

FINANCING AND DEVELOPING THE AGRICULTURAL SECTOR THROUGH CASH WAQF: AN ANALYSIS OF CASH WAQF USING THE MUDARABAH APPROACH

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ABSTRACT

This research examines the viability of using cash waqf to develop the agricultural (poultry) sector based on a mudarabah approach. Collecting data for this research consisted of distributing questionnaires to 125 respondents in the International Islamic University Malaysia IIUM. Demographic and descriptive analyses (using Crosstabs) were used to analyse the collected data. The study found that the majority of respondents were aware of the meaning and use of cash waqf. According to the results, the majority of respondents support the incorporation of cash waqf into a mudarabah contract in order to provide employment opportunities for the needy. Furthermore, they support the use of cash waqf in the development of waqf land.

Keywords: Cash waqf, mudarabah contract, poultry, agriculture and awareness

Introduction

Waqf can be referred to as the dedication of privately owned property (movable or immovable) and/or its benefit and usufruct in perpetuity for the well-being of the society. Immovable waqf such as land and buildings were popular in Islam as a means of benefiting the Ummah. However, movable waqf such as cash waqf is growing in popularity as a result of the dire need in Islam to reduce the gap between the rich and poor. Apart from that, waqf can be public, family or a combination of both. Public waqf is to dedicate certain property to the public welfare, family waqf is the dedication of that property for the family welfare while public and family waqf is dedicating the property for the benefit of both family and public.²

Movable waqf such as cash waqf is becoming popular as a result of the dire need in Islam to reduce the gap between the rich and poor. Supporting evidences for the achievement of cash waqf can be found in different literatures. However, looking at the present situation of Muslim societies, the incorporation of cash waqf into various Islamic mechanisms such as Mudarabah and Musharaka and using it to develop different sectors like agriculture and transportation should be highly encouraged. For this

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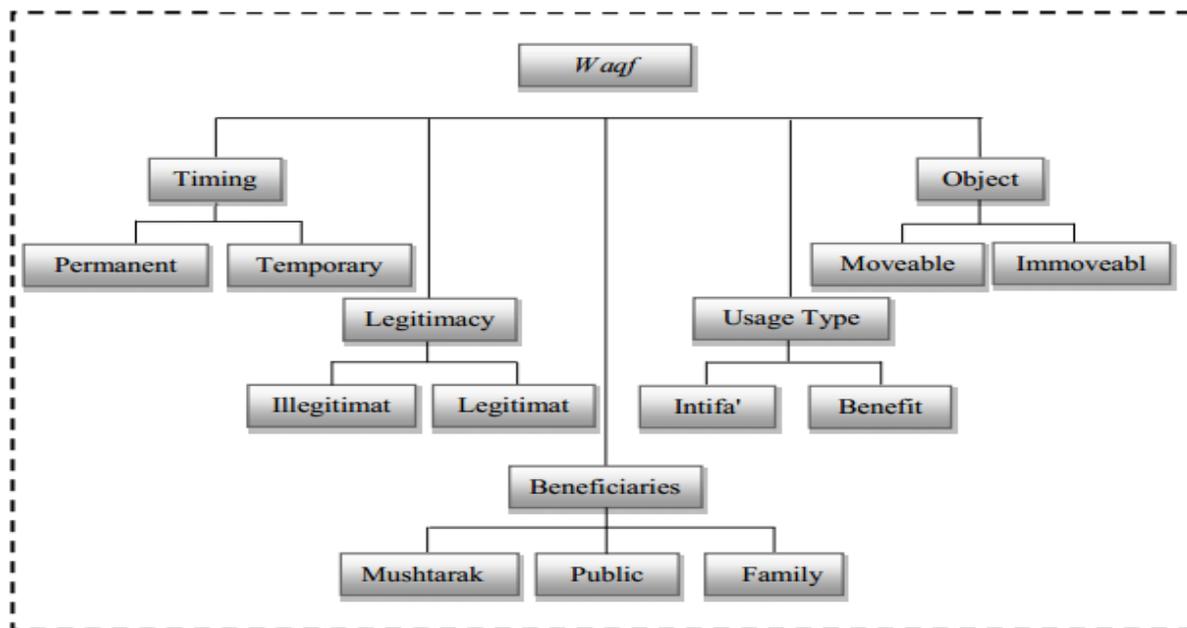
² INCEIF Presentation slides, Available: <http://www.slideshare.net/emailtoshahed/lecture-08-final-updated>, Accessed on 26 February, 2014.

reason, the use of cash waqf to set-up organizations for which there is a social need should be encouraged based on a Mudarabah basis.

This potential endeavour requires proper research to ascertain its viability and ability to achieve its targeted purposes. To this end, this research empirically investigates the use of cash waqf for the development of the agricultural sector (specifically poultry) through a Mudarabah approach. It is hoped that this study will contribute towards greater awareness of the benefits of cash waqf in reducing the gap between the rich and poor. In addition, it is anticipated that this study will provide an alternative mechanism through which governments can reduce poverty. This study focuses on the State of Selangor with a total number of 125 (Malaysian and non-Malaysian) respondents, particularly from the International Islamic University Malaysia (IIUM).

Cash waqf is a movable waqf in which people contribute money via assets or to exchange the idle waqf property for cash (Istibdal) in order to invest in social well-being. The following diagram (Figure 1.1) offers a detailed illustration of waqf (Khademolhoseini, 2008). Figure 1.1 shows the various classifications of waqf, which consists of timing, legitimacy, beneficiary, usage type and object. As part of these classifications, waqf was classified according to the object and the object was further classified into movable and immovable properties.

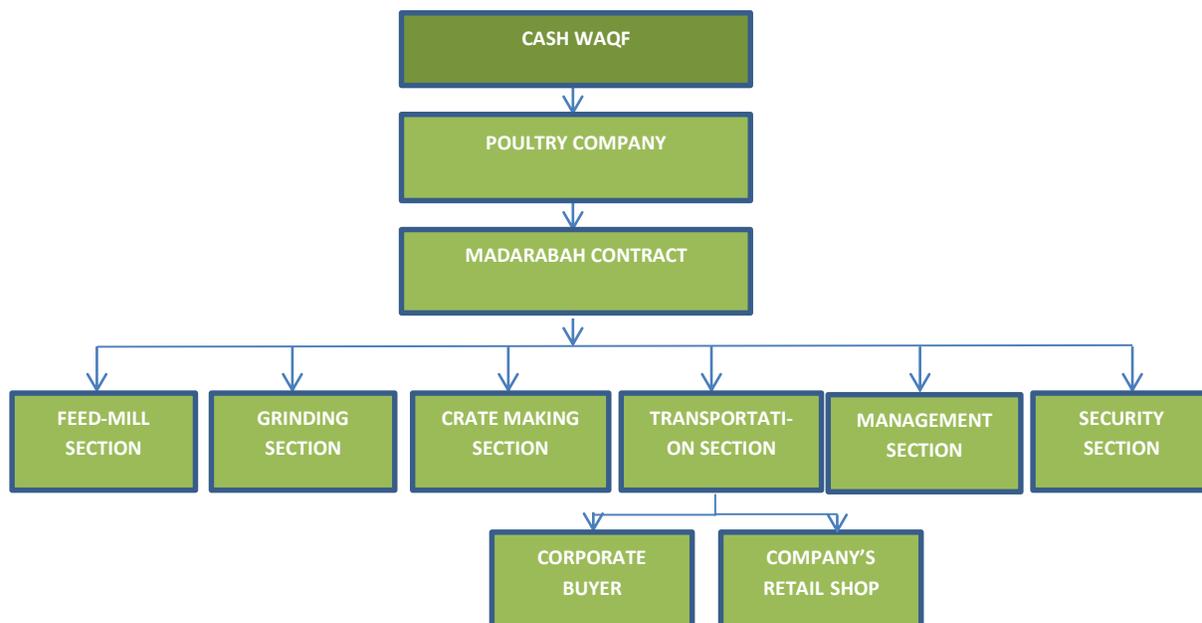
Figure 1.1: Classifications of Waqf



Source: Majid Khademolhoseini (2012)

Presently, there is an increase in the use of cash waqf, as it can be incorporated into various Islamic finance mechanisms such as Mudarabah, Musharakah, Wakalah, Ijarah, etc. This incorporation can be used to provide different employment opportunities, especially to the needy. By using these various Islamic finance mechanisms, cash waqf can be used to set up organizations like a poultry business in which the needy and others in the society can be employed in various sectors of poultry farming. Figure 1.2 illustrates the details of this model.

Figure: 1.2: Illustration of the Model



Source: Authors (For Research Purpose)

The model shows that cash waqf can be used to establish Poultry Company through funds provided by the Baitul-Mal for example. Under this model, employment will be provided based on a Mudarabah contract in various sections including feed-mill, grinding, crate making, transportation, management and security. The proper utilization of this model will not only provide employment opportunities to the needy, it will also improve the general well-being of all the public.

The importance of cash waqf cannot be over emphasized due to its numerous contributions, socially and economically. It is a trust fund established in order to provide services to people for the sake of Allah. The use of cash waqf can be traced to the Ottoman Empire at the beginning of 15th century, which became extremely popular at the end of 16th century (Cizakca, 2004). Waqf, especially cash waqf, has proven to be an important mechanism for social well-being in Muslim societies (Ibrahim, Amir, & Masron, 2013).

