

Jasmin Omerčić

**SOCIO-ECONOMIC POTENTIAL OF WAQF
IN BOSNIA AND HERZEGOVINA**

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To the person of love, mercy, compassion and commitment under whose feet lies Paradise and the person of contentment, patience, endurance and responsibility with whom should never be argued.

Two visible angels in this world:

my Mother and my Father

May this be my trial to thank you for all you did and do for me.

Forgive me for being absent.

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Arabic Transliteration Table

أ	'
ب	B
ة	T
ث	Th
ج	J
ح	ḥ
خ	Kh
د	D
ذ	dh
ر	r
ز	z
س	s
ش	Sh
ص	ṣ

ض	ḍ
ط	ṭ
ظ	ẓ
ع	'
غ	Gh
ف	F
ق	Q
ك	K
ل	L
م	M
ن	N
هـ	H
و	W
ي	Y

12 *Arabic Transliteration Table*

Short Vowels	
اَ	a
اِ	i
اُ	u

Long Vowels	
آ	ā
إِي	ī
أُو	ū

Pronunciation Note

In this work, indigenous spelling has been used for South Slav terms and names. English equivalents for letters which do not have the same sound values as in English are (SRBIH, 1983):

a as in *father*

e as in *set*

i as in *bee*

o as in *port*

u as in *school*

c as in *cats*

č as in *chalk*

ć as in *tune*

dž as in *jug*

dj as in *duke*

j as in *yet*

lj as in *pavillion*

nj as in *onion*

š as in *ship*

ž as in *measure*

Abbreviations

AH – Austria-Hungary

AMLA – Administration of Muslim Act

BBI – Bosna Bank International

BIH – Bosnia and Herzegovina

BMMB – Bank Muamalat Malaysia Berhad

FNRJ – Federalist People’s Republic of Yugoslavia

FSM-VU – Fatih Sultan Mehmet Vakif University

IBF – Islamic Banking and Finance

IC – Islamic Civilisation

ICBIH – Islamic Community of Bosnia and Herzegovina

IE – Islamic Economics

IE(BF) – Islamic Economics, and Banking and Finance

IES – Islamic Economic System

IET – Islamic Economics Thought

IEW – Islamic Economic Worldview

IIIT – International Islamic University Malaysia

IIUM – International Islamic University Malaysia

IPE – Islamic Political Economy

IW – Islamic Worldview

JAKIM – Jabatan Kemajuan Islam Malaysia

JAWHAR – Jabatan Waqf, Zakat dan Haji

KSHS – Kingdom of Serbs, Croats and Slovenes

MCYS – Ministry of Community Development, Youth and Sports

MUIS – Majlis Ugama Islam Singapura

PBUH – peace be upon him

QF – Qatar Foundation

R&D – Research and Development

SFRJ – Socialist Federative Republic of Yugoslavia

SIRC – State Islamic Religious Council

SME – Social Market Economy

SWT – Subhanahu wa ta'ala

YMO – Yugoslav Muslim Organisation

YTU – Yildiz Technical University

YWM – Yayasan Wakaf Malaysia

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Foreword

It is my great pleasure to pen a few words as a foreword for the book entitled *Socio-Economic Potential of Waqf in Bosnia and Herzegovina* that you have in your hands. Firstly, it is a well-researched and documented scholarly work, done on a topic that has almost not been discussed by scholars and policy makers. The book covers the socio-economic role of waqf in Bosnia and Herzegovina. It also provides a brief, but compact history of the region and offers inviting insights into the social, cultural and religious aspects of life of the people from the 7th century.

I followed the work that took almost a year with mixed feelings. It was a learning experience to be introduced to the pre-Islamic 'Bogumils' and other inhabitants of Bosnia and their role in developing religious based community-welfare projects, many of which were later to become important for awqaf development in Bosnia. It was inspiring to learn about the Osmanli presence in the region and how Islam was able to present a holistic and inclusive civilizational institution of waqf from the 15th century all the way to its slow decline from the beginning of the 19th century. Sad when we learn about the 'break up' of this great institution right to the post World War II period, extending all the way to the 1980s. Hopeful and optimistic when we again see the development of contemporary Islamic economics and its impact on contemporary Bosnian society, especially in efforts to regain and re-establish this magnificent institution since the 1990s.

The work then goes on to present, in rather detail, data on existing waqf properties and the efforts that have been taken over the last 20 years to re-establish and re-organise the waqf institution. Besides secondary literature, interviews with various stakeholders also make the study a very central and relevant one. Multi-dimensional challenges are identified and finally recommendations are put forward in light of Islamic economics teachings.

Another source of pleasure is the fact that the book in your hands is the work of a young, energetic, capable scholar who has shown great commitment to his work. I have had the pleasure of working with Jasmin ever since he indicated his interest to pursue his graduate studies in

economics. I am truly impressed with his diligence, seriousness and demonstration of *adab* in his pursuit of knowledge. He has a bright future.

I am confident that this book will become a leading reference for the waqf discourse in Bosnia. It provides the base from which effective organization and management of waqf can be developed and realised. There is much enthusiasm over the last decades to look towards Islamic economics for solutions to the socio-economic conditions of Muslims. The institution of waqf can and should play a major role in the socio-economic life of the people of Bosnia and Herzegovina.

Mohamed Aslam Haneef,

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About the Author

Jasmin Omercic is a PhD Candidate in Economics at Department of Economics, Kulliyah of Economics and Management Sciences (KENMS), International Islamic University Malaysia (IIUM). He holds a Masters in Economics from the same department and university. His Bachelor's Degree was in Political Science (International Relations, Public Administration and Political Thought) from Department of Political Science, IIUM. In addition to that he has done a partial minor in Islamic Studies and a minor in Economics at IIUM as well. Jasmin obtained a Diploma of Islamic Studies from Behram Bey Madrasah in Tuzla, Bosnia and Herzegovina.

Areas of focus and research that captivate his interests are: alternative economic systems, ethical and moral economics, Islamic and conventional economics, banking and finance, Western and Islamic economic thought and philosophy, waqf and waqf-like institutions (foundations, endowments, philanthropies), NGO's, economic institutions and systems, economic policy making, Islamic and Western political thought, Islamic history and contemporary studies and civilization, revivalist and renewal movements in the Islamic world, Islamic law, schools of Islamic law, objectives of Islamic law etc.

Besides academic and scholarly interests, during his stay in Malaysia, he participated in multiple co-curricular activities, conferences, as participant, committee, manager, organizer and presenter. He is a professional certified trainer from Malaysian Institute of Management (MIM) and an MIM affiliate member. Jasmin is an interdisciplinary engaging and sociable personality as the educational background reveals and multi-lingual. Besides Bosnian as his native language he speaks English, German, intermediate Arabic, basic Malay, Turkish and French.

Preface

Praise be to Allah *subhanahu wa taa'la* (SWT) and may peace and blessings be upon our Prophet Muhammed, upon his descendents and companions and all those who follow their path.

This Book is the result of my master requirement registered as 'Research Paper' that has been in the 'real making' from June 2015 till January 2016. It has been in the 'making' since January 2014 when I enrolled in the Master of Economics at the Department of Economics and Management Sciences (KENMS), International Islamic University Malaysia (IIUM). But it has been in blurred 'thinking' since 2010 when I commenced Bachelors in Political Science, specialization in International Relations, Public Administration and Political Thought with Minor in Economics and partial Minor in Islamic Studies.

The idea of writing on waqf came after much reading on Islamic Economics (IE), banking and finance, and existing issues within. Waqf as a tool for distribution and redistribution in IE exists in every Muslim community the world over. Islam teaches us to live with love and compassion in communion, as one body. Historically, it is waqf that also helped to integrate Muslims and non-Muslims to live together in harmony. Literature on waqf is abundant today and reveals the potential of integration all the time. Contemporarily, developed countries run waqf-like institutions, traceable to waqfs, which contribute to harmonious relationships among non-Muslims and Muslims. Only the torch-holder changed but the whole system is still based on models of waqf. Hence, my determination to present the story of 'SOCIO-ECONOMIC POTENTIAL OF WAQF IN BOSNIA AND HERZEGOVINA'.

I wrote this book with aim to analyze the socio-economic role of the waqf institution in Bosnia throughout the centuries through to contemporary times. It can be said that the socio-economic condition and quality of life depended on the condition and quality of the waqf institution. The waqf institution played a central role in Bosnia's socio-economy. Religious consciousness, piety, trust, honesty, and justice were nurtured with the help of waqf. This was possible only after properly understanding the meaning of waqf as the ultimate property of Allah SWT and as

available for everyone to benefit from. The social security that waqf provided unified Muslims and non-Muslims and enabled a life of brotherhood with all.

The central role played by waqf always astonished me and as such was also simply identified as the first targeted institution for destruction in post-Osmanli times. The deterioration of Bosnia's socio-economic condition resulted from the weakening of the waqf institution. The waqf institution in Bosnia during Osmanli rule played a role similar, better and more genuine to that of many of today's governments. Such was the significant role of waqf institution throughout the Osmanli Caliphate. Despite Bosnia enjoying a great deal of autonomy over its affairs during Osmanli rule, the Bosnian authorities were in constant communication with Istanbul, the Osmanli seat of the Caliphate.

The problem that arose over time was not only the constant threat by rising regional powers but also the weakening spirit, moral, and administration of the Osmanli Caliphate. Consequently, this affected the state of the waqf institution and socio-economic welfare. It led to a gradual parting and delineation of Bosnian Muslims from the Osmanli Caliphate at the end of the 17th and start of 18th century. Bosnian Muslims perceived the Caliph to exploit Bosnia for own interests while addressing challenges posed by the rising western powers.

This perception was caused through inappropriate policies (policy reforms, ex. *Tanzimat* – restructuring or reorganisation) of the Osmanli Caliphate that departed from the usual practice and ignored mutual communal benefit. The interests of local Bosnians contrasted with those of the policies. Apart from the unaligned interests, some policies seemed contrary to Islamic teachings, resulting in the processes of deislamization. This was one among many internal and external factors such as the strengthening neighbouring western powers during the reformation and enlightenment in the 16th century. All that shaped new Bosnian perceptions.

Bosnian socio-economic life was severely affected and never again stabilised. Unfortunately, the socio-economic role of waqf was tarnished when Osmanli reforms were 'imposed' upon Bosnian Muslims. The new reformed system offered peace and guaranteed the coexistence of all religious denominations. The system was envisaged as a positive change but ended up being the complete opposite. Such was the case of Bosnia whose loyalty to the firmans (edicts) of the sultan were never questioned. The new system started to indirectly extinguish the waqf institution. This was not initially evident and lasted until the socio-economic

resistance to Osmanli centralisation of Caliphate affairs failed in 1878, resulting in the Berlin Congress decision of Austria-Hungary (AH) rule over Bosnia.

Since this time onwards, the history of waqf contrasts that during the Osmanli rule. The socio-economic conditions under AH radically changed and were further aggravated under later Yugoslavian communist regimes in the 20th century and the waqf institution weakened to the level of its post-World War II closure till post-1995 genocide. Communication with Istanbul continued but was formal and restricted. The society was left in the hands of big powers to modify their lifestyles and wash off the past traditions.

Today, we witness a rise of IE in the region, leading to the revival of the waqf institution and thereby justifying my research undertaking. It is amazing to see how the waqf condition in history of Bosnia and later even Bosnia and Herzegovina (BIH) determined the degree of social welfare and cohesion. IE rise is a sign of a shift in thinking about alternative economic systems to the prevailing failure of liberal capitalist economic system. I endeavored in this book to show ideas about community banks in Germany that indicate shifts towards exploring the Social Market Economy (SME). It is this economic system that is more frequently compared to the Islamic Economic System (IES). With this, I offered an option/scenario for BIH in the agenda of waqf socio-economic development in light of IE. In addition to this, several countries new waqf practices were presented to identify two other options/scenarios: cash waqf and waqf for education. For me, all this is important for any future waqf development but is not just limited to these three. Today, waqfs in BIH need greater revival and a boost for development with new insights such as these.

As qualitative in nature, the book highlights the significance of waqf in the socio-economic development of Bosnia by performing an in-depth evaluation of social, cultural, religious, political, economic, historical and present conditions. The primary source of information was obtained via interviews - presented in book part four, as a method to verify content analysis from secondary sources. I opted for interviews due to they represent direct communication and grant the opportunity for immediate feedback from the interviewee. It also allowed me to clarify questions. Several such instances occurred during the interviews. Limited existing literature on waqf in Bosnia necessitated the use of interviews to collect data and perceptions on the waqf institution in Bosnia and the Muslim world with special attention to the Osmanli Caliphate and the Balkans. This also helped to explain the past and present socio-economic

conditions and challenges to waqf in Bosnia. Findings from the semi-structured interviews add credibility and reliability to content analysis while writing this book. Many researchers admit that resources on waqf institution or similar topics about the Osmanli Caliphate and Osmanli Bosnia are limited. Therefore, I applied here the technique of critical content analysis, objectively presented, with particular awareness to avoid any researcher bias.

I consider important to mention that the interviewees are all academicians whose views and opinions support a thorough analysis of the phenomenon. I am deeply thankful to them for allocating their valuable time. One of the respondents is the director of the Waqf Directorate of the Islamic Community of Bosnia and Herzegovina (ICBIH) whose answers were discussed at a council meeting of the Waqf Directorate. This means that the responses are not from the director of the Waqf Directorate alone but the result of consultation with council members.

Two academicians are Bosnians in addition to the Director of Waqf Directorate ICBIH, two Turkish and Malay, and one Albanian and Ugandan. In total that makes nine interviewees. Since the Turkish interviewees decided to have one interview with both of them present due to time constraint upon their official trip to Malaysia, the total number of interviews analysed is eight. The two Bosnian academicians are, one, from the International Islamic University Malaysia (IIUM) - well versed in the history of Islamic civilisation, and, two, from the Monash University in Malaysia - with a published article on waqf in BIH and other commendable research. The two Turkish academicians are, one, from Yildiz Technical University (YTU) - an esteemed globally known scholar-philosopher at YTU and Alliance of Civilisations Institute of Fatih Sultan Mehmet Vakif University (FSM-VU); and, two, from Fatih Sultan Mehmet Vakif University (FSM-VU) - professor and Director General of Alliance of Civilisations Institute of FSM-VU and Dean of Graduate Studies. The two Malaysian academicians are, one, from IIUM - with long experience in teaching Islamic economics, and, two, from Islamic University College Sultan Azlan Shah (KUISAS) - the Dean Faculty Management and Information Technology with several papers in the area of waqf. Lastly, both, the Albanian and Ugandan academicians are from IIUM - one well versed in the Islamic civilisation and the other an experienced scholar of Islamic economics and well educated in Islamic sciences and civilisation as well.

These semi-structured interviews authenticated and added credibility to discussions in 'Book Part Two and Three' while also contributing to the discussion in 'Part Five'. They attempted to address the

phenomenon of poor waqf revitalization in Bosnia and the Muslim world. Most interviews were recorded upon consent and comfort of the interviewees. Two interviews were conducted via mail due to geographical distance. Interviews gave me degrees of freedom and flexibility in managing the time, content, and sequence. The interviewees also had the freedom to express concerns not directly available in literature. Each interview started with a brief explanation about the objectives of the study and need for interviews. The interview transcriptions were sent to the respective respondent to verify statements and provide their final consent for publication. As Miles and Huberman (1994) and so do I explain that interview data analysis contains data reduction, data display, and conclusions. The phenomenological method of inquiry was applied in this process of presenting the interview findings. This analytical process allowed identification of themes and sub-themes presented in 'Part Four' of this book.

Library research was the secondary source of information in the form of books, journal articles, newspaper articles, online news articles, news interviews, conference proceedings, magazines etc. Literature in Bosnian and German are referred to which enabled me to analyse native speakers' literature and what has been written by Germans, Austrians, others of Germanic origin, or Bosnians who speak German. Access to this literature helped me to deeper understand the Bosnian socio-economic conditions from multiple perspectives. I must say that English literature was more accessible and as such the most analysed. Bosnian literature was the sub-secondary primary source of information while German and English literature were sub-secondary secondary source of information.

All this makes this book a unique contribution to the field – something that has neither been seen nor read. This research presents the historical and contemporary picture of Bosnia's waqf institution and its socio-economic significance. Better insights into the Bosnian waqf institution experience shall serve as lessons for others to emulate or improve. The Muslim world knows little or nothing about Bosnian waqf practices hence this research reveals waqf's role for socio-economic development and sustaining life in Bosnia. It is hoped that this research will attract further research of waqf in Bosnia. On this topic, much is available in Osmanli manuscripts in Istanbul and Sarajevo archives and the Waqf Directorate of the ICBIH today. Apart from that, this research demonstrates the important role played by Bosnia in the Balkans for several centuries. That justifies present claims that Bosnia is and shall remain the regional hub for IE.

Today known BIH, Bosnia has a strategic position linking the western and eastern worlds. It has been the meeting point of the two worlds for centuries. When reflecting on the words of Alija Izetbegović that Bosnians have minds to the West and hearts to the East, it becomes evident that they belong to both sides equally. The country can offer a framework for better intercontinental and interregional cooperation and integration. Moreover, this research displays the Bosnian tradition of Islam to the world. Bosnians are among the original native Muslims of Europe. This can help purge Islamophobia in Europe and the globe.

Lastly, the offered alternative scenarios/options for the development of the Bosnian waqf institution illustrates and stimulates the Bosnian intellectual revival and ongoing participation in international movements of waqf revitalization and internalization of waqf as the source of socio-economic development.

Now, I must say that limitations of this research include the lack of available literature on this topic in any language. The burning of the Bosnian libraries during wars caused the loss of considerable literature. Since the study is conducted in Malaysia, the distance from BIH poses a challenge to have direct interviews with authorities of waqf institution, academicians, the public etc. For this reason, the interviews conducted in this research involve respondents from other countries who have knowledge and experience with waqf and its role in the Islamic civilisation. Other limitations are significant financial constraints and lack of time. Lastly, I do not know Turkish and could not access the rich Turkish literature on Osmanli rule in Bosnia.

Please know dear readers that any shortcomings of ideas presented are mine. These, however, are maybe new approaches to research studies that systematically link multiple scattered components into a whole. Herewith, I address the readership and seek feedback in forms of comment, critique or new books. We live in a world overwhelmed with technological change where everyone posts and shares views on multiple topics whereby more often than less, much harm is caused. This book is my bigger post and share to you readers to grasp a bigger chunk of the story of role of waqfs in history of Islamic civilization and BIH's waqf in particular. Surely, I am less wrong with this book than many others with partial speculations about what, how and why on the story of waqf in BIH and the Muslim world.

I must express my gratitude to my supervisor prof. dr. Mohamed Aslam Mohamed Haneef who always encouraged me and was the first to encourage me to publish the 'Research Paper', with content and level of

a PhD thesis that my examiner and other lecturers from 'Department of Economics' acknowledged, as a book. May Allah SWT bless him and all others. Thank you.

I must express my gratitude to prof. dr. Ahmet Alibašić who finally summoned the passion in me and pushed me to prepare the final manuscript for publication after more than a year of search for a way to publish it. With the manuscript prepared, all else was his mastery of execution. May Allah SWT reward him abundantly for that and much more for all the support he was since longer time. Thank you.

I must thank dr. Munir Mujić for his valuable, insightful, critical and mind-opening comments before publication of this book. Thank you.

Herewith, I put a smile on my parents faces and in their hearts who hopefully expected this book in their hands but did not know about the time of its making. Thank you mum and dad for your faith in me, love and support. Indeed it was you who wrote this book all the years while raising me, nurturing my mind and building my character and all else etc.

Lastly, my brother! My brother Semir is 'the man' who closely witnessed my struggles for finalizing my research. My big and only brother was always there for me as one German song says. Thanks a lot and extend this thanks to your wife Nermina who then supported you and always supports you now.

Dear readers, I hope that you will find value in this book.

Acknowledgements

If it was not for the perennial nature of ingrained human faith in Allah SWT, this humble work would not see the rays of light.

If it was not for the example of our Prophet peace be upon him (PBUH) who inspired us to persist in our endeavours, this work would not have an end.

If it was not for the everlasting love and spiritual presence of physical absence of my parents, my mother, Fatima Omerčić and my father, Muhamed Omerčić, this work would never have an author. They are, in deed, the true authors as without them I would not have had real education. Nothing suffices to replace their support and encouragement. I pray to Allah SWT to forgive me for my absence to help and be with them. May He grant them a long blessed life, ease their worries and fulfil their wishes. All that with a soft heart as soft is strong.

If it was not for my brother, Semir Omerčić, who was with me and wholeheartedly, in his peculiar style, was continuously saying: “You will finish, there will be an end!”, this work would be hardly at an end what is just another beginning and becoming.

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Introduction

Waqf has always been a fundamental tool of socio-economic development throughout the history of the Islamic civilisation (IC). Waqf permeated all facets of human life catering for both mundane and spiritual needs. Wherever the Islamic civilisation was present, waqf was established. The importance of waqf throughout the IC is evident in all past and present Muslim societies. Although predating IE as an academic discipline, with its socially oriented philosophy, waqf constitutes an important precedent for economic thought in Islam.

This research engages in an analysis of the potential socio-economic role of Bosnia and Herzegovina (BIH) waqf in light of IE. Named the land of waqf, BIH is a great example of waqf utilization during the Osmanli Caliphate rule (1463-1878). During those times, it was named Bosnia. Bosnia used to be the point of fusion of the Islamic and Western civilisations. Numerous writings and oral transmissions witness the Osmanli Caliphate rule in Bosnia. This is not surprising given that Bosnia was the meeting point of the Roman Empire and Osmanli Caliphate. As the two civilisations interacted, inhabitants of Bosnia constantly struggled with the consequences of civilisational, cultural, and religious misunderstandings. Socio-economic consequences were projected onto the people of Bosnia who periodically joined the side with which they felt most safe. Records written in Bosnian often remind readers that Bosnia's mountainous landscape had almost no place where blood was not spilled.

In post-war year 1995 at the King Faisal Award for Peace, Alija Izetbegović (the first president of BIH) said that he comes from a country where the people's minds are in the West but hearts in the East. He said that his people's inclination to forgiveness stems from the pre-Islamic religious practices of Bogumilism¹. This statement reflects the century

¹ Bogumilism is the pre-Islamic set of religious practices in Bosnia on what little is in detail reliably available. Its adherents are called 'Bogumils'. Bogumilism is not officially regarded a religion like Islam but more a movement which was based on the practices of a man named 'Bogumil'. Over time, it started to be characterized like a religion. For greater detail and thorough discussion and clarification on this matter and more please refer to Imamović (1997) and Malcolm (2011).

long suffering of the Bosnian people whom despite all calamities, have a relentless spiritual passion to succeed in life and hope for a better future.

Bosnia under Osmanli rule was without doubt a period of socio-economic and civilisational development. The Osmanli Caliphate was renowned for its strong waqf institution that served its territorial expansion and socio-economic consolidation of new territories. This neatly describes Bosnia's circumstances.

The waqf institution in Bosnia played a major role in spreading the message of Islam as was the case wherever the Osmanli Caliphate expanded. With larger number of Bosnian population accepting Islam as their religion, consolidation of the Osmanli Caliphate in Bosnia expedited and inherently the development of the waqf institution. Details on the history and lifestyle of the then inhabitants of Bosnia can be found in many other works as that discussion is here unnecessary.

But converts to Islam did feel the prosperity under the waqf based socio-economic development or more generally under the dynamism of Islam. Waqf was not and is not only tangible property with material benefits, but also a source of spiritual benefit. Waqf played an important element in the then Bosnian territory inhabitants' acceptance of Islam and especially afterwards.

Waqf properties in Bosnia from the time of the Osmanli Caliphate continue to exist today but without the same socio-economic role and benefits. Therefore, it is crucial to learn from the past and envision new ways of socio-economic development via waqf. Today, IE is developing and closer attention is given to waqf as a tool of distribution and redistribution what is actually crucial for socio-economic development.

BACKGROUND

Alija's Izetbegović statement that the hearts of Bosniaks² are in the East refers to the relationship of Islam and their affiliation with the Muslim world, whereas claiming that their minds are in the West acknowledges them as Europeans. Bosnian Muslims identify themselves in religious terms as strictly Muslims, who live in Europe and maintained the connection with the East but the terrifying historical experience blurred that identity.

² Bosniak is a term for the ethnic group of Bosnian Muslims in modern Bosnia and Herzegovina (BIH). All people living in BIH are Bosnians. It is important to differentiate these terms. Other major BIH ethnic groups are Serbs and Croats.

Inhabitants of Bosnian territory suffered in pre- and post-Osmanli times through constant struggle to maintain a relatively stable and sustainable life by meeting the five human necessities (*daruriyyat khamsah*): religion, life, mind, progeny, and wealth. Bosnia's neighbours constantly aimed to divide Bosnia's land and riches among themselves. This struggle lasted even before 10th century but officially, as recorded we may say, they started as early as the 10th century when Constantine Porphyrogenet officially mentioned the name "Bosnia" and continued through to the 1990s genocide. In many ways, the struggle continues.

After the constant threat to socio-economic, political, religious, and cultural environment of the inhabitants of Bosnia, the advent of Islam eased many of the inhabitants' worries by granting them greater recognition and protection as opposed to their marginalisation by the Roman and Byzantium empires. Adherents of Bogumilism (refer to footnote 1.) or as Imamović (1997) stated "Bosnian christians", and even some other historians recorded, were the most endangered inhabitants of Bosnia due to their beliefs differed from that of other mainstream Christian churches, the Catholic (in the Roman Empire) and the Orthodox (in the Byzantine Empire) (Malcolm, 2011). Both sought to convert, many times by force, the Bosnian christians to their Christian dogmatism but the resistance was strong. This resistance led to torture and oppression that naturally affected the socio-economic livelihoods of the most Bosnian population. This general background suffices to provide readers a thought of complexities of life in Bosnia and the region during those times.³

With the arrival of the Osmanli Caliphate, affairs in Bosnia enlightened in comparison to earlier circumstances. Most importantly, the waqf institution was gradually introduced to Bosnia whose converts to Islam in a short time became key personnel (beys, beglerbeys, pashas, janisaries, viziers and grand viziers⁴) of the Osmanli Caliphate in the Balkans and Istanbul. Of course, Osmanli waqf practices are rooted in the practices of the Prophet Muhammad PBUH, the legacy of the *al-khulafa al-rashidun*, and other practices of Muslim Caliphates prior to the Osmanli Caliphate. Perhaps the most inspiring example of waqf expansion was during the rule of the second rightly guided Caliph Omar al-Khattab who from 634 AD to 644 AD expanded the Caliphate from North Africa in the west to the South China Sea in the east and from parts of Eastern

³ For greater detail on medieval Bosnia, please refer to Imamović (1997) and Malcolm (2011).

⁴ All these are titles given to respected people of the Osmanli Caliphate based on their rank and repute. Later discussion shall clarify in greater detail the meaning of each term.

Europe in the north to the Malay Archipelago in the south. Expansion and consolidation was facilitated by giving personal property for public use – namely the creation of waqf, which was used for further expansion. Known as the pioneers of waqf administration, the Osmanli Caliphate mastered this practice.

In this regard, Bosnia became known as the “Land of Waqf” during Osmanli rule. This was possible especially after rising number of Bosnian population willingly accepted Islam. It is said that Bosnians accepted Osmanli rule on the condition that they would be autonomous in administering their affairs in cooperation with Istanbul. Likewise, Osmanli practice was such that to leave local Muslims and non-Muslims to rule their Islamic and non-Islamic affairs respectively. Waqf developed under these circumstances. This renders the study of waqf under such circumstances important.

Some of the waqf properties from those times have survived but lack the vitality and impact of the past. It is indispensable to survey the socio-economic role of waqf. Defining the proper place of past waqf practices in today’s BIH is important and development of IE in BIH is a motivational factor also.

PURPOSE OF THE BOOK AND STRUCTURE

The purpose of the book is:

1. To investigate the socio-economic condition in Osmanli Caliphate and specifically Bosnia throughout centuries in light of the integrative role trust played in society,
2. To investigate waqf socio-economic development in Bosnia from the early times of the Osmanli Caliphate until today,
3. To stress the past and current conditions of the waqf institution in Bosnia,
4. To trace the roots of Islamic economic development in Bosnia,
5. To provide alternative scenarios/options of waqf socio-economic development in light of Islamic economics.

The book comprises six parts excluding this introduction.

Part one provides a general conceptualization on waqf by reviewing rising interest in waqf studies. Before discussing the waqf in BIH, this part presents the general socio-economic significance and importance of

waqf for a clearer picture of how waqf started and developed in BIH over the centuries. Important is also to highlight the rise of waqf-like institutions in the West that resemble advanced versions of past waqf practices that will often be referred to throughout this book in order to find best alternatives to waqf institution development in BIH. In the 21st century, IE has shown great potential to supplement the revival and development of waqf institutions. The resurgence of IE from the middle of the 20th century has incorporated waqf for the distribution and redistribution of wealth. Later, waqf found a place in the banking sector whereby funds were managed by waqf banks. Although many scholars are reluctant to merge these two institutions, waqf is still closely associated with banks and has a future in the banking sector. The review of rising studies on waqf concludes with Muslim awareness about waqf practices in the past and today by showing a trendiness of cash waqf, waqf bank and waqf for education that reflect rise of IE. Hence, this part provides a general overview of global waqf condition, especially in BIH.

Part two discusses the scope and role of waqf in Bosnia starting with the advent of the Osmanli Caliphate with prior brief but general insight into the socio-economic circumstances of pre-Osmanli Caliphate inhabitants of Bosnia. This is an environmental contextualisation for deeper comprehension where Osmanlis consolidated rule and rooted a waqf tradition of socio-economic development alive until today. With Osmanli rule of Bosnia, most of the Bosnian inhabitants converted to Islam and so commenced the development of the waqf institution. The trust among all parties ensured prosperity throughout Bosnia. The later section of this part discusses the Osmanli decline and decline of the waqf institution that led to general disorder and uprisings eventually resulting with Austria-Hungary (AH) rule over Bosnia.

Part three presents the 20th century waqf in BIH and the 21st century waqf integration in development. The discussion continues from AH rule over Bosnia which is an interesting period in post-Osmanli history of BIH due to AH contributions and institutionalisation of Bosnian Muslims' affairs. Later, the Kingdom of Serbs, Croats and Slovenes (KSHS), Kingdom of Yugoslavia under Alexander Karadordević, Tito's Yugoslavia and especially the aggression years from 1990 to 1995 are characterised by constant destruction of waqf and persecution of Muslims. From 1995 until today, the waqf institution has been working on returning the forcibly taken waqf properties and development of new waqfs. The historical consequences set upon the Waqf Directorate many challenges which are briefly discussed. The later section of this part on waqf integration in

Bosnian development addresses some of the challenges and offers short-term or long-term solutions. Statistical information about Bosnian waqf properties in this book part reveals the potential of Bosnian waqf and is followed by a discussion on the conditions of Bosnian waqf in relation to general waqf developments through semi-structured interviews.

Part four presents the findings from semi-structured interviews. The discussion revolves around 14 questions that are answered by eight respondents in thematic style for each question. This is followed by an analysis of respondents' views within the context of the research purpose. The responses contributed to discussions in previous book parts by further elaborating on the socio-economic conditions in the past with as much reference to Bosnia or Balkan, or referencing examples of IC's waqf experience and significance to Bosnia.

Part five discusses the possible scenarios/options for waqf development in BIH. With a brief overview of waqf and waqf-like institutions' revival in the 21st century, this book part highlights the western and eastern engagement in developing the third sector as well as indicating where BIH can find alternative solutions for the development of the waqf institution. The waqf experience in other countries is presented to indicate how BIH may pursue similar steps for waqf development. That section presents possible/scenarios that BIH may follow in the 21st century such as establishing cash waqf practices, creation of a waqf-community bank and waqf for education development. The scenarios/options are presented in an integrative manner such that each is complementary to the other. Each can be viewed as an integrative part of the other.

Part six is the overall conclusion for this book. It summarises the findings and recommends areas for future research.

1 Rising Interest in Waqf Studies

INTRODUCTION

Waqf studies became common in the 21st century. Waqf has a potentially significant role for socio-economic development. Such was the case in the past and prospects for the future are becoming brighter contemporarily. Part One of the book starts with a definition of waqf. It then reviews a range of waqf literature highlighting the importance and significance of exploring this sector in today's turbulent world with a focus on BIH as the 'land of waqf'. It is interesting how the authors on BIH omit the importance and significance of the waqf institution in socio-economic development in the past and present. This discussion is then continued in part two and three. Thirdly, waqf-like institutions in non-Muslim countries are replicas and parallel the waqf institution of the IC in the past. Fourthly, this part discusses the rise of IE and Islamic banking and finance (IBF) industries which have fostered the integration of waqf into their framework and led to innovations in the field of waqf to accommodate today's socio-economic needs. IE development in BIH is also reviewed so that similar developments in waqf may be implemented in BIH with reference to other countries experience. Fifthly, awareness of Muslims about waqf practices today shows how efforts in the field of IE and waqf are combined to develop alternative scenarios/options for waqf development in BIH. A brief overview of cash waqf, waqf banks, and waqf-financed education developments provides the necessary background for suggesting those as scenarios/options of BIH waqf development in part five of this book.

DEFINITION OF WAQF

By no mean shall ye attain righteousness unless you give freely of that which you love (Qur'an, 3:92).

Scholars of Islamic jurisprudence cite the above verse when referring to waqf. Waqf is not explicitly mentioned in the Qur'an, but the concept of wealth redistribution is strongly emphasised through the mentioned verse and many others⁵ The *Hadith* of the Prophet Muhammad PBUH narrated by Abu Hurairah testifies that:

When a believer dies, his work ceases to be except in three areas: a perpetual sadaqah (charity), some useful knowledge he leaves and a righteous son praying for him.⁶

The above *Hadith* is often cited when defining the concept of waqf. Waqf is therefore a perpetual *sadaqah* (charity) or as Çizakça (2000) explains, it is perpetual *sadaqah* by helping meet social needs and providing knowledge and financing education, or is raising righteous children who will pray for their parents. Another *Hadith* is that of Omar al-Khattab who asked the Prophet Muhammad PBUH before his death what to do with a palm orchard he owned in the city of Khaibar. Narrated by Ibn Umar, the Prophet PBUH said:

Give it in charity (i.e. as an endowment) with its land and trees on the condition that the land and trees will not be sold nor given as a present, nor bequeathed, but the fruits are to be spent in charity.⁷

Waqf is well defined in the Islamic tradition (Çizakça, 2000). According to Kahf (1998), and many others, waqf literally means "to hold" or "to keep". Technically, waqf means to perpetually give something for social benefit. Waqf is the ultimate property of Allah SWT alone by definition of its perpetual nature. The benefits of waqf are perpetual to the *waqif* (giver) and society. Property once given as waqf deprives the donor of liability or litigation (Kahf, 2003). Waqf is one of the Muslims' least explored fields of study. That is why this part of the book will highlight the rising interest in waqf studies and narrow the discussion to waqf interests for development in BIH.

⁵ Qur'an, 2:215, 264, 270, 280; 3:7; 111:92; 58:12, 13.

⁶ Sahih Muslim, 1992: *Bab 3, Hadith 14*

⁷ Sahih Bukhari - *Volume 4, Book 51, Number 26*

SOCIO-ECONOMIC SIGNIFICANCE OF WAQF

Waqf-like practices date far back to the Mesopotamian, Greek, and Roman civilisations (Çizakça, 1998, 2000; Zakariya & Abdulwaheed, 2011). All communities had properties devoted to the public benefit. Çizakça (2000) stated that while Roman influences were mainly rejected, the Byzantine foremost then Mesopotamian, Sassanid, Jewish and Buddhist influences were accepted. According to Fazl-ur-Rahman's (2012) two-volume book "The Qur'anic Foundations and Structure of Muslim Society", the Muslim civilisation accepted the good and beneficial from past civilisations.

