10646 - The difference between Waqf and Endowment/trust fund

the question

I would like to know what is waqf and the differences between islamic waqf and endowment or trust fund used in the west. to what extent can waqf benefit the non-muslims. for example can we give scholarships using waqf fund on them? do you think waqf can be part of economic system or alternative to help muslim countries for their economic growth? in your expert opinion, what are the potential problems or hurdles that should be considered in developing waqf?

Detailed answer

Praise be to Allah.

Waqf means freezing the capital or property, and not disposing of it by selling, giving or inheriting, or in any other way, so that any income or earnings are to be disposed of in the manner dictated by the person who initiated the waqf, for charitable purposes and the like.

A gift or bequest means giving up possession of some wealth to someone who will benefit from it and who has full power of disposal over it.

In the case of waqf, the best is to use it for charitable purposes. If it is used for the purpose of calling non-Muslims to Islam, if there is the hope that they will enter Islam and it is most likely that they will do so, there is nothing wrong with that, because if the obligatory zakaah money may be used to soften people’s hearts towards Islam, then it is more apt that the money derived from waqf should be used for this purpose. But it is better to use it in charitable projects, because the benefit from them is certain rather than merely hoped for.

Waqf may be used to energize the Islamic economic system, so that waqf funds may be disposed of in ways that are permitted by sharee’ah in order to promote the growth of the Islamic economic system.

Any problems that may be expected with regard to waqf come from the heirs and relatives, and the way in which the profits should be distributed among the needy.