Legality of Cash Waqf in Islamic Finance

The legality for approval of cash waqf can be found in the Qur'an and Sunnah. All Muslim schools of jurisprudence (Hanafi, Maliki, Shafi'i and Hanbali) agree on the use of both immovable and movable assets for waqf.³ The evidence for the use of cash waqf in Islam can be traced to many verses in Qur'an as well as Hadith. Some of them are quoted below:

“Ye will not attain unto piety until ye spend of that which ye love. And whatsoever ye spend, Allah is Aware thereof” (Q. 3:92). It was also narrated from Abu Hurairah that the Messenger of Allah (S.A.W.) said: “When a man dies all his good deeds come to an end except three: Ongoing charity (Sadaqah Jariyah), beneficial knowledge and a righteous son who prays for him”.⁴

From the above evidences, it can be seen that using cash waqf in Islam is an important part of Islam, as recommended by Allah and His messenger. As a result, cash waqf can be used together with other Islamic financial mechanisms such as the Mudarabah contract in order to provide employment opportunities.

³INCEIF Presentation slides, Available: <http://www.slideshare.net/emailtoshahed/lecture-08-final-updated>, Accessed on 26 February, 2014.

⁴ Sunan an-Nasa'i (the book of wills), Available: <http://sunnah.com/search/When-a-man-dies-all>, accessed on 29 April, 2014.

Literature Review

Cash waqf has become increasingly well-known in many Muslim societies particularly due to its flexibility, contributions and distribution of the waqf usufruct to the poor. Waqf is a means of investing in, or dedicating some public usufruct in perpetuity to prescribed purposes (Khademolhoseini, 2008). Cash waqf carries several advantages to financial institutions, investors, and society. Historically, waqf has focused on developing land and constructing buildings. However, since not everyone has assets to dedicate as waqf, cash waqf has become a useful alternative for those wishing to donate to waqf.

To begin with, evidence shows that there is much potential in agricultural waqf (Cizacka, 1998). In an economy where agricultural and cash waqf are well managed, there will be a significant reduction in government expenditure and all the associated benefits including rationalizing the public sector and a reduction or elimination of negative elements. In the Ottoman Empire, health, education and welfare were entirely financed by gifts and endowments which played a significant role in maintaining the social fabric of the Ottoman Empire (Çizakça, 2000). In addition, to combat illiteracy, sickness and lack of technical know-how, non-governmental organisations can assist in providing public goods and services on a large scale (Islahi, 1992). To illustrate, in Bangladesh, some well-to-do persons pooled their wealth to jointly create a cash waqf to finance private universities in the wake of the enactment of the Private University Act, 1992 (Sadeq, 2002).

In contrast, there are many cash waqf funds throughout the Muslim world that have proven ineffective due to poor management (Siswanto, & Dewi, 2007). Perhaps this is due to their limited understanding of waqf to mean that it is limited to fixed assets. For the most part, such funds are channelled to building mosques and graveyards. Such persons appear to be unaware of diversifying their contribution in the form of cash waqf which has a much broader connotation than zakat or sadaqah. Likewise, if there was greater accountability for administrative costs within an organization, individuals would be more inclined to donate to non-profit organizations because many waqf assets are not managed efficiently (Beatty, 2007; Frumkin, & Kim, 2001). As such, cash waqf is set to increase efficiency in the use and management of waqf.

The waqf institution reached its peak during the Ottoman Sultanate in terms of numbers, assets and the services it was rendering to the citizens, which ranged from municipal services to education, health, culture and religion. During this period, cash and agriculture waqf also played a role in financing and granting of loans to those in need (Çizakça, 2000). During this era, more than 35000 awqaf (pl. waqf) (cash and real estate) was generated, 17% of tax revenue was collected in Western Anatolia while in other provinces, taxes from real estate awqaf were 5% to 16% of total tax revenue (Barkan, & Ayverdi, 1970). This achievement led to the creation of movable cash waqf and agriculture in many Muslim countries including Malaysia, Singapore, Indonesia, Turkey, Brunei and Arab countries to name a few, which are now practising cash waqaf to boost the development of the (Ummah Mohsin, 2009).

Another waqf initiative is to develop a waqf bank as the bank for the poor (Mohammad, 2011). The validity of this rests on the validity of the waqf from which the funds for this bank are formed. The institutions of cash waqf in agriculture have the unrealized potential to establish a waqf bank but this can only be favourable if the political environment supports the waqf institution. The waqf bank will contribute significantly to the society. Furthermore, cash waqf and agriculture would help to improve the present Islamic institutional setup and their network relationship throughout the Muslims world (Chowdhury, 2011). In this view, their performance will increase in the direction of the efficient and proper management of the waqf, which will guarantee strong micro and macro mixed policies complying with the Shari'ah guidelines. However, the implementation of cash waqf in the agricultural sector will only be efficient if the society is trustworthy (Sabatini, 2009).

Henceforth, there are three determinants for transforming particularized trust into a generalized social trust which should be presented in any community in order to arouse economic activity, namely the existence of business and corporate ties, reliable and positive public institutions and perception of the community as *umanaa* (plural of *ameen* meaning trustworthy and safe). Trust is seen as, "the expectation of ethical justifiable behaviour that is morally correct and their actions are based upon ethical principles of analysis." It is also defined as a person's "expectation, assumptions, or beliefs about the likelihood that another's future actions will be beneficial, favourable, or at least not detrimental to one's interest (Robinson, 1996). Similarly, trust is characterized as the, "undertaking of a risky course of action on the confident expectation that all persons involved in the action will act competently and dutifully (Lewis, & Weigert, 1985).

Furthermore, the importance of waqf for socioeconomic development, which consists of creating and developing a third sector distinct from the profit-motivated private sector and the authority-based public sector, manifests in changing this third sector with the responsibility of performing a group of tasks whose nature makes them better (Kahf, 1998). Likewise, cash waqf and agriculture will provide a strong foundation for supporting religion, culture, and social and economic activities thus alleviating poverty in society (Alias, 2011). Another great advantage of cash waqf is in the area of tax where there will be greater incentives. Chua & Wung (2003) revealed that individual tax incentive is among the important determinants of charitable giving. Donations are found to be income-inelastic but highly price-elastic meaning that lowering the price of giving goods through tax incentives can be very effective in encouraging private donations to charity. In support of this, in Austria tax incentives have been found to represent a major determinant of donations to charity.

Another important aspect of waqf can be attached to contribution and distribution; waqf can be used to provide opportunities for facilitating mass participation, rightful utilization, and social and economic development. The waqf can also be an instrument, a tool, and means for poverty alleviation. Waqf funds can be used to micro-fund Islamic microfinance institutions. Furthermore, the Islamic endowment of waqf can be collected by a specialized bank, which will act as a Mutawalli for the waqf. The bank will offer a waqf purchaser a waqf certificate in return for his waqf investment. The value of such waqf certificate can be as low as \$1 USD.

With regards to the Cash Waqf Certificate, it was introduced by the Social Investment Bank Ltd. (SIBL), as a new product in the history of banking in the voluntary banking sector. Cash waqf can be seen as a social assignment replacing income tax in many Muslim countries. A great part of direct tax can be converted to social assignments and Cash-Waqf Certificates can partially substitute a substantial part of the income tax for financing strategic social projects in education, health, and social welfare activities proposed to be undertaken by the rich. For this to succeed, there needs to be political will together with a new beginning can be made for a participatory economy and a caring society (Mannan, 2008). Mannan also argues that cash waqf can support an important role as an efficient resource allocation in public finance, and in an economics to alleviate poverty in Muslim community by not only adjusting income and wealth, but adjusting the price of goods and services with which waqf is associated. Hence, the implications of the waqf revenue spending pertain to Good Deeds Effects, Free Rider Effects, and Income Distribution Effects.

From the above discussion, it can be ascertained that there was no previous study that investigated the incorporation of Islamic bank contracts such as mudarabah into cash waqf to develop the agricultural product. As such, this study aims to fill this gap by seeking the opinion of the respondents on how cash waqf can be used to develop agricultural sector if incorporated into muduarabah contract. Combining cash waqf and mudarabah contract to develop agricultural sector has a number of important implications on the economy. Firstly, this can be used to reduce the poverty rate of any country where it is applied and to reduce the gap between that have and have-not. Secondly, it will also facilitate the efficient management of waqf property by dedicating some of the waqf land for the agricultural sector development. Lastly, it will promote agricultural sector and an efficient manner.

Research Methodology

Following the various literatures reviewed in the previous section, this section discusses the methodology adopted for this study. Specifically, this section covers research design, research population, sampling frame, procedure and research instrument, and data analysis procedures. The researchers adopted a quantitative research design for this study through the use of cross-sectional data (survey). In addition, primary and secondary methods of data collection were adopted in order to achieve a credible study. Researchers used primary data to suit the nature and purposes of this research and to elicit the respondents' opinions towards the use of cash waqf to develop the agriculture (poultry) sector based on the Mudarabah approach. On the other hand, secondary data was used to retrieve relevant information from academic journals, books, websites, articles, and theses.