Kahf (2003) claimed that by examining the concept of waqf more closely, we will come to an agreement with Muslim jurists that waqf emanates principles of the *Shari'ah* and Muslim culture. Waqf was always predominantly exercised for religious purposes but there is nothing non-religious in using waqf for education, health, infrastructure etc. (Çizakça, 2000; Sadeq, 2002; Kahf, 2003). Therefore, waqf can be land, buildings, various public utilities, social work, agricultural machinery, livestock, shares, stocks, cash etc. In the 21st century, these developments are evident in many Muslim societies. Hence, the dynamic past waqf role and significance has been noticed and is being explored. Çizakça (1998) and many others said that waqf giving was a well-known act during the life of the Prophet Muhammad PBUH, the most generous person in giving alms and charities. A globally known waqf is the centuries old sacred shrine of the *Ka'bah*, the second *qiblah*.⁸ However, the extent to which waqf practices during the times of Prophet Muhammad PBUH were influenced by those of ancient institutions, if at all, is a question not yet resolved. What is known is that the religious places like mosques today were the initial waqf institutions in the Muslim world for all Prophets but especially Muhammad PBUH. Mosques served as traditional Muslim meeting and discussion centres, the first being the Quba' Mosque in Medina (Haslindar et al., 2013). Spahić (2014) dedicated an entire book explaining how mosques served as 'Community Development Centres'.

Waqf has been used to finance social, political, and economic sectors. Waqf-based education financing in particular, was a grand feature of the IC. Ashraf and Mustafa (2013) and Yaakub, (2014) stated that major

⁸ *Qiblah* is an arabic word which denotes the direction to which Muslims turn while performing their prayer. The first *qiblah* was known to be Al-Aqsa in Jerusalem while during the revelation of the Holy Qur'an, the *qiblah* was changed to *Ka'bah* in Makkah. Hence, the second *qiblah*. For greater detail, please refer to the exegesis of Qur'an, 3:96.

Islamic cities like Cairo, Baghdad, al-Quds and Nishapur were relics of waqf-financed education. They continued in saying that the 11th century Al-Azhar University in Cairo is the most renowned contemporarily, then the 9th century University of al-Qarawiyyin in Fez – the oldest existing university⁹, the Shrine College of Abu Hanifah in Baghdad, the 8th and 9th century Bayt al-Hikmah (House of Wisdom) in Baghdad during the Abbasid Caliphate, the University of Cordoba in Spain, the circa 70 waqf financed schools and universities from 5th to 12th century Jerusalem etc. Muslims advanced and institutionalised charity practices via waqfs as witnessed by the above-mentioned universities (Zakariya & Abdulwaheed, 2011).

Private funds and capital are the main source of waqf institutional development. For example, the Prophet's PBUH property served only Islam, the Caliph Abu Bakr gave all his property for Islam in the 624 AH Battle of Badr while Caliph Omar gave half of his properties. Zubaidah, the wife of Harun al-Rashid, gave all her property to build a road from Baghdad to Makkah etc. Similarly, many hospitals were founded in 9th century Iraq, Turkey established astronomical observatories in the 13th century, and many orphanages were built in the 19th century, Qur'anic schools, recitation centres, widow funding, water wells, ships, and transportations infrastructure were built from Egypt to Makkah (Zakariya & Abdulwaheed, 2011).

These initiatives played active roles in the daily lives of Muslims corresponding to what Naquib Al-Attas (1995) calls '*adab* (ethics, manners)' in Islamic education, as the putting of things in their proper place. Once everything has been assigned a place in social order then development can take place. For the Muslims it did not matter what the cause for development might be except that its permissible by *Shari'ah* law. Historical facts support waqf institutions to be the foundation of Muslim socio-economic development. If there may be some questioning about what helped and how Muslims constructed numerous monuments of grandiose significance and influence then simply answered, that was the role of waqf in the past. Bosnian scholars like Ćeman (2015), Čajlaković (2009) and others revealed the BIH rising interest for waqf development. This justifies the need to view in detail the general trend of waqf development prior to discussing such developments in BIH. Such a discussion helps relate the general trends of waqf development to BIH efforts.

⁹ Recorded in Guinness Book of Records in 1968, p.242.

Waqf is an essential source of socio-economic welfare. It represents a perpetual investment in this world and the hereafter (Zajimović, 2011; Durmišević, 2011). The extent of waqf socio-economic significance has far surpassed that of zakat, which is an obligation (*fard*) to Muslims, unlike waqf. However, this does not mean that zakat was overlooked (Hodgson, 1974). The pioneer in waqf development, the Osmanli Caliphate, gave one third of the Caliphate as waqf what shall be evident in later discussion of the Caliphate land categorisation. For example, the Osmanli Balkans developed through waqf (Çizakça, 2000). This witness thousands of waqfs all over the Balkan peninsula until today and Bosnia, in particular, is known to be the 'land of waqfs'.

SOCIO-ECONOMIC SIGNIFICANCE OF WAQF IN BOSNIA AND HERZEGOVINA (BIH)

Creation and Development of Waqf in Bosnia from the 15th to 21st Century

Osmanli Caliphate in Bosnia: The Rise of the 'Land of Waqf'

With the arrival of Osmanli rule, Bosnia experienced extensive socio-economic development unlike ever before and in just a few decades Bosnia was overwhelmed with waqf (Abid, 1991; Durmišević, 2011; Bešlija, 2009). This Osmanli influence in waqf based development and consolidation in the Balkans is compared to other regions like Egypt, North Africa etc. That demonstrates the surmountable dedication of Osmanli officials and the Bosniaks for developing waqf and using it for socio-economic development since the 15th century until the weakening of the Caliphate. Imamović (1997) complements the statement of Çizakça (2000) that whole cities in the form of complexes with mosques in the centre and other complementary facilities like shops, baths, merchant, trader and resting places were common systematic constructions of the Osmanlis. However, the impact of such waqf complexes have yet to be properly discussed. An important omitted insight with these findings is the amalgamation of waqf contributions to the lifestyle of Bosnian people of different religious denominations. That depicts a new dimension of Osmanli Bosnia development and leadership in the European continent during those times. The evaluation from this perspective brings us closer to how the socio-economic relations were organised and managed in Bosnia during those times and the role waqf played. This is discussed further in part two of this book.

Of particular interest is the non-Muslims' (*dhimmis* at that time) benefit from waqf while Muslims had to ensure their safety even through fighting in battles. During the Osmanli rule, non-Muslim shrines such as synagogues, churches, monasteries etc. were built while the waqf infrastructure enabled cost minimization. Non-Muslims had to provide funds only for their shrines while remaining infrastructure such as roads, water taps, lightnings etc. were supplied via waqfs as public goods. Scholars recorded this fact but did not observe or emphasize the convergence of waqf contributions to the broader environment. The use of waqf while consolidating Caliphate affairs in the Balkans is undeniable. Waqf was used to build bridges between people of different religious denominations (Spaits, 1907; Çizakça, 2000; Haverić, 2008; Malcolm 2011). It serves as an alternative and new approach to solving contemporary socio-economic hardships. These aspects have long been ignored in the writings on Balkan history and will be elaborated in part two of this book as far as Bosnia is concerned.

The socio-economic role of waqf in Bosnia is evident (Çizakça, 2000). According to Naquib Al-Attas (1995), philosophically speaking, the proper place of waqf corresponded to the Osmanli Caliphate rise or, in other words, the misplacing of waqf corresponded to the weakening of the Osmanli Caliphate. An analysis of waqf in relation to Osmanli Bosnia welfare is of interest and significance today as it can serve in the process of waqf revitalization.

Fall of the Osmanli Caliphate: Weakening Waqf Role in Bosnia

Major unrest in the Caliphate started with the commencement of reforms known as the '*tanzimat*' (reorganisation) (Lewis, 1961; Davison, 1963; Popović & Aleksijević, 1949). They did not ignore wider religious, social, political, and economic circumstances as factors of Osmanli demise and with that loss of Bosnia as well in 1878. They, however, did ignore the weakening significant role of waqfs during those times. One of the objectives of *tanzimat* was centralisation of Caliphate affairs. As Osmanli Balkan developed with extensive use of waqf properties (Çizakça, 2000), the *tanzimat* reforms' grip on land control (mainly waqfs) greatly reduced the strength and role of waqf in the provision of public goods and charities in general. The parallel of this paradigm shift was the continuous worsening socio-economic conditions in Bosnia (Imamović, 1997). Post-enlightenment, reformation, and renaissance in the West were other influential factors for the weakening Osmanli Caliphate. In addition, Kinross (2002) mentioned that the death of Mehmed Sokollu (Mehmed

Pasha Sokolović), a Bosnian Grand Vizier to the Caliph, also marked the demise of the Osmanli Caliphate. Many authors omitted the contribution of Mehmed Sokollu's service and recognition of waqf significance and protection in regions like Bosnia but elsewhere as well. Likewise, there is no discussion of Bosnian impact in socio-economic development of the Caliphate and waqf. Hence, the fruits or benefits from waqfs were reaped until the 19th century *tanzimat*.

Imamović (1997) indicated how unrest and revolts in middle 18th century Bosnia led to distancing and differentiation of perceptions towards the Osmanli Caliphate due to disregard of Bosnian local interests and the people of other regions as well (Çizakça, 2000). Again, philosophically speaking, Naquib Al-Attas (1995) characterised such instances as the loss of '*adab*'. Reforms for centralisation weakened the waqf institution. As Çizakça (2000) identified, centralisation of the waqf administration in regions like the Balkans, North Africa, Iran, India, and Malaysia etc. led to the weakening and drastically deteriorating role of waqf. Not much emphasis was given to the particular consequences of weaker waqf role in the public that increased administrative expenditures of the Caliphate. It altered social relations and worsened social cohesion. Therefore, an analysis of waqf socio-economic role in BIH would allow better recommendations to be given for waqf revitalization today. This gap and trend of waqf socio-economic development will be examined in book parts two and three in greater detail.

*The 'Eastern Question' and Austria-Hungary (AH)
Rule in Bosnia and Herzegovina (BIH)*

The name Bosnia became BIH after the arrival of the Austria-Hungary (AH). The pre-fall of Bosnia to the AH in 1878 was part of the solution to the 'eastern question' but still continued after AH arrival to Bosnia and so also in other Osmanli lands in the region. The problems with the eastern lands – the Osmanli Caliphate, had to be resolved (Taylor, 1968; Popović, 1965; Marriott, 1947). The crisis of the Osmanli Caliphate usurped the Balkans and other regions, and radically changed the lifestyle. The impact of such reforms on waqf are obvious but no discussion has been dedicated to the consequences of such an impact on waqf on the society. Only a detailed overview of Bosnian resistance to the occupation in 1878 is available (Mandić, 1910; Čubrilović, 1968; Klicin, 1968). However, it was not discussed that the reason of such uprisings was the impact those reforms had on Bosnian waqf. Extensive literature exists on AH occupation of Bosnia but it is not necessary to list all here.

Similarly, details of Bosnian Muslims' struggle for autonomy under AH is available in historical records (Šehić, 1980; Donia, 1981). It is under this movement that the waqf institution was formed but no systematic account of its role during AH period was discussed. Studies of waqf were done in a merged fashion as a small section of political and economic studies. However, the extensive role of waqf in the past obliges a more careful study of its conditions in this period.

*Post-World War I and World War II Yugoslavian Regimes
Until Bosnia and Herzegovina (BIH) Independence*

Similar circumstances apply to the post World War I position of BIH under Yugoslavian regimes in a study done by Daković (1981). Janković (1973) elaborated the interest of Serbia in BIH, which Imamović (1997) in post-World War I agrarian reforms connects with the immigration of Serbs into BIH. The contest for political and religious power and dominance in BIH is evident during these times. Long before Samuel P. Huntington, Ekmečić (1973) claimed that the Balkan, BIH as well, was involved in a religious war.

The oppression and marginalisation of Muslims and the Islamic community and forcible destruction and nationalization of waqfs became a trend until post-World War II (Imamović, 1994a, 1994b, 1997). The Muslim position was not better during 1945 socialist Tito's Yugoslavia. The condemnation of mainly Muslims but also other religious people ended in 1990s BIH independence (Filipović, 1996; Duraković, 1993). These writings discuss the political and economic circumstances in BIH during those times but the role of waqf was not particularly discussed.

Asured was that Bosnian Muslims under the Osmanli Caliphate and the Islamic community under AH, were known to be politically and economically fundamental for successful reforms. Colonialist objectives in Muslim lands, according to Çizakça (2000), were the creation of a new legislative system and waqf was the bearer of the consequences. This general perspective of waqf confiscation in the Muslim world but also in Bosnia is important to understand the trend of waqf destruction and utilisation for colonial benefits. A more systematic overview of these developments in Bosnia will be discussed in parts two and three of this book. The Bosnian waqf institution was deprived of many properties so much so that its closure was inevitable until post the 1995 genocide over Bosnian Muslims after which it was reinstated.

Waqf Today in Bosnia and Herzegovina (BIH)

Today, a Waqf Directorate is in charge of revitalizing waqf in BIH (Durmišević, 2011). Global practices of waqf reform and development are taken into consideration (Ćeman, 2015). The socio-economic role of waqf throughout the Muslim civilisation and in BIH was partially researched by few such as Halilović (2008), Čajlaković (2009) etc. They maintain that the Osmanli Caliphate utilised waqf properties to expand and consolidate new territories but that this was not the only approach. Although waqf created a cohesive social lifestyle, there seems to be lack of consistency in explaining the waqf socio-economic development role in Bosnia besides other elements that support development. Zajimović (2011) constantly emphasised that in the past waqf was the vital source of finance for most public needs. The Islamic Community of Bosnia and Herzegovina (ICBIH) supports his statements and activities in making waqf the financial pillar of ICBIH activities in BIH. Systematic and integrated studies on Bosnian waqf's historical and present role exist such as Ćeman (2011), Tanović (2013) etc. However, those studies lack the cohesion and relationship with past Muslim lands, other regions' waqf practices during the Osmanli Caliphate. Likewise, those studies have not systematically related such practices to today's trends and emphasised the need for adaptation to contemporary trends of waqf development. It can be said that studies on contemporary significance and development of Bosnian waqfs are limited, if any. That is why this book will fill the gap in understanding the socio-economic role of waqf in BIH from early times until today to help its revitalization. Besides that, rising trends towards the exploration of the third sector or non-profit sector, endowments, charities and philanthropies replicate classical waqf institutions in their role of catalyzers of social cohesion. Likewise, the rise of Islamic economics, banking and finance gives hope to reinstate the waqf institution to the level the history narrates.

TREND OF WAQF-LIKE INSTITUTIONS (THIRD SECTOR, NON-PROFIT SECTOR, ENDOWMENTS, CHARITIES, PHILANTHROPIES)

The rise of the so-called third sector or non-profit sector, endowments, charities, philanthropies (waqf-like institutions) in the West and also in the east make waqf studies more interesting in the 21st century. While the Muslims have a long tradition of waqf, western colonial powers such as France, England, and USA etc. asserted their own ideologies while colonizing the Muslim world. This reflects the difference of the two that is often omitted in discussions of the sudden rise of the West from the dark ages while ignoring their contacts with the Muslim world which was flourishing during those times. The enlightenment, reformation, scientism etc. of the West did not concentrate on the development of waqf-like institutions initially but on the struggle for power and wealth (Salamon & Anheier, 1997). Some colonial countries were more hostile and some less but the 20th century witnessed a shift towards support of the waqf-like-institutions according to Çizakça (2000). This is evident with the rise of prominent universities in the West that today are leading academic institutions run based on waqf models of Muslim universities.

The West learned about charitable endowments (waqf) during the Crusades. However, only the 20th century welfare states popularised this trend of waqf-like institutions in their quest for development (Salamon & Anheier, 1997). The calamities of the 20th century shaped the westerners' worldview towards those institutions as well (Helmut, 1981; Kendall & Knapp, 1996). The role of waqf-like institutions in the provision of public services is increasing through endowments related to universities, NGOs, institutes, civil societies, interest groups etc. (Macmillan, 2010; Ager, 1999; Gauri & Galef, 2005 etc.). Involvement of the waqf-like institutions in policy-making processes is also more frequent (Dacombe & Bach, 2009; Bang, 2005 etc.). All this shows how contemporary waqf-like institutions reflect the proper place of waqf and its dynamic role of shaping socio-economic and political affairs during the prosperous times of IC. More importantly to be emphasized is that learning from western waqf-like institutions is commendable and a must if real improvement is to take place in the Muslim world especially in terms of the waqf institutions.

Osborne et al. (2002; 2006) studied how to increase participation in the waqf-like institutions through an analysis of factors influencing giving or participation. Likewise, Levin and Cross (2004) observed the role of trust in development of waqf-like institutions. Inkpen and Tsang

(2005) identified the social capital, networking and transfer of knowledge as fundamental in development of waqf-like institutions and trust. It is evident that in the western world, scholarships form part of what Muslims call 'waqf'. The West learned from the experience of Muslims and advanced Muslim discoveries to contemporary levels. Literature on waqf-like institutions is abundant and cannot be covered here shortly but needs a separate comparative study with waqf institutions. The above works suffice as an indication that the sector is a major field of research and can be explored by BIH to develop its waqf institution. The following sections will indicate how that development of waqf institution can be more assuring. It is just a matter of time when this link between IE and waqf as third sector will be explored.

ISLAMIC ECONOMICS (IE): DEVELOPMENT IN BOSNIA AND HERZEGOVINA (BIH)

Rise of Islamic Economics (IE)

IE is a field of study that dates post-1950s. It is known as the response of Muslim scholars to the prevailing conventional economic system, which has proven to be exploitative due to being based on '*riba*', which is clearly haram in Islam. And there are many other reasons that justify IE as a response. Zarqa (1987) gave the justification of IE as a separate field of study with its own epistemology and methodology ultimately derived from the Qur'an and Sunnah. Kahf (2003) was another pioneer in developing the discipline of IE claiming that if Islam is the whole and complete way of life, permeating all domains of life, then economics is a domain as well. This logically justifies IE. Khan (1984) showed how IE could be fashioned progressively. He emphasised the human nature in Islam, role of reason, relation to material consumption, etc. He, like many others, showed how IE is based on the Islamic worldview (IW) and as such there is an Islamic economic worldview (IEW).

IE was developed through initiatives of some scholars to include the perspective of Islamic political economy (IPE) (Choudhury & Salleh, 2003; Choudhury, 2003). They showed how the Islamic epistemological process deals with society, which is undeniably in constant political and economic struggle. This serves as their rationale of IPE and the field of IE.

Kuran (1995) then explained how IE was championed by Islamic ideologues and as such became synonymous with 'prohibition of interest', 'admissibility of zakah' and others. That however, reflects the new

discipline's deeply rooted morals and ethics so today it is the only alternative to the fierce and unstable conventional system (Abbasi et al., 1989). Zarqa (2003) and many others explained the relation of IE to Islamic jurisprudence (*fiqh*) and principles of Islamic jurisprudence (*usul-al-fiqh*). He showed with the help of a diagram how economic and Islamic assumptions have common normative and descriptive assumptions. Books, articles, and other literature on IE are constantly growing in number. Haneef (1997) has given extensive contributions to the development of IE. Furqani and Haneef (2013) present IE systematically and interactively with an available diagram of a systematic methodology of IE. It also emanates a spiritual dimension of IE as the concept of '*falah*'. That is evident from the definition of IE:

the knowledge and application of injunctions and rules of the *Shari'ah* that prevent injustice in the acquisition and disposal of material resources in order to provide satisfaction to human beings and enable them to perform their obligations to Allah and the society (Zaman, p.51 taken from Arif (1985)).

It is an economic strategy that targets unity and harmony between the material and the spiritual. Haneef (1997) defined IE as:

An approach to interpreting and solving man's economic problems based on the values, norms, laws and institutions found in, and derived from, the sources of knowledge in Islam (p. 50).

It is a very dynamic discipline, which requires in depth knowledge of not only economics but also Islam. The Islamic worldview guides economics and forms the IEW. Furqani and Haneef (2013) emphasized that theory and reality in IE are complementary. They argue the methodology of IE fulfils the criteria of internal-integrity and relational-unity. The former proves the doctrinal integrity (aligned with the Qur'an's teachings), logical integrity (soundness in mind) and factual integrity (relevance in real life) while the latter clarifies the relatedness and unity of theory and practice, ideals and facts, and normative and positive insights.

The above definitions designate the direction of IE in the 21st century globalised world for which Chapra (2001) supports Muslim countries under conditions to inject justice as a prime benchmark derived from the Qur'an and the Sunnah. He declared IE to be a better approach for human unity through economic integration, specialisation and division of labour, free flow of goods, services, labour and capital, and the distribution

and redistribution of resources etc. IE simply considers everything an integral part of human life. It views the world in a holistic manner (Sami, Kenneth & Joe, 1989) or as Naquib al-Attas (1995) states, a world where everything has its proper place like waqf used to be in the past.

Islamic Economics (IE) Development in Bosnia and Herzegovina (BIH)

IE became a globally attractive field of study in the 21st century and can contribute to the development of waqf institutions in BIH. For this reason we discuss the idea of merging waqf with a bank. A future waqf-community bank in BIH is discussed in detail in part five of this book. The following serves as a background for such developments in BIH. IE started in BIH with the opening of the Bosna Bank International (BBI). The attempts of a waqf bank establishment in 1906 can be considered the first historical attempt for IE in BIH. The second attempt was the unsuccessful 'Vakufska Banka' (Waqf Bank) in 1992, which due to inability to operate in line with *Shari'ah*, converted to a conventional bank. It was also a trial to use waqf for socio-economic development in BIH and develop IE (Vakuba.ba, n.y.1; Bukvić, 2013; Emirates Review, 2013, June). Hence, the relation of waqf and IE becomes clearer. Exploring this link becomes inevitable in today's circumstances and opportunities for innovation in development.

Today, waqf is defined as a tool of IE but until now, there are no waqf related services by the BBI (if any then periodical only) or any other bank in BIH. BBI, however, does periodically cooperate with the Waqf Directorate of BIH. Haneef (1997) explained that the IE necessitates the IW that necessitates Islam. Therefore, waqf services may start if such a mindset is present. The bank, however, offers alternative services to conventional banks for socio-economic development of Muslims and non-Muslims. Until today, it is the best operating bank in the Balkans and has won several awards. It was added to the 2010 list of 'Superbrands' and was 'Best Employer' in 2011, 2012 and 2013 (Emirates Review, 2013, June). Based on the trend until day, it seems unnecessary to mention similar or other rewards to prove its reputation in the country. BBI marked the official commencement of IE development in BIH. However, the bank is legislatively limited in offering services to the public which maybe explains why no waqf related services were not yet developed.

Literature on IE development in BIH is limited. Smolo (2011) suggested how Islamic microfinance could be developed in BIH. Besides

that, Hadžić (2005) and Efendić (2011) illustrated the development of interest-free banking in BIH. A School of Islamic Economics, Banking and Finance at the School of Economics was opened in Sarajevo, which organised an international conference at Gazi Husrev Bey's Library in Sarajevo (UNSA, 2013; UNSA, 2014). Many other programs have been hosted by it what also reveals the growing interest for the Islamic economics, banking and finance industry. In the gradual developments of IE in BIH, the role of the ICBIH has yet to be seen. This study will evaluate this aspect through waqf despite the tough and often tightening space for innovation in development as indicated above. However, time needs to do its job of raising the consciousness of the people in light of opportunities new waqf practices offer to socio-economic development. As shown earlier, the elements for this development like IE and increasing number of waqfs pinpoint to potentials that can be realized. This however is not the case for BIH only, but the whole Muslim world as well. Important to say is that even the non-Muslim world also faces challenges and worries on their own. Following sections discuss the awareness on new waqf practices.

AWARENESS ON WAQF PRACTICES IN THE MUSLIM WORLD

From the sections above, we observe the rising awareness of Muslims about the importance of waqf in the 21st century. Çizakça (2000) discussed the historical importance of waqf and waqf development in Muslim countries like Indonesia, Malaysia, Singapore, Iran, India, Turkey, Morocco, Egypt, Sudan etc. Such research aims to restore the centuries old role of waqf for contribution to humanity. Syed Khalid (2011) identified some legal and administrative measures for the revival of waqf such as the revisiting of family waqf, participation of society in waqf activities, preventing constant wastage and further deterioration of waqfs, litigation matters on waqf, and a need for a survey on waqfs in the Muslim world etc. It also reveals the awareness levels among academicians about the importance of reviving waqf, e.g. cash waqf, waqf banks and waqf-financed education. This shows that the Muslim consciousness about waqfs is still low due to most of those involved in such studies are scholars who represent a small percentage of Muslim masses. Nevertheless, the rise of IE and IBF since last century ripened new discussions about the role of waqf in contemporary times that are partially revealed in coming sections and later elaborated for the benefit of BIH in part five of the book.

Cash Waqf Practices

Cash waqf practices date back to the early times of the Prophet PBUH but the modern conception and practices can be found during the times of the Osmanli Caliphate, the pioneer of waqf practices (Çizakça, 2000). Today, economic systems are highly modernised which necessitates the adaptation of cash waqf to modern times. Some works discussed the issue of waqf-shares as a new product in the IBF and IE industry which corresponds to cash waqf (Mohsin, 2012). Similarly, research on the role of waqf and all its innovative types e.g. cash waqf, relations to the economic and banking sectors, in improving the welfare of Muslims are available such as Kahf (2003) whereby he referred to waqfs in north and west Africa, Spain (Andalusia), Palestine, North America etc. Even comparative studies of waqf institutions are more frequent and indicated the strengthening networking between some Muslim countries in reviving waqf (Ibrahim et.al., 2014). Most such developments are evident in the IBF and IE industry (ISRA, 2011).

Today, Kuwait, Qatar, Saudi Arabia, Turkey, and Malaysia are great role models of waqf revival and development for countries like BIH. Singapore is another good country where Muslims have developed a vibrant waqf institution. All these countries have considerable cash waqf services whereby the poorest segments of the population can become *waqifs* (donors) (Çizakça, 2000). These and the experiences of other countries will be referred to in part five of this book as recommendations for BIH to learn and emulate similar practices in developing their waqf institution. BIH has an enormous potential to become the leading model of waqf in Europe with a rich waqf legacy. Studies of this type have not been conducted but their potential can further promote the Bosnian Islamic tradition to Europe as proposed by Alibašić (2007) which is presently necessitated (Karčić, 2006). BIH experienced for more than a century a secularized environment without extremist tendencies in religious practices which indicates to the compatibility with western values and manner of life in resolving present religious, social, growth and other issues. Western countries face problems with other traditions of Islamic practice from Arab countries which do not share the Bosnian experience of living in the West. As such waqf studies together with experiences of waqf-like institutions can become this catalyzing integrator with other European countries.

Waqf literature is plentiful. Historical studies on waqf are more or less wide-ranging and comprehensive like recent studies in cash waqf

schemes and studies on development of models for waqf reform and revitalization. For example, Malaysia witnessed the rise of corporate waqf with the first Bank Muamalat Malaysia Berhad (BMMB) in 2012 to reveal the potential of waqf models integrated in the institutional framework of the banking sector (Mohd Ramil & Jalil, 2013). Cash waqf can be extensively used in corporate waqf investment activities. The earlier mentioned countries have developed similar corporate waqf structures. This urgently necessitates better management and investment practices.

Besides the developments in the field of waqf, waqf remains a sacred property belonging ultimately to Allah SWT. Today's literature on waqf tends to omit the immense importance of that fundamental feature though it is not fully ignored. Cash waqf is more attractive because its loss is less harmful than loss of tangible assets like land, buildings etc. However, the principal of cash waqf should be preserved whereby only excess funds are reinvested (Ibrahim et al., 2014; Mohammad, 2011).

Waqf and Waqf Bank – Relations With Islamic Economics (IE) and Islamic Banking and Finance (IBF)

The 21st century Muslim and non-Muslim interest in waqf and waqf-like institutions intensified with the development of IE and Islamic banking and finance (IBF). Although IE and IBF are separate fields of study, their convergence in many aspects does not allow complete separation. IBF cannot proceed without IE and vice versa (ISRA 2012; Ayub, 2006). IBF has developed products and techniques to levels whereby refinements are becoming more important than innovation of new products and an orientation towards social values, ethics, and morals are all the more frequent in corporate and non-corporate environments (Nik Mustapha, 2012; Abdul-Matin, 2010). Waqf, taught as a tool of IE distribution, has been integrated into the IBF industry.

When looking into the historical development of waqf institutions, products for waqf development via a waqf bank are already in practice in countries like Malaysia, Singapore, and Turkey with some attempts in BIH. However, many theoreticians and practitioners even today do not favour the merging of these two institutions but it is inevitable. For example, Turkey's waqf bank is one of the biggest in the country and charges interest (Çizakça, 2000). In addition, as mentioned earlier, the BIH established waqf bank operates fully on conventional principles. The waqf bank today is often named the social bank or community bank whose objective is to provide for the needs of the poor Muslims and non-Muslims

(Mohammad, 2011). For example, Lahsasna (2014) suggested a framework of how Malaysia can make a breakthrough in waqf history with help of its developed IBF industry. Therefore, the emergence of a waqf bank is the alternative for a better socio-economic lifestyle and massive positive impact for Muslims and non-Muslims alike (Bahrauddin & Possumah, 2015). The reluctance of many to relate waqf and the banking sector is understandable as issues of *Shari'ah* compliance and preserving the sacredness of waqf property are major risks in waqf-bank activities. It is, however, one of the fastest ways to develop waqf and curb the problems of Muslims.

Other Muslim countries have their own waqf funds for example Bahrain under the Central Bank of Bahrain etc. (CBB, 2012). The waqf tangibles and liquid assets can be placed into the equity and financial market sectors of IBF for renting and investments respectively (Mohammad Tahir, 2011). A zakat and waqf bank may become an avenue of better endowment management, a suggestion from the Institute of Hazrat Muhammad (SAW) in Bangladesh (Karim, 2013). In addition, a model of waqf financing of institutions through a waqf bank is a viable option (Aziz et al., 2013). Hence, waqf has been associated with banks for some decades. All the authors when investing waqf properties know the risk of that connection.

Today, such merging of institutions is inevitable if there exists a mechanism of distribution and redistribution, development and investment of waqf properties through a bank under the condition to preserve the principal of waqf and spending of excessive funds only. Part five of this book proposes a waqf-community bank as a scenario/option for BIH waqf institution development. Other countries may also adopt the proposal.

Waqf for Education

From the above discussions, it is evident that waqf in the 21st century can be used for different sectors. Education is only one sector among many others that can be financed through waqf but can be considered the most associated with waqf-financing. Waqf-financed education was a common practice throughout IC. A waqf bank is a special designed institution in Islam that can be used for higher education financing (Çizakça, 2000; Aziz & Yusof, 2014; Ab Aziz et al., 2014). This enables the lowest strata of a society to pursue education. The proposed waqf-community bank in part five of this book represents one channel for waqf-financed education.

The future of waqf lies in higher education funding. Education is always necessary and nurtures the future. Educational institutions financed through waqf have proved to perpetually benefit the society, which invests in education through new waqfs. Hence, education preserves existing and creates new waqfs. Waqf is best utilised for higher education financing and the cyclical benefits between educational institutions and society are perpetual (Noor, 2014; Ab Aziz et al., 2014). Society and managers of waqf restrict waqf today to religious matters, which was not the practice in the past. This is where education is required to raise the awareness of Muslims and motivate use of new types of waqf, e.g. cash waqf, to finance education through e.g. waqf-community bank. Scholars often refer to the cash waqf experience of the Osmanli Caliphate (Çizakça, 2000).

There are many models proposing the use of waqf to finance education. One such model is where the educational institution as the entrepreneur appoints the *nazhir* (waqf manager) and who then invest funds (Sula, 2009). Profits are shared between the parties involved. The *nazhir*, subject to agreement, has the right to take profit share or management fee of let us say 10 percent. The remaining 90 percent goes to the public affairs or *mauquf 'alayh* of which 50 percent, for instance, is invested for education. Another 40 percent can be used elsewhere such as building infrastructure, monuments etc. (Noor, 2014). The model is not just for cash waqf. Particular attention in appointment of the *nazhir* by educational institution makes this model just and integral as well as transparent through continuous communication of the educational institution with the *nazhir*.

Another waqf model is where cash waqf is given to a waqf bank that issues loans, charges services and invests extra funds in trade and financing activities (Aziz & Yusof, 2014). Income is used to develop new waqf and maintain existing waqf e.g. education financing. Income is shared among beneficiaries including expenses like operational fees etc. Likewise, an amount is taken as reserve, which is similar to a profit equalization reserve to balance returns of profits at times of market fluctuations. Returns shall be utilised for socio-economic projects of development, ex. higher education. Alternative waqf financed educational models are being developed utilizing the above models and others available what reveals the rising popularity of such innovative waqf practices (Sula, 2009; Hariadi & Suparno, n.y.). An alternative option/scenario for waqf institution development in BIH via waqf-financed education is given in part five of the book.

CONCLUSION

Here we indicated the rising interest for waqf and waqf-like developments. The significance of waqf in the lives of Muslims and non-Muslims is undeniable. The importance of waqf today has led to increasing research in this field. With a proper definition of waqf, this book part one presented the general socio-economic significance of waqf followed by the socio-economic significance of waqf in BIH. The major gap of waqf analysis in BIH is in the inadequate emphasis and systematic review of waqf institution role in socio-economic development of BIH in the past and its potential role in the present. As far as concerned works on waqf today, there is no elaborate and comprehensive account of Bosnian waqf. Few studies have been conducted as evident in the discussion above but none have addressed the issue of development of waqf institution in BIH along contemporary trends. There are no given alternative options/scenarios for waqf institution development in BIH. All the gaps have been identified from the sections above and indicated are directions for further discussions in coming parts of the book.

This part also indicated the wide interest and efforts given by non-Muslims to emulate past IC waqf practices through the establishment of waqf-like institutions. Waqf development via IE is evident today. That is why this part covered a brief development of IE to better understand the need for waqf and banks to work together. Such an alternative to development of BIH waqf institution is given in part five of this book. Development of IE in BIH has also been covered.

Lastly, Muslim awareness about waqf practices has been addressed through emphasis on cash waqf, waqf bank and waqf-financed education developments. The general trend has been a motive to suggest similar alternatives for BIH waqf development in part five of this book.

2 Scope and Role of Waqf in the pre-20th Century Socio-Economic Development of Bosnia

INTRODUCTION

The Bosnian socio-economic condition and waqf institution from the first contacts with Islam until the 20th century are covered in this part of the book. It begins with a brief overview of the pre-Islamic inhabitants of Bosnia. This part presents the socio-economic context prior to arrival of the Osmanli Caliphate.

Following the consolidation of Osmanli Caliphate rule in Bosnia, this book part also explains the socio-economic development role of waqf from perspective of the proper place of waqf from 16th to 19th century and the role of Bosnian Muslims. Waqf socio-economic role per sector is explained by referring to complex types of waqfs from which whole cities were built in addition to auxiliary infrastructures from which are derived lessons for today.

Lastly, the decline of waqf started because of a decline in the Osmanli Caliphate. The causes are identified in point form, followed by a short alternative approach, which would have led to a better outcome.

