of "Waqf" in the present era.

This research article examines the answers to the following research questions.

1. What is the establishment of "waqf" in Islamic law (Sharia), its principles, and its status as a continuous charity?
2. In the context of modern social challenges (poverty, health, education), how can "waqf" made effective for sustainable welfare purposes?

Keywords:

Waqf, Continuous Charity, Sustainability, Social Welfare, Islamic Economy.

Introduction:

The role of financial systems in the sustainable development and economic stability of human societies has always been very important. While Islam protected individual property, it provided a comprehensive system for the welfare of the deprived sections of society and fair distribution of resources, one of the strongest pillars of which is "Waqf". Waqf (endowment) is not just a traditional charity or

temporary assistance, but a permanent economic institution that is based on the concept of "Sadaqāh Jarīyah". Its real spirit is to give the capital of a valuable asset to Allah, preventing its purchase, sale, donation or inheritance, and to dedicate the fruits or profits obtained from it for the welfare of humanity. Although the word "Waqf" did not appear explicitly in the Holy Quran, But Qur'ānic principles such as verse 92 of Surah Al-Imran, which teaches the sacrifice of the most beloved property, provided a strong foundation for this institution.

During the era of the Prophet (PBUH) and the Rightly Guided Caliphate, "Waqf" had taken the form of an organized social infrastructure. The most prominent example of this is the land of the Prophet's Mosque (peace be upon him), which was purchased from orphans and dedicated to the cause of Allah. Similarly, Hazrat Usman Ghani (RA) purchased and dedicated the "Bair-e-Rūmah" (Well of Rūmah) in Medina for public welfare, which still exists as an active endowment after fourteen hundred years. Hazrat Umar Farooq (RA) dedicated his precious land of Khaybar on the condition that its origin would be preserved and its income would be spent on the poor, needy and travelers. These practical examples proved that endowment is a model that can provide education, health and public facilities without becoming a burden on the state.

In the golden age of Islamic history, the scope of endowment expanded further and under it, such international institutions were established that served

humanity for centuries. In the field of education, great universities such as Al-Azhar University (Cairo), Madrasa Nizamiyah (Baghdad) and University of Cordoba (Andalusia) were indebted to the endowment, where students were provided with free education, accommodation and scholarships. In the medical field, modern hospitals such as Mansouri Hospital (Egypt) and Nouri Hospital (Damascus) were run by the income of the endowment, where the treatment of patients, medicines and food were completely free. In addition, for public facilities, endowment inns, canals (such as the Zubaida Canal) and bridges were built on the highways, which proved that the endowment was the economic engine of Islamic civilization. In the present era, when the world is facing serious challenges such as poverty, ignorance and an expensive medical system, it has become inevitable to adapt this ancient institution of endowment to modern economic requirements. This paper suggests that if waqf is built on modern models such as "social enterprise", "cash waqf" and "corporate waqf", rather than being limited to traditional forms, it can ensure sustainable development that benefits the current generation as well as future generations. Through transparent technology such as block chain and improved legal regulations, waqf can once again be made a dynamic center of the Islamic economy.

Shariah Status of "Waqf":

In the Islamic financial system, "Waqf" is a foundation that ensures fair

distribution of wealth and permanent welfare in society. In Shariah terminology, “Waqf” means to withhold the origin of something and spend its profits in the way of Allah.

Endowment of the land of the Prophet's Mosque: The Messenger of Allah (PBUH) purchased land from orphans to build a mosque upon his arrival in Medina. Although they wanted to donate the land, he (PBUH) bought it for a price and dedicated it to the House of Allah forever.

[Al-Būkhāri, H. 2771.](#)

The main motivation for the spirit of “Waqf” is the verse number 92 of Surah Al-Imran of the Holy Quran:

Translation: You will never attain righteousness until you spend (in the way of Allah) from what you love. [Al-Quran, 3 : 92](#)

When this verse was revealed, the Companions took the lead in dedicating their best assets: Some examples are below:

1. It was narrated from Anas (RA) that when this verse was revealed, Abu Talhah (may Allah be pleased with him) came to the Messenger of Allah (peace and blessings of Allah be upon him) and said: “The most beloved of my possessions is (a garden in front of the Prophet’s Mosque in Medina), I will give it in charity for the sake of Allah.” He (peace and blessings of Allah be upon him) accepted it and ordered it to be distributed among his

relatives. [Al-Būkhāri, H. 1461.](#) This also became the basis of “Waqf-e-Ahli” (family endowment) in Islam.

2. Upon the revelation of this verse, Hazrat Zaid bin Haritha (RA) presented his most beloved horse, whose name was "Sab'l", to the Prophet (PBUH) and dedicated it to the path of Allah. [Tafsir Ibn Kathir and Tafsir Tabari. Al-Quran 3 : 92](#)

3. During a severe water shortage in Medina, the Prophet (PBUH) said: "Whoever buys the well of Rumah and dedicates it to the Muslims, there will be a better spring for him in Paradise." Hazrat Uthman (RA) bought this well and made it available to the Muslims.