This study focuses on the IIUM students studying in the Gombak campus aged 18 and above. Respondents above 18 years were selected because the researchers thought that appropriate information can be solicited from them given their level of understanding. In the same direction, IIUM students were selected because given the environment of their study, researchers believed that information on cash waqf solicited from them can be considered as more accurate and valid, and conclusion drawn from these data can be said to be reliable. More importantly, some of the information solicited from the respondents were biographic information about the respondents and information about the incorporation of cash waqf into the Mudarabah contract towards providing employment to the needy.

Sampling Size, Procedures and Research Instruments

A total of 150 questionnaires were distributed to the respondents from which 125 questionnaires were usable. Only these 125 questionnaires were subjected to analysis. Convenience sampling was applied for pre-selecting the sample units. In this case, respondents were selected based on their ability and willingness to participate in the survey. Apart from that, the survey questionnaire was used as a data collection instrument. The total number of questions in the questionnaire was 23. Five questions focused on the demographic information of the respondents and these consist of gender, age, continent, madhhab (Muslim school of law) and qualification. Four questions focused on the awareness and the effectiveness of cash waqf in the respondents' countries as shown in Table 3.1. The questions regarding the proposed model were divided into two. The first part consisted of two questions focused on the appropriateness of this model, as shown in Table 3.2. The second part consisted of 11 questions focused on the incorporation of cash waqf into the Mudarabah contract to provide employment opportunities for the needy, as shown in Table 3.3.

Table 3.1: Awareness and the Effectiveness of Cash Waqf

Awareness and the effectiveness of cash waqf
Are you familiar with cash waqf?
Has is cash waqf used in your country to provide for the needy?

TABLE 3.2: Appropriateness and Encouragement of Model

Appropriateness and encouragement of this model
Is it appropriate to incorporate cash waqf and Mudarabah contract into a poultry business?
Will you promote this model to develop waqf land in your country?
How would you rate the popularity of cash waqf in your country?
How would you rate the effectiveness of cash waqf in providing for the needs of the Ummah?

TABLE 3.3: Incorporation of Cash Waqf into the Mudarabah Contract

Incorporation of cash waqf into the Mudarabah contract to provide employment opportunities
Incorporation of cash waqf into the Mudarabah contract can be used to provide for the needy.
Incorporation of cash waqf into the Mudarabah contract will improve the output of the poultry business.
Incorporation of cash waqf into the Mudarabah contract can reduce the gap between the rich and poor.
Incorporation of cash waqf into the Mudarabah contract is capable of increasing the economic standards of low income earners.
Incorporation of cash waqf into the Mudarabah contract will reduce poverty in the country.
Incorporation of cash waqf into the Mudarabah contract is a way of increasing state welfare activities.
Incorporation of cash waqf into the Mudarabah contract will promote the agricultural sector.
Incorporation of cash waqf into the Mudarabah contract will provide employment opportunities.
Incorporation of cash waqf into the Mudarabah contract is an appropriate method to improve the social sector.
The use of cash waqf is very important in today's world because of its vital role in social development.
Incorporation of cash waqf into the Mudarabah contract will increase the general well-being of the society.

Data Analysis Procedures

The data collected via the questionnaire were subjected to statistical analysis by using both inferential and descriptive statistics. The researchers used statistical package for social sciences (SPSS) version 20 in analysing the collected data. A demographic analysis of the respondents was performed along with descriptive statistics using cross-tab to ascertain how their madhhab of the respondents affected how they answered the questions.

Data Analyses and Findings

This section presents the analytical part of this study. The analyses here follow the categories discussed in the data methodology section (i.e. demographic analysis for the respondents, awareness and effectiveness of cash waqf in the respondents' countries, appropriateness and encouragement of this model, and the incorporation of the cash waqf into the Mudarabah contract to provide employment opportunities for the needy). As mentioned, both demographic analysis and descriptive analyses was employed by the researchers in order to achieve the objectives of the study.

Demographic Statistics

Table 4.1 presents the demographic statistics conducted for this study. A total of 125 respondents participated in this study. Starting with gender, the total number of males was 79 and total number of females was 46 with a distribution of 63.2% and 36.8% respectively. As for age distribution the 20-30 group (102 respondents) consisted of 81.6% of respondents and the 31-40 group (23 respondents) made of 18.4%. The respondents were categorized according to the continent from which they come, with 43 respondents from Asia with 34.4%, 71 respondents from Africa with 56.8%, 8 respondents from Europe with 6.4% and 3 respondents were from North America with 2.4%. As for madhhab, 44 respondents were Malikis with 35.2%, 39 Shafi'is with 31.2%, 37 Hanafis with 29.6% and four were Hanbalis with 3.2%. One of the respondents identified himself as being without a madhhab. In regards to qualification, 37 of the respondents were bachelor degree holders with 29.6%, 74 were master degree holders with 59.2% and 14 were PhD holders with 11.2%.

Table 4.1 Demographic Statistics

S/N	ITEMS	CATEGORIES	FREQUENCY	PERCENTAGE
1	Gender :	Male	79	63.2
		Female	46	36.8
2	Age:	20-30	102	81.6
		31-40	23	18.4
3	continents:	Asia	43	34.4
		Africa	71	56.8
		Europe	8	6.4
		North America	3	2.4
4	Madhhab:	Maliki	44	35.2
		Shafii	39	31.2
		Hanafi	37	29.6
		Hambali	4	3.2
		Others	1	.8
	Qualification:	Bachelor Degree	37	29.6
		Master Degree	74	59.2
		PhD	14	11.2

Awareness and Effectiveness of Cash Waqf

As earlier mentioned, four questions were asked in order to elicit information on the awareness and effectiveness of cash waqf. The results of the analyses on this objective are presented from Figure 4.1 to Figure 4.4, which is segmented according to the continent from which the respondents come from. Starting with the question pertaining to the familiarity of the respondents with cash waqf, as presented in Figure 4.1, 58 (46.3%) respondents from Africa are aware of cash waqf, while 13 (10.4%) were un aware, 30 (24%) respondents from Asia were aware and 13 (10.4%) were not, 6 (4.8%) respondents from Europe were aware and 2 (1.6) were not, and all three (2.4%) respondents from North America were aware of cash waqf.

Figure 4.2: Are You Familiar With Cash Waqf?

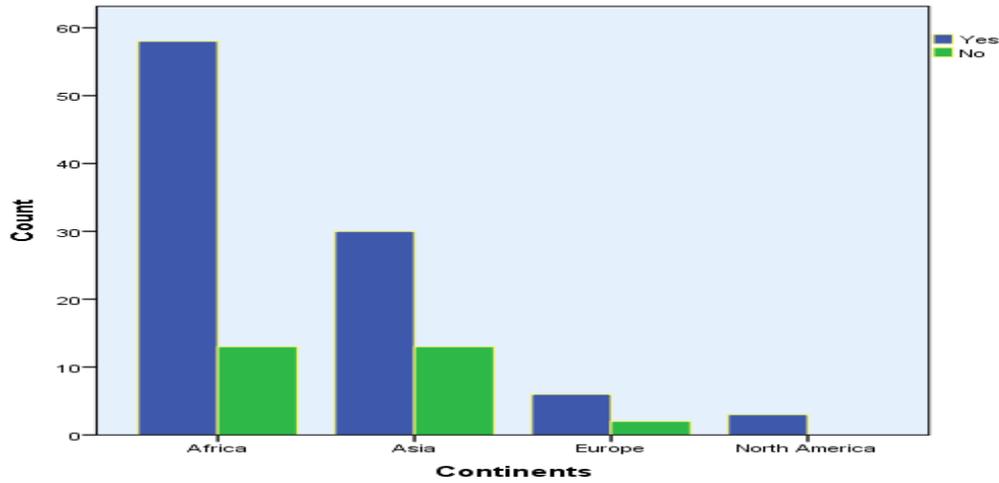


Figure 4.2 presents the analysis on whether cash waqf is used in your country to provide for the needy. As can be seen from this table, 54 respondents from Africa agreed that cash waqf is used in their countries to provide for the needy, whereas 17 (13.6%) respondents observed that cash waqf was not employed for such purposes. According to 34 (28.8%) respondents from Asia, six (4.8%) from Europe and two (1.6%) from North America, cash waqf is used in their countries to provide for the needy, while the remaining respondents disagreed.

Figure 4.3: Is Cash Waqf Used in Your Country to Provide for Needy?