Background

The Balkan is a peninsula where battles have been fought for centuries. The Old Greek and Roman philosophy influenced the people's worldview for centuries until the coming of the Osmanli Caliphate. Most inhabitants were Christians belonging to a different sect whose teachings differed sometimes radically. Not only did the religious aspect differ but so did the political, economic and social aspects. This was the impact of different worldviews. Some inhabitants, however, followed their own beliefs based on perennial nature and traditions inherited from ancestors. Such were the adherents of Bogumilism, who predominantly belonged to the

Bosnian Church (Crkva bosanska) besides the rivaling Catholic and Orthodox Churches (Imamović, 1997; Malcolm, 2011).

Characterised by people of different religious denominations, the Balkan was subjugated to continuous political, economic, and demographic change. The Catholic and Orthodox Church competed to forcefully convert all those who did not follow their teachings. The socio-economic life was unstable. The waqf institution was not present at this time. However, some charitable practices were present, which mainly served the needs of the dominant Churches. It was known that the Bosnian Church, whose adherents were known to be mainly Bogumils, focused to serve the society (Imamović, 1997; Murvar, 1989; Bijedić, 2009).

OSMANLIS IN BOSNIA – SCOPE OF WAQF

The socio-economic environment of pre-Osmanli Caliphate Bosnia created space for consolidating new institutions upon the coming of the Osmanlis. One such institution was waqf, which transformed Bosnia into ‘the land of waqfs’. Waqf was an important means by which the Osmanli Caliphate stretched rule over Bosnia. This was the result of the socio-economic role waqf played throughout the IC (Halilović, 2008; Çizakça, 1998, 2000).

The arrival of the Osmanli Caliphate meant a new epoch for Bosnia, which had never earlier experienced development of such degree and manner. Characteristic of this was the peaceful coexistence of Muslims and non-Muslims. Bosnia was introduced or had ‘contact’ with the Islamic civilisational heritage since even the 7th century but no detailed records exist of that except further inferences to be made. This introduction to Islam means that Bosnia had contact with Islam before the 15th century when Osmanlis officially brought Islam to Bosnian territory and so Islam spread massively through peaceful conversion as shall be more clear from the continuing discussion (Kinross, 2002; Haverić, 2008).

During the Osmanli Caliphate, waqf had an important role in socio-economic development. It is true that waqf was not the only source of funding for the Caliphate but was one of the major pillars of the socio-economic system. Modern economies can learn from this experience. The natural purpose of waqf is only to help, facilitate, serve, preserve, sustain etc., and not to compete, with other institutions. This was not always the norm in the Osmanli Caliphate, especially since massive reforms flooded the Caliphate’s regions. Nevertheless, waqf was often used

as the means of consolidation in newly conquered territories. Part of it was to efficiently serve socio-economic objectives and needs (Çizakça, 1998, 2000; Bijedić, 2009).

Bosnia Under Osmanli System of Administration – The Position of Waqfs

The system of administration changed during Osmanli rule of Bosnia. It was gradually implemented and modified over the centuries depending on the situational circumstances and needs of the Caliphate center especially since the end of 18th century when public uprisings swayed all over the Caliphate and so in Bosnia. Initially, Bosnia was a sanjak (district) like Zvornik, Hercegovina, Kliš, Bihać and Lika under the beylerbeylik or eyalat (greater Caliphate region) called Rumelia¹⁰ governed by a beylerbey or vizier in Sofia during that time. In 1554 Bosnia became a beylerbeylik or eyalet ruled alone by a beylerbey also known as pasha – the ruler of pashalik. Remaining sanjaks became Bosnia's subparts. Sanjaks were further divided into a number of kazas (subdistricts), kaza into nahiyes (collection of villages) and smallest units were karyas (villages) (Donia & Fine, 1994; Karčić, 1999; Malcolm, 2011) (see Figure 2.1 below).

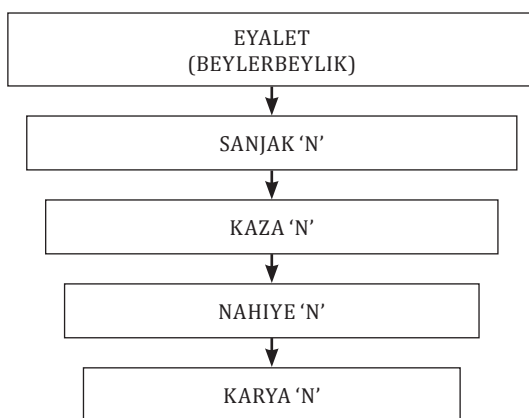


Figure 2.1 Structure of Beylerbeylik - Sanjaks System of Governance (Source: Created by author with reference to Karčić, F. (1999). *The Bosniaks and the challenges of modernity: Late Ottoman and Hapsburg times*. El-Kalem. Sarajevo).

The timar system was the standard system implemented throughout the Caliphate. The system defined three main land sizes from smallest

¹⁰ Rumelia means the land of Romans which were conquered by Osmanlis (Imamović, 1997).

to largest, namely: timar, ziyamat and has. The timar was mainly given to spahi or timarees. The spahis were allowed to have some chift (čift) land for own use and increase it over time.¹¹ Ziyamat was given to sanjakbeys, head of spahi units or other government officials. Has was given to beglerbeys, head of some bigger sanjaks or some top Caliphate officials. All of them had the title 'bey'. A special Sultan's 'has' existed as well. Unlike timar, the ziyamat and has were used for military and other administrative or communal purposes. For instance, owners of ziyamat and has dedicated much of their possessions to build imarats (mainly as waqfs) and endowed property for waqf in the usual manner (see Figure 2.2 below).

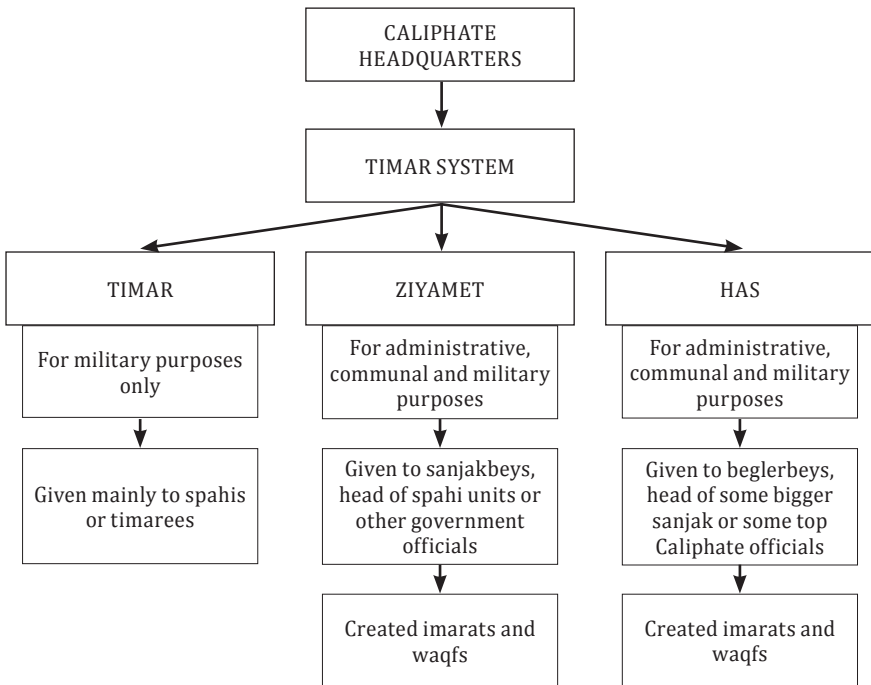


Figure 2.2 Structure of the Osmanli Caliphate Timar System (Source: Created by author with reference to Imamović, M. (1997). *Historija Bošnjaka (History of Bosniaks)*. Preporod. Sarajevo.)

Rising number of timarees¹², as a consequence of expanding military, over centuries weakened the timar system and so the Caliphate as well.

¹¹ Even others like peasants were able to obtain chift land which size differed in comparison to spahis.

¹² Timarees or spahis who qualified to become part of the Osmanli military.

The Caliphate's dedication to supply for the demand of temarees caused, as recorded, 20 thousand villages and arable land were transformed into miriy land (particular land for Caliphate's needs). During the time of Sulayman I, 87% of land was said to be miriy. Much of the transformed properties were waqfs about what religious scholars complained. Despite periodical return of the land to the waqf authority, much of waqfs were lost in this way since especially the end of 18th century due to sudden and loose Caliph-initiated reforms. Usually it was the mutawallis who managed waqfs and ensured all benefits were perpetually reused for waqfs' long term sustainability. The praxis was that the Caliphate oversees waqfs. However, the praxis was also that the Caliphate uses whatever fits approach to sustain the working of the system what didn't stop it even from temporarily or permanently transforming waqfs into miriys.

The whole arable land of the Caliphate was generally categorized into military, mulk (private) and waqf land beside miriys and other smaller land units (see Figure 2.3 below). While rising number of spahis

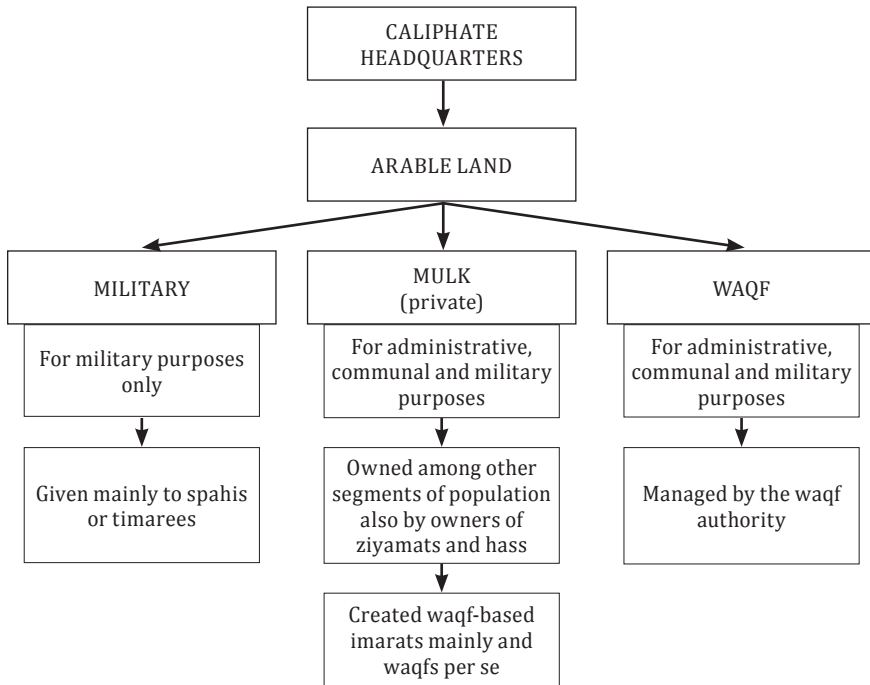


Figure 2.3 General Categorisation of Caliphate's Arable Land (Source: Credited by author with reference to Imamović, M. (1997). *Historija Bošnjaka (History of Bosniaks)*. Preporod. Sarajevo.)

controlled most of the military land¹³ besides some jannisaries and others, owners of ziyamat and has owned great part of mulks, and so created and mainly even facilitated management of the created waqfs (see again Figure 2.2. under ziyamat and has). The city and community life in the Caliphate depended on imarats and waqfs created by private initiatives what corresponds to owners of mulks and so logically also the owners of ziyamats and has as creators of imarats and waqfs. All owners of ziyamat and has owned some mulk. And most imarats are known as created in the form of waqfs (Imamović, 1997; Karčić, 1999). This also explains why much 'waqf properties' were transformed into miriys. At the same time, the waqf-based imarats creation reflects waqf use as a tool of Osmanli Caliphate's city and community life building besides the directly endowed waqf properties.

The result of this accumulatively complex system were periodical reforms by the Caliph (Caliphate Headquarters) in Istanbul who considered good for all other regions of the Caliphate, what was good for Istanbul. People, the raya (peasants), who were overburdened with innovatively changing taxes, and the elites, whose social status was at stake, had different perceptions of these reforms what ultimately produced resistance. greater autonomy and riots Caliphate-wide and so in Bosnia as well.¹⁴

Without doubt, during the centuries of Osmanli rule in Bosnia, the mentioned structures or elements of the increasingly complex system were complementary but unimately failed due to rising challenges from within and outside the Caliphate. That was the case especially during the Caliphate's modernisation with the *tanzimat* reforms. There were regions and especially local areas of the Caliphate that took longer to adapt to the new system while sometimes being spared of the changes that took change elsewhere (Malcolm, 2011; Kinross, 2002). Nevertheless, giving up old customs or accepting complete change is always hard for people as it radically changes their way of life.

The Role of Trust for Socio-Economic Development

Trust played an important role in the socio-economic development of Bosnia. The adherents of the Bosnian Church trusted each other, trusted their beliefs and works under the Bosnian Church, trusted their elders who showed respect to the Osmanlis and some over time accepted Islam, and

¹³ For greater detail on military administrative structure, please refer to Imamović (1997).

¹⁴ For a more detailed account of administrative, military, community etc. structures in the Caliphate, please refer to Imamović (1997), Karčić (1999) and Malcolm (2011).

therewith ended the struggle for survival from all fierce attacks by neighbouring Christians. These circumstances of safety under Osmanli rule became an incentive for greater conversion to Islam (Haverić, 2008; Murvar, 1989). That is how afterwards Bosnian Muslims showed responsibility, observed, and assured proper utilisation of waqf by trusting each other.

Trust is an essential asset rare to find in today's globalised liberal and capitalistic economic system. It is integral to all institutions' vision and mission. Socio-economic development requires trust (ISRA, 2011). The Bosnian Muslims practiced this centuries ago, which indicates a system of economics based on *Shari'ah* principles. Today that system is IE. Economies in the past, be it in the western or eastern hemisphere, accept trust as the driving force for any change. If one views the enlightenment in the West, one of the essential drives to for its rapid rise from the dark ages was trust between the intellectuals and people.

From the first days of the Osmanlis in Bosnia, improvements were evident in life standards, supply of goods, employment, helping the needy, poor and elderly, infrastructure, protection of environment, animal and herbal life etc. (Imamović, 1997). Trust was doubtlessly a driving force of all these improvements. Force was never able to make such improvements in history. Part of this included the use of waqf. Evident is the notion of Allah SWT to allow peaceful conversion to Islam, which means the peaceful and gradual gaining of trust. Once trust of a people has been gained, widespread conversion and development follows. We must not omit the fact that even non-Muslims in Bosnia, some of whom likewise converted to Islam, contributed to all the mentioned improvements. Therefore, trust played an important role in mobilising people of different religious denominations to socio economically develop waqf and Osmanli Bosnia.

Waqf Role in Bosnian Socio-Economic Life

The socio-economic role of waqf in the lives of the Bosnians proved to be a crucial reason for Bosnia's recognition as the centre of civilisational-cultural exchange by foreigners (Šuško, 2011; Pezo, 2011). The socio-economic engagement with different civilisational aspects in Bosnia indicates unity in diversity. Muslims, Christians, Jews and other minority religious denominations lived together in peaceful coexistence for centuries (Malcolm, 2011). Using waqf to build religious institutions other than those of purely Islamic-religious nature reflects the multidimensional usage of waqf and the relationship of Muslims with non-Muslims. Given Bosnia's long tradition of multi-ethnic and multi-religious peaceful

coexistence, the Bosnian Islamic tradition is unquestionably compatible with European - Christian lifestyle today (Alibašić, 2003, 2007; Karčić, 2006; Bringa, 1995). Simply said, the socio-economic role of waqf shaped the lives and affairs of Bosnian Muslims and non-Muslims alike.

It has been a century long practice in the IC to set everything in its proper place. Contemporary Malaysian Islamic thinker Syed Muhammad Naquib al-Attas¹⁵ (1995) accentuated this as the aspect of ‘*adab* (manners, ethics)’ in Islam, education in Islam, and success in Islam. The Islamic worldview was and is always part of Islamic education and deeply strived and strives to equip students with *adab* - putting the ‘things’ on their right place. Only in that way will all elements of any system or institution such as the waqf institution serve its real purpose and realise its true potential.

The Scope and Role of Waqf in Socio-Economic Development of Bosnia During the Osmanli Caliphate

The institution of waqf came to Bosnia in the 15th century and transformed it socio-economically to the level of being remembered as ‘the Land of Waqf’ (Murvar, 1989; Zajimović, 2011). Waqf was, of course, not the only institution credited for socio-economic development in Bosnia. But it was the only that was not given specific attention of analysis today in that role. Waqf properties started developing instantly like in all newly Osmanli territories. It took only a few decades for all Bosnian territory was overwhelmed with waqf. Back then, waqf was in its proper place and was able to release the potential for religious, educational, political, economic, social, psychological, medical and all other needs. The socio-economic significance of waqf in Bosnia was reflected in building whole cities as complexes where the mosque is central and surrounded with public baths (*hamams*), rest places for travellers (*musafirhane*), public kitchens, lands, shops, water wells and other infrastructure (Bešlija, 2009; Čajlaković, 2009; Durmišević, 2011). One of the first such complexes

¹⁵ Syed Muhammad Naquib bin Ali bin Abdullah bin Muhsin al-Attas (1931-), born September 5, 1931 in Bogor, Java, is a prominent contemporary Muslim thinker. He is one of the few contemporary scholars who is thoroughly rooted in the traditional Islamic sciences and who is equally competent in theology, philosophy, metaphysics, history, and literature. His thought is integrated, multifaceted and creative. Al-Attas’ philosophy and methodology of education have one goal: Islamization of the mind, body and soul and its effects on the personal and collective life on (particularly) Muslims as well as others, including the spiritual and physical non-human environment. He is the author of twenty-seven authoritative works on various aspects of Islamic thought and civilization, particularly on Sufism, cosmology, metaphysics, philosophy and Malay language and literature. (Retrieved from <http://www.cis-ca.org/voices/a/attas.htm> - for more information please refer to the given link)

was the Ghazi-Husrev Bey Mosque (Dierks, 2011). This is a landmark of Bosnia today witnessed by everyone who visits. Waqf in Bosnia was a religious institution as much as non-religious depending whether waqf was used for religious or non-religious purposes. As religious as it was, it was used for every part of Muslim and non-Muslim life (Donia & Fine, 1994).

The 16th to 18th century can be characterised as waqf centuries in Bosnia (Durmišević, 2011; Čajlaković, 2009). Later, the Caliphate's continuous changing policies led to gradual decline, which paved the way for the AH takeover in 1878. Then, for the first time, Bosnia got a *raisu-l-ulema'* in 1882 as the new religious head of the Bosnian Muslims (Karčić, 1990, 2011). This, however, will be the concern of following part three of this book.

Nevertheless, the waqf socio-economic development during the times of the Osmanli Caliphate familiarised Bosnia with the achievements of the IC. Bosnians accepted the Islamic civilisational heritage and acquired crafts, management and culinary skills, which were highly appreciated and praised by the Osmanlis. This qualified them to high ranks in the Osmanli Caliphate, grand viziers, and later in AH as well (Bieber, 1999; Donia & Fine, 1994; Šuško, 2011).

It was this time that waqfs mushroomed in Bosnia and designed the beautiful complex types of waqf that gave rise to whole cities. Most date from 16th to 18th century. Some have been renovated and upgraded but the foundations are tracked to the first centuries of the Osmanlis in Bosnia.

The different sectors which waqf covered are evident through an analysis of the complex types waqfs in Bosnian cities Sarajevo, Travnik, Mostar, Tuzla etc. To give an example, when tourists visit Old Sarajevo (Staro Sarjevo), they reflect on breath-taking monuments and are moved by the waqf complex of Ghazi Husrav Bey. It, alone, often suffices as justification that Bosnia is 'the land of waqf'. Taking the waqf complexes as a basis of analysis, the following sectors for waqf application can be identified (Dierks, 2011; Malcolm, 2011; Čajlaković, 2009; Donia & Fine, 1994) (see Figure 2.4below):

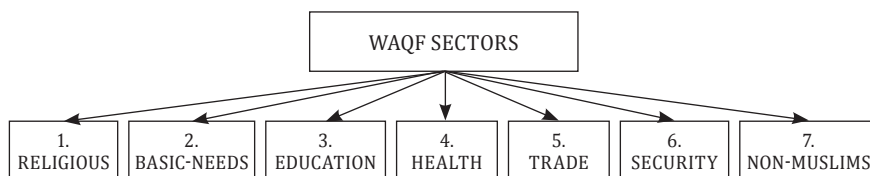


Figure 2.4 Sectors of Waqf Socio-Economic Development Role in Bosnia (Source: Created by author with reference to Dierks (2011); Malcolm (2011); Čajlaković (2009); Donia & Fine (1994); Imamović (1997). Please refer to the bibliography for greater detail on the references.)

1. Religious – waqf was used to build mosques as the political, economic and social centres not just in Bosnia but the entire Muslim world. It is part of the philosophy of Islam, Islamic architecture, to have the mosque central to all other institutions in order to remind the people of the temporary nature of this world and the eternity of the hereafter and stimulate them to constantly be in remembrance of Allah SWT as the human is indeed created for no other reason but to worship Allah SWT (Qur'an, 51:56). The Ghazi Husrav Bey Mosque (Gazi Husrev begova) in Sarajevo is one example among many other cities such as the Elchi Ibrahim Pasha (Elči Ibrahim-pašina) Mosque in Travnik, Kara Djoz Bey (Karadžoz-begova) in Mostar, Behram Bey (Behram-begova) in Tuzla etc.
2. Basic needs – waqf provided the basic needs for every Muslim and non-Muslim. For example, places such as *hastahana* served as resting places for travellers and those in need. Here they are provided food and medical treatment. Then public hamams or public baths were of benefit to everyone and public kitchens provided free food especially for those in need. Even the *musafirhana* used to serve traders and merchants as meeting, working and resting places. Thereby their temporary basic needs were satisfied.
3. Education – waqf was one of the major sources of education financing. Education financed by waqf was free. It is true that most of the mosques in urban and rural areas served as educational centers. Some mosques like the one in Sarajevo, Tuzla, Mostar, Visoko etc. had madrasahs next to the mosque. Libraries were inclusive parts of madrasahs.
4. Health – medical treatment and resting places were provided to all those in need. Most of the waqfs had in their object services for medical consultation. That way every one in need could obtain information about health at all times. Medical treatments were also fully waqf financed.
5. Trade – commerce was always a major characteristic of the IC. Even the Prophet Muhammad PBUH before revelation was a trader. In Bosnia there were buildings called *musafirhana* where traders and merchants used to meet, work, and rest. Providing traders from far distances a place to stay fostered trade. Moreover, *musafirhana* were places where travellers stayed in transit.
6. Security – waqf was one of the major sources of socio-economic consolidation during the wars of the Osmanlis with AH, Russia,

France etc. While warfare needs were financed from other sources as much as possible, waqfs took care of the public needs for Muslims and non-Muslims. Waqf supported Muslim armies that resided near battlefields and at same time protected Muslim property – waqf.

7. Non-Muslims – Non-Muslims also benefitted from waqf built infrastructure. That also facilitated them to build many institutions of socio-economic significance for own use such as churches, synagogues, monasteries etc., while waqf provided the public goods such as roads, bathrooms, water taps etc.

The Role of Bosnians and the Caliphate

When Mehmed Sokollu (Mehmed Pasha Sokolović) was the grand vizier of the Caliph Sulaiman the Magnificent (1520-1566), affairs of the Caliphate were very well organised. He was known as Mehmed Sokollu, the last of the three grand viziers, who positively contributed to the greatness of Sulaiman's reign. The other two were Ibrahim Pasha, a Greek diplomat and military commander, and Rustem Pasha, a Bulgarian economist (Kinross, 2002).

In historical literature, Mehmed Sokollu is often mentioned as a key figure of Osmanli stability, especially after the death of Caliph Sulaiman (Kinross, 2002). Strategic methods of putting the waqf to its proper place were applied under Sokollu's wise leadership. Mehmed Sokollu was actually Bosnian. That is one reason for the esteem shown to Bosnians during those times. During his time the Caliphate was ensuring internal integrity of rule across all regions while externally it was under great threat from the rising enlightenment western empires. It is therefore right to say that Sokollu, as a grand vizier with decades of experience, planned the socio-economic affairs of the Caliphate because new caliphs were not familiar with and not interested into the Caliphate's dynamic prosperity (Kinross, 2002; Malcolm, 2011).

It can be said that Mehmed Sokollu is to a great degree responsible for the autonomy Bosnia enjoyed within the Caliphate, which would probably not have been the case if someone else were grand vizier. The autonomy allowed usage of waqf in ways most suitable for local populations. Such was the case for most of the Osmanli Caliphate (Murvar, 1989). Mehmed Sokollu ended his life being stabbed by a murderer who admitted 'the Bosnian would never surrender under torture'. A Venetian ambassador said that the Turkish virtue sank into the grave upon the

death of Sokollu. This was indeed true for the Osmanli Caliphate in general and Bosnia in particular which experienced bitter instabilities but not all necessarily due to his death (Kinross, 2002).

Bosnia being the strategic place of socio-economic exchange between east and west, was surely another reason why Sokollu, having good knowledge about Bosnia and Balkans, had an important role for the wellbeing of the Caliphate. This way Bosnia defended the borders of the Caliphate for years. Mehmed Sokollu developed this strategy. The role of waqf in all this was the socio-economic service to people, army, expansion and development of new waqfs (Kinross, 2002).

It is evident that Bosnian qualities, like those of Mehmed Sokollu, also contributed to the Osmanli Caliphate's integrity, cohesion and even survival until the 1887 Berlin Congress. The 18th and 19th century of Osmanli rule in Bosnia characterise Bosnian differentiation, distancing and shifting perspectives towards the Osmanli Caliphate due to its increasing moral degradation and policies opposing the concerns or interests of local or regional populations (Hickok, 1997; Karcic, 1990, 2011). The scholars in the west and east forecasted and analysed with precision that the death of the grand vizier, Mehmed Sokollu, rooted out the dynamic leadership in the socio-economic conduct and all other Caliphate affairs (Kinross, 2002). The visionary qualities of Sokollu were not acquired by anyone before his death. All the above meant the waqf institution weakened and lost its vibrancy. Waqf as property of Allah SWT had sustained the spiritual dynamism of the people in early centuries while later condition of waqf created a vacuum in social, economic and spiritual space. It reminded men and women of the *amanah* (trust) given by Allah SWT and the importance of affairs conducted according to Islamic principles (Çizakça, 1998, 2000). It gave people hope and strength to defend their lands. However, by loosing autonomy over waqf and many reforms after the death of Sokollu, particularly in later centuries, this was no longer possible.

This section carries several important lessons that can serve as guidelines for waqf development today:

1. Waqf was used for the Osmanli Caliphate's consolidation and bond making with inhabitants of Bosnia that led to gradual peaceful conversion to Islam. To achieve that, the principle of equity but not necessarily equality was applied. Unity in diversity was the result of the Osmanlis' treatment of converts equally as any other Muslim. All had same opportunity to benefit from

waqf. The differences between Muslims was utilised as an asset for innovative and creative development, knowledge creation for growth of the socio-economy. The Osmanlis, as Muslims, accepted the customary and cultural features of populations where the Caliphate expanded its rule. This enabled easier integration of new populations into the overall system of the Caliphate. In that way, populations of, in this case, Bosnia helped not only rule in Bosnia but the whole Caliphate as well.

2. Waqf created a sense of communal ownership. The needy and non-needy has their necessities fulfilled through waqf. Besides the use of waqf by each individual for personal satisfaction, there was the aspect of common belonging and Muslim unity. This created a healthy socio-economic environment.
3. Waqf paid tribute to predecessors or ancestors' efforts in authentic preservation of the new regions old inhabitants' practices, habits, manners and customs, of which especially those not contrary Islamic teachings. The right to benefit from waqf was not withdrawn from individuals with such practices, habits, manners, and customs. Instead, enough was given to each to sustain a better standard of life than before accepting Islam.
4. Waqf helped the Osmanlis gain the trust of the Bosnian inhabitants, most of whom converted to Islam, but also those who remained non-Muslims who recognised waqf as a socio-economic tool for development. Waqf pictured an objective institutional structure, which by definition does not belong to anyone but Allah SWT so that everything that is waqf cannot be used for cheating, possession, sale and purchase. In this way, spiritual well-being was fostered with motivation to learn more about and develop new practices of waqf. A Jewish scholar of Andalusia, Maimonides, is famous and worth mentioning due to his extensive scholarly contributions through waqf enabled infrastructure, i.e. education financing.
5. Good foundations helped the rise of the Osmanli Caliphate. These were religious-spiritual, socio-economic and political foundations, which formed a worldview for Muslims who live with a clearly defined purpose as generally defined in Islam. Such a worldview was embedded via Islamic education into Bosnian Muslims and to some extent even non-Muslims. For non-Muslims, it always depended how much they want to learn and accept from Islam what reflects the obligation of no forceful conversion and

force in Islam. In particular, the Bogumils and some non-Bogumils trusted the Osmanlis (lesson 4. above) and their similar practices with Islam had a crucial role for setting good foundations. It is waqf support of non-Muslim needs that nurtured trust and enhanced social cohesion. Good foundations placed waqf in its proper place until about the end of the 18th century.

6. Bosnian Muslims with acquired knowledge of the fundamentals of Islam, great skills and high discipline, took over the leadership of the Caliphate after several decades. The Bosnian grand vizier, Mehmed Sokollu (Mehmed Pasha Sokolović), proved that with understanding of principles of Islam and determination, success is possible even at hardest times. This was a motivational factor for all Bosnians who proved highly committed, responsible and disciplined under later AH rule. Islam never deprived anyone qualified for positions of leadership. Therefore, Mehmed Sokollu, as a convert to Islam, became the grand vizier of the Caliphate due to qualifications and a number of others after him. If inhabitants of Bosnia were able to rise to the level of such caliber figures in the past then it is far from impossible today.
7. Indeed, there are common principles in Judaism, Christianity, Islam and other religions. Important to remember is that, as Imamović (1997) claimed, many “Bosnian Christians” converted to Islam but kept their old religious customs, habits and manners – namely traditions that are common to all humanity such as ethical principles, generosity, compassion etc. The Osmanlis, as Islam teaches and as exemplified by the Prophet Muhammad PBUH, did not oppose it. And this unity in diversity in the past was greatly facilitated via waqf.
8. Integration of different elements: economic, political and social during the time waqf was in its proper place in Bosnia proved that good foundations, belief in oneself and living united in diversity of cultures, habits, beliefs etc., fostered waqfs’ role in the socio-economic development of Bosnia.

The lessons stated above indicate that besides waqf, individual education, conscience, practical experience all have to be given their proper place. Only then, as elaborated, can a system be functional (Naquib al-Attas, 1995).

DECLINE OF OSMANLIS: THE DECLINE OF WAQF'S SOCIO-ECONOMIC ROLE IN BOSNIA

During later centuries of the Osmanli Caliphate and rule over Bosnia, the burden of leadership fell on a few individuals like Mehmed Sokollu, upon whose death, the Caliphate deteriorated. No qualified personnel to lead the Caliphate and sustain socio-economic life and dynamics of the Caliphate were ready to adapt to the changing circumstances. Unrest in Bosnia like everywhere in the Caliphate, during those times, was the outcome whereby later policies of *tanzimat*¹⁶ inflicted another deeper blow to the Caliphate's decline (Karčić, 1990). Reliance on the strong leadership profile of few individuals, a key to sustainability, created a vacuum in proper Islamic education after their death. Naquib al Attas (1995) identified this in his thought as the pillar for successor's successful application of knowledge which was missing in the case of the Osmanli Caliphate.

The waqf institution in Bosnia weakened and declined by the end of the 18th and beginning of the 19th century while the Osmanli Caliphs dedicated lives to luxury and disparaging reforms, some to compete and some to replicate the rising western competitors. Some causes of the Osmanli Caliphate decline and therewith the weakening of waqf institution in Bosnia were (Karčić, 1990, 1999, 2009; Kinross, 2002; Čajlaković, 2009; Malcolm, 2011; Durmišević, 2011):

1. Gradual replacement of old personnel with new centralisation of the Caliphate rule and waqf institutional affairs. This narrowed the scope of socio-economic freedom and benefits from waqf in Bosnia as in all other regions under the Osmanli rule. Those revenues from waqf and other properties, taxes etc. were to be sent to Istanbul, the Caliphate's capital (Donia & Fine, 1994). Osmanli Caliphate reforms of centralization of the Caliphate rule even weakened the autonomy Bosnia used to enjoy in managing its affairs which instantly affects the waqf administration as well. From the words of Hickok (1997), conditions in Bosnia, during the arrival of Osmanlis in 16th century, were such that they were said to cooperate with the Osmanlis and accepted to be ruled by them by consensus. They could become independent any time

¹⁶ Tanzimat were the policies of reforms of affairs throughout the Osmanli Caliphate demanding in general the centralization of affairs including that of the waqf institution due to a weakening Istanbul and rising western challenges. For greater detail please refer to Karčić (1990, 1999).

what means that autonomy over some affairs was crucial for Bosnians. However, changes of Bosnian (administrative) personnel preceded reforms as a strategy for easier implementation of reforms from Istanbul (see cause three). This and general centralisation reforms created unrest and doubt in Bosnia over the intentions of the Caliphate's new leadership style (Spaits; 1907; Donia & Fine, 1994; Čajlaković, 2009; Karčić, 1999, 2011;).

2. A significant effect on Bosnian socio-economic condition and waqf institution was the death of Mehmed Sokollu. The projection of the Venetian ambassador about the sinking Turkish virtue with Sokollu's death was true. Moral degeneration spread from the Caliph's office to all regions of the Caliphate. Due to the missing synergy among all regions after death of Mehmed Sokollu, the central Caliphate was destabilised and centralisation was seen as a solution to stabilise rule. Here the connection between cause one and two overlap. The replaced personnel preceded centralisation (see cause three). Mehmed Sokollu was assassinated (Kinross, 2002). But his idea was not to centralise rule but to first stabilise regional conditions and only later if necessary centralise rule. This would render a more peaceful centralisation without causing unrest with the *tanzimat* – reforms (Karčić, 1999).
3. The *tanzimat* or better known as the *tanzimat-i khairiye* (beneficent legislation) inaugurated by the *khatt-i sherif* (illustrious rescript) of Gulkhane in 3rd November 1839 officially stipulated necessary changes, which negatively affected the waqf institution and therefore socio-economic conditions. Those were (1) a need for new representatives elected in the Caliphate regions such as Bosnia that are foremost accountable to the Caliphate centre; (2) the Caliphate interests are a priority to local interests; (3) provincial organisation altered usual waqf institutional arrangement and impacted the waqf benefits distribution processes; (3) new legal codifications in constitutional form restricted customary behaviour of the people. It entered socio-economic and religious affairs; (4) modernisation of education actually desacralized Islamic education as theorized by Naquib al-Attas (1995); (5) admission of non-Muslims to serve as regular troops was another reform causing distrust and doubt among people. Furthermore, Muslims should protect the non-Muslims but non-Muslims serving the army are exposed to danger. *Khat-i-humayun* (imperial edict) on 18th February 1856 set up a *nizami-al-jadid* (new formations) for additional reforms which tried to

balance the negative effects of the *tanzimat* in social, military, economic, administrative, and political affairs. This strategy backfired. For instance, the complete termination of the Bosnian janissaries despite complete loyalty to the Caliph sparked unrest all over Bosnia (Šuško, 2011; Karčić, 1999).¹⁷ The waqf institution in Bosnia was affected by centralisation reforms. That worsened socio-economic conditions as well through less autonomy over waqf what led to the loss of trust. In short, unexpected changes caused unexpected reactions.

