

**UNIVERSITI TEKNOLOGI MARA**

**WAQF MANAGEMENT AND ITS  
POTENTIAL ROLE IN DEVELOPING  
MICRO AND SMALL ENTERPRISES  
IN YEMEN**

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## ABSTRACT

*Waqf* is an important component of the Islamic economic instruments which has contributed to the economic and social development and has helped to eradicate poverty due to scarcity of income and employment. Although *Waqf* in Yemen had been implemented since the era of Prophet Mohammed (PBUH), it has yet to give impact in contributing to socio-economic development in this present day. *Waqf* in Yemen, like the rest of the *Waqf* in the Islamic world, has contributed a significant role in the religious, cultural and social life as well as economic development through the ages. Thus, this thesis aims to shed light on the *Waqf* management practices in Yemen, the factors affecting *Waqf* funds and its potential role in developing Micro and Small Enterprises in Yemen. This research used a qualitative and grounded theory approach utilizing thematic analysis. In-depth interviews were conducted with the managers and supervisors of *Waqf* in Yemen, observations of other countries and codes were used to analyse data. *Waqf* in Yemen faced problems just like the minor glitches of *Waqf* in the rest of the Islamic world, but there are serious attempts to restore its historic role by the authorities responsible for *Waqf* in Yemen. Based on the findings, at present, the practices were contrary to designated purposes of *Waqf* due to lack of qualified cadre, lack of motivation, prevalence of corruption, incompetent officials, lack of tangible roles, deteriorating economic and political situation in Yemen and misuse of funds. Therefore, this study came out with some recommendations to improve *Waqf* management in Yemen as well as identifying the significant impact of *Waqf* implementation in socio-economic development towards Micro and Small Enterprises (MSEs), unemployment, and improving welfare in Yemen.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Overview

*Waqf* is an Islamic economic tool used to increase and improve the socio-political condition of the *Ummah*. The concept of *Waqf* is as old as humanity. Some ancient nations practiced many kinds of financial transactions which coincided in some of their goals and meanings with the objectives of the Islamic *Waqf* while diverging significantly in other areas like religious ideology and humane civilisation. *Waqf* has emerged as an Islamic economic tool with the potential of increasing and improving the socio-political wellbeing of the *Ummah* (Nurrachmi, 2012).

*Waqf* concept had been practised before Islam and in other non-Muslim nations as well. Al Faran (2006) stated that some of the ancient nations and non-Muslim nations practised various kinds of charity activities. In some of their aims and meanings, they met with the Islamic *Waqf* and differed in other important areas such as religious ideology and beliefs as the non-Islamic *Waqf* does not have the intention (*Nayeh*) for Allah sake. He added that perhaps the most prominent and clearest evidence of the knowledge of the pre-Islamic nations about *Waqf* was *Kaaba* in Mecca which was built by Prophet Ibrahim-father of the prophets - peace be upon him, as the first religious *Waqf* and still exists till today. *Kaaba* has been known for people as a reward and safe place for them. The Muslims look after the *Kaaba* and bestow several *Waqf* for the benefit of *Kaaba*.

*Waqf* has existed since the time of *Rasulullah* (PBUH), when *Saidina* Umar r.a gained a land in *Khaibar*. *Saidina* met the Prophet Muhammad (PBUH) to know what he should do with the obtained land. *Rasullullah* (PBUH) said, *Saidina* Umar could donate the proceeds and not sell or give it to others (Safiah Mohamed et. al, 2006). Umar declared that the property must not be sold or inherited or given away as a gift. The *Waqf* was devoted to the poor, to nearest of kin, to the emancipation of slaves, and in the way of Allah (Jihad), and guests (Sahih Muslim, Hadith no. 4006).

Kahf (2003) underscored the history of *Waqf* system in Islam since the time of Prophet Mohammed (PBUH) which was considered as one of the best continued acts