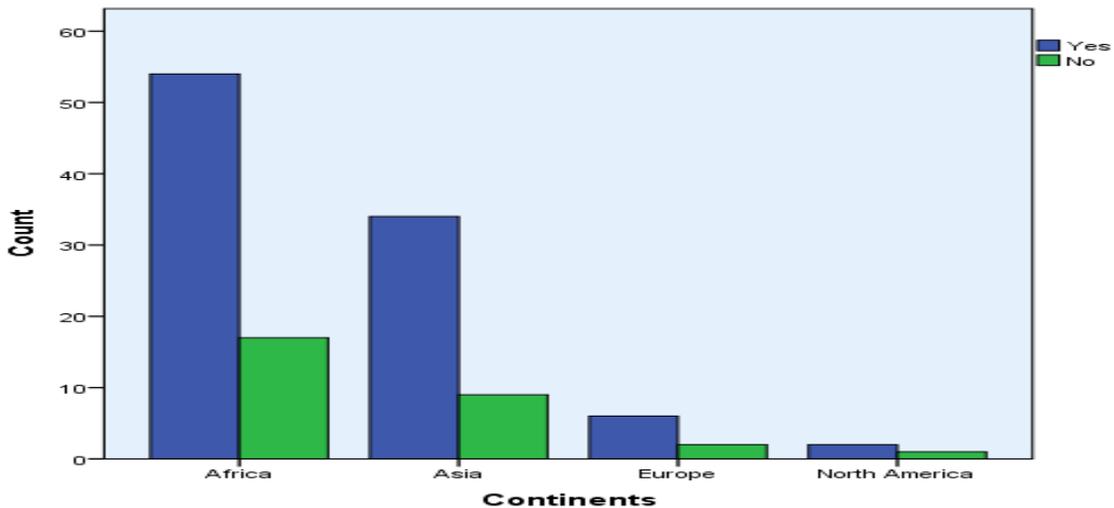


Figure 4.3 presents the second question on the awareness of cash waqf. As shown in the chart, cash waqf is not very popular in all the respondents' continents. This means that people remain largely unaware about cash waqf. Only 40 (32%) respondents from Africa, 31 (24.8%) from Asia, three (2.4%) from Europe and three (2.4%) from North America thought that cash waqf was sufficiently well-known in their various continents, with the greater statistic tending towards obscurity across the majority of continents.

Figure 4.4: How Would You Rate The Popularity of Cash Waqf in Your Country?

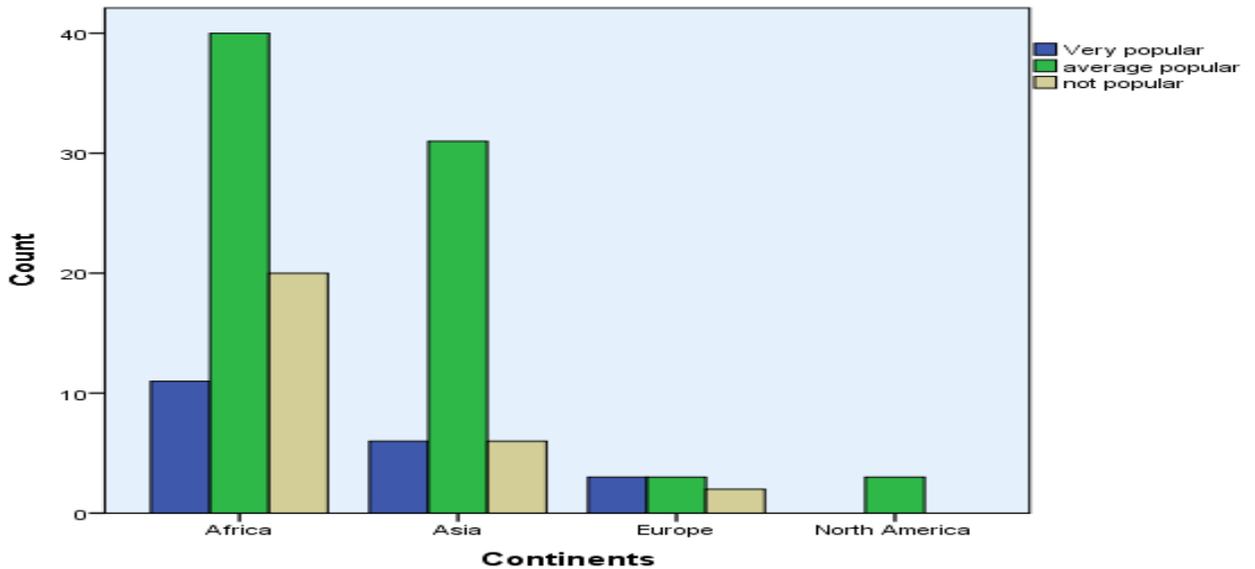
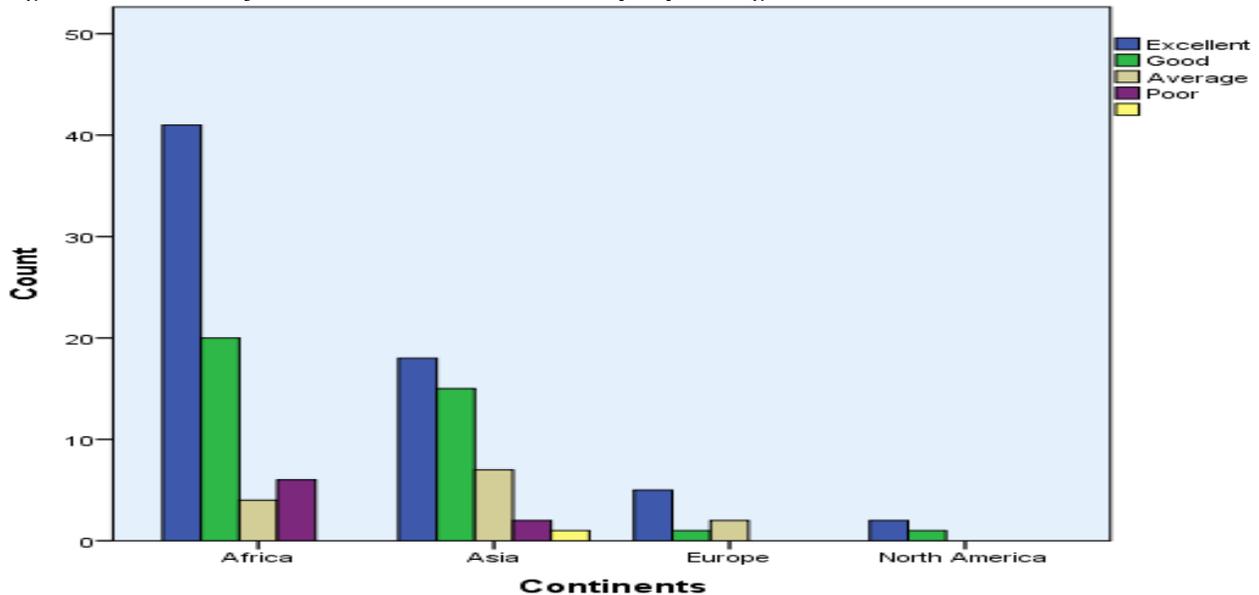


Figure 4.4 presents the result on the effectiveness of the cash waqf in providing for the needs of the Ummah as a whole. The result shows that the cash waqf is either excellent or good in most cases. The majority in Africa agreed that cash waqf is an excellent means of providing for the needs of the Ummah. Respondents from Asia, Europe and North America identified cash waqf as a powerful tool in providing for the needs of Ummah.

Figure 4.5: How would you rate the effectiveness of cash waqf in providing for the needs of the Ummah?

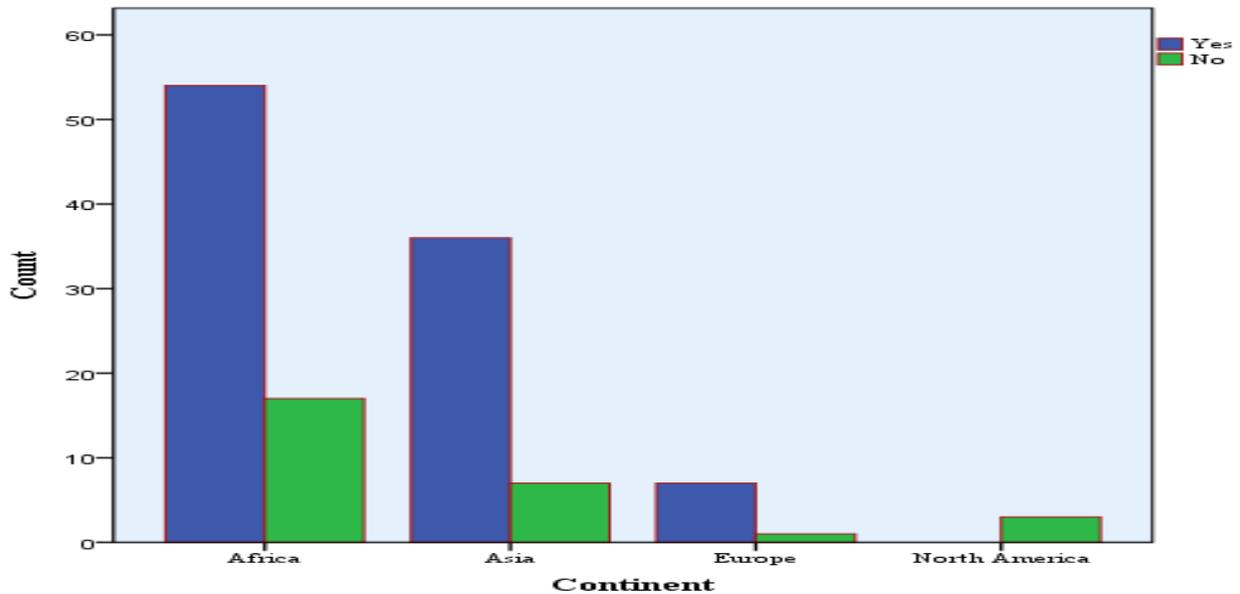


Appropriateness and Encouragement of this Model

This section presents the analysis of the first questions pertaining to the appropriateness of incorporating cash waqf into the Mudarabah contract for a poultry business, as illustrated in Figure 4.5. From this Figure, 54 (43.2%) respondents from Africa, 36 (28.8) from Asia, seven (5.6%) from Europe and the respondents from North America support the appropriateness of this model,