4. Developments in the West were another cause of decline. One major mistake committed by the Osmanlis was the formation of *tanzimat* - reforms in light of western newly developed systems as a result of enlightenment and reformation. The Osmanlis borrowed funds to finance the reforms in all regions but were not able to pay them back. Interest accumulated and lastly a commission was formed to remunerate funds borrowed through land division (Kinross, 2002; Malcolm, 2011).
5. Inappropriate policies led to rise and strengthening of non-Muslim organisations by support of outside powers - partners. The Orthodox Christians sought help from the Orthodox Church while the Catholic Christians from the Catholic Church. They institutionalised religious affairs while a plethora of reforms destabilised the Osmanli rule on the Balkans. Back then, Bosnians did not have a religious independent institutional structure (Malcolm, 2011). It allowed the Christians to improve communication with allies and look for ways to oppose the Osmanlis. For example, wars with the Russians motivated the Orthodox Serbs to become independent. At last, the Osmanli Caliphate lost good communication and cooperation with its regions (Spaits, 1907; Donia & Fine, 1994; Karčić, 1999).
6. Bosnians started to distrust the Osmanlis. This was a similar reaction of all other regions' populations under Osmanli control (Spaits, 1907; Murvar, 1989; Malcolm, 2011). Resistance led by Husein Kapetan¹⁸ Gradašćević, one of the strongest advocates against the injustice committed by the Osmanlis, taught the Bosnian Muslims to start relying solely on themselves. This was a

¹⁷ For more details on this particular event please see Fikret Karčić (1999). *The Bosniaks and the Challenges of Modernity: Late Ottoman and Hapsburg Times*.

¹⁸ Kapetan is a title given to esteemed persons during the time of the Osmanli Caliphate. These individuals are usually extensive landowners. Their character also differed from others based on knowledge (Imamović, 1997).

time when Bosnian Muslims gradually distanced themselves from the Osmanli Caliphate. They heard the Osmanlis had betrayed them (Karčić, 1999; 2011). One can now imagine whether in socio-economic conditions like these, waqf could play the same role like before. With reforms setting up new legal structures and procedures and the exile of Kapetan Gradašević, Bosnia complied with demands of the Caliphate. The new system replaced the old except in some rural areas, where old traditions were preserved (Malcolm, 2011; Bringa, 1995). However, many local areas could not follow up the changes that were taking place in the Caliphate and as such ended up adapting to all changes more gradually and peacefully. That spared them the troubles of all uprisings and irregularities as regional areas of the Caliphate were not efficiently communicating with more local areas unlike the case of modern times (Imamović, 1997). Nevertheless, increasing distrust caused slower development and maintenance of existing waqf and further deterioration of socio-economic conditions. Today, the director of Waqf Directorate claimed that without Gradašević, Bosnia would not be what it is today (Preporod, 2013). Based on the philosophy of Naquib Al-Attas (1995), once the right place of things changes then the whole system changes. Trust lost its right place among people so waqf could no longer play its role. Karčić (1999, 2011) and Murvar (1989) described how this happened in Bosnia.

These were the socio-economic conditions in Bosnia until the coming of AH rule in 1878. The Osmanli Caliphate would lose control over Bosnia so that no 'official' waqf institution existed under AH in the early years. Despite later establishment of a waqf institution after the establishment of the Islamic Community of Bosnia and Herzegovina (ICBH), waqf under AH was not treated as property belonging to Allah SWT. It had the status like any other ordinary property according to law. This was an introduction to a phase of waqf in Bosnia common to many other Islamic countries under colonization (Karčić, 1999; Çizakça, 2000; Halilović, 2008).

What would have been better and what Bosnians preferred, is to live under socio-economic conditions as they were in the Osmanli Caliphate but to renew certain technical matters, i.e. methods of communication, production, strategy, capital, army, weapons etc. The traditional socio-economic arrangements were not supposed to change suddenly. In this way, no major change would be imposed upon society but reforms would have taken place (Hickok, 1997; Malcolm, 2011).

The Osmanli Caliphs did the opposite and often consulted western intelligentsia, formulating reforms based on the conceptualization by the western enlightened mind. However, circumstances are not the same in societies. The general rule implies that by changes of circumstances in a society, laws should be adapted or vice versa. However, laws or social circumstances in one society are not completely adaptable in another due to the particular characteristics of every society. Therefore, systems created by laws are not compatible with a 'copy-paste' approach (Haneef, 2010). This is clearly stated in one of the maxims in Islamic Jurisprudence: "Changes of laws are not prohibited by changes of time (social, economic and political circumstances)" (*La Yunkar Taghayyur al-Ahkam Bi Taghayyur al-Azman*) (Tyer, 2003). Gradual implementation would have been a better outcome.

CONCLUSION

This book part presented the socio-economic role of the waqf institution throughout centuries and the present-day lessons that can be derived thereof. Inhabitants of Bosnia have struggled for centuries before the arrival of Osmanlis out of conviction that none of the dominant two churches, the Catholic and Orthodox, upheld the truth of the original Christian message. The advent of the Osmanli Caliphate rule ended that struggle by providing protection to all non-Muslim populations while many peacefully converted to Islam. Everyones lifestyle improved in the new socio-economic context. In the whole complex circumstances, the waqf institution played a unique socio-economic developmental role.

The golden period of Bosnia, is indeed the time of the Osmanli Caliphate reign from the 16th century to beginning of the 19th century, characterised by waqf having its proper place. Bosnians, in particular Mehmed Sokollu, helped in leading the Caliphate as well as developing waqf in Bosnia.

Every civilisation had a peak and decline. This book part identified the reasons of the Osmanli decline and weakening of waqfs' role as a socio-economic institution in Bosnia. The reforms caused Bosnia to slowly distance itself and change perceptions towards the Osmanli Caliphate. Eventually, Bosnia was put under AH rule in 1878 when the socio-economic condition led to a halt in perceiving waqf as the property of Allah SWT. Instead, it was handled with like with any other property against the consent of Bosnian Muslims except a few. This period brought Bosnians into an identity crisis and struggle for survival until the 21st century.

3 20th Century Waqf in Bosnia and Herzegovina and 21st Century Waqf Integration in Development

INTRODUCTION

The 20th century waqf institution in BIH and 21st century waqf integration in its development is covered in this book part. Firstly, a brief discussion on general waqf revival shows the rising interest in waqf and IE in 21st century. This helps to understand waqf integration into BIH development. Secondly, it surveys the 20th and 21st century waqf institution in BIH from 1878 until 1995 and from 1995 until today respectively. Particular focus is given to the AH rule in BIH from 1878 until 1918 due to its contrast to post 1918 radical regimes. It examines the socio-economic conditions during that time and therewith sheds light on current conditions of waqf. Recent statistics reveal the potential hidden in waqf and allows the identification of sectors like agriculture to be prioritised. Thirdly, some challenges identify the obstacles of waqf integration in BIH development. Fourthly, some avenues for waqf integration into BIH development clarify the future direction and gradually minimise the elaborated challenges. This indicates the potential behind the massive waqf assets in the country.

REVIVAL OF WAQF: SOCIO-ECONOMIC ROLE OF WAQF IN THE 20TH AND 21ST CENTURY

The significance of the waqf institution in the IC was enormous. Kuran (2001) found that one third of the Osmanli Caliphate was waqf. Similarly, Boudejellal (2005) claimed waqf used to reach even 75 percent of all arable land alone. Unfortunately, Muslim intellectuals neglected the waqf institution for decades while directing efforts in emulating accomplishments of the western civilisation. Muslims thought that by emulating western practices they would develop and reinstate previous lifestyle

circumstances and standards. Çizakça (2000) discussed the condition of waqf in 20th century colonialized Muslim countries and indicated the intention of westerners to control the waqf institution in respective countries and utilise it for their goals. It was often, however, the Muslims who assisted the colonial powers in their agenda.

In the middle of the 20th century, the Muslim world awakened. Intellectual efforts, like those for development of IE motivated Muslim intellectuals to rescue the Muslim mind from the western worldview and reinstate the Islamic worldview of the past into mainstream Muslim societies (Naquib Al-Attas, 1995). With that, Muslims recalled the memories of waqf's historical role whereby ministries for religious affairs or waqf were established in several Muslim countries and set agendas of waqf integration into the socio-economic development. Writings, like Çizakça (2000), contributed extensively to revival of the historical socio-economic role of waqf in contemporary times. An integration of efforts in reviving waqf institutions and development of IE was visible in early writings but not emphasised as much as today. IE with waqf as a tool of distribution and redistribution of wealth has the objective of a better hereafter or *falah* (Arif, 1985; Haneef, 1997).

Institutions today have immense implication on social cohesion and transnational integration. That is why revival of waqf must be further institutionalised. A central waqf authority with a legal *Shari'ah* board and external control body should draw a plan for waqf development through investments, renting, maintenance, cropping and internal organisation with regular accounting, auditing, financial analysis, forecasting etc. (Boudejellal, 2005). For example, Kuwait is one of the best such waqf institutional structures in the Muslim world (Durmišević, 2011). Today, waqf falls into what the West calls 'the third sector'. This sector has an enormous role nurturing western lifestyle, education, and research and development (R&D). Interestingly, Çizakça (2014) publicised to the Muslim world that western foundations, endowments and universities like Oxford, Cambridge, and Harvard etc. are modelled on waqf models.

It is, therefore, the responsibility of Muslims to direct efforts towards waqfs' revival in times when the third sector carries immense potential for even the developed countries (Boudejellal, 2005).

WAQF IN BOSNIA AND HERZEGOVINA (BIH) FROM 1878 UNTIL 1995

Bosnian Waqf under Austria-Hungary Rule (1878-1918)

The Osmanli nuclei of Bosnian Muslim Communities ended (Rosen, 2012). The 1878 Berlin Congress delegated AH to rule over Bosnia. Outcomes of the Congress guaranteed religious freedom to the people but the AH legislative system marginalised the *Shari'ah* and Osmanli Canonical law to personal affairs which radically affected Bosnian Muslim lifestyle (Karčić, 1999; Friedman, 2004). For example, during these times, some of the 19th century *tanzimat*-imposed cultural symbols such as the red caps called *fes*, were accepted as part of the Bosnian Muslim tradition until today (Karčić, 1999; Šuško, 2011). In addition, the Vienna Wars Archive (Viener Kriegsarchiv) recorded how the AH 93.000 soldiers (later increased to 286.000) feared the 63.000 tough and courageous Bosniak 'fes-wearing' soldiers (Donia & Fine, 1994; Murvar, 1989; Malcolm, 2011). Lastly, Otto Wiesinger wrote in "Der Ost-Korpus" (The east corps):

Diese angeborene Tapferkeit war mit viel Beständigkeit und Weisheit fest an die notwendige Disziplin und an die Tradition der alten Armee angepasst und machte dieses "Angeborene" für einen modernen Krieg sogar besonders fruchtbar' (This inborn courage was with much determination and wisdom firmly adjusted to the necessary discipline and tradition of the old army and made fruitful for modern war therewith) (Šuško, 2011 from 'Der Ost-Korpus (The East Corps)').

The AH was after all far better organised than the Osmanli Caliphate. That was evident in the very beginning of AH rule in BIH¹⁹. Bosniaks²⁰ smoothly integrated into the AH system, especially upon the 1882 establishment of the ICBIH. The first *reis-u'lema*²¹, Mustafa Hilmi Hadžomerović (1816-1895), encouraged Muslims to be loyal to the AH regime and stated that '*hijrah*' (migration) to Istanbul was not necessary. Intellectuals like Mehmed Teufik Azabagić (1938-1918), prevented many Muslims from migrating. Even AH knew in advance the international

¹⁹ Bosnia and Herzegovina (BIH) was the new name of the country from 1878. During the Osmanli Caliphate, it used to be Bosnia only.

²⁰ For the sake of clarification, Bosniaks is an ethnic term that refers here to Bosnian Muslims only while all inhabitants of BIH are Bosnians. Other major ethnicities are Bosnian Serbs and Croats.

²¹ *Reisu-l-u'lema* is the highest Bosnian Muslim religious authority and spiritual leader.

impact of many Bosnians' migration and encouraged Muslims to stay (Karčić, 1999).

AH could not ignore the strong waqf institution and its role during the Osmanli Bosnia discussed in the previous book part and did permit its official formation. But Waqf properties under AH legislation were recognized like any other property, so Bosnian Muslims demanded recognition of waqf as distinct Muslim property. On 25th March 1883, a temporary waqf institution named the 'Land Waqf Commission (Zemaljska Vakuf-ska Komisija)' was formed to register all waqfs in the country under supervision of an AH Commissioner. Waqf property was actually defined the property of the ICBIH in an 1883 document known as 'Ordinance on the Organisation and the Competence of *Shari'ah* Courts' (Naredba o ustrojstvu i djelokrugu šerijatskih sudova) (Karčić, 2011). In 1894, the 'Land Waqf Directorate (Zemaljska Vakufska Direkcija)' was established under direction of an AH Government Delegate (Čajlaković, 2009). Evident is the interference of AH into the affairs of the waqf institution, a strategy of other western powers in Muslim countries.

The AH government even determined the duties of the Land Waqf Directorate: to set waqf taxes, set rules and regulation of managing waqf, select waqf personnel and resource managers. The structure of the waqf institution was, therefore, headed by the AH government followed by the Land Waqf Directorate. Lower levels were composed of *kotars* (like municipalities), each headed by a *Shari'ah* judge. Members of each *kotar* were imams of the local mosques, school *mudarris* (teachers, professors) and members of the *majlises* (Durmišević, 2011) (see Figure 3.1 below).

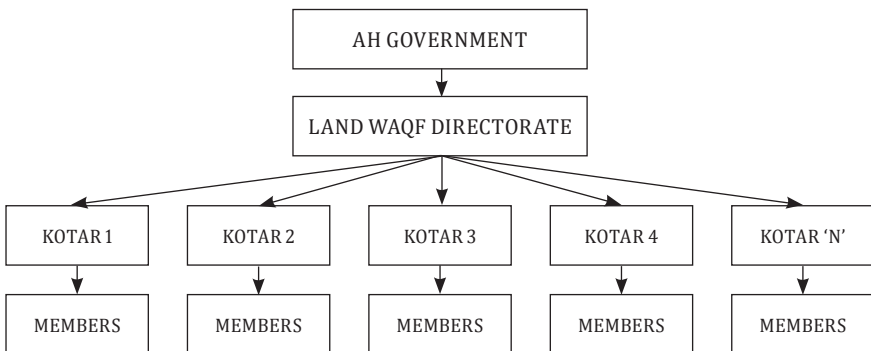


Figure 3.1 Organisational Chart of Waqf Institution under Austria-Hungary (AH) (Source: Created by author with reference to Durmišević Enes (2011). Vakufi u različitim političkim sistemima – odnos vlasti prema vakufima, posebno nakon agresije na BIH (Waqf in different political systems – government stance towards waqfs especially after aggression on BIH). Novi Muallim (New Muallim), Jesen (Outumn) 2011 god. (year), XII, br. (no.) 47. Sarajevo.

Even though AH treated the waqf institution as a separate institution from the Islamic Community, Bosnian Muslims always considered it part of the ICBIH. It was a source of Bosnian Muslims' autonomy for centuries.

If the ICBIH is in the view of Jean-Arnault Dérens, Chief Redaktour of "Courrier of Balkans" the strongest institution in the country then it can be imagined how strong and impactful was the post-1882 ICBIH and as such was recognised by AH.

Muslims, generally, became individualistic under the new legislative system and antagonistic to the Osmanli Caliphate which in their minds committed treason. The above-explained formation of the waqf institution was quite fast but few years of waqf absence was enough to deeply affect the socio-economic and psychological conditions. Many family waqfs were abolished, leaving families without financial support (Karčić, 1999). Waqf is not the foundation for a good Muslim life but its communal importance should not be demeaned. Historically, waqfs stabilised lives of many non-Muslims, as discussed earlier, who found shelter under the benefits of the waqf infrastructure (Donia & Fine, 1994). Waqf was a shell for Bosnian Muslims. Once broken, Bosnian Muslims were unprotected. Bosnian Muslims did all to strengthen the Islamic community and the waqf institution through educational reforms, issuing of journals, intellectual agility, and an attempt of create a waqf bank.

Education saw the preservation of *medresahs* (high schools) and *rushdiyyas* (Osmanli secular schools), transformation of *mektebs* (elementary schools) into *mekteb-i ibtidai*, formation of *mekteb-i nuwwab* (school of *Shari'ah* Judges) etc. Syllabuses were adjusted to circumstantial needs. These reforms determined the future of waqf institution as well as produced its human capital. The quality of the reforms attracted the attention of a scholar like Muhammed Abduh (1849-1905) during reforms, led by him, in Egypt. These reforms took parallel pace with the issuing of journals like *Bošnjak*, *Behar*, *Misak*, whereby the public was educated about the waqf institution and ICBIH activities. A disadvantage of Muslims was the fractionalization into three general groups: the traditionalists striving for the Osmanli Caliphate, the modernists striving for life under AH, and the moderates seeking balance (Karčić, 1990, 1999; Malcolm, 2011).

During all the developments, AH interfered more frequently into waqf affairs, which deprived Muslims from living upon Islamic principles. After a horrible event of forcible conversion to Christianity of a young girl, Fata Omanović, in Mostar, the Muslims started the movement for the 'Statute for Autonomous Administration of Islamic Religious and Waqf-Mearif Affairs' under the leadership of Mostar mufti, Ali Fehmi Džabić

(Čajlaković, 2009). In 1909 the statute was signed whereby all waqfs were officially property of the Islamic Community, controlled and headed by a Waqf-Mearif Council (Vakufsko-Mearifski Sabor) (Durmišević, 2011) (see Figure 3.2 below). This was the basis of future waqf institution's legal status (Hrvačić, n.y.; Riedlmayer, 2005, 2008; Malcolm, 2011).

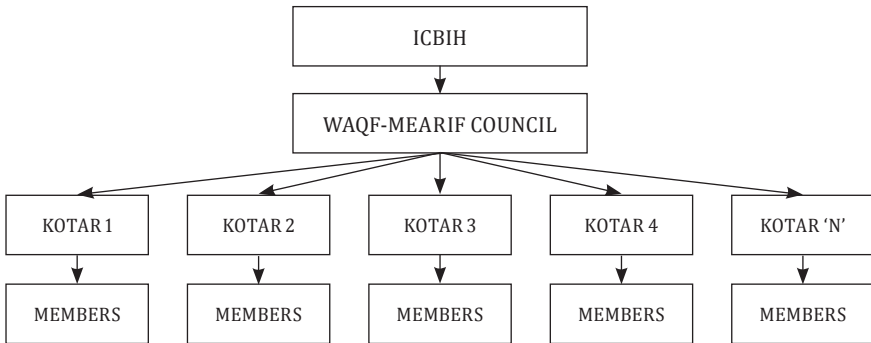


Figure 3.2 Organisational Chart of Waqf Institution after Statute for Autonomous Administration of Islamic Religious and Waqf-Mearif Affairs (**Source:** Created by author with reference to Durmišević Enes (2011). Vakufi u različitim političkim sistemima – odnos vlasti prema vakufima, posebno nakon agresije na BIH (Waqf in different political systems – government stance towards waqf especially after aggression on BIH). Novi Muallim (New Muallim), Jesen (Outumn) 2011 god. (year), XII, br. (no.) 47. Sarajevo.

A year earlier, in 1908, AH annexed BIH thereby confirming its future rule in BIH. However, that move alerted the international community and neighbouring countries and indirectly revealed their interests and intentions towards BIH. The new status of waqf gave Bosnian Muslims the satisfaction, security, and motivation to become more active citizens under AH (Jezernik, 2004). In 1910 there were 10,463 landowners, 136,854 free peasants, 79,677 customary tenants, and 31,416 tenants of own land. Bosniaks made up 91.15 percent landowners, 55.65 percent free peasants and 4.58 percent tenants with own land (Karčić, 1999). The Muslims attempted to open a waqf bank, an idea since 1906, in order to revitalize the waqf socio-economic vibrancy in the new system. Due to *riba* in a conventional economic system in BIH, Muslim minority status, and tough conditions, Istanbul issued a fatwa permitting temporary consumption of interest (Karčić, 2011; Bukvić, 2013; Emirates Review, 2013, June).

The conditions favouring Bosnian Muslims provoked some nationalist Serbs and Croats, which warned AH over annexing BIH and confirming the waqf-mearif statute (Pezo, 2010). The culmination of events led to the assassination of Prince Franz Ferdinand, the heir to AH throne and the spark of World War I in 1914 (Karčić, 1990; Friedman, 2004; Malcolm, 2011).

Bosnian Waqf under Kingdom of Serbs, Croats and Slovenes (KSHS) (1918-1930)

Muslims were highly oppressed and discriminated in post-World War I Kingdom of Serbs, Croats and Slovenes (KSHS). The name indicated non-recognition of Bosniak-Muslims as a people. Many Waqf properties were confiscated and distributed to, mainly, immigrating Serbs. The waqf-mearif statute was ignored and declared invalid. The Agrarian Reform Laws on Reform of Agriculture and Colonization of Bosnia and Herzegovina²² legislated under Sections 3(c) state control over all ICBIH property, Section 4 state ownership of all buildings, Section 8(1), (2) restricted ownership to 10 or 30 hectares (Trakić, 2009). The same was considered to justify nationalization of waqf under the Kingdom of Yugoslavia (Hrvačić, n.y.; Halilović, 2008; Vakuf.ba, n.y.2). The current director of Waqf Directorate ICBIH, Senajid Zajimović, declared how that enabled more crimes. Available statistics number 393 taken and destroyed waqf properties: 75 graveyards, 108 shops, 118 houses and gardens, 90 orchards, arable land and valleys and 2 madrasahs (Halilović, 2008).

Bosnian Waqf under Alexander Karadordević's Kingdom of Yugoslavia (1930-1943)

Waqf under the Alexander Karadordevic Kingdom of Yugoslavia experienced severe waqf destruction. The Islamic Community was governed by the Constitution of the Islamic Religious Community of the Kingdom of Yugoslavia dated 9th July 1930 and 24th October 1936 (Glasnik, 1990). However, the Ministry of Justice had the jurisdiction over waqf. At this time, the Yugoslav Muslim Organisation (YMO) fought for Muslim rights over waqf through governmental representation (Čajlaković, 2009). Formally, waqf was non-existent but informally still financing operations of the ICBIH (Halilović, 2009; Hrvačić, n.y.). The Islamic Community's benefits from waqf had to be secret in order to prevent state persecution (Zajimović, 2011; Preporod, 2013). Calculations reveal a value of 16.5 million of waqf land (16.4 dunums), which is 27 percent of the Bosnian land area, forcibly taken since KSHS (Halilović, 2008; ICBIH-Waqf Directorate, 2011). More detailed confiscations are:

1. 95 percent of the land of large owners was confiscated based on the "Memorandum of the Associations of former owners' serfdom

²² This statute was published in No.2 Official Gazette of Federal Republic of Bosnia and Herzegovina on 9. January 1945.

- begluks' counties in Sarajevo", sent to Royal Governor Paul on 27th September 1938;
2. A Banja Luka decision in 1939 deprived 107.000 dunums of the Gazija's Waqf in the Teslić and Tešanj area of which 1/3 is arable land and 2/3 is forest land;
 3. 24 mosques were destroyed in Sarajevo dating to the early Osmanli Caliphate;
 4. Serb settlements were conducted massively and so land was privatized under homes of seizers.

Bosnian Waqf under Tito's Yugoslavia (1943-1990)

In this period, the *Shari'ah* courts and law officially disappeared from the lives of Bosnian Muslims. Like before, circumstances did not allow smooth oversight over waqfs. In 1943 founded Socialist Federal Republic of Yugoslavia, the Bosnian Muslims still fought for recognition as a constituent people and ethnic group but religion, religious symbols like the scarf and other traditional wear, were clearly prohibited in public. With this Islam was reduced to the level of mere rituals (Pezo, 2010). Nationalization, expropriation and confiscation of waqf properties was legalised under a number of draconian laws²³ but even Islamic, like all other religious affairs, were navigated by the state. A new Constitution of the Islamic Religious Community of the FNRJ – Federalist People's Republic of Yugoslavia as of 26th August 1947 replaced the old one while on 13th July 1959 the Constitution of Islamic Community of Bosnia and Herzegovina (ICBIH) was adopted (Glasnik, 1990). Under Article 25, Paragraph 9, of 1959 constitution, waqf (endowment) was placed under jurisdiction of the Presidency of Islamic Community to cooperate with a concerned local community (*jama'at*) (Trakić, 2009). Again, on 5th November 1969 a newer Constitution of the Islamic Community of the SFRJ – Socialist Federative Republic of Yugoslavia was formed to revise control over waqfs (Glasnik, 1990). Perpetrators against the state were punished. For example, the Sarajevo

²³ Law on Nationalization of Private Economic Enterprises dated December 6, 1946, with amendments of December 12, 1948, for legal basis seizure of waqf mills, hotels, spas and similar establishments, Law on Nationalization of Leased Buildings and Plots on December 28, 1958 Laws on Confiscation of Property and Methods of Confiscation (Official Gazette of Democratic Federal Yugoslavia) No. 40/45 and 70/45, Laws on Handling of Confiscated Property, which allowed confiscation from owners directly (Official Gazette of Democratic Federal Yugoslavia) No. 36/45, Laws on Nationalization of Private Limited Companies (Official Gazette of Democratic Federal Yugoslavia) No. 98/46, 99/46, 35/48, 68/48, and 27/53 etc.; Simple expropriation of private property, done overnight without former information; Disposing of property such as apartments, businesses under the Law on Dispose of Apartments and Business Premises on February 17, 1945 (ICBIH-Waqf Directorate, 2011; Trakić, 2009)

Process (Sarajevski Proces) in 1971 sentenced a number of Muslim intellectuals to death and jail (Bojić, 2011). The Muslims were deprived of their 'existenzgrundlage' (existential basis) (Pezo, 2010). The word explains that even foreigners perceived waqf as socio-economic basis of Bosnian Muslims. Muslims survived but the waqf institution was temporarily closed due to lack of financial support (Donia & Fine, 1994; Malcolm, 2011).

Available statistics indicated that from 1945 until 1990, the regime confiscated 11.342 waqf properties (shops, graveyards, houses and flats, high store buildings, construction areas) which amounts to 30.342496 m². The damage in monetary value for only the sector of taken flats amounts to 167.400.000,00KM (85.846.153,85 EURO) and the sector of construction areas amounts to 576.600.000,00 KM (295.692.307,7 EURO) (for more details per sector please refer to Halilović, 2008; ICBIH-Waqf Directorate, 2011). The numbers suffice as indication on the damage inflicted on the Bosnian waqf institution.

Bosnian Waqf from 1990 until 1995

The 1990s marked the breakup of Yugoslavia into nation states. BIH got independence in 1991 what led to the genocide from 1992 until 1995. The Constitution of the Islamic Community in SFRJ of 12th September 1990 (Glasnik, 1990) defined waqf as property of ICBIH but no formal waqf institution existed since closure. However, the war deprived any record and oversight over waqfs. Only after the war, the ICBIH formed the Waqf Directorate, which compiled statistics, indicating that during the 1990s, Serb and Croat war criminals damaged 2191 and destroyed 875 waqf properties. The percentages of destroyed and damaged waqfs per building type was 80.68 percent congregational mosques, 46.50 percent small neighbourhood mosques, 9.12 percent Qur'an schools, 60.00 percent dervish lodges, 48.89 percent mausoleum shrines and 38.88 percent buildings of religious endowments (see Halilović, 2008; Zajimović, 2011; Dnevni Avaz, 2013; Preporod, 2013). When the Osmanlis left, there were around 5000 registered waqfs. When estimating the numbers of damaged and destroyed waqfs and those not recorded then, it may be said that no waqf was left untouched.

Bosnian Waqf from 1995 until Today

The waqf institution, known as the Waqf Directorate of ICBIH was officially reinstated on 14th June 1996 by decision of the Council of ICBIH (Sabor Islamiske Zajednice u BIH) no: 2486/96. Waqf was recognised as a

foundation whereby the international legislations protect any misappropriation or damage of waqfs, ex. Law on Associations and Foundations and general recognised Human Rights and Freedoms documents. Two additional laws passed to protect and prevent waqf damage, were (Trakić, 2009):

1. Laws on Prohibition of Sale of Common Property, but lease was permitted, and
2. Laws on Special Protection of Sacred Objects and Places.

The Constitution of Islamic Community of 1998 in Article 28 mentioned waqf to be property of the Islamic Community. Article 32 declared Waqf Directorate the manager of waqf properties (Trakić, 2009). The function of waqfs was to contribute wherever still functional. Some of the main activities of the Waqf Directorate were to create a new waqf registrar (a new waqf database started in 2010 as well and data are still collected), stipulation of rules for doing waqf in 1889 (updated in 2000 and 2011 for new ways of doing waqf), initiation of the process of waqf restitution under a special Coordination Council (Koordinacijski Odbor) etc. (Vakuf.ba 1st, 2010; Vakuf.ba 2nd, 2010; Zajimović, 2011; Dnevni Avaz, 2013; Preporod, 2013). On 22nd May 1999, a Statute of Waqf Directorate determined three organs to manage waqfs: Local Islamic Community, Special Judicial Waqf, and *Mutawallis* (see Figure 3.3 below) (Trakić, 2009; Zajimović, 2011).

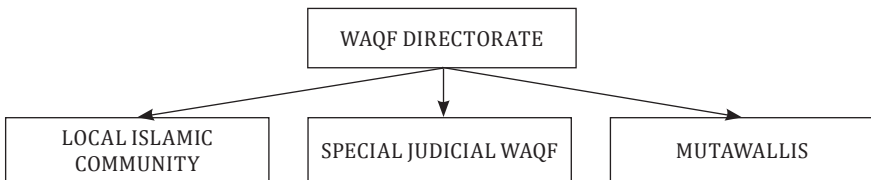


Figure 3.3 Waqf Directorate Organs of Waqf Management in BiH (Source: Created by author with reference to Adnan Trakić (2009). The Legal and Administrative Analysis of Waqf in Bosnia and Herzegovina. International Islamic University Malaysia, Ahmad Ibrahim Kulliyah of Laws. Kuala Lumpur)

The Waqf Directorate is part of ICBIH's organisational structure²⁴ and one of the strongest institutions of ICBIH (see Figure 3.4 below).

²⁴ The Constitutional Court is the main judiciary body while the Council of the ICBIH (Sabor or the ICBIH's assembly) is the main legislative body of ICBIH. Major educational institutions of the ICBIH are listed in the table below. In general, the institutions date from early 15th century to 20th century. Each institution has a program. Other centres and institutions of the ICBIH are also listed in table below. Those date from early 16th century to 21st century. Each has certain autonomy and reports to the ICBIH authorities. Some known publications of the ICBIH were mentioned in table below as well. All started publication in 20th century. →

The highest authority of ICBIH is Raisu-l-Ulama (*reisu-l-u'lema*) who is the President of the Riyasat (the main executive body of ICBIH and the Grand Mufti or supreme authority in the ICBH). The Waqf Directorate falls under 'the Other Institutions of ICBIH' and is accountable to the Riyaset.

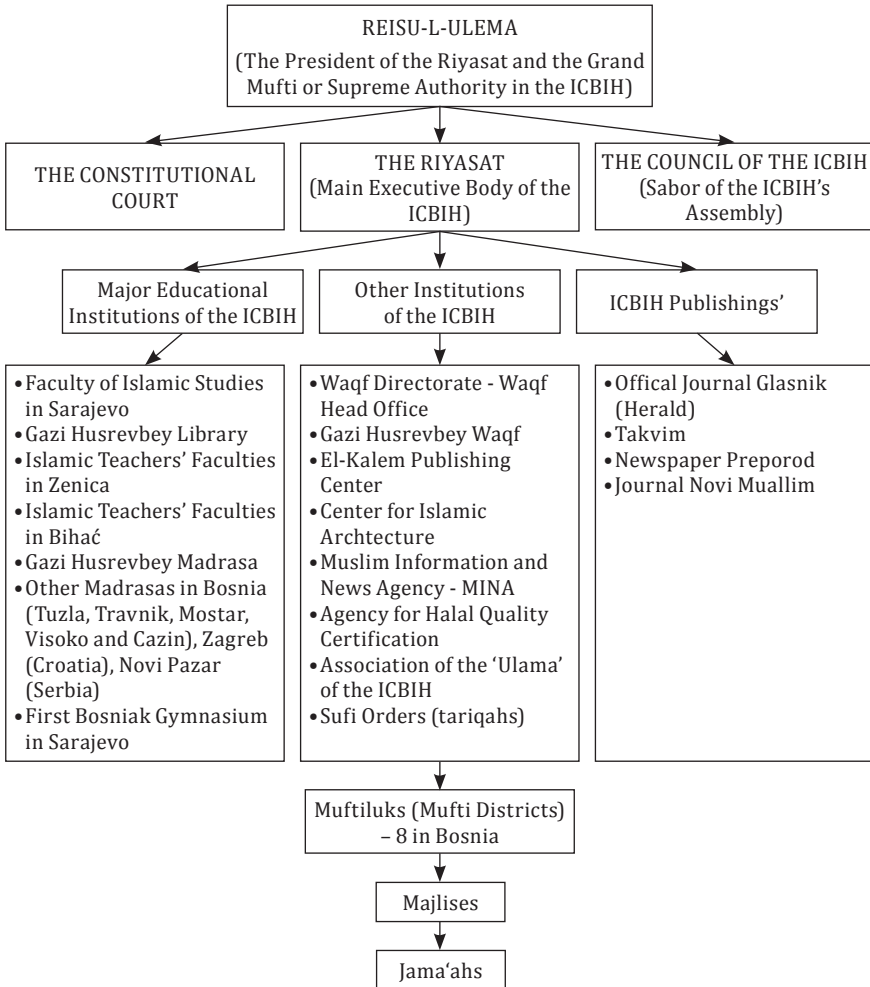


Figure 3.4 Organisational Chart of the ICBIH from 1995 until Today (Source: Created by author with reference to Alibašić A. (2007). The profile of Bosnian Islam and what West European Muslims could benefit from it. Akademie der Dioezese. Rottenburg- Stuttgart. Germany.)

There are other smaller publications by listed educational and other centres and institutions of the ICBIH. The local, cantonal and municipality structure of the ICBIH has 8 muftiluks or mufti districts in Bosnia. Each muftuluk has several majlises, a group of a number of jama'ahs (each having a mosque). Jama'ah is the smallest body of ICBIH present in almost every village, city in BIH. Some villages and cities have more than one jama'ah.

Waqfs, membership fees, *zakah*, *sadaqat al-fitr*, *qurban*, revenue of its profit-generating agencies, funds, gifts, testaments etc. finance the above structure of ICBIH. The ICBIH maintains contact and cooperates with Bosniak and other Islamic communities, institutions, and organisations the world over. Figure 3.5 (below) shows the ICBIH organisational chart with institutional bodies outside of BiH.²⁵ It promotes the integration of peace and justice through religious dialogue (Alibašić, 2007).