[Al-Būkhāri, H. 2778](#)

4. Hazrat Umar Farooq's Waqf in Khaybar; The clearest basis for the Sharia and legal regulations of waqf is Hazrat Umar's Waqf. He found a very valuable piece of land in Khaybar. Upon the advice of the Prophet (PBUH), Hazrat Umar (RA) dedicated it on the condition that its produce would be dedicated to the poor, relatives, travelers and hospitality.

[Al-Būkhāri, H. 2737](#)

It was narrated from Abu Hurairah (RA) that the Messenger of Allah (PBUH) said: “When a person dies, his deeds come to an end except for three things: 1. Ongoing charity, 2. Knowledge from which one benefits, and 3. A righteous child who prays for him. [Al-Muslim ,H.1631](#)

The jurists are unanimous that “ongoing charity” here refers to endowment because endowment is the

only charity whose origin remains intact and whose benefits continue.

Translation: "And we write down what they sent forth and what they left behind." [Al-Quran 36 : 12](#)

They ask you, "What should they spend?" Say, "Whatever is left over." Thus does Allah make clear to you His verses that you may reflect.

[Al-Quran 2 : 219](#)

The example of those who spend their wealth in the way of Allah is like a grain of corn which grows seven ears, each ear containing a hundred grains. Allah increases it even more for whom He wills. And Allah is All-Encompassing, All-Knowing. [Al-Quran 2 : 261](#)

Translation: Indeed, the men who give charity and the women who give charity and those who lend to Allah a goodly loan - for them is a reward of honor. [Al-Quran 57 :18](#)

Waqf in Islamic History

In Islamic history, mosques dedicated to waqf were not only places of worship but also social and political centers.

Following the example of the Prophet's Mosque, the Ottoman sultans introduced the concept of "Külliyeh", where hospitals, free food distribution places and libraries were run around the mosque by waqf. [Muhammad Qahf Munzir,2000, p 45-48](#)

Waqf made education free and standardized for everyone in the Islamic world.

Al-Azhar University (Cairo): It is one of the oldest active universities in the world, providing scholarships, food and free accommodation to students from the income generated by waqf property. [Ahmad Shibli, 1954, p 162-168](#)

Cordoba University (Andalusia): Caliph Al-Hakam II donated millions of books for its library and the salaries of teachers were paid from the waqf property. [Ibid p 162-168](#)

Madrasa Nizamiyah (Baghdad): It was the first major educational institution with a regular residential system and was run by endowment funds. [George Makdisi,1981, UK, p 35-40](#) Hospitals in the Islamic era were so self-sufficient due to endowments that they provided full support for patients along with treatment.

Bemaruṣṭān e Mansouri (Mansouri Hospital, Cairo): Sultan Qalawun endowed it in 1284. Its endowment stated that treatment would be free for the rich, the poor, and patients of all races. The patient was even given financial assistance upon discharge.

Bemaruṣṭān e Nouri (Nuri Hospital, Damascus): This hospital and medical school was run by endowment income and provided free higher medical education. [Kamal al-Din Hani, 2012, p 88-92](#)

Some other public welfare facilities and infrastructure are mentioned below.

Zubaida Canal (Mecca): Queen Zubaida dedicated a long canal to

alleviate the water shortage during Hajj, which continued to provide water to pilgrims for centuries.

Sarai and Sabil: Sarai were built on trade routes where travelers were provided with free three-day stay and food. [Abdul Aziz Al-Duri, \(Translator: Yasin Mazhar Siddiqui, 1995, p 215-220](#)

Modern Economic Models of “Waqf”:

In the historical context, the concept of Waqf has been mostly limited to immovable properties (land, building), but in the complex economy of today, it is necessary to adopt the following modern models to make Waqf more dynamic and flexible:

1. Cash Waqf

Cash Waqf is the most successful and flexible model of the present era. In this, the donor donates cash instead of land. This accumulated amount is invested in the Islamic financial system in accordance with Sharia. The original capital remains safe, while the non-interest-bearing profit earned is spent on social purposes (education, health, employment, etc.). This model makes it easier for the middle class to join the Waqf process because even small amounts can be donated.

2. Corporate Waqf:

This model of Waqf is also present in the modern corporate sector. In this, a company donates a certain portion of its shares. The annual profit (dividend) from these shares is allocated for welfare projects on a regular basis. This model is a sustainable alternative to Corporate Social Responsibility (CSR), where welfare works are not dependent

on a one-time donation but on regular income.

Waqf-Based Social Enterprise:

This model takes the waqf towards "self-reliance" instead of "charity". Commercial projects are started with the land or capital of the waqf that can compete in the market. For example, a part of the waqf hospital may be for private wards from which a fee is charged. The profit generated from this is used for the poor patients or students of the same institution, which makes the institution dependent on external donations.