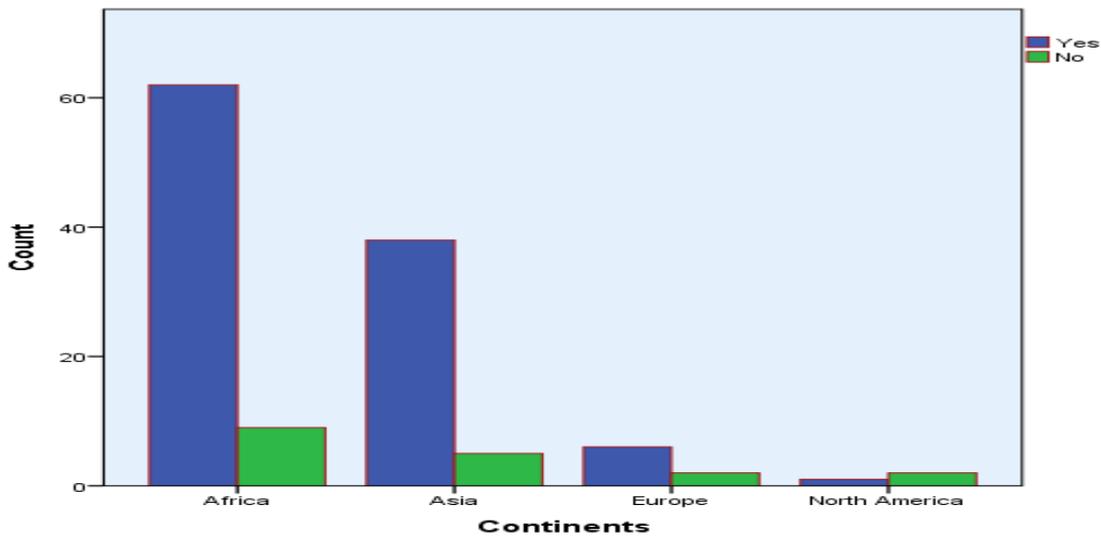
while 17 (13.6%) respondents from Africa, seven (5.6%) from Asia, one (0.8%) from Europe and none from North America did not support this model. Overall, we can conclude that this model is appropriate.

Figure 4.6: Is It Appropriate to Incorporate Cash Waqf into Mudarabah Contract for A Poultry Business?



The second question on this heading was based on the encouragement of this model to be used to develop waqf land in the respondents' countries. Figure 4.6. illustrate the analysis of the responses to this question. As illustrated, 62 (49.6) of respondents from Africa, 38 (30.4%) from Asia, six (4.8%) from Europe and only one from North America support the use of this model to develop waqf land in the respondents' countries. While, nine (7.2%) respondents from Africa, five (4%) from Asia, two (1.6%) from Europe and more than half from North America did not support the use of this model to develop waqf land in their countries. The reason for more than half of the respondents from North America may be as a result of limited use of waqf in that continent. Overall, we can conclude that this model is appropriate to provide for the needy in our various societies. It can also be used to develop waqf land in our various countries as supported and encouraged by the respondents.

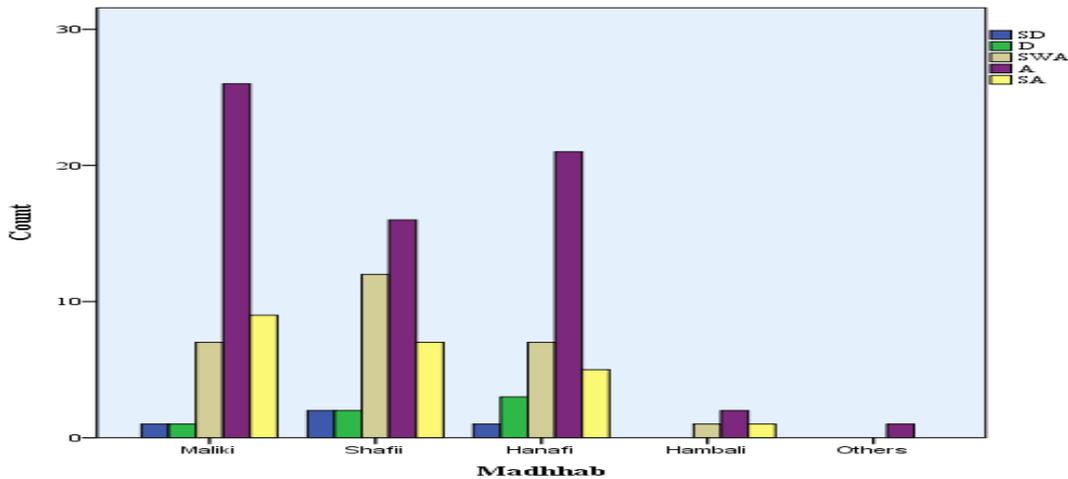
Figure 4.7: Will You Encourage this Model to Develop Waqf Land in Your Country?



Incorporation of Cash Waqf into the Mudarabah Contract

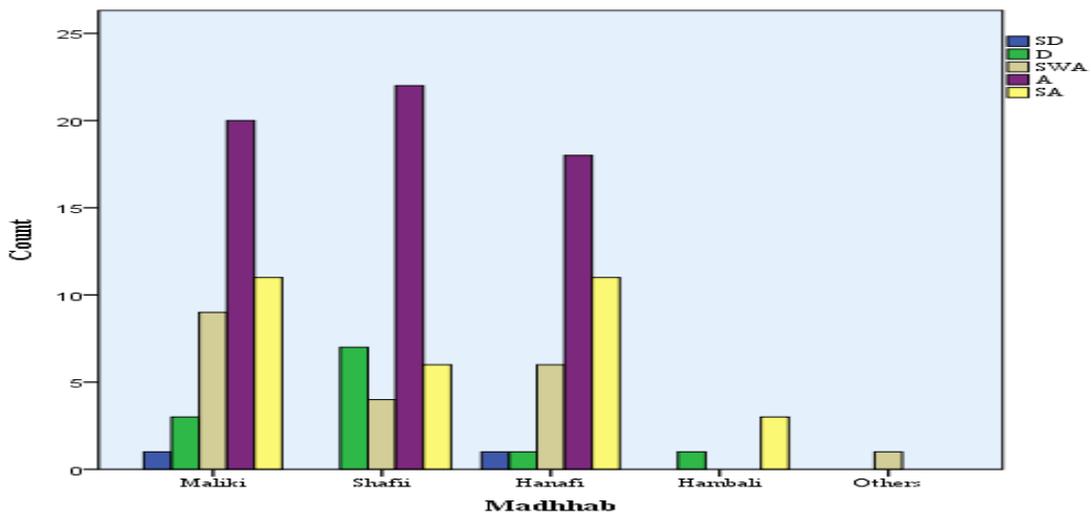
This heading presents the analyses of the second part of this model. As mentioned, 11 questions were asked in order to elicit the opinions of the respondents on the incorporation of cash waqf into the Mudarabah contract to provide employment opportunities for the needy. For clarity purposes, the analyses was presented in accordance with the opinions of several schools of thought on whether the incorporation of cash waqf into the Mudarabah contract can be used to provide for the needy. The results are depicted in the below Figure. The majority of the respondents from all the schools agreed that incorporation of cash waqf into the Mudarabah contract can be used to provide assistance for the needy. As shown, 65 (52%) of the total respondents agreed to this question, among which 26 (20.8) were Malikis, 16 (12.8%) Shafi’is, 21 (16.8%) Hanafis and two (1.6%) Hanbalis. Twenty three (18.4%) of the total respondents strongly agreed consisting of nine (7.2%) Malikis, seven (5.6%) Shafi’is, five (4%) Hanafis and one (0.8%) Hanabli. Only three strongly disagreed (2.4%) and six disagreed (4.8%). Overall, we conclude that the incorporation of cash waqf into the Mudarabah contract can be used to provide employment opportunities for the needy.