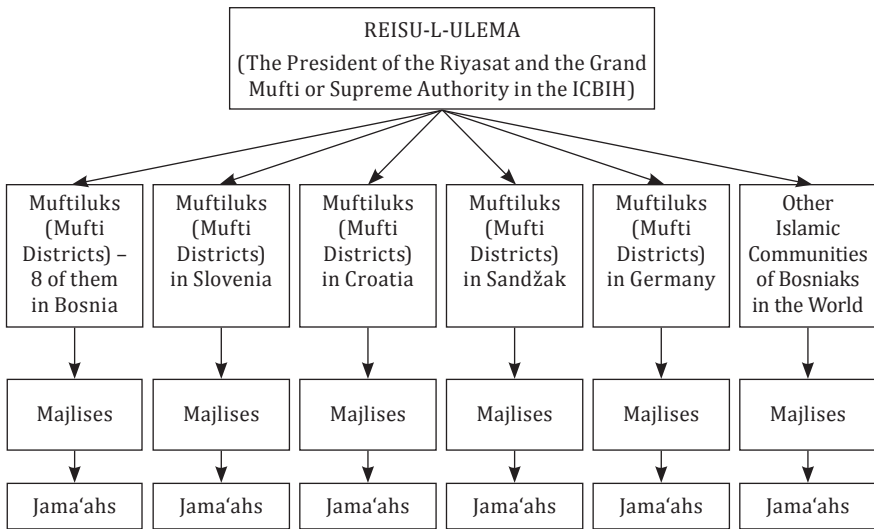


Figure 3.5 ICBIH Organisational Chart with Institutional Bodies outside of BiH (Source: Created by author with reference to Alibašić A. (2007). The profile of Bosnian Islam and what West European Muslims could benefit from it. Akademie der Diözese. Rottenburg- Stuttgart. Germany.)

The institutional bodies in Figure 3.5 (*muftiluks*, *majlises*, *jama'ahs*) contribute to the waqf properties usually through donations (cash).

All the activities of the Waqf Directorate revived the institution of waqf, and repaired and rebuild many damaged and destroyed waqfs but not much has been achieved in development of waqf institutions largely due to a lack of funds.

Based on statistical information, the Waqf Directorate lost from 1995 until 2007, only for confiscated flats 64.350.000,00 KM (33.000.000,00

²⁵ The local cantonal, municipality and international structure of the ICBIH structure are: 8 muftiluks or mufti districts in Bosnia and one in each of Slovenia, Croatia, Sandžak (Serbia), Germany and other Bosniak Islamic Communities in the world. Each muftuluk has several majlises, a group of a number of jama'ahs (each having a mosque). Jama'ah is the smallest body of ICBIH present in almost every village, city in BiH. Some villages and cities have more than one jama'ah.

EURO) and for confiscated construction areas 221.650.000,00 KM (113.666.666,70 EURO) (for more details, see Halilović, 2008; ICBIH-Waqf Directorate, 2011). The amounts would be even higher when considering all other confiscated or destroyed properties. Based on statistical information given by the previous director of Waqf Directorate, Nezim Halilović, the waqf properties in 2008 consisted of 1144 mosques, 570 masjids, 1030 shopping lots, 3027 graveyards, 1570 houses and apartments, 886 buildings and 4829 parcels of land. Summed up, there were 13056 waqf units (Trakić, 2009).

Statistical data of waqf properties as of 2015, obtained from the current director of Waqf Directorate, Hafiz Senajid Zajimović, and the Council of Waqf Directorate members, number 151 different types of waqf properties, organised based on the type. The total number in units is 19236. From those, 1560 were entered into the new database of the Waqf Directorate. For easier analysis and clearer overview, eight general categories are created: lands, valleys, orchards (9500 units), religious objects (4653 units), parks, streets, gardens and other habitats (1928 units), houses and flats (1610 units), business objects and offices (892 units), shops, stores and complements (599 units), utilities (28 units) and educational objects (26 units).²⁶ Compared to waqf units in 2008, there are 6180 additional units or waqfs in 2015. A significant rise in the number of waqfs is evident but the contributions and benefits from the waqfs are not known. The categories reveal that potential in Bosnian waqf resides in agricultural and industrial sectors due to big number of lands, valleys, orchards. Based on statistics, the different waqf lands, as of year 2015, total 39,481,894 m².²⁷ As most land areas are not utilised, the Waqf Directorate incurs high losses annually. Religious objects constitute a considerable part of waqfs and less emphasis can be given to development of this category. Renting and other business related activities could be profitable ventures considering the number of houses, flats, business objects and offices. Lastly, education seems to be an underdeveloped sector and human capital supply is not sufficient to faster develop the waqf institution which partially explains the notion of non-utilisation of waqf properties.

The partially realised plan of Waqf Directorate in BIH in 2011 helped set more detailed tasks in the future such as protecting waqf in BIH and diaspora, preserve permanency of waqf, digitalization of waqf registry, intensify efforts for waqf restitution, set all waqfs into function, assist ICBIH in utilising waqfs in the country for socio-economic development,

²⁶ For more details on each category components, please refer to Appendix A.

²⁷ For more details about types of waqf land, please refer to Appendix B.

raise challenges of waqf to international levels, improve monitoring of waqfs, integrate waqf into the economy ex. via lease (*ijarah*), transform non-beneficial waqfs, increase political participation, and promote research and development of waqf through education (Halilović, 2008; ICBIH-Waqf Directorate, 2011; Zajimović, 2011).

CHALLENGES OF WAQF INSTITUTION AND ISLAMIC ECONOMICS DEVELOPMENT IN BIH

Ignorance about Bosnian Waqf Tradition

Most Bosnians are ignorant of Bosnian waqf history. Those who know cannot explain 'why!'. History is not interest for many Bosnians. Foreigners showed more passion for Bosnia's traditional treasure. Most Bosnians perceive mosques-complexes as ordinary architecture while foreigner like Dierks (2011), wonders with awe about the philosophy behind such architectural design. He described how shops, *hamams*, coffee houses, trade checkpoints etc., surrounding the 16th century old Ferhadija mosque in Banja Luka sustained social needs through the waqif, Ferhat Bey Sokolović. This is only one among many other complexes like the famous Ghazi Husrev Bey Mosque, library, shops, madrasa etc. in Sarajevo. This enabled Bosnian Muslims to live harmoniously with neighbours of differing religious denominations for centuries. Lack of awareness about this tradition prevents waqf integration in Bosnian development today. It prevents comprehension that principles of IE, as discussed in ISRA (2011), guided such waqf. The systematic, unified and integral method of socio-economic life is an objective of IE (Haneef & Furqani, 2012) and the need for Muslims to learn from their waqf tradition is essential for IE development and Islamic science (Acikgenc, 1996).

Political Conditions in BIH

The Dayton Peace Agreement²⁸ (DPA) is the constitutional arrangement of BIH. It is unique with its tripartite system of representation for all three Bosnian ethnic groups. Many international bodies are responsible to oversee particular affairs of political life. The fourth High Representative Paddy Ashdown said it was a successful settlement of conflict (Karić, 2011). It established viable socio-economic relations under supervision

²⁸ The Dayton Peace Agreement is the constitutional framework of Bosnia and Herzegovina which ended the War at 1995.

of the Office of High Representative (OHR). Though not the best solution, it was the only one possible. This secular establishment did not deprive any ethnic group to practice religion but it also did not create any arrangement for religious dialogue. But such arrangements can be made. There is no straight political will or political culture for affirmative action (Bougarel, 2007). The political condition, however, enables greater waqf role in socio-economic development of BIH but many obstacles of legislation prevent reviving waqf laws. The political condition in BIH was relatively stable from 2000 to 2005 and the people rated the functioning of the Presidency Council and Parliament, Council of Ministers, Office of High Representative in Bosnia variably (Karić, 2011; Bougarel, 2007). The overall satisfaction with the political system is low and the system-marginalised efforts for development. The establishment of Bosna Bank International (BBI), an Islamic bank, is limited by the political system, so self-initiated projects of the bank need to create a customer support for limited number of products being offered.

Legislation of Islamic Economics for Waqf Development

There is no legal framework for Islamic bank operations in BIH. Islamic economics and banking and finance (IE(BF)) cannot be legally recognised due to constant veto powers in parliament. A study of the microfinance sector in BIH by Smolo (2011) is a good example how the post-1995 recovery of BIH was facilitated by many foreign and local microfinance organisations. The author showed how room for Islamic microfinance is available today but BBI still does not have such services due to unavailability of a legal IE(BF) framework that regulates the industry's activities. BBI and ICBIH are potential bodies to develop waqf, e.g. cash waqf or waqf-based agricultural development projects. Again, the challenge is a missing legal framework. The legislative challenge of IE(BF) industry in BIH are similar to those in Kuwait, Qatar, and Malaysia etc. in the past but no organised approach exists yet to resolve it. BIH needs to resolve this legislative stagnation in order to integrate waqf into the process of development.

Problem of Nationalization, Restitution and Registration

Waqf restitution was politically marginalised. The Waqf Directorate had the opportunity to recover many waqf properties from current owners but the new owners did not know their apartment was waqf. No alternative solutions temporarily permitted owners to stay in the waqf (Trakić, 2009; Vakuf.ba, n.y.2). The Waqf Directorate asked for other ways of

compensation but lack of financial resources kept most flat ownership problems unsolved (Karčić, 2009; Vakuf.ba, n.y.2; Vakuf.ba, 2008).

Vakufnama (Waqf Certified Document) Dilemmas

Many *vakufnamas* were lost throughout earlier and particularly during the 20th century when BIH experienced the most radical multiple regime takeovers and failures. This complicates the process of waqf restitution. Some *vakufnamas*, mostly those of confiscated waqf properties, did not suffice to return the waqfs. There are even those *vakufnamas* whose waqf was destroyed and damaged. No funds exist to rebuild those waqf and the state refuses to take the blame of previous regimes (Zajimović, 2011; Vakuf.ba 1st, 2010; Vakuf.ba 2nd, 2010; Vakuf.ba., n.y.1; Vakuf.ba., n.y.2).

Human Resources

Human resources are crucial for every institution. Waqf practices globally are far more advanced compared to those of the ICBIH Waqf Directorate. Inadequate skills of the personnel is cause of slow waqf development. The Waqf Directorate's projects cannot be implemented due to inadequate expertise. Waqf personnel in more advanced countries like Malaysia, Turkey, Kuwait, Qatar etc., though not to the greatest degree but are technologically more advanced and exposed to global trends. This equips them with more skills and deeper insights into waqf developments, more efficient and effective engagement and more trainings via group discussions, seminars, conferences etc. whereby new trends and experiences are exchanged among local and international actors. This is identified as one of the major drawbacks of the Waqf Directorate. Skilled human resources would increase the integrity and self-reliability of Waqf Directorate (Zajimović, 2011; Halilović, 2008). The same accounts for development of IE in the country.

Role of International Bodies

Many international legal documents²⁹ protect and encourage the restitution of waqf as a fundamental right (Trakić, 2009). The laws are

²⁹ United Nations Declarations on Human Rights, European Convention on Protection of Human Rights and Freedom, United Nations Declaration on Basic Principles of Justice for the Victims of War and Misuse of Power (Report A/49/881/ on 29. XI. 1985), European Social Declaration, Documents of OESS-a on Human Dimensions (Copenhagen and Moscow), International obligations according to Resolutions 1089 (1996) and 1096 (1996), Resolutions of European Union B4-1493/95, Resolution of USA Congress on 1. 10. 1998, No. 562

neither followed nor respond to the Waqf Directorate's appeal for complete restitution or partial remuneration for destroyed or damaged waqfs (Zajimović, 2011). Not enough has been achieved at this level for now. The appeal was done only several times to some bodies while others were not addressed. In this aspect, greater efforts need to be shown.

Management of Waqf

Abuse of waqf properties by *mutawallis* (assigned managers of waqf) was common in all Muslim societies. As waqf properties grew in number, this challenge became more evident. Bosnian *mutawallis* were no exception. During the 16th to 18th century when waqf complexes were built, *mutawallis* treated waqf like personal property what gradually led to lower degrees of transparency. Such *mutawalli* mismanagement of waqf led to gradual demise of the waqf institution (Karčić, 1999). The *tanzimat* reforms targeted, among much else, also the modification of land code³⁰ and found resistance from *mutawallis*. The formation of Ministries of Awqaf or General Director of Awqaf did not resolve the problem of waqf management (Kahf, 1999). In BIH, that was the Waqf Directorate. More than two decades of recovery did not bring substantial change in socio-economic conditions. Current management proved not as efficient as it could be. A new database is being prepared to improve efficiency and effectiveness of waqf management and overall control over waqf in the country (Zajimović, 2011; Halilović, 2008). All the above challenges further aggravate the management quality of waqf. Lastly, more needs to be done for management do improve waqfs' role.

WAQF INTEGRATION IN BOSNIAN DEVELOPMENT

Waqf integration into BIH development involves the Bosnian Muslim population efforts in revitalizing the institution of waqf. Such developments require a dynamic approach, especially in countries like BIH. The historical experience of waqf in BIH during the 20th century compared to the condition of waqf since 1995 until today revealed the great potential of the waqf institution. The question is whether the available resources are utilised efficiently. Efficiency of resource utilisation must be measured in another study, as the scope of this research does not envisage such discussion. Today, waqf authorities have multiple options to integrate waqf into the development of a country (Çizakça, 1998, 2000). One

³⁰ For more details on *tanzimat* reforms, please refer to book 'Part Three'.

of the starting checkpoints of every change is education. Proper education can raise the awareness of the public on waqf in BIH but also IE as a framework for waqf development.

Waqf Integration via Education

The statistics of waqf properties in BIH indicate that the educational sector was neglected for more than two decades after the war. Other properties indicated potentials for development that can be explored only through human capital quality. Foremost, personnel well versed in the field of waqf and contemporary developments are required to navigate to a direction and form a plan for the Waqf Directorate. This would improve management of the waqf institution. Technical improvements and refining the waqf properties to reach certain satisfactory levels in BIH, whereby further faster improvements require specific personnel. This is particularly important for future generations as beneficiaries of waqf. The educational platform for waqf integration in the educational system of BIH through IE and vice versa was established as “the Centre for Islamic Economics, Banking and Finance” under the Sarajevo School of Economics and Business in September, 2013 (UNSA, 2013). This initiative for development of IE(BF) can be used for waqf development. If the level playing field recognises, release the real potential of Bosnian waqfs. Muslim awareness about the Bosnian waqf tradition may be promoted through this centre. It, likewise, improves political chances for waqf restitution and development of BIH via waqf institution.

Moreover, the European Association for Islamic Economics, Banking and Finance organised a conference in collaboration with the same centre, named “New Challenges for Islamic Economics and Finance Development” from 20th until 21st November, 2014. This was one of the few or similar conferences in the area of Islamic Economics and Finance in South-East Europe (UNSA, 2014). The conference was organised at Gazi Husrev Bey Library, a waqf. This attracts particular attention and points to the ICBIH’s cooperation and interest in learning more about IE(BF). It is important to mention that ICBIH through the Waqf Directorate wants to achieve *Shari’ah* objectives (*maqasid Shari’ah*). Both the ICBIH and the centre want all assets to have a proper place and be utilised for their utmost potential. That is the only viable way for a more just system, proper education and sustainable development. Waqf integration via the educational system does not only lead to waqf development and more just and healthy socio-economic relations, but also to the acquisition of the Islamic worldview that is central to IE and waqf (Nik Mustafa, 2012;

Chapra, 2001). This would benefit all people in BIH. Hence, the two fields are complementary.

Waqf Integration via Islamic Economics

Islamic economic thinking in BIH requires proper understanding of Islamic economic principles. This requires understanding of the Islamic worldview, which shapes understanding of the Islamic economic worldview (Haneef, 1997). This is not new to Bosnian Muslims but also the non-Muslims. The same principles motivated the attempt for a waqf bank in 1906. However, the historical circumstances distorted the peoples' mentality and blurred their direction in life. That is why integration of waqf needs an educational platform like the centre mentioned above, to instil the basic principles of IE found in the Islamic worldview and familiarization of the public about the scope and content of the two fields of study. That would remove prejudices about waqf and IE and clarify the potentials in these fields. It is crucial to inform the public that their support will determine the outcome of IE and waqf.

The current director of the Waqf Directorate, Hafiz Senajid Zajimović, said in an interview that waqf must be made the socio-economic basis of ICBIH and foremost among Bosnian Muslims. (Zajimović, 2011; Dnevni Avaz, 2013; Vakuf.ba, 2011). IE's socio-economic welfare objectives do not differ from that of waqf. This common objective allows the integration of both in the development of BIH. Therefore, the Waqf Directorate and BBI can become partners in the mission of socio-economic development. However, an important thing to keep in mind in such partnerships is to maintain differentiation of the nature of waqf assets from other assets of the bank as in reality banks are profit-oriented (Çizakça, 1989, 2000). The Waqf Directorate in BIH looks forward to establish a waqf bank. Challenges of waqf and IE can be minimised through focus on attainment of IE objectives through education and spread of IE values embedded in the Islamic worldview.

Magnitude of Bosnian Waqf

Among all waqfs of the Osmanli Caliphate, at some times 75 percent of it was arable land (Kuran, 2001; Boudjellal, 2005). Waqf was a noteworthy socio-economic development factor. The historical development of waqf in Bosnia reveals the magnitude of Bosnian waqf and its significant potential for education and the economy. Waqf cannot be fully integrated without fulfilling the IE criteria of internal-integrity and relational-unity (Furqani

& Haneef, 2013). This would solve the problem of waqf management, improve human capital, and raise public knowledge about waqf and IE.

Waqf and Islamic Economics Complementarity Potentials

Waqf use for attainment of IE goals reminds us of the complementarity relation between IE and waqf. The ICBIH Waqf Directorate, independent from the government, can without legal obstacles pursue the development of IE and waqf. Perhaps the best example of this complementarity relationship would be through use of waqf for agricultural development via BBI-arranged financing schemes based on profit sharing (*musharakah*). The earlier statistical information already indicates the potential of agricultural development via waqf. Even most recent statistics obtained for the purposes of this research revealed a large segment of waqf agricultural properties what makes the proposed schemes commendable. Abbasi et.al. (1989) refers to this as the hidden potential of the third sector.

Trust as a Condition of Complementarity Transformative Potential

Scholars identified trust as a key requirement for a just and fair trade in any economic venture. Trust is essential for developing IE(BF) (ISRA, 2011). The previous book part showed the role trust had in Bosnian socio-economic development via waqf since the advent of Osmanli Caliphate rule. If people could slowly adopt the Islamic economic reasoning (with criteria of internal-integrity and relational-unity) (Furqani & Haneef, 2013), this would resolve the challenge of ignorance of Bosnia's waqf tradition, improve management and human capital, expedite waqf restitution and recovery of many *vakufnamas*, and help legislate IE among others. Circumstances would become far better through an emphasis on trust in this process.

Waqf Directorate Role in Complementing Waqf and Islamic Economics

For more than two decades, the Waqf Directorate in BIH reminded the people of the role of waqf in the live Bosnian Muslims and non-Muslims. The people, instead, need on-the-field assistance. The Waqf Directorate organised periodical activities and projects. In a written mail interview conducted for the purpose of this research with Senajid Zajimović, director of the Waqf Directorate, who in cooperation with Waqf Directorate

Council identified some accomplished, current-ongoing and future projects whereby objectives revolve around satisfaction of social needs, better management and cooperation with other waqf institutions in the Muslim world and nurturing more personnel. The Waqf Directorate seeks the attention of Bosnian Muslims and non-Muslims, inside and outside the country, to support the Waqf Directorate in this operation. The Waqf Directorate strives to make waqf properties helpful to society. The current Directorate's leadership knows that a strong waqf network will stir Muslims' otherworldly consciousness (Zajimović, 2011; Dnevni Avaz, 2013; Vakuf.ba, 2011). The vigour of waqf institution is on the horizon once again due to its present-day ambitions. It carries the potentials for a vibrant Islamic socio-economic transformation.

Potential Impact on International Perceptions about Bosnian Muslims

IE and waqf has the potential to elevate the awareness about the Bosnian Muslim tradition in the world. For example, the Bosnian Islam model was proposed to Europe by Alibašić (2007), having the following four characteristics: (1) secularized Islam – since AH rule in 1878; (2) adaptation of non-sovereignty and power sharing; (3) democratic and pluralistic; (4) nationalized Islam. The international community fears *Shari'ah* governance in BIH. Hickok (2011), however, wrote that the main obstacles to Bosnian Muslims' radicalization are Bosnian Muslims. Wahhabi and Salafi groups in Bosnia never changed the mainstream Bosnian Muslims tradition (Šuško, 2011). Nevertheless, there is always room for improvement (Nik Mustafa, 2012). The grand mufti or *reisu-l-u'lema*, Mustafa Cerić (1952-), called for religious dialogue in Europe (Bojić, 2011; Stuebner, 2009) and proposed the formation of a single European Muslim Authority to unite Muslims and non-Muslims (Cerić, 2007) by arranging the signing of Draft Law on Freedom of Religion and Legal Status of Churches and Religious Communities in BIH (Stuebner, 2009). For the same purpose, Karčić (1995) defied the Samuel Huntington hypothesis of 'Clash of Civilisations' as being paradoxical for BIH who showed transformation of 'fault lines' to lines of fruitful coexistence (Bougarel, 2007).

Potential Within Islamic Banking

A study on Islamic Banking in BIH using the SWOT matrix showed the general performance, prospects, and extent of Islamic economic reasoning (see Table 3.1) (Goksu & Bečić, 2012).

Table 3.1 SWOT Matrix (Awareness about Islamic Banking in BIH)

Strengths	Weaknesses
<ul style="list-style-type: none"> • interest free banking • speed of service delivery • the quality of special services • well-trained employees 	<ul style="list-style-type: none"> • more expensive loans • shorter working hours • small number of ATMs
Opportunities	Threats
<ul style="list-style-type: none"> • different (innovative) set of products • Muslim population in BIH • a good rating of the founders • growing economy in BIH • stable banking system in BIH 	<ul style="list-style-type: none"> • tax and law system • insufficient knowledge on the clients about the principles of Islamic banking • environment for Islamic banking • microcredit organisations as a competitor

Source: Ali Göksu, Armin Bečić, "Awareness of Islamic Banking in Bosnia and Herzegovina", *International Research Journal of Finance and Economics*, ISSN 1450-2887 Issue 100 (2012): 37.

The strengths of Islamic banking (IB) in BIH (see Table 3.1) match IE objectives of interest (*riba*) elimination, faster and better customer service, and God conscious educated personnel. The weaknesses of IB are in line with the drawbacks of IE: no competitiveness to conventional banking due to costliness, lack of personnel commitment in developing IE(BF), and high-risk averseness to borrow and invest for faster expansion. The opportunities of IB in BIH parallel the IE encouragement for innovation and creativity, conduciveness to a large Muslim population, growing economy and stable banking system.

The strengths and opportunities of IB create a conducive environment for not only IE development but also for waqf. Waqf can play a major role as a tool to realise the objectives of IE. For example, a good waqf institutional structure can replace microcredit organisations and increase employment. As Smolo (2011) suggested, Islamic microcredit organisations could be established, bearing in mind the challenges of legislation, whereby more people can be employed. Waqf and microcredit organisations provide new strategies for development via social-oriented projects. If that succeeds then partnership contracts (*murabahah*, *musharakah* and *mudharabah*) can be practiced bearing in line the risk factors (Bukvić, 2013). The Waqf Directorate and BBI organise periodical seminars and conferences that attract new investors. Meetings between the two are often reported in the BBI monthly newspaper. For example, the Waqf Directorate organised a forum in 2015 to envision models of waqf integration in development and forecast establishment of a waqf

bank (Sarajevo Times, 2015; Halilović, 2008; Zajimović, 2011; Dnevni Avaz, 2013; Preporod, 2013). The above challenges present obstacles for faster waqf integration into BIH development but do not deprive such affirmative actions that can overcome challenges through gaining public support, education, new investors from international bodies etc. These would give further momentum for waqf and IE development.

CONCLUSION

Waqf and IE have a bright future. The West show immense interest in these fields due to recent economic instabilities. The 19236 waqf properties or 39,481,894 m² in land size shapes our perceptions of the future of BIH IE to develop waqf institutions to levels of other Muslim countries and greater. Doubtlessly, the future of Islam in BIH lies in a revitalized waqf institution as well. Abbasi et al. (1989) and Boudejallal (2005) emphasize the potentials of the third sector to which western developed nations indeed more frequently turn to in order to support the socio-economic development demands. The contemporary determination of the ICBIH Waqf Directorate is to make waqf the socio-economic basis of ICBIH and the Bosnian Muslims. The establishment of BBI introduces another bright perspective for IE development and eventual integration with waqf in the quest of socio-economic development in BIH. Bosnian Muslims should consider this alternative seriously. Gradual integration into the chain of developments were highlighted in sections of this book part and identified increasing need for BIH sharing of experience with other Muslim and non-Muslim countries.

4 Waqf Development in Light of Islamic Economics in the Muslim World with Special Reference to Bosnia and Herzegovina (BIH): Findings from semi-structured interviews

INTRODUCTION

Background

In “Part Two” of this book we explored the role of waqf from Osmanli Caliphate arrival in Bosnia until the 20th century preceded with a background on pre-Osmanli Bosnian inhabitants’ lifestyle. “Part Three” of this book continued this discussion to include the waqf developmental role from the 20th century until today. This “Part Four” draws data from semi-structured interviews. Semi-structured interviews were needed to give additional credibility and weight to previous discussions on the role of waqf in BIH and other regions of the Muslim Caliphate. There is literature that talks about the waqfs in other regions but an interview is a unique, faster, and first hand raw source and method of acquiring such information. In addition, the semi-structured interviews allowed the respondents to answer unrestrictedly to questions.

The respondents were informed about the objectives of the book and interviews and were requested to provide insights for Bosnia or relate responses to BIH as much as possible. Comparisons can, therewith, be easily done and common patterns of waqf developments can be identified. The interview questions were comprehensive and open-ended but were directed toward answering the following questions for attaining the purpose of this book: “Did waqf have a socio-economic development role in Bosnia from early times until today?”, “How was the past condition of the waqf institution in Bosnia compared to today?” and “What are alternative scenarios/options for the development of the waqf institution?”. The fourteen interview questions are provided in Appendix D. The responses

were likewise comprehensive and detailed. That helped clarifying the case of Bosnia with help of waqf experience from the Muslim world.

Selection of Interviewees

The interviewees were chosen based on their different backgrounds and unique contributions. Those interviewees with a background in IC, Islamic studies or Islamic thought and philosophy were assumed to be able to give more details on social aspects of waqf contribution, e.g. social welfare, *maqasid Shari'ah*, Islamic worldview, besides economic aspects. On the other hand, those interviewees with a background in economics, IE, Islamic economic thought were assumed to be able to give more details on economic aspects of waqf contribution, e.g. attainment of *maqasid Shari'ah*, economic development, strategies of development, investments, management, Islamic economics worldview etc. besides social aspects.

The respondents and their responses provide a detailed view of waqf's socio-economic role throughout the IC, particularly in Bosnia. Another criterion for choosing the respondents is their nationality. Respondents from BIH, Turkey and Albania could give a more genuine perspective of waqfs role in particularly BIH. The list of respondents is given in Appendix C.

The outcome indicated a dynamic role of waqf in all spheres. Some respondents considered their responses on one question sufficient for some other questions, which is why not all respondents answered all questions. Two interviewees agreed to respond to the questions via mail due to geographical distance. However, those responses were more concise and in point form.

Analysis of Interviews

The phenomenological method is considered the best method to obtain findings. It allows segmentation and grouping of interview responses and discussions and presentation into themes and sub-themes. The researcher coded the respondents, categorised and generated themes pertaining to the questions, and then grouped the themes. The themes were titled based on the main idea of each interview question. Each question is related to parts of discussions in other book parts. The researcher grouped and related the themes to particular book objectives. The group of themes are also relatable and are presented in sequential manner whereby each group can be considered a phase of preparing the people

and waqf institution for waqf development. The detailed discussions of each group will reflect these relationships and phases of development.

Firstly, the groups of themes of responses are analysed through a process adopted by Miles and Huberman (1994), and secondly, the groups of themes relate the discussion to the overall book objectives. It, likewise, indirectly introduces the discussion in 'Part Five' of this book.

During the analysis of themes as qualitative data, the researcher applied three sequential processes: data reduction, data display, and conclusion. These processes were applied prior to discussion of themes and are helpful in summarising long interviews in topics and sub-topics that relate to the objectives, identify similar cognitive processes of respondents, and the interrelatedness of those cognitive outputs (Miles & Huberman, 1994). Data reduction screens the long responses and identifies the most important sections answering each question. Data display presents the responses and explains the respective themes. The groups of themes of discussion reflects a stepwise development of waqf institution.

INTERVIEW FINDINGS

The following section will present the interview findings in a thematic style. The selection of themes and presentation method were been explained in the introduction. Again, the themes support the discussions in book parts two and three and indicate subsequent discussion in part five.

Theme 1 and 2: Pre-Islamic waqf-like practices and the later waqf practices and growth influence on the people of the pre-Islamic period

Waqf-like practices have existed long before Islam introduced waqf. Even before the Prophet Muhammad PBUH, other Prophets were sent to preach Islam and motivated the people to participate in charity. Hence, all respondents agreed that in the pre-Islamic period charity practices existed in the Balkans and elsewhere. They became institutionalised in Islam and is most evident in waqf practices during the times of Osmanli Caliphate. In that light, Respondent Five (R5) said:

It definitely predates the Turkish and Bosnian institutions of waqf. The waqf that we have, definitely its basis is found in Islam, in the Qur'an, which says that you will not gain piety until you give something you are fond of.

The art of giving has been an intrinsic value of Turks even before the Osmanli Caliphate. It was a cultural custom of significant value that proved to be an essential welfare factor. Hence, Respondent Four (R4) explained:

The Turkish had the concept of 'yaamaa' where the rich person prepared the feast with special utensils like plates and when people used to come, they used to take all the plates when leaving. That was called the 'yaamaa'. Also the social status of a person of the pre-Islamic Turks depended on how much generous one was to his friends, guests and that was very important. But after Islam came a new concept was introduced in charity which is *sadaqah jariyah*. It is permanent charity which Islam institutionalised but people before Islam were just giving some for the sake of donating something, consuming etc.

This giving culture is linked to human intrinsic nature (*fitrah*) which indicates that there are institutions and feelings that societies universally share. Respondent Three (R3) said:

This is part of human *fitrah* - human intrinsic nature. Allah SWT has put that in everybody, social beings, societies, children, family. Giving is part and parcel of human society right from the time of Adam PBUH.

The creation of man, Adam, and the command to his sons is proof of the importance of giving due to the request from God to sacrifice an animal in His name. R3 then explained:

That is why there are lot of *Hadith* like where one of the daughters of the Quraish came and asked the Prophet PBUH: if my father used to give, feed the poor, practice charity, is this is then an Islamic act?

Giving charity in Islam became in the views of R3 a source of spiritual, cultural, and social development. Hence, even in the case of Bosnia, the giving culture predates the arrival of the Osmanli Caliphate as Respondent Eight (R8) said:

Yes, there have been some sort of organisations in Albania and I think in Bosnia also when it comes to charities. The same was also available in other two Christian churches. All the teachings

of Christ, Jesus were about Islam. The Turks had their philanthropic activities also in their traditions and culture which later on with acceptance of Islam become even profounder.

Similarly, Respondent Seven (R7) said that the beginning of waqf and waqf-like practices are hard to determine but the mosque was waqf during the Prophet's PBUH time and added:

The mosque was indispensable for the Muslim community. There were different mosques: private domestic mosques, neighbourhood mosques, jami'a mosques, the earth as a mosque or even the universe as a mosque. From this practice developed a life where the community as we know in Prophetic times used to give all they had for the community's interest.

During the IC, extensive trading influenced other areas not under Muslim rule and therewith motivated people of pre-Islamic times to convert to Islam. R5 said:

I would not be surprised if that is true. Probably waqf could be one of the things that influenced people to become a Muslim like when it comes to pre-Islamic inhabitants of Bosnia.

After explaining the social, political, and economic circumstances of Bosnian inhabitants and comparing it with what Islam offered, the respondent confessed that peaceful conversion happened but the extent of waqf role is not known yet. Being a good human and giving waqf for R5 means:

You must be released from selfish or any other source of self-oriented aspect of feeling. Maybe that might be some of the motivating factors.

Knowledge that Allah SWT is the owner of waqfs influenced the peoples' beliefs and conviction whereby many converted to Islam. R4 added:

These waqfs offered many services for free. They were very helpful in converting people to Islam and educating them all over the world of waqf. They provided social space for people to come socialize, get food, education.

Similarly, Respondent Six (R6) says that waqf helped the IC grow and motivated people to convert to Islam:

Waqf, however, is immutable and will remain like mountains pegging and stabilising the moving continents of other civilisations with IC.

In addition, R6 gave the example of Singapore Waqf, which gives the Muslims a sense of dignity and respect from other non-Muslims in the cosmopolitan state.

In the pre-Islamic times, societies indulged in 'drinking wine, womanzing, a society of clear distinction of rich and the poor, master and the slave' according to R3 who would call it a caste system. In Islam that changed radically and R3 added:

A culture of giving *subhanallah* (praise be to Allah SWT), brought a lot of goodness and practice of charity and giving, dignity. That was later practiced by all the *Khulefa-i-Rasyidin* (rightly guided Caliphs). Many people saw in them the reflection when there was the *Baitu-l-Mal* (bursary) usage. The art of living whether it is institutionalised in waqf or other forms of *sadaqah* (charity) had an impact on people coming to Islam.

Along similar lines, Respondent Two (R2) explained how the Europeans learned adopted waqf practices from the Muslims, built many universities, remained non-Muslims, and stated:

I can give an example how waqf used to inspire others to become Muslims. Muslims can give waqf on something that can help the new people who just became Muslims. You build schools for *muallaf* (new convert to Islam) just for them to learn the religion.

The trade relations in areas where Islam has not broached were evident during the time of Harun ar-Rashid. This familiarised the people with Islamic practices, e.g. waqf. R8 then explained:

They used waqf to settle in new areas like Albania and Bosnia. Waqf motivated them to convert as they had security and safety for their family. Maybe later the feeling towards Islam and the faith, beliefs, became more firm and so love developed gradually.

Again, R7 responded by comparison of the expanding role of mosque as community development centre to different sectors:

All those caliphates were in their times increasing in urbanization. Waqf had a major role in all that when considering the fact that the mosque was waqf and during the Prophet's time comprised all the later independent institutions. The changes of times required changes of organisational structure.

Theme 3 and 8: Scope of waqf socio-economic role and integration of waqf and Islamic economics in a country's development

From the previous themes, it is evident that the scope of waqf continuously widened. In post-Osmanli Caliphate countries like BIH, many cities, streets, areas still carry the adjective 'waqf'. Respondent One (R1) elaborated:

Most objects, like mosques, bridges, schools, maktabas, *imarat*s (public kitchens), hans, streets and water taps, are generally the result of the Islamic call and encouragement to do good. It can be said that the role of waqf, especially in the early Osmanli period was so meaningful and important that the development of cities cannot be separated from the development of waqfs.

In the view of R5, the scope of waqfs' socio-economic contributions is best understood through education which shaped attitudes, fostered communication, solved social problems and added:

They have expanded the waqfs to become generative of the whole economy. I do not know the exact figure how much of Bosnia was waqf. They say that maybe the most beautiful parts of Bosnia are waqf. They call it the "Land of Waqf".

A similar view of waqf contribution to socio-economic development was given by R4:

First, it gives intellectual autonomy, second, it gives freedom and dynamism to civil society, and third most importantly, no money is spent to education, healthcare, and other services for the public. All these areas were financed with waqf.

