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Goh Chok Tong too is interested in wakaf

Wakaf in Indonesia plays a supportive role as an instrument to boost the economy. The irony is, Goh Chok Tong has fallen in love with wakaf.

I felt like choking when I heard Singapore's Senior Minister Goh Chok Tong's firm and serious speech. His desire to turn Singapore into a world economic hub is normal enough, but to use wakaf funds to achieve the objective is a surprise.

At the *International Waqf Conference 2007 (ICW 2007)* in Singapore on March 6-7, Mr Goh also stressed his desire to attract wakaf funds from other countries to invest in his nation. It makes me wonder how a country with a small Muslim community - accounting for 15 percent of its population - is paying a serious attention to wakaf.

On the other hand, in Muslim-majority Indonesia, wakaf is neglected as a solution to develop the economy of the poor. This country likes to seek a short cut by going into debts and pawning its land and its people. Wakaf has a huge potential and can provide strong support as an instrument to strengthen the Indonesian economy. It is ironical that Mr Goh is the one who is attracted to wakaf and wants to manage it seriously.

Singapore, a tiny country, has economic strength which far surpasses Indonesia's. Do not regret if, in a few years, wakaf will increase the economic strength of the country nicknamed by some as the Israel of Asia. And we should be prepared one day to be a good spectator who will send a delegation to make a comparative study of how wakaf is being managed in Lee Kuan Yew's village.

For example, as part of the Singapore Government's support for wakaf, it gives the Islamic Religious Council of Singapore (MUIS) the freedom to manage wakaf, with no interference. The outcome is, MUIS is able to get impressive results. MUIS has set up Wakaf Real Estate Singapore (WAREES), which is a contractor and also management and business consultant, to maximize returns from wakaf assets.

Difference of opinions

At the ICW 2007, 155 delegates from 17 countries, namely America, Australia, Turkey, Egypt, Japan, the Philippines, Saudi Arabia, Trinidad, Iran, Kuwait, Indonesia, Malaysia, Brunei, Palestine, South Africa,

Bosnia and Sudan, attended. The aim of the conference was to create synergy among the wakaf boards of these countries in wakaf management. However, during the conference, there were two different opinions on the management and use of wakaf. This arose after Professor Dr Munzhir Kahf, a wakaf expert and consultant from America, stated his two views on wakaf.

His first view is that the wakaf board should be independent and not regulated by government. His second view is that the wakaf fund should be used only for social activities and to provide micro-finance to the poor and it cannot be used purely for business. That is, it can give working capital to the poor so they can improve their economic status.

Munzhir Kahf criticised several countries which put the wakaf board under the charge of government. According to him, the wakaf fund is for philanthropic purposes unlike zakat (tithes) whose collection is compulsory under the Islamic law. Since it is compulsory for Muslims to pay the zakat, the system can be operated by government but as wakaf is voluntary, it cannot be regulated by the government. The government's function is only to regulate. As wakaf is voluntary in nature, its operation is undertaken by the community either by individuals or a board of trustees.

Munzhir Kahf's argument received support as well as objection. Several countries such as Egypt, Singapore and other Arab countries are of the view that it should not present a problem for the wakaf to be managed by the state. The condition is that the government must be trustworthy and it manages the wakaf fund with a good intention like what is being done by the governments of Singapore, Malaysia and Egypt.

Similarly, Turkey, Iran and the Arab countries concentrate more on developing the wakaf properties for business purposes such as building factories and hotels on wakaf land. In Bosnia and South Africa, wakaf properties are developed with money raised from sukuk (bonds) which complies with the syariah law. In these countries, the management of wakaf properties and assets are directly under the government. The wakaf fund is not necessarily meant for social purposes or micro finance. Wakaf properties and assets can be used for investment purposes on the condition that the business activities are not against the syariah law. But the returns from the investments should be distributed to the rightful beneficiaries.

However, this principle can work only if the number of poor people in the country is small. What about Indonesia which has a large number of poor people? Wakaf Fund of Indonesia's director Herman

Budianto, who also attended the conference, said that in the case of Indonesia, wakaf can be operated along the Singapore line, that is, it is run by the private sector and regulated by the government.

Do not beg

A powerful view was expressed by Dr Yahia Abdul Rahman, the Chairman and Syariah Resident Advisor of the American Finance House USA. He stressed the importance of professionalism in managing wakaf funds and the need for Muslims to change their mindset towards wakaf.

“It is time for the Muslims to prove that they are professional and modern in the way they do things. They should be able not only to get rid of their backwardness but also have the ability to lead the world,” he remarked. He added that to achieve all this, Muslims should become rich and get rid of the crutch mentality. They should stop begging, as an individual, organisation or nation.

Dr Yahia also told members of the Muslim fund management boards, including wakaf boards, not to act like beggars who depend on the compassion of the rich to donate their wealth. They should regard themselves as friends or partners of the rich who can run wakaf funds efficiently for the benefit of the Muslims.

An important note from the International Wakaf Conference which was held in Singapore this time is that Singapore is serious in making wakaf as an instrument of its economic strength. What about us?