Figure 4.8: Employment Opportunities for the Needy



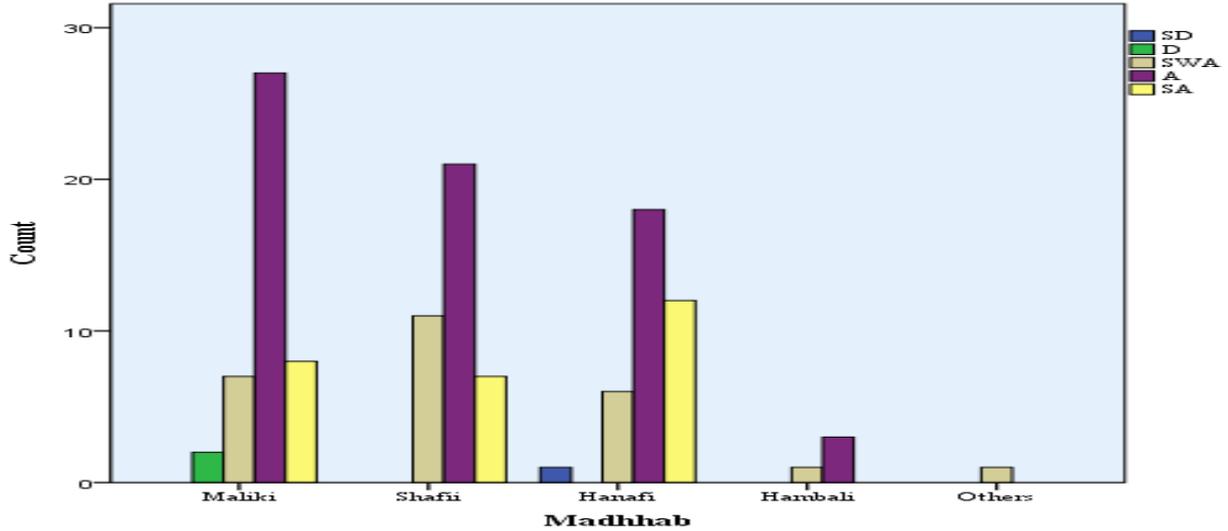
The second question under this heading as presented in the table 3.3 was analysed and the result is presented in Figure 4.8. Based on the opinions of several schools of thought, we analysed whether the incorporation of cash waqf into the Mudarabah contract will improve the outputs of the poultry business. The majority of the respondents from all the schools agreed that the incorporation of cash waqf into the Mudarabah contract will improve the outputs of the poultry business. Sixty (48%) of the total respondents agreed to this question, of which 20 (16%) were Malikis, 22 (17.6%) Shafi’is and 18 (14.4%) Hanafis. Thirty one (24.8%) of the total respondents strongly agreed with this, consisting of 11 (8.8%) Malikis, six (4.8%) Shafi’is, 11 (8.8%) Hanafis and three (2.4%) Hanbalis. Only three strongly disagreed (2.4%) with the statement.

Figure 4.9: Improvement of Outputs of the Poultry Business



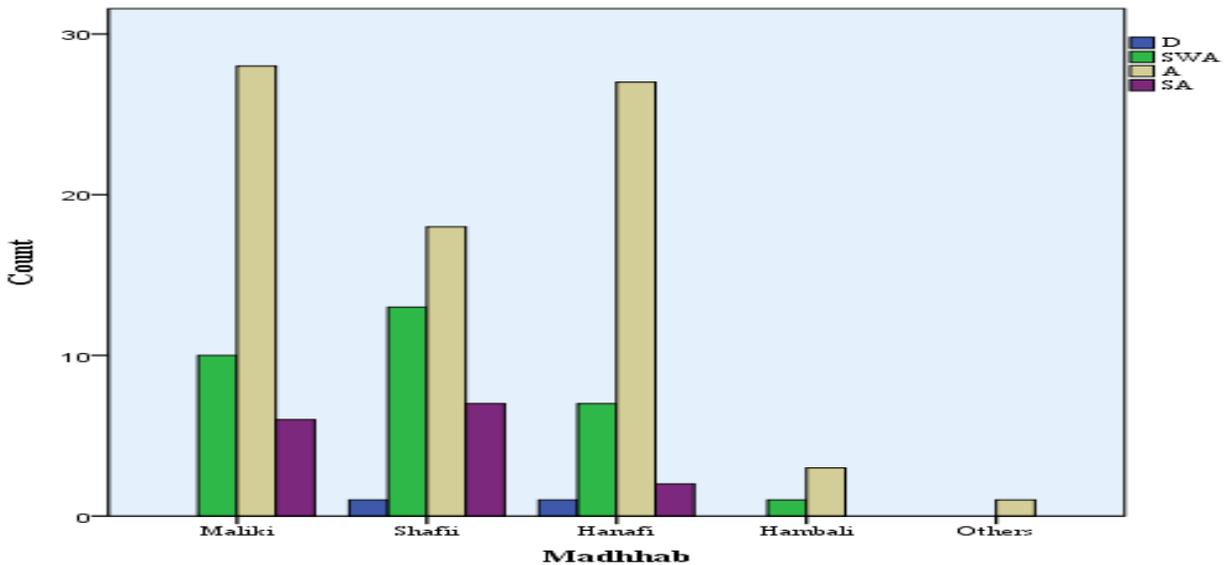
As for the incorporation of cash waqf into the Mudarabah contract can be used to reduce the gap between the rich and poor, Figure 4.9 presents the analysis of this question. The respondents from all the schools agreed that the incorporation of cash waqf into the Mudarabah contract can reduce the gap between the rich and poor. Sixty nine (55.2%) of all the respondents supported this, consisting of 27 (21.6%) Malikis, 21 (16.8%) Shafi'is and 18 (14.4%) Hanafis. More so, 27 (21.6%) of the total respondents strongly agreed, consisting of eight (6.4%) Malikis, seven (5.6%) Shafi'is and 12 (9.6%) Hanafis. Only three strongly disagrees (2.4%) with the statement.

Figure 4.10: Reduction in the Gap Between the Rich and Poor



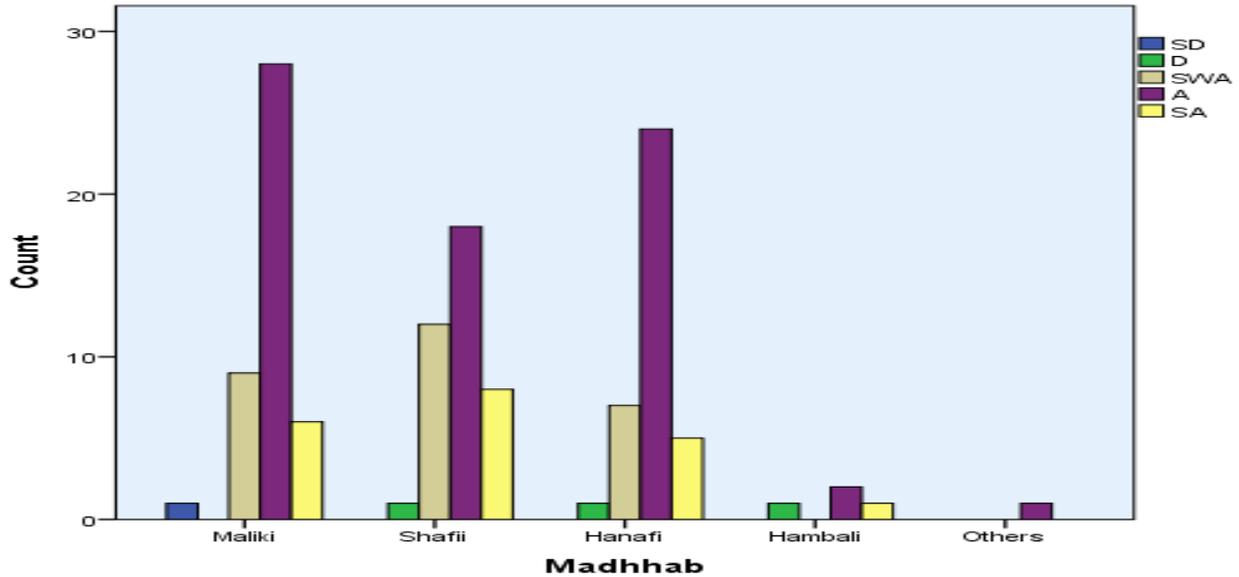
In regards to whether the incorporation of cash waqf into the Mudarabah contract is capable of increasing the economic standards of low-income earners, Figure 4.10 shows that the majority of the respondents agreed with the statement. Following this, 77 (61.6%) of the respondents agreed, among which 28 (22.4%) are Malikis, 18 (14.4%) Shafi'is, 27 (21.6%) Hanafis, and three (2.4%) Hanbalis. In addition, 15 (12%) of the total respondents strongly agreed, consisting of six (4.8%) Malikis, seven (5.6%) Shafi'is and two (1.6%) Hanafis. However, two strongly disagreed (1.6%) with this statement.