In continuation, the respondent explained the role of women in waqfs' widening scope in socio-economic development. Interestingly, the first universities were established by women and until today are used by and contribute to the society. R6 said that 'in the IC waqf has

remained inclusive but ubiquitous (embedded and 'hidden') and 'it is perhaps the only survived and protected asset of the *Ummah*', 'the 'last economic bastion' of the *Ummah*' and 'a strategic asset'. It constituted 40 percent of the Osmanli GDP according to R3 who added:

There is a saying that a person would be born in a house of waqf, brought up and educated from waqf, stay in the house of waqf, fed from waqf, then dies in the waqf and then buried in the land of waqf. That was the extent and greatness of the institution.

Hence, the society was the manager of waqf and delegated that duty to coming generations. As R2 claimed, the waqfs created a situation of 'no big role of government' but during those times:

You can see many institutions like universities, mosques that had a big social role and all this was contracted with waqf money. That is, I think, the main contribution of waqf throughout the Muslim civilisation.

Today's inhabitants of many countries on the Balkans are indebted to the contributions of waqf to the quality of life whereby most would not have the quality of life they live today. R8 explained:

If it were not for waqf, most of the properties would not be built in Albania and Bosnia. Many of our names of places, I believe also in Bosnia, carry the 'vakuf' name or waqf.

Likewise, R7 confessed that almost everything in Bosnian social life was related to waqf:

Most of the mosques are waqf and it is hard to find something not being waqf at one time in history. For example, Sultan Ahmad Mosque in Zenica is all waqf with a Turkish style, Sufi shrines (tekije) and traditional mansions (šadrvan), land, etc.

Education during the IC followed the Islamic law (*Shari'ah*) whereby no discipline had the adjective 'Islamic'. Today, many fields of study like IE count on waqf in development plans as an important tool for growth, especially the distribution and redistribution of resources. The respondents support the integration for such intentions. R5 views that if IBF became a global competitor, the waqf institution can with confidence attain greater success due to surmountable waqfs in many Muslim countries and added:

Absolutely, I think it is not just that they are but they must work together. They go hand in hand and as you know during the Osmanli time the waqf institution were hosting all sets of ministries in relation to trade, economy and so on. Absolutely, there is a relation and now should we have something like a bank to develop waqf? So should we have a waqf body maybe to rule it, to have it in jurisdictions or what do you suggest?

In continuation, R5 revealed some challenges of waqf cooperation with banks but nonetheless, “they have to find the link and the way” so the “waqf profits can be used for something but the assets, the essential should not be depleted”. As far as R4 is concerned, the integration is not a problem but a waqf bank should facilitate the liquidity management of a waqf institution:

Waqf can solve the concerns of the people when they give money to banks. They can do waqf and know the money will be used for society. Waqf puts constraints on consumption and you can share it with others. It is a cyclical process.

Waqf is society oriented and the governments today should have no stake or minimum stake in the waqf institution in the view of R6 who added:

Strangely, waqf is like an “under-ground” economic sector for the Muslim, *Ummah*. No governments no matter their political ideology except, could truly control the waqf assets that are undeclared to the government nor are they easily made public because of the *wasiyyah* (document of waqf intent) mentioned in waqf.

Hence, the *wasiyyah* of waqf is important and usually maintains the need of keeping waqf independent from other assets. R3 suggested that the waqf institution should always remain separate but work together with the other private, public, and voluntary sectors:

They were working together but separate. They worked in synergy but separately. So if for example the private sector is affected then the voluntary sector can help. They complement one another.

Moreover, R3 believes there is a need “to develop the voluntary sector, waqf, and keep it separate to help the health of an economy” with “an

independent legal structure, independent law to operate". A bank and waqf can likewise, complement each other but waqf goals should remain non-commercialised in order to preserve the waqfs' purpose and objectives. In the perspective of R2, the cooperation of waqf and banks is explained in the following way:

Let us say now you have a Bosnian waqf institution and you have money. Putting it in the Islamic bank is no problem. However, should we ask the bank to manage the funds? Please do not do it. It should be done by the waqf directorate in Bosnia.

IE and waqf work together but this is challenging in BIH and Albania as R8 argued:

It is very challenging in the Balkan countries. The banks are operating with interest and Islamic banking and finance or IE is hardly known to people besides the news they hear on the growing interest for the industry.

In the explanation of R7, the waqf institution needs to adapt to the needs of the time and prolong the list of activities even with banks but maintain the main purpose of waqfs:

Services of healing, resting, residing, discussions, detention, all became separately institutionalised. However, its separation did not undermine the role of the mosque (waqf) in community. Hence, there was still integration of parts into a system. The mosque continued to represent the community development centre.

Theme 4, 5 and 6: Waqf role in unifying Muslims, attainment of objectives of Shari'ah (maqasid Shari'ah) and projecting the Islamic worldview (Islamic economic worldview)

Besides the role of socio-economic development, waqf also plays a major role in unifying Muslims. In BIH, waqf played such a role for centuries and today in some places such a role of waqf serves the religious needs of many local communities. R1 explains:

When talking about the unity of Muslims around waqf, the following is the task and role of waqf in modern times. An important moving force, before all in a financial sense, individual but also social activities, which create better lifestyles for individuals

and society as a whole. There are numerous funds, foundations, endowments, charities whose founders are private individuals, communities, group of donators like many countries who with influence fill the gap of significant segments of social life and needs.

Similarly, R5 said that based on facts, waqf had that role during the Osmanli Caliphate and as far as Bosnia is concerned, it seems there have not been better times for the people and then added:

You say social welfare, probably it is a social welfare state and it is if we look at all the countries labelled as such. We see that they look up at some waqf-type assets. In Islam if people are willingly surrendering property for the others you will have a pool of money that will have a unifying factor.

In contemporary times, Europeans have a program called the Erasmus Exchange Program, meant to facilitate and sponsore differently structured educational activities around the globe. This, however, was already a long tradition of the Muslims, argued by R4, whereby people lived Islam in all famous centres of knowledge in the Islamic and the non-Islamic world. R4 added:

People knew there are many waqfs in all Muslim cities and they can go and stay there. It facilitated unification of the *Ummah*. In particular, traveling of the students and traveling of the merchants. They could stay in waqf as guests for some time.

This unifying role of waqf motivated many Muslims to count time given in service of others as waqf based on the Prophetic narration that the best people are those who serve the people. According to R6, it sometimes restricts that unity in family waqf by saying:

On the other hand, in Sudan and Morocco waqf remains exclusive to the families whereby they sue the Government if purportedly interfering in waqf management affairs.

The power of waqf to unify Muslims according to R3 is most noticeable after the caste system:

Later Islam came and said wait! So giving was made an obligation, a right of the poor to take from the rich. That was something revolutionary. Professor Qal'aji said that sadaqat and

charity gives a ground for the poor to check if the rich do their job or not.

Similarly, R2 explained how waqf as a tool of IE emphasises cooperation and unity among economic agents and offers the mechanism that works in the following way:

It can be achieved because people are willing to share for the benefit of the masses, for the public. That binds the brotherhood, creates the connection among Muslims and not just among Muslims but among other people as well.

The unity of Muslims and non-Muslims in the Balkans reflects inclusive unity that R8 explains in the case of BIH through the mosque complexes mosques with complementary objects whereby:

These can depict the extensive service that waqf offered multi-dimensionality, of which the effect was unity of Muslims.

R7 spoke of the different types of waqf from mosques and houses to open areas and then stated:

Most of the things the Prophet PBUH built became waqf by definition as everything was used by the public. The mosque of the Prophet PBUH was the community development centre. In other words, the mosque served as waqf – fulfilling the public needs and improving their welfare.

According to all respondents waqf can attain the objectives of *Shari'ah* but identifying those objectives is a problem. R1 stated that today many realised projects, ongoing projects and future waqf projects attain the objectives of *Shari'ah* and added how (See Appendix E):

In that perspective the Waqf Directorate has formed the following funds:

1. Fund for protection, improvement, revitalization and promotion of waqf,
2. Fund for establishment of new, reconstruction and adaptation of existing waqfs and religious objects,
3. Fund for cultivation of waqf land,
4. Fund for upgrading expertise and education in the field of waqfs,

5. Fund for socially affected members of society,
6. Fund for educational support, and
7. Fund for Islamic publishing houses.

The BIH Waqf Directorate aims to protect the religion with BIH waqfs. R5 considers this the first *Shari'ah* objective that waqf attains. Giving in the name of Allah SWT increases the *iman* (belief, faith) for Muslims and the benefits in the hereafter differentiates the Islamic perception of giving from that of the non-Islamic. Common goals exist as well as R5 added:

The current model in the West is to increase shareholders value. No matter what you do you look at the shareholders' value. In Islam as well, we try to do the same.

Waqf objectives of *Shari'ah* include even the animal and plant kingdom as R4 illustrated:

So they made waqf for the migrating birds in Anatolia and Istanbul. The birds from Africa come to Anatolia in Istanbul, they rest to eat and then fly to Russia and the same way back. They identified the areas where migrating birds landed, they put food for the birds to eat and they come there and easily find the food.

In the view of R6, waqf is definitely obtaining *Shari'ah* objectives but not always perpetually:

Maqasid Shari'ah of waqf may not be fully realised in other types of waqf such as cash and corporate Waqf.

The above indicates that some new types of waqf pose challenges to the attainment of *Shari'ah* objectives where, as R3's argues, strategic prioritisation is needed and the first such priority is always social welfare. R2 added that it is simply the concern of waqf to provide *daru-riyyat* (essential needs) like education, health, family sustenance, and concluded:

So definitely, waqf can engage in these areas directly or indirectly like buildings, schools, hospitals.

As indicated from the discussion in the previous themes, R8 is of the opinion that when waqf sustains people's lives in BIH, Albania etc. then the *Shari'ah* objectives are attained, e.g.:

Waqf was extensively used for education. That shows the importance of the mind and intellect.

If waqf unites the Muslims and helps attain objectives of *Shari'ah* then it surely instils the Islamic worldview in people. The respondents showed consensus of such waqf role as well. As *khalifahs* (vicegerents) on this world, R5 views that the ownership of things is entrusted to us and does actually not belong to us that points to a worldview in Islam and economics of a purposeful existence that waqf as property of God identifies. R5 explained:

Waqf should be profitable and Bosnia is a good example. The most expensive part of Bosnia is waqf, Bašćaršija. If you get the returns there, as when you get returns rented elsewhere in some other town then something is wrong with your economic model. We should think wisely how could we maximise the profits of waqf how they can be rechannelled to waqf and the community becomes self-sustainable.

Hence, the Islamic worldview does not prohibit profitable activities through waqf but encourages it through the Islamic economic worldview that offers inclusivity and goodness, distribution of wealth and independence of scholarship according to R4 who added:

The example of waqf for the animals and not only man is here relevant. That shapes the worldview of the people and Islamic worldview shapes the waqf institution and vice versa later.

Similarly, R6 argues that the Islamic worldview or the Islamic economic worldview ensured sustainable development in the past until decay of IC and indicated that again:

The Islamic economic thought only revived in the late few decades until today with the vision to put, i.e. waqf, as part of the mainstream economy.

R3 emphasised that extra wealth is our *amanah* to give to the poor following the example:

Once the Prophet PBUH woke up during the night and the wife was surprised and asked why? He said that he has one dirham that does not belong to him and he went around to find a poor to give away that dirham.

Hence, IE and waqf are two complementary disciplines founded on the Islamic worldview and aim to attain social welfare as part of *Shari'ah* objectives through, i.e. distribution and redistribution of wealth. R2 who explained it in more details:

Today people talk more about waqf due to it is trendy. We can say that since waqf is part of IE, that the first topic of IE is the Islamic economic worldview and definitely that is the tawhidic worldview, *ta'awun* (cooperative) worldview. How do you want people to cooperate? Waqf is the mechanism.

The Islamic worldview helps find the proper direction through waqf as R8 explained:

Islam is a way of life and with Islam came the worldview which has shaped the lives of Muslims in general, those in Bosnia and Albania, to view it as their original identity even today.

R7 complements by explaining how Islam was integrated in all spheres of life, ingrained in the characters of Prophet's companions what is not really the case today. However, IE has potentials to attain this again.

Theme 7, 9 and 10: Raising Muslim consciousness about waqf history and condition today, and the role of youth in waqf development

Destruction of waqf properties in the Muslim world can be viewed through the domino theory of failing institutions. The Bosnian Muslims' awareness about waqf is limited and authorities worked for decades to improve that for the interest of the people and the ICBIH. R1 added:

The individual and social reactivation and raising of awareness about the importance and significance of waqf is essential. We know that waqf can again have that role. It is necessary to go back to that role and invest in that direction. Enormous potential is hidden in waqf. The future of waqf lies in so many potential areas of impact. Waqf can and must take the leading role in perspective of financing the most significant projects of the ICBIH.

R5 views the awareness about waqf in BIH as definitely absent. The only legal position of waqf was during the Osmnali Caliphate. R5 explains the later initiatives of strengthening waqf:

All those initiatives asked for, proved that there was resistance from the Muslims. The non-Muslims were not interested and had not benefited from that.

In response of R8, it is evident that such conditions are not just present in Bosnia but Albania as well but indicated that the situation on the ground is changing:

I am not saying now that there are no people who know about waqf or the Islamic history in Bosnia or Albania. Far from that, actually, there are very renowned scholars on history and waqf. They are the resources who can contribute to raise people's awareness about waqf. I think that some gradual improvements can be seen in all the countries. Their relations and communication is improving by time but it can be faster and better.

Similarly, R7 joined the argumentation with confirmation that awareness is totally lacking in BIH and the Muslim world but disclosed that:

There are indications on ground and by scholars to raise the awareness of people about waqf. Most of our mosques are waqf as I said before when talking about waqf during the Osmanli Caliphate.

However, the changing socio-economic circumstances in BIH enables a more systematic approach in raising awareness about waqf through the following points of R1:

- Insisting on the urgent ratification of Law of Restitution,
- Affirmation of waqfs as a unique institution in *Shari'ah* and animation of believers in giving properties for waqf to be part of the permanent good,
- Give waqf an important place, in educational institutions of Islamic Community in BIH,
- Upgrading the education of employees of Islamic Community of BIH about waqf,
- Insisting on the literal upholding of *waqif's* (endower's) stipulated conditions wherever possible, and
- Formation of special funds for diversified sectors of waqf.

This time, R5 added that waqf had better be promoted and developed by the ICBIH, its units, academicians and waqf bank today. R5 then criticised the consumption of interest as it works against the increasing awareness about waqf and development:

I know that people are allowed in Europe to buy a house in case they do not have the Islamic bank. So they can use the conventional bank to buy the home by credit with interest. This is the consumer perspective. If an Islamic bank is there, then you as the consumer have no option. Here it is the vakufska banka (waqf bank). They are a company so they have no reason to operate with *riba* or at least they should demonstrate efforts to avoid it.

R4 declared Muslims knowledge about waqfs as highly critical besides the rising number of waqfs, which call for attention due to:

Those waqfs finance many charity institutions. There are many universities financed through waqf like the Sultan Fatih Waqf University financed from sultan Mehmet's waqf.

Similarly, R6 answered how Muslims need to be constantly reminded of the perpetual benefits from waqf that used to be done by family elders and added:

It is possible that the rich families can be encouraged for *waqf dhurri* (private, family endowment) with guarantees of legal autonomy by the authorities. In Bosnia and Herzegovina, this can be possible from family's consciousness for Waqf Dhurri in educational institutions and orphanages.

R3 thinks the solution lies in 'rebranding of waqf in the modern context' and prove like Singapore 'that you can have a shopping mall and a mosque in the same building'. That likewise necessitates 'a dynamic *fiqh*'. However, R3 identified some problems of Muslims today:

One is the mindset – the mindset that waqf is only for religious purpose (graveyards and mosques), the second problem Muslims have is around the nature of the asset – Muslims think that waqf is land and only tangible things, illiquid. If I give you land then how do you invest that land?, the third problem we have here is the issue of trust, the kind of organisation we have that are running these waqfs make a problem of governance, the

issue of disclosure, transparency and the fourth one is the issue of investments of course.

According to R2, Muslims need to differentiate the voluntary and obligatory duties like waqf and zakat and fulfil the obligatory first. Another problem for Bosnian Muslims is the knowledge about Islam and the view of waqf as land and buildings only without cash waqf by saying:

Yes, we can see many people are more interested to give and they can give small amount to create the awareness what is important.

People need any mechanism to learn about waqf in today's confusing world, especially in countries like BIH to what R8 in addition suggested:

The waqf centre or main body should organise some seminars, talks, smaller gatherings in local places where Muslims live and tell them the history of waqf role. That is one of the ways and maybe the best way to start. Better organisation of the Islamic community is needed as well.

The view of R7 is that due to very poor awareness of people about waqf in BIH:

There is a need of more contemplation about aspects of what I talked about before, the mosque as a community development centre. It is in the very start of a Muslim's life to understand this dimension and role of a mosque. To be able to understand this or learn, education is indispensable.

Raising the awareness about waqf can be strongly facilitated through youth community works that includes Muslims and non-Muslims. In continuation, R5 said:

In Islam, we have that CSR and we need to spread it. Just waqf, sadaqah and zakat is CSR. I suppose the younger generations like you can do that. I have seen people around me, there are people, currently doing research on waqf, on how can waqf become more self-sustainable.

Younger generations can improve the future waqf conditions and R4 included other necessary elements that increase giving, develop a grass-roots approach and reduce burden of the state:

To revive the waqf tradition important is first, to revive the civil society, second, give autonomy to educational institutions, third, take at least some of the burden of the state.

The culture of giving is highly needed like in the western countries where time sacrificed for students' voluntary activities is calculated in dollars. R3 explained:

Once they ingrain the culture then the culture of giving becomes a product of that, a fruit. So the starting point is to see identify what do we have or do to inculcate, instil or develop that culture of volunteerism of all and the youth.

The Bosnian and Albanian youth want to volunteer in the view of R8 but lack foreign languages and support from the waqf authorities. Technology improves their ability to contribute everywhere so R7's gave an example, the 'Manifestation of Days of Waqf (Dani Vakufa)' commemorated with conferences and forums, which complements the views of R8. In addition, local mosques' educational activities and sermons can involve the youth in waqf development to what R7 added:

They can do some scholarly work in exploring this field of study and contribute immensely to waqf development in Bosnia. There are positive impressions already and interested individuals can always seek help from the Islamic community.

Theme 11 and 12: Missing elements for waqf institution development: political and economic circumstances

The above themes clarified that many basic elements are missing for a waqf institution to develop. R1 identified some missing elements of BIH waqf institution:

- Protection and development of waqfs in the ownership of ICBIH,
- Registration and recognition of all waqfs in their current condition after bringing of the Law of Restitution,
- Estimate value of waqfs,
- Return each waqf its purpose according to conditions given by the waqif based on circumstances which is basically upholding of the maxim that the conditions of the waqif are like the conditions of *Shari'ah*,

- Cooperation with similar institutions in the world and exchange of experience,
- Revitalize the remaining properties and funds and utilise them for educational and social programs.

In addition, R1 considers the number of waqf properties in BIH not a problem rather the poor management, lack of waqf educated personnel, experts and inadequate liquidity etc. all of which leads to stagnation of waqf socio-economic development. Moreover, more promotion and awareness raising oriented activities about waqf must be done besides Kuwait, Turkey, and Malaysia. However, no concrete steps were done in transferring the expertise and learning the skills to pursue an independent waqf development agenda. In the view of R5, the Sunway Group makes its own investments and then reinvests profits into its universities. Profits self-sustain and develop the whole structure. Thus, integration of waqf into IBF and IE is needed to develop similar structures in BIH. R5 concluded:

The intellectual change can be shared. Interestingly, Malaysians are surprised to hear how much waqf property exists in Bosnia.

Similarly, R6 urged the need for better investment and management practices by saying:

The problem is to finance waqf development. As in Singapore this is done through the raising for Sukuk collateral with the value of the waqf assets. In Malaysia, the Corporate Waqf Johor has allocated about a billion RM to develop waqf lands.

Likewise, R3 added that the Muslims lack *Shari'ah* compliant vehicles and markets to invest the excess wealth. The practice until now has been to take loans while few Muslim entrepreneurs and philanthropists exist or mechanisms of crowd funding to reach the people what is actually the western practice of soliciting funds in philanthropy institutions. The few are also hardly able to create self-sustaining foundations from excess wealth. R2 shared similar concerns for Malaysia and advised that BIH should adopt a centralised waqf structure and be careful in appointing the *nazhir* (manager) of waqf and added:

Maybe Muslims need to think about the international certificate, accreditation to give qualified people to manage waqf. But today the *nazhir* is just someone we trust, maybe its an imam

but he has no management skills. That would be good. Bosnia can take this into account.

By critically examining the conditions of Muslims, it can be concluded that they do not have developed strategies, plans, organisation, and management. R8 commented:

However, Muslims have certain resources which are still not utilised. Rich Muslim countries buy technology from the West and pay lot of money. That technology is older than the one used in the West. It is secondary technology, already overcome by the western countries or some eastern developed nations but Muslims are not able to use even those.

Joining the European Union (EU) might improve the socio-economic condition of waqf in BIH but then that would include more interest groups and NGOs into the system. For R7, today's events are a chance:

To promote Bosnian waqf experience internationally but also more important to learn as there are countries with a very developed waqf institution. Bosnia can learn and this way cooperate with different institutions.

The respondents agreed that the political and economic circumstances in the Muslim countries like in BIH is worrisome. R5 added:

My predictions in the future when it comes to politicians and political parties is very bleak. I do not expect much from them unfortunately. I hope that I am wrong in that.

The colonizers' strategy cut Muslim links according to R4 who stated the following:

In order to kill civil society, they killed waqf but killing waqf meant killing all financed institutions by waqf.

R6 gives an important lesson from the historical Muslim experience:

The "Third Sector Economic Theory of Voluntary Wealth (e.g., Waqf)" may remain as the ubiquitous sector compared to the public and private sectors. This may help to preserve the 'under-ground' economic wealth of the *Ummah* during crises and wars. Similarly, for Bosnia and Herzegovina that may again

undergo another political and economic crisis, the “Third Sector Economic Theory of Voluntary Wealth (Waqf)” may hold to preserve its vital and strategic assets in future.

In the view of R3 the Muslim countries are divided into those poor and rich whereby the poor live in poverty, lack human capital, technology and investment strategies. R3 suggested the need for institutional financing through waqfs and illustrated the following:

We have the International Islamic University in Uganda, which does not get funds from the government, but few Muslim countries like Saudi Arabia created a big plaza like a shopping complex and its being rented. That alone could sustain the university.

Political and economic circumstances are complicated and thorny but R2 argued:

This may ruin the existence of early waqfs. What happened in Egypt for example, Al-Azhar University is there but because of conflict, it disturbed the running of this institution.

As far as BIH is concerned compared to rest of the Balkans, R8 stated:

Bosnia is in an even harder position as the war created a new system. You have a council of three presidents and everything else needs representation from three ethnic groups.

Likewise, R7 consented that circumstances are worrisome for the ICBIH and there are ongoing challenges.

Theme 13 and 14: Stimulation of political will and trust of the people and policies for waqf development

The existence of political will is a feature of a healthy society where trust is constantly strengthened among the different actors. This is how R1 described the political will in BIH:

If that were the case, the Law of Restitution would be faster ratified. For now, there is no political will that waqf achieves the level which it had before. Promises of the political parties from the first democratic elections until today concerning the Law

of Restitution were not upheld. In fact, the government bodies do not show intentions to solve that problem in distant future.

Trust, according to R1, is regained through listed realised projects, projects under construction, upcoming projects and newly established waqfs (details can be found in Appendix E.). R5 considers the ICBIH, the Waqf Directorate and BBI bank most important bodies for improving the political will and gaining the trust of people in developing waqf by saying:

They must be engaged in more use of waqf to generate profits. Their shareholders should try to open maybe but not call it a waqf bank. It does not have to be a bank but it can be an institution, which can monitor or coordinate, integrate all the aspects of waqf.

On the political will and trust of the people, R4 shared how Turks are motivated for religious and waqf activities where even secular people participate and added:

However, one's aim is to gain blessing of God and the others for popularity of society as some good philanthropists and good-hearted capitalists. Their intentions are different but they set up the foundation.

The improvement of the political will and gaining trust of people in countries like BIH, according to R3, needs a gradual approach due to their worldview and mentality is distorted after years of war and decades of oppression. R3 continued:

I have confidence that the society will evolve, especially a society that has undergone lot of challenges. That is possible to mold and it will allow the society to have some social cohesion: they think together, care for one another. Then waqf would be slowly playing its role as its part of their history and surely, it will come back again.

R2 emphasised the factors of giving like income (wealth) to be important in developing the waqf institution. Poor people usually benefit from waqf but the wealthy Muslims are needed to create waqfs. Then R2 contrasted our wondering about US endowments and universities success:

Why are they great? Because they are wealthy, the contributors are millionaires. In many Muslim countries, we have not that

much millionaires but we depend on one or two. They cannot help so much.

The perception of R8 is that “education is the first sector that needs to be developed”, then “a need of continuous training”, and “religious education of the people”. R7 viewed that Muslims should understand waqf as integrative and complementary from smaller units like mosques to bigger units like industrial cities whereby all continually and perpetually co-exist. For example, during the Prophet’s time there were 30.000 institutions which later grew to 1 million in Baghdad.

Hence, the political will and trust needs better policies to overcome all the challenges. The above themes have identified to the reader some of the necessary consequences for BIH waqf institution and waqf institution in general. R1 mentioned a long list of the necessary policies for BIH waqf development, which are at the same time solutions for political, legal, economic, social, religious challenges. In short, improvements in many aspects would be evident through a complete registrar of waqf properties in BIH and improved communication with the diaspora, integration of administrative units, better management and investment strategies and lastly maintenance of all waqfs. Once listed, it needs to be realized. Greater details of all policies can be seen in Appendix F.

A major problem for waqfs in BIH is the absence of a restitution law but also inadequate legal action in international courts and bodies. R5 said:

Besides the restitution, there is the education sector. In *madrasahs* (Islamic gymnasiums), there should be waqf subjects or even in the faculties of Islamic sciences and the economics faculty as there is the IBF but no waqf courses. So that could be a good way to educate the public about waqf.

The discussions above indicated that education is essential for waqf revival but R4 identified few more that have proven focal for waqf development throughout history:

The activation of women in society, charity works and engagement with the people.

In the view of R6, the most important duty for BIH is to keep waqf autonomous and private without control by the government except if:

The government may however provide incentives for their corporate governance and transparencies such as guaranteeing

their autonomous administration and provide access to capital, technology and human resources. At the grass-roots, the Waqf administration should be kept 'hidden' or exclusive although its benefits can be inclusive.

The poor economic infrastructure like transport system, roads, communication channels are fundamental for economic development, according to the Rostov theory of growth as explained by R3. However, with education and utilisation of available resources things can improve. For example, a Burkina Faso graduate student of engineering in Germany returned home and built a school from raw resources, e.g. clay. It motivated people to support education to which R3 added:

With this kind of work, poor communities can do something in similar ways. The most important thing is that the engineer came back and that the people initially collected the money to support him.

Policies differ from one country to another but the missing fundamentals prevent improvements in view of R2 like in the case of centralised or decentralised waqf structures and stated:

Decentralised structures are one type and in the big societies there are different problems and waqf may come in different forms at different local levels and the central office in the system does not know the reality in all local areas. Small countries systems like Brunei have a centralised waqf structure that suits it.

In the argument of R8, the policies should have a two-way traffic whereby people are consulted and informed about waqf plans before giving waqf and added:

Cash waqf is very popular today in most countries. People will give cash but they need their land.

According to R7, the sum of minor contributions amalgamates major manifestations that need time and continuous efforts. The four phases given by R7 earlier are a pattern for policy governance.

DISCUSSION

The final step of qualitative data analysis requires the researcher to analyse and clarify points that arose from the grouped themes. Discussion on the interviews will relate to the book objectives: past BiH waqf socio-economic development role, its current condition, and alternative options/scenarios of waqf development.

Theme 1 and 2: Pre-Islamic waqf-like practices and the waqf practices and growth influence on the people of the pre-Islamic period

Inferring from the responses above, charity practices before Islam during the time of the Prophet PBUH are commonly shared among all religions whether of Abrahamic origin or not. This theme analysis will present how waqf motivated or stirred pre-Islamic inhabitants of Bosnia to convert to Islam upon Osmanli Caliphate arrival and reflects the influence such an institution had on people.

Bosnian inhabitants had a tradition of waqf-like practices similar to later waqf in Islam. All people have a set of beliefs, values, customs that define and direct their lives. As the Arabs were known for their generosity and Turkish tribes for the 'yamaa' tradition of having feasts whereby guests used to take properties as gifts, so did, as Imamović (1997) named, 'the Bosnian Christians' have their Bosnian Church which encouraged charities. Hence, the tendency towards charitable acts is ingrained in human intrinsic nature (*fitrah*) and has been institutionalised by waqf to be the means for growth and social welfare. Greater knowledge about waqf inevitably led to familiarization with objectives of waqf practices that over time expedited ever greater non-Muslim populations like those in Bosnia to convert to Islam.

The argument of the existence of waqf-like practices is additionally proven with knowledge that all Prophets preached Islam (submission), and not any new religion, and encouraged charity which was transferred from generation to generation until today. Encounter of Bosnian inhabitants' with the developmental role of waqfs at early stages of Osmanli Caliphate's rule in Bosnia like in all other regions of the Caliphate explains why it was made a key tool for development for centuries. Waqf even influenced people of pre-Islamic times to emulate waqf practices that were far superior to the existing charities. Many among the pre-Islamic societies were always amazed at how the Prophet PBUH treated the poor

and weak and made that the reason of their conversion to Islam. The transformation of newly conquered regions started from the very beginning of the rise of Islam and development of the waqf institution and extended through centuries from the Rightly Guided Caliphs, Umayyads, Abbasids and other dynasties until the Osmanli Caliphate, which finally brought the institution of waqf to Bosnia.

Hence, waqf motivated non-Muslims to convert to Islam. Such influence and growth impact of waqf guides us to the quest to revive and develop the waqf institution further.

Theme 3 and 8: Scope of waqf socio-economic role and integration of waqf and Islamic economics in a country's development

This analysis reveals how from the very start waqf played a major role and led to waqf integration into the development of the Caliphate and that such development is attainable even today.

The scope of waqf was tremendous in Muslim lands, particularly in Bosnia. It is known that waqf gave the autonomy, intellectual independence, and free education throughout the IC. It is true that plenty of resources are necessary for development but often-available resources are not fully utilised. However, proper management and skills can make wonders even from available resources. That implies that, today, waqfs were not given enough attention. Waqf must be understood as the survived unutilised Muslim fortress requiring better management to utilise it for social development. Waqf provided all infrastructure in the past but is currently underdeveloped and disintegrated.

The principal waqf should be protected and new ways of waqf development through an Islamic bank are encouraged. Here, the rise of IE becomes relevant in today's gradual waqf institution revitalization in Bosnia and elsewhere. Hence, IE and waqf should try to parallel their developments through better cooperation. Waqf institution's autonomy and an independent legal framework are crucial in preventing infringement of other parties into the waqf institution's activities. Most economic units today are profit oriented while waqf is community oriented. Waqf, however, should be profitable but careful of the activities embedded in investments in today's modern economic order. Countries like BIH face a big challenge in this aspect but circumstances require better waqf management and envisaging new ways of development by integrating waqf into the more Islamic compliant segments of the economy to fulfil the purpose of each waqf.

Theme 4, 5 and 6: Waqfs' role in unifying Muslims, attainment of objectives of Shari'ah (maqasid Shari'ah) and projecting the Islamic worldview (Islamic economic worldview)

From the respondents' views, waqf always had the power to unify Muslims through its activities. The analysis here will clarify how waqf unifies Muslims but also attains *Shari'ah* objectives and shapes the Islamic worldview or Islamic economic worldview in contemporary times.

Many pre-Islamic Bosnian inhabitants converted to Islam due to proper understanding of waqf as the property of Allah SWT and its ultimate service to society, meaning the impact it had on their overall condition in comparison to earlier times. Such teachings were taught since the Prophet Muhammad's PBUH times. The art of giving resembled by the Prophet PBUH of Islam created a social security system whereby all Muslims gave their properties to the community. Throughout the IC such a role of waqf, especially during the Osmanli Bosnia, expedited consolidation and spiritual and material prosperity. The history of waqf has proved the establishment of what we today call a welfare state. Those states are one example how peoples' lives are valued and respected. Waqf as a welfare state creates bonds among the people who together preserve the institution. What seems most important for waqf development is the inculcation of the culture of giving in peoples' character leading to the achievement of *Shari'ah* objectives.

Objectives of *Shari'ah* were always one of waqfs' goals. The act of giving waqf for the community's interest is an objective in itself. The extent of waqf contributions to the objectives is reflected through the provision of food for migrating birds from Africa to Istanbul to Russia. Hence, waqf served animals', plants', and human needs to meet *Shari'ah* objectives. In BIH today, there are many realised, ongoing, and future projects aiming to fulfil *Shari'ah* objectives. In modern times, a number of funds were created for the same purpose. It is important to realise that waqf attainment of the objectives of *Shari'ah* is likewise the attainment of those objectives for one's self. Doing waqf and giving soothes a person's inner self with the feeling of having contributed something. Waqf is after all beneficial for the hereafter as well as strengthens the faith and belief of the waqif and gives incentive to others.

In contemporary times, there is always the concern of preserving the principal of waqf when dealing with economic agents which extends the argument to issues in attaining the objectives of *Shari'ah*. Respondents' concerns in dealing with the corporate world raises the need of

prioritising *Shari'ah* objectives which are hard to identify. Any principal and excess wealth waqf loss deprives society of extra benefits. After all, waqf in the modern context needs a more analytical and forecasting approach and a dynamic fiqh when talking about *maqasid Shari'ah*, the Islamic worldview, and Islamic economic worldview.

The Islamic worldview definitely shapes waqf and waqf shapes peoples' perceptions of the Islamic worldview. The inverse process is also applicable for all times and people. Both are complementary and rooted in the early period during the Prophet's PBUH life. The worldview of Islam guides people to goodness and honesty and motivates them to perform waqf. This worldview promotes the idea that the excess wealth of an individual is the right of others. The Islamic worldview is taught in IE, which shapes the Islamic economic worldview and integrates the IE with waqf. This worldview guides people to invest waqf properties, make profit in modern times, and make waqf competent while preserving the principal value. The issue of Muslims in Bosnia or elsewhere is the absence of this worldview and knowledge of Islamic basics as a consequence of historical circumstances. They, simultaneously, lack the expertise and passion to explore waqf. Hence, the worldview is a question of fundamental beliefs when analysing the Prophet's PBUH time and gradual development of waqf within the mosque as a community development centre.

Theme 7, 9 and 10: Raising Muslim consciousness about waqf history and conditions today and the role of youth in waqf development

The consciousness of Bosnian Muslims about the historical and present condition of waqf is limited. Education seems to be most important in raising Muslim awareness. The role of youth can therefore immensely contribute to the development of waqf. This section analyses the BIH Muslims' consciousness about waqf history, conditions today, and role of youth in development of waqf.

The role of education has proven in the past to be fundamental in maintaining public opinion and action in development and sustaining many institutions like waqf-financed universities some of which exist even today. Awareness or consciousness about waqf is an inherent problem of all Muslims and not just Bosnian. One of the recent objectives of waqf authorities in BIH is to introduce waqf subjects into the educational system. Most Muslim countries have not planned to introduce waqf in the curriculum.