3. Block chain-Enabled “Waqf”:

In this era of technology, block chain is a revolutionary step to bring transparency in the management of “waqf”. In this, the registration of the “waqf”, the rent received and the distribution of income are digitized through the block chain, which eliminates corruption and gives the donor confidence that his wealth is being spent strictly in accordance with Shariah objectives.

4. Microfinance Waqf:

“Waqf” funds are used for interest-free loans (Qarz-e-Hasna) to alleviate poverty. This model provides capital to poor people to start their own small businesses, which can help them get out of poverty on a permanent basis.

Conclusion:

A deep study of the era of the Prophet Muhammad (PBUH) and the history of Islam reveals that the Waqf had created a social security system in Muslim societies that was not dependent on any government budget or external aid. During the era of the Prophet

Muhammad (PBUH) and the Rightly Guided Caliphate, this institution played an excellent role in strengthening the foundations of the state. The endowment of the land of the Prophet's Mosque, The endowment of the "Bair-e-Ruma" of Hazrat Usman Ghani (RA), The endowment of his land in Khyber by Hazrat Umar Farooq (RA) and many other such examples prove how public welfare projects can be made permanent and sustainable through endowments.

The miracle of the durability of the endowment was that such great educational and medical centers were established in the history of Islam that served humanity for centuries. While Al-Azhar University (Cairo) and the University of Cordoba are the best examples of endowment, the great endowment hospitals like the Mansouri Hospital (Egypt) and the Nouri Hospital (Damascus) revolutionized the world of medicine. They were self-sufficient institutions where all the expenses for treatment, surgery, medicines and food of the patients were met from the endowment properties, thanks to which even the poorest member of society had access to the same medical facilities as the nobles. These institutions proved that endowment is not limited to religious buildings, but is a complete and practical model for the survival of science, art and human health.

The complex economic problems of today, such as rapidly increasing poverty, unfair distribution of resources and expensive educational and medical systems, are actually the result of

distancing themselves from this great institution. Today, if we align Waqf with modern corporate principles, the "cash Waqf" model, and transparent technology like block chain, it can not only reduce the economic burden on the state but also ensure sustainable social development that benefits humanity for generations to come. There is a need to revive Waqf as a "social safety net" so that every vulnerable segment of society can join the stream of development with self-respect.

Findings:

The following are the main findings of this research paper.

1. **Perpetual Sustainability:** The research proves that Waqf is the only financial model in the world that freezes the "Principal Asset" and protects it from loss and distributes only the income generated from it. It is a self-sufficient system that can continue to function for centuries without any external assistance.
2. **Establishment of Social Infrastructure:** The study of Islamic history has shown that Waqf played a very important role in building the social infrastructure in the Muslim state.
3. **Economic Circulation:** The study of Islamic history also proves that the institution of Waqf is an effective barrier against wealth concentration, which can help in eliminating class conflict.
4. **Institutional Multi-dimensionality:** The research has negated the assumption that Waqf is limited to religious matters only. Historical

evidence proves that the scope of waqf covers all areas of life, including agriculture, environment, science and technology, and it provides a complete "social safety net".

5. Modern Economic Alignment: The results of the paper also show that the waqf structure is flexible enough to be aligned with modern economic instruments such as cash waqf, corporate waqf and blockchain. This alignment presents waqf as a viable alternative to solving complex economic problems of the modern era (e.g. expensive education and healthcare).

Recommendations:

In light of the economic challenges of the present era, the following strategic recommendations are made:

- 1. Promotion of Social Enterprise:** Instead of keeping endowment properties as static assets, they should be developed on modern commercial basis and the profits should be spent on the welfare, education and health of the poor. This will enable the endowment institutions to become financially self-sufficient and their dependence on external donations will end.
- 2. Integration of Block chain Technology:** The use of Block chain technology is indispensable to restore public trust in the endowment system and bring transparency in its management. This will create a better digital record of endowment registration, tenancy agreements and income distribution, which will enable every donor to directly monitor the performance and use of his/her endowment asset.

3. Alignment with the Sustainable Development Goals (SDGs): The government and the private sector should expand the traditional concept of waqf and link it to the United Nations Sustainable Development Goals (e.g. clean water, affordable energy, and quality education). Sector-specific waqfs should be established for specific sectors that directly provide financial support to achieve these global goals, thereby demonstrating the effectiveness of the Islamic financial system at the international level.

4. Educational curriculum and public awareness: The economic and social role of waqf should be included in the curriculum of educational institutions so that the new generation is aware of its true philosophy. In addition, "Cash Waqf" or cash endowment should be encouraged through scholars and the media so that the common man can also participate in this great ongoing charity through his small savings.

5. Poverty Alleviation and Economic Independence: The loan system prevalent worldwide to alleviate poverty further indebts the poor. In contrast, the endowment capital can be used to provide interest-free loans to small businesses and the funds can be used for "micro-financing".

In the modern era, the institution of endowment is not just a source of charity but a "social safety net". It reduces the burden from the shoulders of the state and creates a balance in society where wealth does not circulate in just a few hands but reaches the lower classes on a sustainable basis.

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