Figure 4.11: Economic Standards of Low-Income Earners



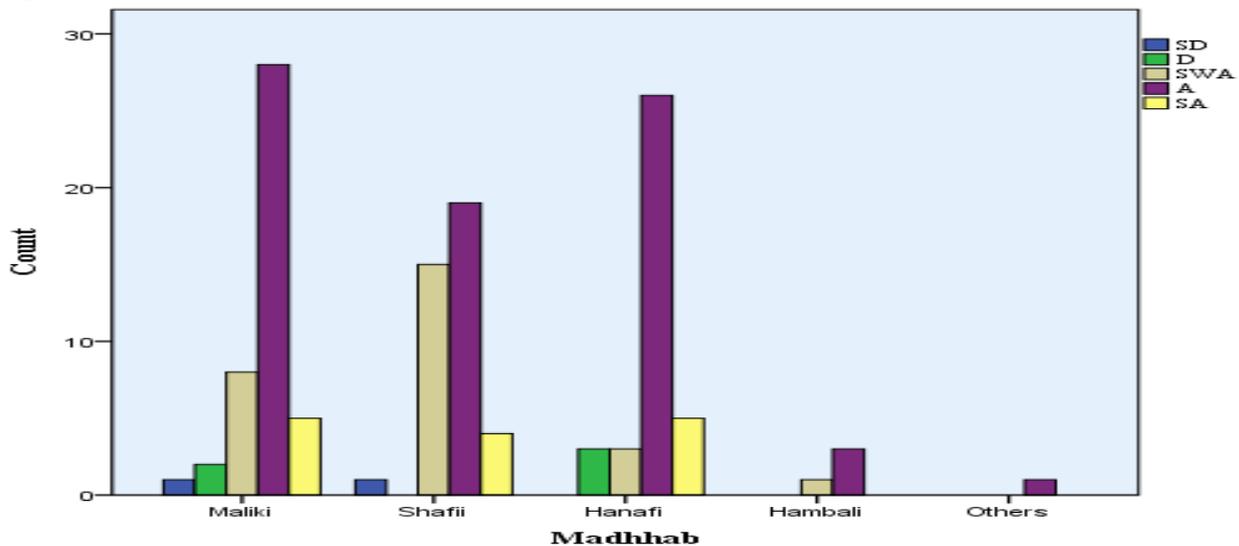
Pertaining to the statement that the incorporation of cash waqf into the Mudarabah contract Mudarabah contract will reduce poverty in the country, Figure 4.11 shows that the majority of the respondents agreed with the statement. Figure 4.11 shows that 72 (57.6%) of the total respondents agreed, consisting of 28 (22.4%) Malikis, 18 Shafi'is and 42 (33.6%) Hanafis. Twenty (16%) of the total respondents strongly agreed, consisting of six (4.8%) Malikis, eight (6.4%) Shafi'is, five (4%) Hanafis and one (0.08%) Hanbali. Only two respondents strongly disagreed (1.6%) with this statement.

Figure 4.12: Reduce Poverty in the Country



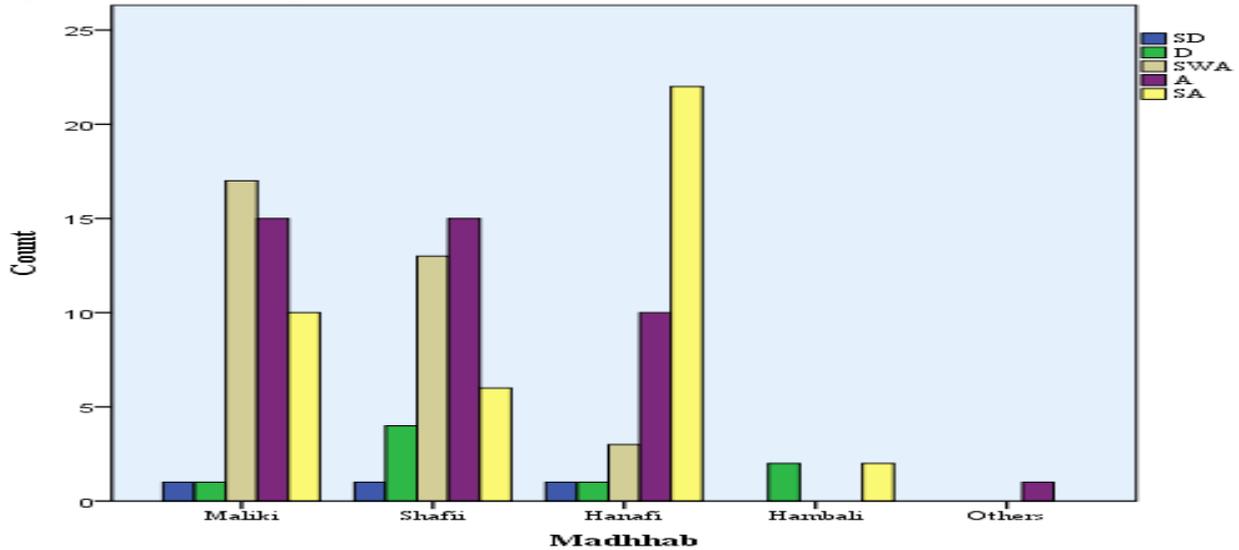
As for whether the incorporation of cash waqf into the Mudarabah contract can be a way of increasing state welfare activities, Figure 4.12 shows that the majority of the respondents from the various schools of thought agreed with the statement. Scrutinizing Figure 4.12 shows that 77 (61.6%) of the total respondents agreed, consisting of 28 (22.4%) Malikis, 19 (15.2%) Shafi'is, 26 (20.8%) Hanafis, and three (2.4%) Hanbalis. More so, 14 (11.2%) of the respondents strongly agreed, consisting of five (4%) Malikis, four (3.2%) Shafi'is and five (4%) Hanafis. Only two respondents strongly disagreed (1.60%) with the statement.

Figure 4.13: Increase State Welfare Activities



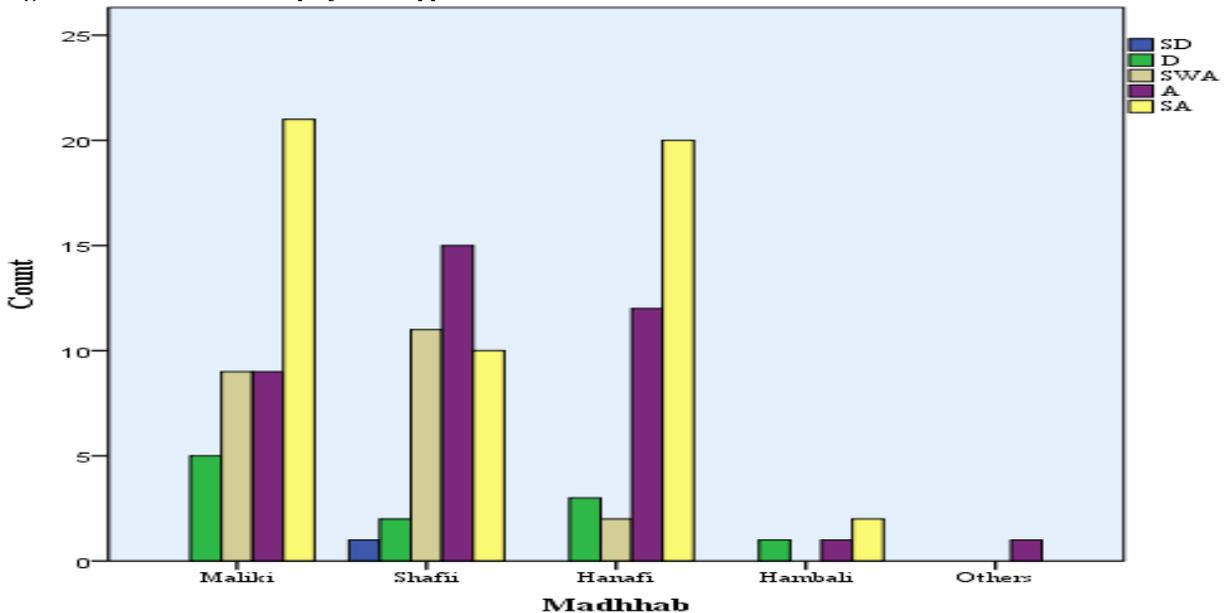
In regards to whether the incorporation of cash waqf into the Mudarabah contract will promote the agricultural sector, Figure 4.13 shows that the majority of the respondents from the various schools of thought agreed with this statement. Precisely, 40 (32%) of the respondents agreed, consisting of 15 (12%) Malikis, 15 (12%) Shafi'is and 10 (8%) Hanafis. In addition, 40 (32%) of the respondents strongly agreed, consisting of 10 (8%) Malikis, six Shafi'is, 22 (17.6%) Hanafis and two (1.6%) Hanbalis. Only two respondents strongly disagreed (1.6%) with this statement.