The reason of such attitude even today is due, firstly, to the wrong mindset which needs to be directed towards the understanding and thinking of the Islamic worldview. Secondly, Muslims should understand the nature of waqf. Thirdly, to set a proper structure for waqf and fourthly, to develop a proper investment strategy. Priorities must be set and identified based on the circumstances and the jurisprudential approach of Muslims should become dynamic. The ICBIH employees, like imams, are not active in the promotion waqf in BIH while new waqfs mushroom and contribute and may do more to raise Bosnian Muslim awareness about waqf. This paradox and the waqf bank consumption of interest actually confuse people and should be eliminated. A grassroots approach would contribute by teaching people the real purpose of waqf as well as involving them as civil society.

The youth has a potential role in developing waqf in modern times. In BIH, like everywhere else in the Muslim and non-Muslim world, the youth is motivated to contribute and improve their lives and environments. Education as mentioned above plays a major role in linking the waqf authorities and the youth in the agenda of waqf development. There should not be any wondering about western countries' quality of living where a culture in educational institutions exists that converts voluntary work into dollars earned and uses that to motivate volunteerism. This is just one way how BIH as a European country can activate its youth in a manner similar to that of other western European countries or the USA. It is a long term strategy to raise peoples' awareness about waqf, change their mindsets, comprehend the nature of waqf and develop waqf. Gradual improvements are evident from projects of the Waqf Directorate in BIH but a more systematic grassroots approach has not yet been seen.

Theme 11 and 12: Missing elements for waqf institution development: political and economic circumstances

Most Muslim countries lack the essential elements for waqf development. One foundation is proper education about waqf. The knowledge of waqf is confined to examples of waqf which serve a particular purpose. This section will analyse the responses of missing elements of waqf institutions from perspective of political and economic circumstances.

Political and economic circumstances impoverished Muslim countries and devastated the waqf institution. The forcible confiscation and nationalization destroyed and damaged waqfs and Muslims' mental condition. Waqf was the target of political and economic regimes to weaken

the position of Muslims. That deprived Muslims of the institutional autonomy and independence of thought and action and defined their inferior position.

The manner in which waqf can be developed is unknown to most Muslims. For example, BIH lacks the expertise and educational structure as fundamental elements for waqf development. BIH has a centralised waqf organisational structure, which lacks efficiency and shows no systematic approach in improving the role of waqfs in society. The ongoing projects of creating a database of waqf properties and digitalising of waqf centres with local units is one-step towards systematic waqf management. However, no grassroots mechanism exists to develop waqfs and make them profitable. If Indonesia due to a large Muslim population prefers a decentralised waqf organisation and applies a grassroots approach for waqf development and if Brunei has a centralised waqf organisation with no grassroots approach, then each approach is missing a vital component if implemented in BIH and their initiatives are unlikely to prove productive. Kuwait and Turkey have good waqf organisations that continuously foster grassroots' development and centralised management and administration.

Today, circumstances have changed and waqf revitalization has started. The human capital, machinery, and investment strategies are not adequately developed and must be improved. This applies to all countries with poor economic infrastructure but it does not necessarily mean that development is impossible. For example, every institution like a university should have a waqf to finance its operations. That renders institutions autonomous and independent from the economic sector. Hence, countries like BIH are recommended to follow the "Third Sector Economic Theory of Voluntary Wealth (Waqf)" in order to protect and preserve the waqf institution's long-term future in the existing political and economic arena.

Theme 13 and 14: Stimulation of political will and trust of the people and policies for waqf development

It is evident from the analysis in previous groups of themes that the political will among Muslims is absent. The terrifying political and economic circumstances of the past have left no fertile ground for political will to support waqf institutions. This theme will display the analysis of political motivation and trust of the people as well as the policies that can lead to faster waqf development in Muslim countries.

There is definitely no single solution to ignite the political will or gain peoples trust. There is also no easy way to form policies in today's political representative and opposing party systems. Many Muslim governments control and own the waqf properties, which have been forcibly taken during times of colonization. It should be an easy task for Muslims to free the waqf properties to the waqf institution and exempt it from being treated the same as other properties. However, the neo-colonization today is an extension that rules by proxy all the Muslim governments. Most Arab Muslim countries have this structure. Countries like BIH have different structures but when it comes to BIH, some Muslims often show reluctance to legislate the 'Law of Restitution', which would return confiscated waqf properties to the rightful Waqf Directorate. Politics is the struggle of power. Individuals instated in positions fear loss of power and control over their lives while they fail to conceive that the public lost all hope. Current circumstances are not conducive and people lack trust in the government and official bodies.

The ICBIH and the Waqf Directorate are two major bodies to stimulate political will and gain trust of the people. Both show strong commitments via many projects to integrate efforts of all units of the ICBIH and make waqf their source of sustenance. Poor engagement of the imams in promotion of waqf through weekly sermons and periodical manifestations affect ICBIH's popularity among the people. More attention should be given to education by both bodies but also another major body today, the Bosna Bank International, the Islamic Bank. It should develop a scheme for waqf contribution and investment with the ICBIH and waqf authorities in order to integrate waqf into the economy but preserve the autonomous status. However, tough life in Bosnia makes even the focus of populations towards waqfs more bleak.

Today, the policies for waqf development in Muslim countries and poor developing countries like BIH urgently necessitate legislation of laws to return waqf properties to the rightful owners. One of the ways to speed this up is to appeal to the international legal bodies like the European court of justice and request the assistance from conventions for human rights and property ownership etc. Those, however, are support dependent policies by external actors. Policies for educational reform to nurture required human capital expertise in waqf law, economics, entrepreneurship etc. do not require external actors. The waqf authorities can seek for such policies with the ICBIH and integrate them into educational institutions of the ICBIH at least. Moreover, the society can be engaged and integrated in waqf projects. The role of women in BIH can also easily

be institutionalised in the development of waqfs. Other policies should be directed to improve infrastructure, roads, communication systems and foremost investment strategies that would be facilitated by policies for educational reforms. The western model is a great source of motivation and easily accessible to BIH compared to other Muslims. However, waqf should again be distinguished from western foundations or endowments.

CONCLUSION

From the thematic presentation of findings and discussion, there is a general consensus among respondents that socio-economic development role of waqf in BIH and other Muslim countries was enormous throughout the IC and Muslims owe the waqf institution an effort to revitalize waqf today. Second, the waqf institution can develop through learning from alternative options/scenarios in the Muslim and non-Muslim world.

Waqf-like practices are common in all civilisations and motivate giving to improve social welfare. Waqf in Muslim countries is indeed an ignored and unexplored sector despite having facilitated the development of the Muslim civilisation through consolidation of new territories and motivated non-Muslims to convert to Islam. The condition of Muslims in BIH and elsewhere becomes self-explanatory with knowledge that no specific attention was given to develop the waqf institution. Waqf permeated the lives of Muslims in Bosnia since the coming of the Osmanli Caliphate and gave them the identity they always hoped for. The waqf institution created a feeling of social security and unity among Bosnian Muslims and others whereby together they attained the objectives of *Shari'ah*. The grassroots development of waqf in countries like BIH necessitates the Islamic worldview and Islamic economic worldview.

The integration of IE and waqf transforms waqf into a profitable enterprise whereby the nature and principal of waqf properties should be preserved and improved. In the contemporary technological world, the youth is in a position to greatly contribute to waqf development in BIH and other countries. To date, there is no satisfactory indicator of Muslim awareness and consciousness about waqfs' historical significance and its role today. What else can be expected in the future when no human capital expertise on waqf and other fields like law, economics, and entrepreneurship for waqf development is missing and no educational institution teaches waqf in the curriculum. Damaged infrastructure as roads and communication systems and the political and economic conditions lowered the moral and encouragement to develop waqf. Recent

developments worked to stimulate the political will and gain trust of the people. Education related projects and activities are major contributors to better the conditions of waqf besides additional policies like women participation and engagement that is more social.

The respondents' expertise opinions and thoughts in this book part paved the road for a study of alterative scenarios/options of waqf development in BIH.

5 Possible Scenarios for Waqf Development in Bosnia and Herzegovina (BIH)

INTRODUCTION

This last book part delineates scenarios or options of waqf development in BIH. In the previous parts of the book, we have shown that waqf was always a source of socio-economic development for Muslims and non-Muslims in the IC. In addition, waqf and waqf-like institutions is the concern of an increasing number of countries in the East and the West. Some countries have shown significant improvements, while others have good initiatives and plans to develop waqf. The discussion here starts with a brief background about the rising socio-economic development role of waqf and waqf-like institutions and interest shown by easterners and westerners to develop this sector. First, a survey of waqf and waqf-like institutions in the West and the east is provided. This is followed by insights into selected experiences of waqf and waqf-like institutions, with the aim of gauging relevance for BIH. Finally, scenarios or options for waqf development in BIH are discussed: cash waqf, waqf-community bank and waqf for education. All the sections incorporate the respondents' suggestions for development of BIH waqf institution socio-economic role.

BACKGROUND

Development of the waqf institution in BIH in the 21st century is very challenging. As discussed briefly in part one - in the 21st century - IE has laid its foundations in BIH. The global presence of IE has a positive, complementary role for waqf development in BIH. Despite its historical significance before the 20th century, BIH lacks the experience and expertise to develop models of contemporary waqf for the 21st century. There are many experienced nations, western and non-western, from which BIH can indeed learn. From history, the ICBIH is known to be risk-averse when dealing

with waqf properties. There is always that fear of incurring loss while investing waqf and therewith violating the conditions of the waqf.

As shown in parts three and four, ICBIH revived the waqf institution and set out an outlook for a waqf institution in the 21st century in a backdrop where IE is also developing. Moreover, the manifestation of ‘Days of Waqf’ (Dani Vakufa), commemorated with the Seventh International Forum named “The Endowment of Productive Resources” revealed the importance of waqf today and resulted in a statement of a possible future waqf bank and court in BIH (Sarajevo Times, 15th-29th May, 2015). The 20th century witnessed several initiatives in creating a waqf bank but it proved to be very challenging.³¹ Today, circumstances for such a bank are more encouraging. The BBI has embraced this idea and is leading efforts to make it a reality with popular support, locally and internationally. Its annual growth rates won the market share of most Bosniak-Muslim population but others also. BBI practices are also more society oriented, though it is not a waqf or community bank. Hence, the improvement of waqf institutional practices, e.g. development of cash waqf, would pave the way for the establishment of a waqf-community bank. A waqf-community bank deals with waqf properties while this is not necessarily the case for a community bank. A waqf-community bank is the alternative to a commercial bank whose activities are very complicated and all commerce is profit oriented.

While there has been two decades of contemporary waqf development in BIH, there has not been any major advancements in terms of the socio-economic role of waqf. Nevertheless, there has been some managerial, bureaucratic, administrative, technological and investment improvements over the years. The ICBIH (under which structure is the Waqf Directorate BIH) and BBI cooperated on several occasions in community-oriented projects, e.g. during the heavy floods at the end of February – April 2015. Humanitarian action of food, cloth and shelter were provided in many affected areas. This natural disaster, though catastrophic upon many, actually showed the compassion and neighbourly love among Bosnian ethnicities. Hence, the director of the Waqf Directorate, Senajid Zajimović, affirmed the need to raise consciousness about waqf to play an active role in such circumstances in the future (Vakuf.ba, 2011). Both institutions are actively supporting a number of students by giving scholarships, which reveals their recognition of education as fundamental in future of waqf and IE institutional development.

³¹ More details on socio-economic circumstances and waqf institution during this period can be found in book ‘Part Three’.

The major obstacle that perpetuates a 'weak waqf institution' and slows the pace of IE development in BIH is the lack of knowledge and education, especially concerning the Bosnian waqf tradition and the third sector in today's economies. Therefore, this book part will discuss waqf as a potential source of educational financing and a means to raise consciousness about waqf and its potential role in the future socio-economic development in BIH. Education is the key contributor to raising awareness of waqf and would be one of the key beneficiaries of a vibrant waqf institution. The important educational role of waqf and waqf-like institutions in promoting school and university education can be seen globally, where these institutions play a crucial role. Waqf as third sector is used to finance educational institutions in general and so educates the public in general, but about waqf. Raising awareness about waqf potentials and today's new types of waqf such as cash waqf is crucial. That would solve problems of liquidity and raise funds locally and globally. In this, BIH has good prospects if relations with the diaspora (see ICBIH structure in part three) are further strengthened through the ICBIH.

Parts one, two and three illustrated how Muslims financed institutions, e.g. educational institutions, and fostered socio-economic development via waqf. Some of those exist even today such as Qarawiyyin in Fez and Al-Azhar in Cairo - to name a few (Asharaf & Mustafa, 2013; Noor, 2014; Haslindar et al., 2013). For this to be accomplished in a country like BIH requires a stronger economy as mentioned in part three in addition to overcoming other mentioned challenges. However, some educational institutions of ICBIH (also mentioned in part three) have partially been financed from waqf for decades like the Gazi Husrav Bey Madrasah, Behram Bey Madrasah, Karajoz Bey Madrasah, Isa Bey Ishaković Madrasah, and the Faculty of Islamic Sciences etc. All these schools are waqf entities, whereby their names carry the name of the waqif such as Gazi Husrav Bey, Behram Bey etc.³² (Madrasah in BIH, 2015). However, the problem in financing all these institutions from waqf and zakat leaves less funds for helping the poor and developing new waqfs. Such a condition for decades must integrate efforts in moving forward by creating extra funds and widen the socio-economic impact of waqf.

Westerners also developed their own waqf-like institutions known as endowments, trusts and foundations, all of which are examples of philanthropy. In general, these waqf-like institutions differ from waqf in terms of perpetuity, ownership and usage. A lifespan of an endowment,

³² Bey (Beg) is an Osmanli title for major landowners and renowned persons.

foundation or other philanthropy in the West ends with either the death of the owner, depletion of funds or withdrawal by the owner. Usage is usually unrestricted (Ćeman, 2008). For example, community unions are common in the West, whereby a people living together contribute resources to sustain a healthy lifestyle and environment. The communities open community banks whereby the funds raised are deposited in the bank and invested in what the community considers their need. The funds are invested in projects and the benefits accrue back to the community. This is important as customers when depositing cash with a bank or arranging investments, want to know where and how the money is invested. This is also very important for Muslim customers in Islamic and non-Islamic banks. All feel more compelled to continue contributing if they know where the money is actually invested (ISRA, 2011). Community banks respect the character and serve the demands of these people.

The above example of community banks prompts an analysis of the German social market economy (SME) in later section of this book part. Although relatively less known, the SME is being given attention and comparisons to the Islamic economic system (IES) have been made. Both have a value-based approach to socio-economic development (Haneef, 2010). Important to mention is that BIH was under German rule during the World War II period. The Bosnians became familiarised with the habits of Germans which created a bond that can be used to build bridges. Bosnians went to Germany as guest workers (*Gastarbeiter*) in post-World War II, which is how many elders today know basic German and maintain some connection with Germany. After all a great number of Bosnians live in Germany and many other EU countries today.

Looking into the experience of some countries with developed waqf institutions is fundamental in identifying the proper model for BIH. The approach in explaining each country's experience varies and the focus is on the waqf institution of each country. The insights into each waqf institution's experience provides lessons that will stimulate a grassroots approach in igniting socio-economic development via integrating the waqf institution in BIH with an IE foundation. The same countries are in subsequent section referred to as lessons where BIH waqf authorities may find solutions for particular challenges of waqf development, e.g. initial stage of cash waqf development from Malaysia, great waqf investment strategies from Singapore, Qatar, and the efficient administrative structure from Kuwait etc. For example, the creation of a waqf-community bank can be achieved through the analysis of German SME Community Banks, mentioned above, plus knowledge of IE perspectives of banking and finance.

All these are alternative options/scenarios, which are complementary in development of the waqf institution socio-economic development role in BIH. What is evident is that waqf, IE, and education work together.

SIGNIFICANCE OF FINANCING BY WAQF AND WAQF-LIKE INSTITUTIONS

Global practices in book part one indicated that charitable institutions like foundations, endowments, and awqaf can and have the potential to finance whole institutions, e.g. educational institutions. In the conventional economic system and IES, this is known as the third sector. This sector's potential has been recognised by both western and eastern countries in the 21st century whereby efforts are galvanized to maximise social benefits. Fruits can be reaped through raising social awareness about the third sector. This is central in achieving the objectives of *Shari'ah* (*maqasid Shari'ah*), particularly for IE.

Significance of Waqf-Like Institutional Financing in the West

Western nations showed excellent expertise in the development of third sector institutions known as charities, endowments, foundations or trusts. Çizakça (2014) stated that these follow models of the waqfs only that the enlightened and reformed West added value to the same and adapted it to a new environment. The third sector finances many projects in the West. Despite the massive endowment values and extensive role of the third sector institutions, the West still aims to expand it. They are simply dynamic and very active in nurturing various projects in health, environmental, bio-habitat, humanitarian, business, political, recreational sectors etc.

In the semi-structured interviews, R3 mentioned how many foundations are created from excess funds in the West compared to Muslims. The respondent bitterly illustrated the example of Muslim entrepreneurs who do not have the awareness or human drive to establish some socially beneficial institutions that will support Muslim as well as non-Muslim development. After all, the western foundations are extensively engaged with Muslims as well as in different fields like human rights, protection of the environment, eradicating poverty, infrastructure, housing, health etc. Four of the respondents, namely R2, R3, R4, and R5 highlighted the dedication and effort of the westerners in constantly improving existing charitable activities and establishing new whereby their management

efficiency and effectiveness increases. In addition, for all that, most financing is reaped from profits of strategic investments.

Looking into the list of the 10 wealthiest foundations, suffices to define the superiority of the West and inferiority of Muslims (see Table 5.1). Maybe the endowment in USD may have changed and other players may have joined the Top 10 foundations but at a time in recent past the provided table is a good indicator of Muslims's position. In addition, it can be seen how indolent Muslims are in establishing strong foundations to overcome their socio-economic crisis. It contrasts the golden period of waqfs' significant socio-economic role as presented in part one and two, highlighted in part four and exemplified in this part five. Parts two and three, which talk about BIH, reflect in detail the slightly better or worse position of Muslim countries. The Muslim countries waqf condition and few Muslim countries impressive developments in this aspect are discussed in coming sections.

Table 5.1 Top 10 Wealthiest Foundations

R Rank	Organisation/ Country/ by individual	Country	Headquarters	Endowment (USD)	Founded/ Donations
1	Bill & Melinda Gates Foundation	United States	Seattle, Washington	\$42.3 billion	1994
2	Stichting INGKA Foundation	Netherlands	Leiden, Netherlands	\$36.0 billion	1982
3	Wellcome Trust	United Kingdom	London	\$25.9 billion	1936
4	Howard Hughes Medical Institute	United States	Chevy Chase, Maryland	\$16.9 billion	1953
5	Ford Foundation	United States	New York City, New York	\$11.2 billion	1936
6	J. Paul Getty Trust	United States	Los Angeles, California	\$10.5 billion	1982
7	Kamehameha Schools	United States	Honolulu, Hawaii	\$10.1 billion	1887
8	Mohammed bin Rashid Al Maktoum Foundation	United Arab Emirates	Dubai	\$10.0 billion	2007
9	Robert Wood Johnson Foundation	United States	Princeton, New Jersey	\$9.53 billion	1972
10	William and Flora Hewlett Foundation	United States	Menlo Park, California	\$8.7 billion	1967

Source: List of wealthiest charitable foundations. Retrieved from https://en.wikipedia.org/wiki/List_of_wealthiest_charitable_foundations#Wealthiest_foundations_-_2F_Donated_amount (Accessed at 23:00pm on 13th June 2017)

The provided list of top 10 wealthiest foundations contains only one Muslim foundation. Others originate from the western hemisphere. Details on allocations for different sectors are not provided but section under 'Endowment (USD)' suffices to imagine how much charitable the westerners (non-Muslims) are compared to easterners (Muslims). In addition, the respondents' views shed light on the diversified and dynamic approach adopted by all top western foundations. An analogy can be made on how many millions of Muslims can allocate for various sectors compared to non-Muslims. All third sector initiatives require a constant dialogue approach.

In all aspects, education seems to be the most important sector for the development of all other sectors. Due to that, education will be taken as an example to elucidate the socio-economic benefits from foundations. For example, in the area of higher education, the balance sheets of top western universities in USA, UK (England, Scotland and Wales), Scandinavian countries (Finland, Sweden and Norway) indicate a research-oriented approach where collaboration with the industry is constant. Pool of funds come from one or few of the mentioned or not mentioned philanthropies, e.g. foundations.

Respondent Five (R5) suggested that these educational institutions provide and fulfil various industry needs and in return get more grants, which finance their operations. This creates a boomerang of benefits to both parties and the financial means for sustainable development of the universities. It may not be accurate to say that all university funding comes from endowments' or foundations' funds but certainly the third sector plays a big role in financing many universities and other smaller institutions (Sami, 2012; Foundation Centre, 2011, 2013a). Diversified research undertakings, seminars, conferences, and discussions are some of the education-oriented projects of all these institutions that keep the stakeholders up to date about industry improvements and herewith constantly raise public awareness about the philanthropy institutions significant role in civil society. It is due to such indicators that Respondent Two (R2) explained why Muslims should not be surprised to the success of western foundations' performance in different sectors, e.g. foundation-financed universities.

The western educational institutions are structurally based on the Islamic waqf institution and the western university models do not differ much from each other, e.g. models of Harvard, Cambridge, Stanford, Princeton, Yale, and Oxford University etc. Those universities resemble waqf models to be discussed in the coming section. Talking about

western foundations, endowments or philanthropy in general, without giving credit to the IC's waqf institution is unfair (Çizakça, 2014; Man & Abdulwaheed, 2011). Likewise, efforts and value added to the IC's waqf institution modelled by the West must be acknowledged by Muslims.

Significance of Waqf Institutional Financing in the East

Part one presented the significance of waqf throughout the IC. All the mentioned examples project the waqf institution as a decentralised but neatly integrated and efficient governmental system that marshalled and financed all social needs. Today, unfortunately, neither many know of the past importance waqf had in the lives of Muslims nor do they recognise its current significance. For centuries, there were no departments or ministries in charge of public works, roads, bridges, mosques etc. Much of the duties (e.g. built infrastructure, provide for communal needs, provide education) of today's government departments was fulfilled and financed through waqf.

Particular attention was given to education as the central sector where people were foremost taught the Islamic worldview and then equipped with all other knowledge (Man & Abdulwaheed, 2011). Education was understood as the principal sector from whence the Islamic and later western civilisation nurtured future generations. It is quality of education that causes to rise and fall of civilisations (Walbridge, 2010). During the Osmanli Caliphate, almost every new acquired territory, e.g. Bosnia, was developed and sustained through waqf. For example, BIH cities, as explained in parts two and three, were built using waqf. According to Respondent 4 (R4), the waqf institution was so developed that many waqfs became public institutions in control of the government while again a separate rich waqf sector existed. All, however, served the public needs and fulfilled the conditions of waqf. Such classification of 'awqaf' properties was recorded in the Osmanli land code (Karčić, 1999). Educational institutions were not only universities but also *maktabs*, *madrasahs*, mosques, even coffee places etc. Waqf complexes such as the Ferhadiya complex, mentioned in book part two, were common.

The significance of waqf institution financing throughout the IC is important for present circumstances. Contemporary trends for the revival of waqf and waqf-like institutions in the Muslim world requires unified efforts. As discussed above, this is more evident in the western world than in the Islamic world. Some of those practices can be adopted from both and applied in development of waqf institution in BIH.

Today, the waqf institutions in most Muslim countries are in terrible condition. Most of the waqf properties are abandoned while efforts are directed towards emulating the western lifestyle. One of the interesting paradoxes is that Muslims fail to realise how the West for centuries nurtured the practices of the past Muslim civilisations' waqf institution and developed waqf-like institutions for their own socio-economic development.

The weak waqf institutions in Muslim countries are a result of colonial confiscation of waqf properties and use for their own colonial agenda but also aggravated with Muslim neglect. The creation of nation states directed Muslims towards a modern style under the shadows of capitalist and liberalist markets. Most Muslim countries, as segmented as they are today, have not revived the waqf institution but several of them managed to give waqf its partial past similar shape and glory. Those few Muslim nations are Kuwait, Turkey, Qatar, Malaysia, Saudi Arabia, Indonesia, and Singapore with a majority Malay Muslim population etc. (Sadeq, 2002). These were mentioned by interviewees as good models from whom BIH can learn and emulate particular practices whereby it can build a self-sustaining model. The experience of these Muslim countries in reviving and developing strong waqf institutions offer numerous lessons for countries like BIH whose waqf institution has yet to demonstrate that they possess the requisite expertise in management, administration, investment and maintenance to revive and develop a vibrant waqf institution. Some of the countries are discussed in the following sections with emphasis on areas where BIH should pay attention and explore further. Those countries not discussed in the coming sections are referred to in the text and given as examples in the later section.

Malaysia

Malaysia has a long and rich waqf legacy whose waqfs are stretched over the country's 13 states and three federal territories. Each State Islamic Religious Council (SIRC) governs the waqf property with own legislative procedures (Hasan, 2008; Mahamood, 2006; Mohsin, 2008). Malaysia is one of the most peaceful, developed and integrated Muslim countries with a multicultural population. Similarly, BIH is a multicultural society that thrived for centuries but since 1995 has been unable to live in peaceful social cohesion. Hence, the two countries share a common social composition and a great socio-economic role of waqf in the past. That makes the Malaysian experience with waqf particularly interesting for BIH. Malaysia, however, registered impressive development compared to BIH's

stagnation two decades after the war. In addition, Malaysia has one of the most developed Islamic Banking and Finance (IBF) industries today and probably the most attractive for students interested in IE. Some aspects of the two fields of study are only available in Malaysia due to its comprehensive interpretation of *Shari'ah* based on the Shafi'i tradition. This led to the formation of bodies like Jabatan Waqf, Zakat dan Haji (JAWHAR) and Jabatan Kemajuan Islam Malaysia (JAKIM) with the purpose to plan, coordinate, oversee, administer, and manage the waqf properties (Hasan, 2008). Based on statistics of identified waqf lands in Malaysia, there are a total 20,735.61 acres of land (see Table 5.2 below for more details). JAWHAR, however, considers waqf to be only 16,751.1 acres (Munna et al., 2014) while research by Hasan (2008) showed that there are 32,000 acres with non-official estimates of even 35,727 acres. Hence, there seems to be much of undiscovered waqfs even in Malaysia until today.

Table 5.2 Identified Waqf Land in Malaysia

No.	State	Specific Waqf (Acres)	General Waqf (Acres)	Total (Acres)
1	Kelantan	171,54	133,12	304,66
2	Federal Territories	5,47	22,07	27,54
3	Terengganu	204,43	43,01	247,44
4	Sarawak	236,929	-	236,929
5	Pahang	3,985	-	3,985
6	Sabah	4,178	25,42	29,598
7	Johor	1,951	3,976	5,927
8	Perlis	218,69	8,75	227,44
9	Melaka	773,39	69,97	843,36
10	Kedah	420	423,34	843,34
11	Negeri Sembilan	1,727,35	61,25	1,788,60
12	Selangor	621,10	442,15	1,063,25
13	Perak	4,474	647	5,121
14	Pulau Pinang	22,21	67,05	89,26
Total		14,815,287	5,919,13	20,734,417

Source: Zulkifli Hasan, An Overview Of The Effectiveness Of The Administration Of Waqf Land In Malaysia, Faculty of Syariah and Law Islamic Science University of Malaysia. Retrieved from: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2234208 (Zulkifli took it from: See [Http://www.islam.gov.my/ppi/fatwa_jumlah_keluasan_tanah_wakaf_neg.htm](http://www.islam.gov.my/ppi/fatwa_jumlah_keluasan_tanah_wakaf_neg.htm) in Md. Nurdin Ngadimon. Pengembangan Harta Wakaf Menggunakan Instrumen Sukuk. Konvensyen Wakaf Kebangsaan organised by the Department of Awqaf, Zakat and Hajj. Kuala Lumpur. 12-14 September 2006.)

The Malaysian waqf authorities' attention to waqfs and continuous plans reveal their interest to improve the management of waqf institutions in all the states. It would be a great advantage and benefit for BIH to participate in this process to gain insights and necessary expertise by observing how Malaysian waqf authorities enthusiastically contribute, support, and cooperate with the government and vice versa for the revitalization of the waqf institution. It also reflects the power of the worldview that the Malay Muslims acquired and adopted through constant concern and deep belief in the need to improve the conditions of the Ummah. BIH Muslims can learn from such a Malay attitude and experience whereby with unified efforts and skills they can also spread the word about the socio-economic importance of the waqf institution. It is undeniable that BIH has probably specific insights about waqfs and might share and contribute to Malaysia regardless of the tougher BIH waqf institution condition.

Malaysian Muslims realised the need for liquid funds to maintain condition of religious waqfs, equip them with modern technology, and provide spaces for various educational activities. This has given rise to cash waqf in Malaysia. People, after all, prefer to give cash than properties. According to Osman et al. (2012, April), cash waqf in Malaysia started in 1959 and did not meet the expectations of development. The estimation of Muhammad Saleh showed that cash waqf collections in Malaysia could reach 4.3 billion if each Malaysian would give 1RM or 30RM per month. Similarly, respondent two (R2) and respondent three (R3) said that giving among Malays is low compared to other races which puts them in an inferior position. Hence, development of cash waqf is far from perfect in Malaysia. Nevertheless, this is the performance within the country while outside the country, the Malaysian practice of cash waqf is inspiring. Malays have proven their prudent management skills in setting up a mechanism for nation-wide cash waqf development.

The BIH Muslims, in the opinion of R2, firstly lack knowledge about Islam and the needs of the Ummah and secondly they maybe failed to understand other waqf practices and develop them, e.g. cash waqf.. Malaysian Muslims are far more conscious and dedicated practitioners of the fundamentals of Islam. R3 suggested a good mechanism to present waqf to Bosnian Muslims is by using different names such as charities, trusts, donations, or endowments. This provides more liquidity whereby new specialised waqf institutional bodies, e.g. Yayasan Wakaf Malaysia (YWM), can be formed to utilise cash waqf for socio-economic activities, cooperate with educational institutions (grants or scholarships), invest

funds, or simply reduce poverty levels in BIH. The same body can create a BIH version of 'National Cash Waqf Scheme' whereby YWM enabled everyone to become waqf with giving only 10RM per share through bank or SMS (Haslindar et al., 2013). In this way, waqf in Malaysia became more dynamic whereby in some states with a Malay minority, collections amassed to RM465,448.76 in 2005 (Osman et al., 2012, April). BIH might similarly have massive cash waqf collections considering the generosity of the people if as R3 said there exists an outreach mechanism to solicit funds from the public.

BIH can learn how the cash waqf opens subsequent opportunities of waqf development in Malaysia. The developments of cash waqf enhanced transparency levels of the waqf institution and SIRC gained more freedom to inquire as to the reasons of waqf mismanagement and seek cooperation with other economic institutions like banks or corporations where cash waqf can be invested in diversified portfolios (Osman et al., 2012, April). The SIRC can, herewith, opt for modern ways of waqf management besides the real estate waqf. There is an increasing demand for *mutawallis* or *nazhirs* with expertise in wealth management and asset liability management. These improvements in the Malaysian waqf institutional structure contributed to the changing mind-set towards waqf as a socio-economic development tool, according to R2. These gradual improvements and innovations in the waqf institution reveal the steps to be followed by BIH.

Latest developments have witnessed the rise of corporate waqf, in Selangor and Johor and in recent years, Malaysia has shown interest for waqf-financed education. That brings practitioners and academicians together to analyse the situation of Malaysia as the future global waqf-financed educational hub³³ (Harun et.al., 2014). These are good strategies that can help BIH's gradual approach to developing its own waqf institution. According to R2, BIH should instead maintain a relatively centralised waqf institution unlike Malaysia where the individual states' SIRCS are a source of inefficiency in waqf administration and management. In addition, R2 said BIH is not in need for a highly decentralised waqf administration like Indonesia. BIH can adopt the Malaysian integrative approach of several innovations like cash waqf, corporate waqf, waqf-financed education etc. All of these contribute to the waqf institution development and together work better.

³³ For more details please see Malaysian Education Blueprint.

Singapore

Singapore, as a small but wealthy country has a minority, mainly Malay, Muslim population (Index Mundi, 2014). Majlis Ugama Islam Singapura (MUIS) is the strongest Muslim body in Singapore established by the Administration of Muslim Act (AMLA) in 1968. It is in the statutory board under Ministry of Community Development, Youth and Sports (MCYS). MUIS advises the president of Singapore how to conduct Islamic affairs (Hasan, 2011). It administers and develops waqf under a subsidiary company, 'Wakaf Real Estate of Singapore', established to manage the real estate waqf properties. According to Hasan (2011), Singapore has 99 registered awqaf with over 200 properties valued S\$ 300.00 million. The per sector value and percentage of Singaporean waqfs can be seen in Table 5.3.

Table 5.3 Types of Awqaf Institutions Administered By MUIS

Types	%	Amount Of Proceeds (S\$ million)
Mosques	65%	S\$195
Madrasah (Religious School)	11%	S\$33
Poor and Needy (CategoryD)	11%	S\$33
Charitable (CategoryD)	6%	S\$18
Others (CategoryD)	6%	S\$18
Total	100%	S\$300*

*The total amount does not total to S\$300 but to S\$297 and was omitted in the source.

Source: Created by author with reference to Hasan S. (2012). Role of waqf in enhancing Muslim small and medium enterprises (SMEs) in Singapore. Retrieved from <http://conference.qfis.edu.qa/app/media/240> (accessed at 23:14pm on 13th June 2017)

Singapore is a great corporate model for BIH where waqf activities are highly economic in nature but contain elements of management, administration, legislation, economic, and political integration. Those can contribute to BIH waqf development regardless of the huge economic gap between the two countries. Singapore in a short time became a world economic power but had no resources or land mass. A dynamic waqf institution that nurtures cash waqf, corporate waqf, shares of waqf brought diversity to MUIS activities and enhanced their ability to serve the Muslim and non-Muslim community in Singapore (Singstat.gov, n.y.). The main objective of MUIS while managing waqf, the largest body of assets besides all other assets, is to serve the community, ensure peace, stability and harmonious coexistence of all people in a multicultural

environment of secular Singapore (Hasan, 2011). Respondent Six (R6) considers Singapore as one of the successful models of waqf institution development in a highly secular and conventional environment, an environment that differs little with BIH. R6 maintained that what is most important for BIH when looking at Singapore, is to separate the waqf institution from the government activities due to the nature of waqf. Hence, a replica of Singapore waqf institution development can be framed for BIH in the future due to available similarities among them.

There is a pattern in the Malaysian and Singaporean experiences that BIH should follow. Not looking at the level of the country's economic development, both combined several waqf innovations to develop the waqf institution. Moreover, Singapore has a centralised waqf institutional structure like BIH, with different bodies: the Council, Fatwa Committee and the Strategic Unit of Zakat and Waqf (Noor Aimi et al., 2014). In addition, the educated personnel comprised of not only religious leaders (imams) but also economists, managers, investors, politicians etc. is another interesting but missing aspect of BIH centralised waqf institutionalised structure. Furthermore, Singaporean waqf investments and waqf property rentals earn considerable waqf revenues. A portion of the revenues benefit other countries (Hasan, 2011). These mechanisms can help the BIH Waqf Directorate to form a link with waqfs established, invested or rented by Bosnian Muslims in the diaspora and earn a portion of revenues. It must be borne in mind that Singapore has no long waqf history. Hence, Singapore is an inspiration for countries like BIH in much more aspects than discussed above.