Figure 4.14: Promotion of Agricultural Sector



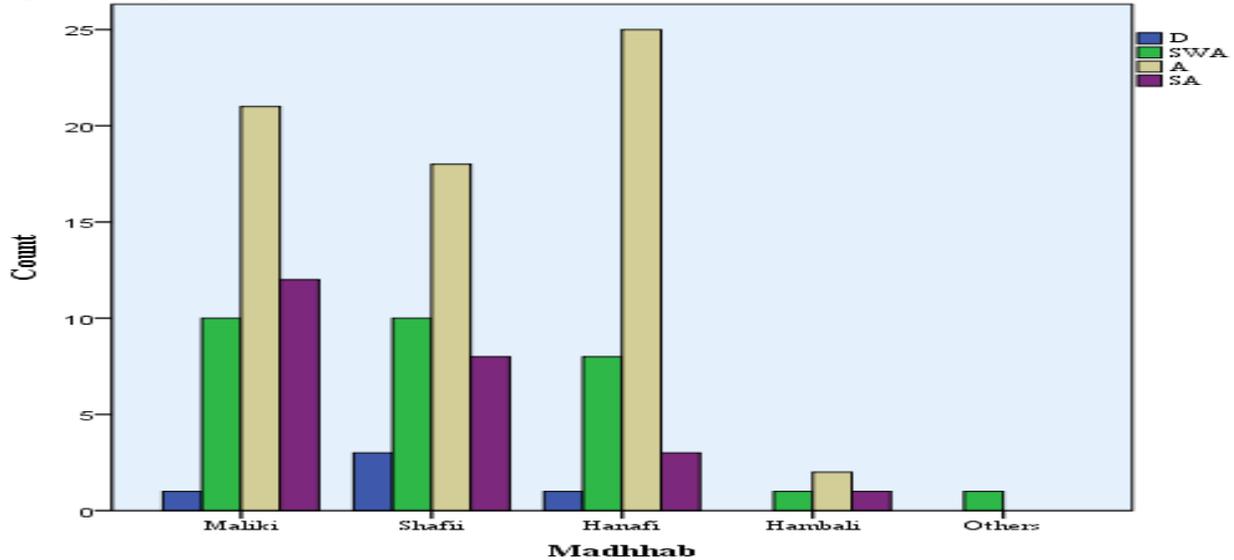
Pertaining to whether the incorporation of cash waqf into the Mudarabah contract will provide employment opportunities, Figure 4.14 illustrates that the majority of the respondents from all the schools agreed to the statement. From all respondents, 38 (30.4%) were in support with nine (7.2%) Malikis, 15 (12%) Shafi'is and 12 (9.6%) Hanafis. Fifty three (42.4%) of the respondents strongly agreed, consisting of 21 (16.8%) Malikis, 10 (8%) Shafi'is, 20 (16%) Hanafis and two (1.6%) Hanbalis. Only one respondent strongly disagreed (0.08%) with this statement.

Figure 4.15: Provision of Employment Opportunities



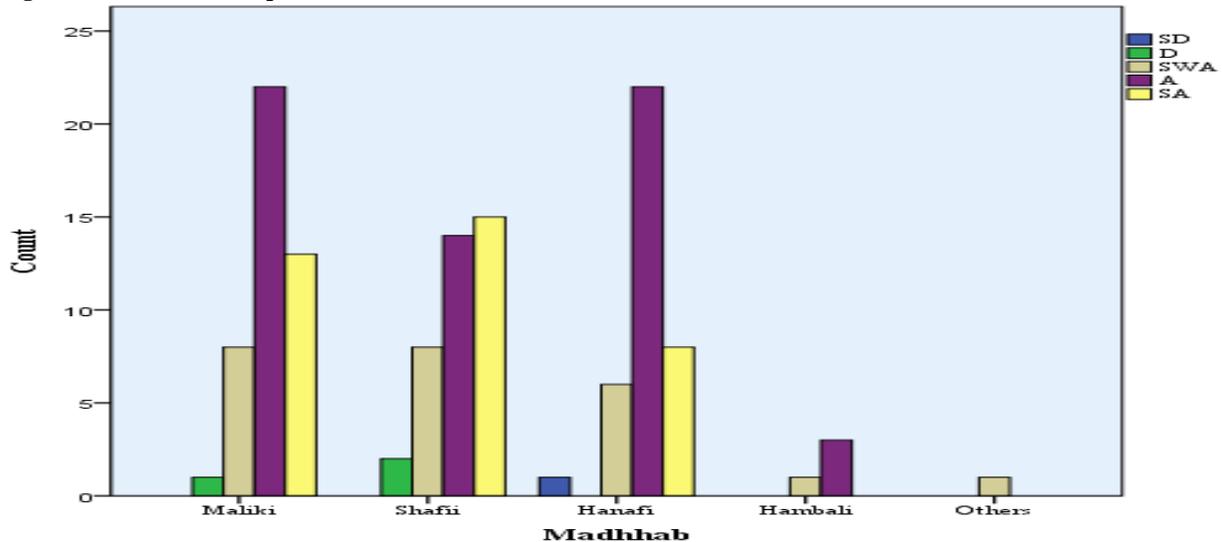
As for whether the incorporation of cash waqf into the Mudarabah contract is an appropriate method to improve the social sector of the economy, Figure 4.15 shows that the majority of the respondents from the various schools of thought agreed with this statement. As shown, 66 (52.8%) of the respondents agreed, consisting of 21 (16.8%) Malikis, 18 (14.4%) Shafi'is and 25 (20%) Hanafis. Twenty four (19.2%) of the respondents strongly agreed, consisting of 12 (9.6%) Malikis, eight (6.4%) Shafi'is, three (2.4%) Hanafis and one (0.08%) Hanbali. Only five respondents strongly disagreed (4%) with this statement.

Figure 4.16: Improve Social Sector of the Economy



Regarding whether the use of cash waqf is very important in today's world due to its vital role in social development, Figure 4.16 shows that majority of the respondents from the various schools of thought agreed with this statement. The Figure shows that 61 (48.8%) of the respondents agreed, consisting of 22 (17.6%) Malikis, 14 (11.2%) Shafi'is, 22 (17.6%) Hanafis and three (2.4%) Hanbalis. Interestingly, 36 (28.8%) of the total respondents strongly agreed, consisting of 13 (10.4%) Malikis, 15 (12%) Shafis and eight (6.4%) Hanafis. Only one of the respondents strongly disagreed (0.08%) with this statement.

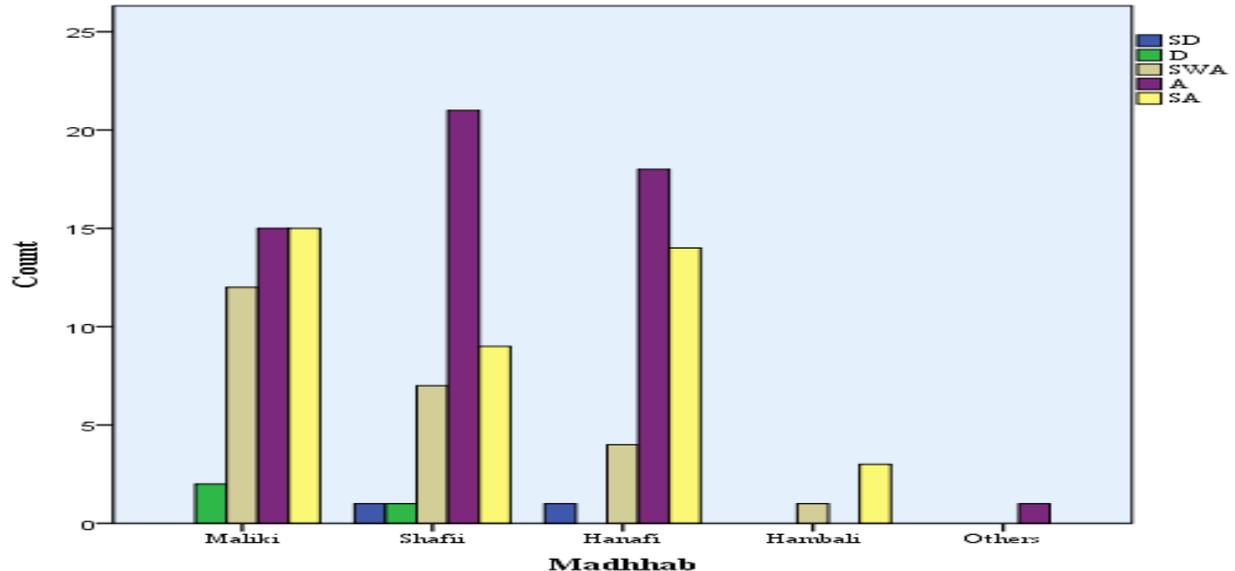
Figure 4.17: Social Development



Pertaining to whether the incorporation of cash waqf into the Mudarabah contract will increase the general well-being of the people, Figure 4.17 shows majority of the respondents from various schools of thought agreed with the statement. The Figure shows that 54 (43.2%) of the respondents agreed, consisting of 15 (12%) Malikis, 21 (16.8%) Shafi'is and 18 Hanafis. Forty one

(32.8%) of the total respondents strongly agreed, consisting of 15 (12%) Maliki, nine (7.2%) Shafi'is, 14 (11.2%) Hanafis and three (2.4%) Hanbalis. Only two of the respondents strongly disagreed (1.6%) with this statement.

Figure 4.18: Increase the General Well-Being



Conclusion and Discussion

This paper investigated the use of cash waqf to develop the agricultural (poultry) sector based on a Mudarabah approach. The research concludes that the majority of respondents are aware of the cash waqf. It is surprising to find that despite its numerous benefits, some remained unaware of cash waqf. Based on this, the researchers believe that this study will promote greater awareness and understanding of cash waqf and its contemporary significance. The results also support the proposed model as an instrument to provide for the needy. This means that the incorporation of cash waqf into the Mudarabah contract can be used to provide employment opportunities to the needy. In turn, this will reduce poverty in our various societies. More so, the results showed that the proposed model can be used to develop numerous waqf lands for agricultural sector in order to provide for the needs of the people. The implication of this study to the baitul-mal and the financially capable is that they should incorporate part of their idle cash to set up a poultry business based on a Mudarabah contract where the needy in the society can be employed. This will help them to meet their daily needs; hence, the gap between the rich and poor will be reduced.

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