Qatar

Qatar has one of the worlds most organised and impressive foundation and waqf institutions. Qatar has a Ministry of Awqaf and Islamic Affairs, in charge of all waqfs in the country (On Islam, 2014). The government aimed to institute power to an authority with the task to develop waqf socio-economic role while the Minister of Awqaf and Islamic Affairs planned for legal and institutional amendments for better waqf legislation (Waqf Qatar, 2014a; Waqf Qatar, 2014a; Kuwait, 2014). It likewise requested authorisation of more bodies to oversee waqf assets performance and management and to do research projects to find better models of Qatar waqf development. This resulted in several rehabilitation programs and diversified investments with highest possible *Shari'ah* compliance levels (On Islam, 2014). That is why the Ministry, later, envisioned a strategic plan of Research and Development (R&D) under supervision of scholars with

different expertise background. These would help identifying new investments and management stratagems and improve personnel skills. (On Islam, 2014). It is evident that Qatar government is very active in forming and framing policies for waqf development.

The BIH government has no stake in the waqf properties but the Waqf Directorate must form similar policies with ICBIH in order to pass the restitution laws and instigate waqf activities in the country. R6 and R3 suggested that the waqf institution should remain separate from the government but it should create links that foster socio-economic development. All respondents emphasised that waqf is not an institution confined to religious purposes. Instead, it has greater impact on religious life when used in improving conditions in other sectors, especially today.

The Qatar waqf institution structure is centralised like in BIH and Singapore, which again proved better, more efficient, and productive than a decentralised waqf institutional structure. The General Administrator of Awqaf, Investment Management Unit, Manager of Bank Endowments and Manager of Endowment Funds are the four bodies that run the entire waqf institution in Qatar (Waqf Qatar, 2014a, 2014b). Each of them has a specified list of duties from creation and maintenance to management and investment of waqfs. In terms of management, administration and investments, Qatar like Singapore embodies a unique approach, method, and skill that BIH can learn. Qatar has a waqf history and is after all an Arab country with which BIH has greater links and commonalities compared to i.e. Singapore and Malaysia. Even the distance of BIH and Qatar compared to Singapore and Malaysia, as indicated by R5, is an advantage for BIH to learn faster, easier, and more intensively and frequently through periodical meetings, visits and education programs. Many Bosnian students are eager to study in Arab countries rather than Asian countries.

The following is a specific aspect that BIH can learn from Qatar. The Qatar Foundation (QF) is evidently a waqf-like institution that emulates the western endowments, foundations or other philanthropies. The foundation combines private and government funding (Qatar Foundation, 2015a, 2015b). The president of QF said that the foundation followed the national aspirations to achieve progress and prosperity with focus on economic, human and social development through innovation, inspiration and collaboration (The Foundation, 2015). QF main pillars are education, science and research and community development (Qatar Foundation R&D, 2014). These three goals are also central to waqf. As R2, R3 and R5 suggested, foundations should be created from waqf funds in

BIH or elsewhere in the Muslim world and continuously invest new funds for sustainable development of waqf and creation of new. QF is one such foundation whose focus on R&D sectors of technology and engineering aims to transform Qatar into a knowledge-based economy (Qatar Foundation, 2015a, 2015b). That reflects the serious approach towards education. The ICBIH created several funds according to Respondent One (R1) which have a specific purpose and target the fulfilment of *Shari'ah* objectives. One of them supports education and aims to resolve the challenge of lack of expertise in the field of waqf. QF model can be used to transform those funds into a big foundation that will expand operations more systematically and strategically and have a stronger impact on socio-economic conditions nationally and internationally like. Details of the QF model can be referred to in person as the scope of this study does not go into details but might be considered in the future.

Kuwait

Kuwait has a long waqf legacy whose waqf institution achieved its current form with formation of the 'General Secretariat of Awqaf' in 1993 (On Islam, 2014). Kuwait is often cited as having the most organised, efficient, and developed waqf institution (Durmišević, 2011). R5 gave Kuwait as an example among all Muslim countries that cherishes the waqf institution and invests most in different types of waqf-financed projects. This is evident from numerous charity and humanitarian activities. Besides that, the opinion of R5 is that one of the best waqf journals is issued by Kuwait. An interesting and important aspect about Kuwait waqf is the community role in safekeeping the tradition of waqf (Al-Othman, 2003). This implies a grassroots approach that all interview respondents consider most efficient for countries like BIH to emulate. Again, unlike Malaysia, Singapore and Qatar, Kuwait resembles somehow the vision of BIH Waqf Directorate waqf institution development. Considerable attention and interest is present in establishing better links with Kuwait compared to other countries (Durmišević, 2011; Zajimović, 2011). Kuwait has a long waqf history that is neatly preserved but also extensively explored and revived in the traditional scent that other countries failed to accomplish. BIH has also relatively preserved its traditional fragrance of waqf institution that is, however, more evidently documented than practiced.

Kuwait's waqf institutional structure is also centralised like the Singaporean and Qatari. The General Secretariat of Awqaf, Specialised Endowment Funds, Institutions of Community Development, Endowment

Investment System, Judiciary System, and the Executives of Civil Endowment are the bodies of Kuwait waqf institutional structure. The waqf institutional achievements in Kuwait like in Singapore and Qatar were results of strategic development plans and fund investments via special elected boards, frameworks for better communication between society and government.

Again, Kuwait has its particularities and degrees of differentiation from other great waqf institutions that BIH can explore and learn. The waqf financial resources are diversified into earnings from public awqaf foundations, earnings from the funds, new waqfs and other projects, earnings obtainable from services and activities, from donations and contributions gotten from the public. This enables cooperation with other organisations having similar objectives. Kuwait proved how waqf funds can revive the traditional role (Sunnah) of waqf, make waqf a tool of socio-economic integration and development, develop charity networks, involve the public active participation in communal affairs etc. (Al-Othman, 2003). Kuwait is another example of how a gradual approach to sustainable development is possible with consistency and endurance. BIH can learn from the Kuwaiti experience and envisage how the public opinion and affirmative action can improve social affairs in BIH. In addition to all modern developments, Kuwait still preserves its Islamic tradition and closely monitors waqf.

United Kingdom (UK) Endowments and Role of UK Muslims

Some insights into UK endowment performance as an example of waqf-like institutions in the West helps visualise the hidden potential of waqf. A particular reason for choosing UK is the stronger UK Muslims waqf activities compared to other western Muslims as well as the geographical distance of UK and BIH compared to US and BIH. In view of Pharoah et al. (2014), the Top 300 foundations in UK account for 90 percent of giving among roughly 10,000 foundations. In real terms, however, grant giving increased by 9.8 percent and is expected to increase in the future. UK foundations have criteria of investing a minimum of 50 percent in charities via grants and maintain good private relationships as future income sources. UK foundations spending is £3.3 billion and the charity sector activities amount to £38 billion. It is a challenge for UK foundations to manage these large funds. Besides that, Pharoah et al. (2014) denoted satisfying performance of investment management. Universities, foundations, and the government of UK work together in an integrative

fashion to provide for peoples' needs. All these reflect the dynamism of UK foundations' activities with written rules and regulations for all foundations, which is very important for countries like BIH. Another important aspect is the UK's diversified assets, trusts and shares in European portfolios e.g. education, health care and social welfare (Sami, 2012). UK foundations are highly hierarchical and bureaucratized due to a large pool of funds and complex activities. They are very industry oriented and collect periodical feedback from the public. For the beginning, BIH may adopt the discipline and commitment of UK foundations to have constant communication with people who give feedback and improve the efficiency of foundations or Waqf Directorate in the case of BIH.

Some of the portfolios in the UK are treated as waqfs. Details are not provided here but it suffices to indicate the scope and organisation of UK Muslims activities. The UK Muslims managed to adapt to the society, educate themselves and develop their own foundations or trusts which are handled as waqfs. Muslims started many trust funds to sustain their Islamic affairs. Their objective was to attain strong economic foundations through investment strategies rather than constant erecting of religious shrines and monuments for worship purposes. The UK Muslims realised the need of abandoning traditional perceptions in dealing with waqf and other Muslim affairs as well. One central factor, which contributed to the success of UK Muslims is education. The investment gains are diversified into: (a) serving the community and conducting programs (non-profit making) – those are social facilities like colleges, care homes, counselling, child care, trainings, libraries, TV and radio stations etc.; (b) community programs (non- profit) – services and programs for community like education, health care and social welfare, environment etc. and (c) re-investments in economic subsidiaries (profit making) – economic subsidiaries, waqf fund profit generating activities etc. (Sami, 2012). Compared to UK foundations, the activities and earnings of Muslims are only minor but benefits often cross UK borders to other Muslims countries. It is interesting to see how an immigrant Muslim community managed to develop trust institutions to help other Muslim countries. The discipline and commitment are urgent assets that other Muslims like those in BIH need from UK Muslims like from Malaysia, Singapore, Qatar and Kuwait. The emphasis of UK Muslims was not on investment alone but educational projects which BIH can organise to raise awareness or what R3 would call 'rebranding of waqf' with a 'dynamic fiqh' to accommodate requirements of modern times. Such short-term consistent gradual approach would result in long-term exponential development.

SCENARIOS/OPTIONS FOR WAQF DEVELOPMENT IN BOSNIA AND HERZEGOVINA (BIH)

The short preview of waqf and waqf-like institutions of several countries reveal great lessons for countries like BIH. John F. Kennedy said that change is the law of life that requires looking into the future and not the past or present (Qatar Foundation R&D, 2014). The examples given above revealed the global thinking and local approaches of waqf and waqf-like institutional development. The discussed experiences offer a plethora of impressive scenarios/options for waqf institution development in BIH but our discussion focuses on cash waqf, waqf-community bank, and waqf-financed education. Once these are developed, new opportunities are created for more sophisticated waqf operations like corporate waqf development, inter-cantonal or inter-state waqf development etc. Before continuing the discussion, it is important to state that the management and administration skills and methods, investment strategies, organisational structure and discipline are considered integrative parts of the following three suggested scenarios. Hence, the reader should keep in mind that those are the aspects to be integrated into BIH.

Significance of Cash Waqf Today

Cash waqf is a trust fund composed of cash to provide social services for the sake of Allah SWT. The development of cash waqf can be traced to the beginning of 15th century Osmanli Caliphate and perhaps earlier. The 16th century is considered the cash waqf century due to its popularity (Çizakça, 1998). The same century is considered the golden period of waqf in Osmanli Bosnia.³⁴ Today, cash waqf is important due to the missing liquidity to maintain functioning of existing waqfs what aggravates socio-economic conditions (Ibrahim et al., 2013). The above-mentioned Malaysian case of cash waqf development indicated how much liquidity could be provided by just one state while Malaysia's complete potential for cash waqf collections amount to RM billions. Similarly, greater cash waqf practices were indicated for Singapore, which diversified the cash into sectors as indicated in Table 5.3 above. Modern western foundations, endowments, charities organisations and trusts mobilise large pools of cash funds via donations to provide for improved living. QF is a leading Muslim global foundation while UK foundations which raise billions in cash donations and earn significant returns from R&D.

³⁴ For details, please refer to book 'Part Two'.

The development of cash waqf should be made a priority of BIH waqf authorities as it provides the necessary liquidity that most waqf institutions do not have as argued by R3. Giving cash in present times is far easier than properties and can easier ingrain a culture of giving according to R3. Even dealing with cash is more convenient. Like that proposed above, the Malaysian development of cash waqf helped establish special bodies that formed a cash waqf scheme whereby everyone can contribute an amount of cash via banks or SMS. Singapore's MUIS provided similar services in its more corporate environment (Hasan, 2011). Requirements for such technology and services are available in BIH and can easily be applied. Rising dependency on and great advancements in technology and proximity of BIH to Europe may provide it with much (at least) externalities of high-tech products if not self-produced. This and much other ideas are for BIH of paramount relevance and benefit. Cash waqf is compatible with various Islamic banking products such as *mudabah* (partnership type), *musharakah* (partnership type), *wakalah* (agency), *ijarah* (leasing), *takaful* (insurance) etc. and Malaysia envisages offering more of such products in its unique IBF industry (ISRA, 2011). Therefore, the development of cash waqf in BIH can signal increased customers demand for new bank contracts and fosters systematic structural improvements. Moreover, cash waqf can provide the liquidity for agricultural development in BIH.

Part three indicated that BIH has a large non-utilised land surface, which can be cultivated with a developed cash waqf. It also provides opportunity for diversified low risk-return investments in capital and money markets with relatively good long-term profits (Lahsasna, 2010, 2013; Ab Aziz et al., 2014).

Referring to Figure 5.1 the application of cash waqf in poor countries (Country A), like BIH, for repairing and maintenance (Projects 1,2,3,4,n..) of waqf would socio-economically revive them. Cash waqf has the potential to solve the problem of unemployment and liquidity in a country (Cash Waqf Fund – Projects 1,2,3,4,n..) and enables hiring of new personnel in a waqf directorate, e.g. in BIH. Like any other waqf, cash waqf is perpetual in benefits to the giver (*akhirah* (otherworldly) – benefits). Hence, some element of spiritual motivation for each individual is present in cash waqf. Another very important feature of cash waqf is the comprehensive inclusiveness of the public (Country A – Cash Waqifs). Simply said, everyone can become a *waqif* (endower) without undermining the sacredness of 'waqf' (Man & Abdulwaheed, 2011; Noor, 2014). Through restoration of damaged waqf, cash waqf can raise awareness

about waqf's significance in this life and hereafter. Upon restoration of a destroyed waqf, people would learn about the past and present waqf role in BIH and may get an incentive to support such an institution today, e.g. the Waqf Directorate of ICBIH (Vakuf.ba, 2011).

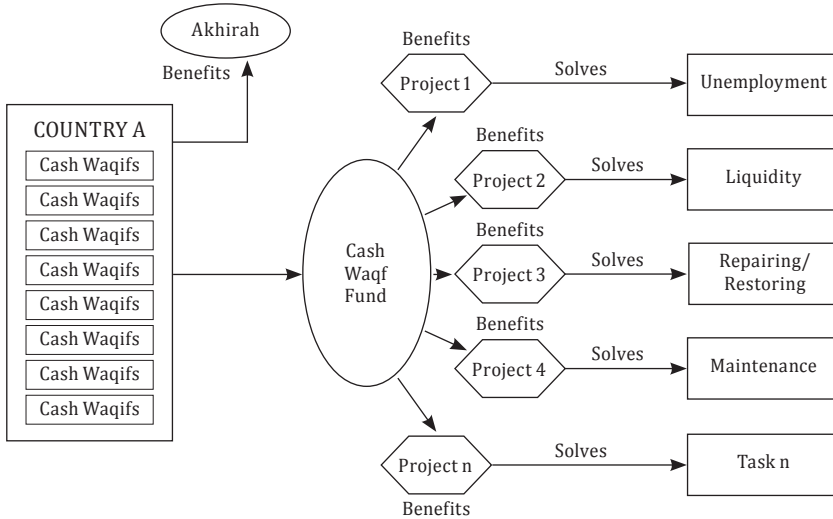


Figure 5.1 Cash Waqf Development Diagram for Poor/Developing/ed Countries
(Source: Created by author)

Figure 5.1 shows how reinstating waqf as the source of socio-economic development might work in BIH. Cash waqf can be used to build new institutions, e.g. kindergartens, schools, colleges and universities (to be discussed in section on 'Waqf for Education' below), besides religious institutions (Project n) in which people can be employed as educators, administrators, managers, maintainers, cleaners, cooks etc. (Task n). This is a practice of waqf institutions in developed countries such as Singapore, Kuwait, Turkey, Malaysia, Qatar etc.

The discussion of particular countries in previous section is relevant here and should be understood integratively. For example, the Malaysian waqf authorities' cooperation with the government, the Qatari government involvement in framing and forming of policies for waqf development and the role of QF in executing and applying the policies, Kuwaiti various waqf activities are some of the mechanisms where the diagram in Figure 5.1 utilises and develops cash waqf or other funds. The importance of cash waqf should not be overly praised but it can reduce poverty and strengthen people's hope and faith. Development of cash waqf would cultivate healthier social, political, economic, religious, moral and

spiritual affairs. Cash waqf is without doubt one of the preceding tools for waqf institution's socio-economic development.

Waqf-Community Bank Development: The Waqf Institution and the German Social Market Economy's 'Community Bank'

Germany operates under the social market economy (SME) which roots reflect the traditional tribal lifestyle, the 'Gemeinschafts Leben oder Basis' (Community life or basis) which developed today's community banks (Hasse et al., 2008; Kerbo & Strasser, 2000). The German affinity to order, discipline and value date back to the Prussian Empire and are embedded in the SME (Fukuyama, 2014). The SME helps understand the concept of 'Deutsche Gemeinschaften' (German communities), a term introduced and discussed by Ferdinand Toennies (1855 – 1936) who considered important to preserve 'Gemeinschaften' (communities) in times of industrialisation and moral degeneration (New World Encyclopaedia – Ferdinand Toennies, 2008). This became an integral part of the SME system together with an inclination towards education. The SME is a balance of market based and social based system. It combines the idea of freedom – liberalism under a philosophy of social justice derived from Christian teachings. The system has its 'Grundgesetz' (German basic law), the principles of SME, while details are subject to changes of time and circumstances (Kerbo & Strasser, 2000; Hasse et al., 2008; Watson, 2010).

The SME shares some similarities with an Islamic Economic System (IES) (Neinhaus V., 2010a, 2010b). In an IES, though ultimate reference will be the *Qur'an* and *Sunnah*, the details and applications of an economic system are subject to situational circumstances and time. IES aims to preserve the communal unity and serve its interest (Nik Mustafa, 2012, Qardawi, 2010). In the following paragraphs, a short comparison of the SME and IES in the area of 'community banks' will allow better understanding of our proposal for a *waqf-community bank*. The focus, here, is the SME 'Gemeinschafts Banken' (community banks) community banks which when combined with IES waqf make a good platform for creation of the waqf-community bank. Such a bank would be particularly beneficial for BIH waqf institution's development.

The term 'Gemeinschaft' refers to a unified people living together. 'Gesellschaft', on the other side, refers to society where people are not unified but live together on a larger land area. The first resembles the traditional family/neighbourly life and the second, the contemporary conventional capitalist-materialistic-social life. One is based on values

of togetherness, mutuality and restriction of freedoms while the other is based on individualism, particularity and non-restriction of freedoms (Hasse et al., 2008; Boundless. Com – Gemeinschaft and Gesellschaft, 2015; Blog – Gemeinschaft and Gesellschaft, 2013). From the German ‘Gemeinschaften’ (communities) were created many ‘Gemeinschafts Banken’ (community banks). These banks serve the needs and envisioned goals of the community. The communities usually opt for more traditional lifestyle and grassroots approach to solving men’s problems compared to an EU top-down approach. Often the EU and EU-like approaches do not reach the lowest levels of population and if they reach, then their interest is not accounted. The community banks, on the other side fill that gap. Hence, waqf by definition is community oriented, and in the IES, it serves as a tool of wealth distribution and redistribution. Such a conception leads to the idea of creation of a waqf-community bank whereby the experience of community banks and waqf may merge their features on top of the *Shari’ah* compliance criteria of the new waqf-community bank (see Figure 5.2). Interview respondents R1, R3, R4, R5, and R6 support the creation of a waqf-community bank and are of the opinion that such an institution is indispensable in contemporary times. R2, however, warned that such combinations are risky, need to assure the principal waqf and maintain separate waqf pool fund, and invest excess earnings. Other respondents have the same concern but expressed more confidence that a bank would not threaten waqf.

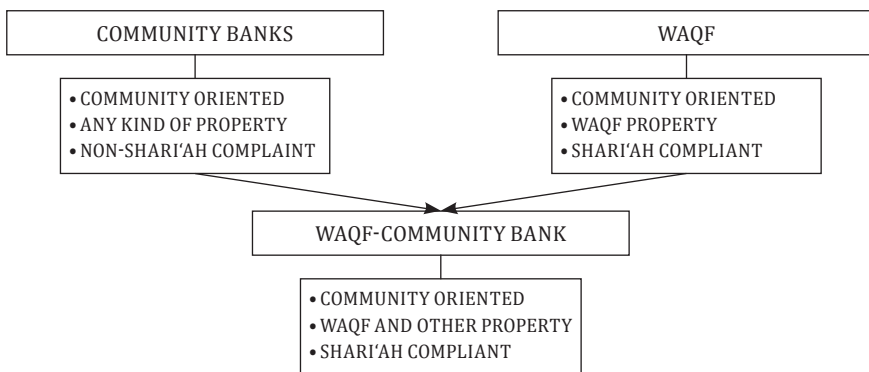


Figure 5.2 Creation of a Waqf-Community Bank (Source: Created by author)

A good example of an alleged waqf-community bank following the practice of German community banks is the ‘Islamische Gemeinschaft in Deutschland’ (Islamic community in Germany). However, the bank is not called a waqf-community bank. The Kuveyt Turk Bank (a Turkish

bank) serves as the waqf-community bank (Islamische Gemeinschaft in Deutschland (Islamic Community in Germany), 2015). This is the first licensed Islamic bank in Germany (Zeit Online, 2015). Most Muslim finances are processed through that bank. Funds raised, e.g. cash waqf, is deposited in the bank and finances projects of the community. This structure represents a common asset or waqf property used for socio-economic development. The waqf-community bank would facilitate consolidation and development of IE through efficient distribution of wealth and fulfilment of the objectives of *Shari'ah* (Neinhaus V., 2010a, 2010b). Over time, 'Gemeinschaften' grew and form 'Gesellschaften', which may blur the goals of communities and community banks (waqf-community banks) (Kerbo & Strasser, 2000). For that, the Sparda-Bank, a famous 'Gemeinschafts Bank' (community bank) has the following motto:

Wir sind die Sparda-Bank. Wir sind die Gemeinschaft aus 12 regionalen Banken und 3,5 Millionen Mitgliedern. Gemeinsam machen wir Bankgeschäfte fair und einfach, gemeinsam fördern wir Menschen in vielen Regionen (Sparda Bank; 2015). (*We are the Sparda-Bank. We are the community of 12 regional Banks and 3.5 million members. Together we make bank deals in a just and simple way, together we support People in many regions.*)

The regional network of 12 banks developed from a grassroots approach and keeps trust as the main element upholding the bank integrity (Sparda-Bank, 2015). Trust is also central to IE (Nik Mustafa, 2012; Qardawi, 2010). This is another reason why the community banks can be a platform for a waqf-community bank and BIH has no disadvantages or obstacles that make that impossible. Watson (2010) and Haneef (2010) remarked that a 'copy paste approach' is not possible to develop, e.g. a waqf-community bank. Only an evaluation of a society's circumstances can offer alternatives (Acikgenc, 1996; Naquib Al-Attas, 1995).

The BIH Waqf Directorate has great opportunities to create a waqf-community bank with help of the Bosniak Muslims living in Germany and elsewhere as well. Singapore's MUIS administered waqf institution exemplifies such a mechanism whereby some waqf revenues in Singapore benefit countries like India and Indonesia (Hasan, 2011)³⁵. The QF has projects in engineering and education in collaboration with the government³⁶. It

³⁵ For details please refer to the above section of Singapore with emphasis on the explained mechanisms of waqf development and contribution to other countries.

³⁶ For details please refer to the above section of Qatar with emphasis on the development of waqf institution in cooperation with the government and attention to R&D.

is a matter of approach and commitment to develop a detailed plan for such a project. Malaysian gradual improvements in waqf management, establishing new institutions and links with the IBF industry over the last decades is complementary in developing a waqf-community bank in BIH.³⁷ For example, the many waqf lands would require a mechanism for agricultural development. Islamic microfinance schemes would best serve such needs and could be offered through the waqf-community bank in the future what Smolo (2009) partially forecasted.

Waqf for Education

The above sections have indicated that waqf and waqf-like institutions emphasised education. The third sector is recognised as having great potential in financing the educational sector, which contributes to various socio-economic developmental activities. The future of waqf institutions according to all respondents lies in quality of education. R4 said that education has transformed Istanbul into waqf whereby it prompted expansion outside of Istanbul in order to continue giving waqf. That is how BIH became the land of waqfs. R3 indicated how investment in education of even one individual transformed a whole area in Burkina Faso. R5, R7 and R6 view education as fundamental for a vital and dynamic waqf institution in BIH. R1 indicated that the intention of the Waqf Directorate is to integrate waqf studies into the educational system of BIH and provide financing for educational institutions.

Today, waqf developments in Qatar, Kuwait, Singapore and Malaysia indicate efforts for waqf-financed higher education. Waqf-like institutions like the QF have the mission and vision to transform the whole country's economy into a knowledge based economy. The model of QF represents in part the proposed idea in this section. Moreover, Kuwait, according to R5 and as indicated in the section above is one of the best examples of waqf cherishment through investing in education. Another important aspect of waqf integration into educational sector is the role women can play in the whole process according to R4.

R4 explained that a woman initiated the first waqf-financed educational institution, a university. In addition, Istanbul is known to have had 70 percent of waqf universities established by women. The reason for this is that in Islam women do not have the obligation to spend their

³⁷ For greater details please refer to the above section of Malaysia with emphasis on the different waqf development supporting institutions that were established to foster waqf institution development in the economic environment.

money on sustaining family. That allowed them to use their money and set up universities among other socially beneficial objects and acts. BIH has an active female workforce and has recognised women and supports them more than males. Generally, there is no gender distinction in professional affairs.

Turkey is globally known for many of the waqf-financed universities today. R4 added that Turkey draws the lessons from the past autonomy of Muslim intellectuals due to waqf-financed education. Freedom of expression in oral and written form, university policies, and traveling from one place to another was supported by waqfs in all parts of IC. The past witnesses many scholarly visits to different places of the Muslim world in order to study from renowned scholars. Accommodation and expenses were provided by waqf. This removed obstacles to every student on the path of seeking knowledge. Everyone knew that a waqf would provide the minimum requirements for a normal life.

Investment of waqf funds into educational institutions should be continuous according to R5. The respondent added that the foundation of Sunway Group Malaysia has a good education investment strategy whereby profits and excess funds are injected into the foundation in order to sustain educational operations. BIH should adopt a policy to support education and utilise the output from educational programs through integration into the Waqf Directorate activities. R7 added that BIH has many waqf properties and nurtures the tradition of the mosque as a central religious institution whereby more activities within the mosque or related to the mosque can raise awareness about waqf. In addition, the youth can contribute to this endeavour, especially those outputs from educational institutions that R5 mentioned. The respondents have suggested cooperation between the waqf and education institutions. They consider it indispensable and assume that involvement in economic activities such as investments, rents etc. are inclusive in the whole plan of waqf development everywhere.

There are many models of waqf and educational institutions cooperation for development of waqf and education. Sula (2009) suggested one such model where the educational institution is the entrepreneur who appoints the *nazhir* (waqf manager) based on competitive criteria and then invest the waqf funds or rent waqf property. Another similar model was suggested by Aziz et.al. (2013) and Aziz and Yusof (2014) where a waqf bank is the *nazhir* and follows up investment processes. Profits are shared between parties. The *nazhir* is entitled to a profit share or management fee while waqf and education institutions, subject to agreement,

determine their shares of profit. The models operate on the basis of partnership contracts of *mudharabah* and *musharakah* (Noor, 2014; ISRA, 2011). The models of waqf and education cooperation involve all types of waqf property from buildings and land to cash waqf (see Figure 5.3).

The development of cash waqf in BIH would complement waqf-financed education development. Likewise, the above discussed waqf-community bank can be the *nazhir* over all waqf investments. For the success of such schemes, BIH needs to invest in education and raise public awareness, which according to all respondents is very low.

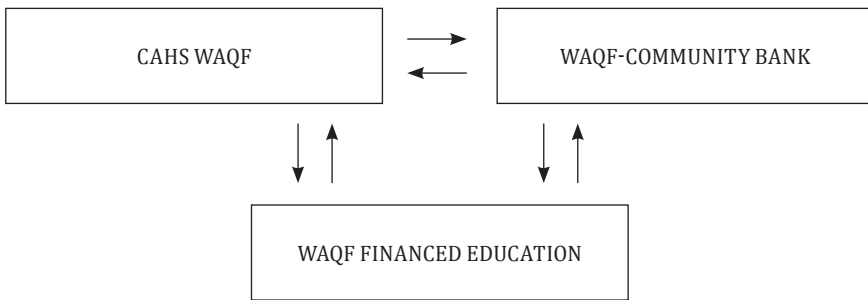


Figure 5.3 Waqf-Financed Education Cycle (Source: Created by author)

R4 mentioned how the West today offers Erasmus exchange or scholarship programs and added that Muslims had such programs centuries ago whereby even today facilities and resources exist to offer such programs. R2 suggested that models of waqf creation of foundations that finance education are missing in the Muslim world. For R2, westerners have such models due to the continuous contribution of funds to the foundations and networking with educational institutions and other industrial players.

The above-discussed practice of UK foundations indicated efforts given and determination towards development of the educational sector. The UK Muslims and Singapore's careful appointment of the *nazhir* with the required expertise for investments qualified them as recognised competitors in the economic environment. BIH shares some features of those waqf institutions like a centralised waqf structure, legacy of waqf and rich waqf properties. The economic and political circumstances, as discussed in book part three, are not conducive for investments but that is not required for a grassroots approach, e.g. via agricultural projects.

On the other hand, BIH can construct such relations with the Bosniak Muslim diaspora who have better opportunities for investments

and proceeds therewith for education-financing. The profits may be distributed among the involved parties. Therewith the BIH waqf institution would become part of the contemporary trend of waqf institutional development.

The main objective in the whole process from waqf creation, contracting with various stakeholders, investment procedures and strategies, waqf-financed education etc. is to preserve the principal of waqf. Nik Mustapha (2012) identified that in this whole process the requirements of every organisation are: quality of workers, effective leadership, good management and appropriate structural set-up. However, the holistic view with technical and humane perspectives represents the backbone of what Nik Mustapha (2012) considers the Islamic paradigm in economics.

CONCLUSION

The rising interest in waqf and waqf-like institutions or the third sector is evident in today's turbulent world. The third sector is seen today as a major source of socio-economic development. This book part has discussed, in part, the western dedicated efforts in nurturing this sector. Likewise, this part shed light on the Muslim world and their achievements in having developed the third sector in the past as well as its contemporary revival. The third sector in the Muslim world was waqf and so it is becoming today while some Muslim countries today have replicated western philanthropies like foundations, endowments and trusts as well. Among the many countries that strive to revive waqf is BIH. Some aspects of the Muslim and non-Muslim countries' waqf development experience was discussed in this book part and used as a lesson for BIH to emulate. However, BIH needs to evaluate its own general circumstances and come up with a framework for waqf institution development.

The BIH Waqf Directorate must adopt an aggressive and active approach in integrating different waqf scenarios/options into a systematic whole. BIH Muslims and the waqf authorities should review these contributions and adopt the necessary elements in practice. There is surely no single approach or a copy-paste approach to development and so this contribution is subject to improvement. Lastly, IE is still in its infancy in BIH. The future will require an approach from IE rather than waqf socio-economic development. A holistic view and critical mind will eventually need to integrate all elements of a system where each component is in its proper place (Naquib al-Attas, 1995; Nik Mustafa, 2010). Future improvements depend on the ability to adapt to changing circumstances.

6 Conclusion

CONCLUDING REMARKS

This study is part of a renewed scholarly interest in 'waqf studies' that has attracted the attention of many researchers in 21st century. Part one has given a general review of contributions in this field and a trend of waqf and waqf-like institutions development. In other words, it has pointed out the rising attention given to the third sector. Contemporary developments witness the immense importance of IE when discussing topics about waqf which is why the two were in this research argued to be complementary for socio-economic development. New types of waqf and relation of waqf institution to the banks and educational sector was presented as a globally accepted phenomena. The developments described in this book part gave a good background to the following discussions which focused on Bosnia.

In parts two and three, this study has given an overall account of the socio-economic significance of waqf in Bosnia. Part two covered the period from the early centuries pre-Islamic contacts with Islam and the expanding IC through trade caravans, followed by the 15th century Osmanli Caliphate rule in Bosnia. It was shown that certain practices of 'giving' and 'social goods' were already introduced by the pre-Islamic Bosnian inhabitants. The early Bosnian inhabitants' practice of charity was facilitated with the practice of waqf and prepared the ground for the Osmanli Caliphate's consolidation of BIH under Muslim rule and the subsequent spread of Islam in the region. Many in Bosnia converted to Islam as a result of the dynamic waqf role among many other factors. Then under the Osmanli rule waqfs flourished for two centuries until the Caliphs began to disengage from public life in pursuit of extravagant luxuries close to the 17th century, marking the early beginnings of Osmanli decline. It is interesting to notice how immediately upon Osmanli arrival in Bosnia, a

campaign of waqf socio-economic consolidation was initiated throughout the region forever changing the lives of Bosnians. It is this identity of Bosnians that is being sought today.

Unfortunately, the role of waqfs eventually contracted. The campaign, however, stopped upon the declaration of the *tanzimat* reforms by the Osmanli Caliph marking the modernization of socio-economic affairs along the lines of the western enlightenment and reformation movement. The abrupt attempt to save what was left of obedience to the caliphate through the *tanzimat* policies in the 19th century which rather than commanding allegiance to the caliph only sealed the fate of the Osmanlis due to their clear detachment from all interests other than those determined by the caliph. Here, it was evident that the *firman*s (edicts) against the public caused unrest. The experience of the Bosnian waqf institution during this time took a turn for the worse due to the political instability and the encroaching threats of neighbouring powers. Most Muslims had become disenchanted with the Caliphate which had itself become detached from the needs of Muslims.

In part three, we have shown how, ultimately, Bosnia fell into the hands of lethal and destructive regimes in the post-Osmanli period starting from the end of 19th century, each worse than the other and each adversely affecting the once thriving institution of waqf. After centuries of constant moral degeneration and decades of resistance to the new reforms, Bosnia was left to the mercy of the AH Empire. This experience was not as bad as was initially expected. Though Bosnians did not enjoy the same socio-economic lifestyle as under the Osmanli Caliphate, some authors view the period as beneficial to all Bosnians, especially Muslims due to the formation of an independent ICBIH. From this time on, Bosnia became BIH. However, waqf properties were usurped by the government seriously affecting the Bosnian Muslims. Due to fear that Islam in the region would vanish, Bosnian Muslims resorted to all means of peaceful struggle for the autonomous status of waqf-mearif affairs. Bosnians, in fact, did not have such autonomy as stated in that 'status' as the AH High Representative for Bosnia or minister constantly supervised and had oversight over all intended activities. It was not the best institutional arrangement for Bosnians due to involvement of different political parties' interests but indeed better than no arrangement at all.

Nonetheless, the AH rule in BIH was partially democratic when compared to the later Yugoslavian regimes which were not at all democratic and denied Muslims most of their rights. In fact, Bosniaks-Muslims were not even recognized as an ethnic group. The result was devastation of

waqf properties that resulted in forced closure of many waqfs. Even the struggle for independence has not proven as expected. Hence, the whole period from 1918 until 1995 has left thousands of destroyed and damaged waqf properties and others nationalized, confiscated or sold/bought to/by new owners like ordinary assets. The challenging circumstances including the post-independence genocide have not prevented the waqf institution from seeing a revival. In part three, we also looked at the period of 'renewal' of waqfs which commenced only in the post 1995 years with the Waqf Directorate re-emerging as the main waqf authority under the structure of ICBIH to evaluate and revive the waqf properties throughout the country. This revival since 1995 has generated renewed interest in making the waqfs of Bosnia once more the source of financial and socio-economic sustainability by reaching out to the Bosnian people- both inside and outside- in addition to other Muslim and non-Muslim countries that share the same vision and mission.

Nevertheless, the essence of the waqf institution had already become part of the Bosnian psyche even though many are unaware of wider aspects of waqfs' role. For this reason, there is a new wave of attempts to re-establish waqf in the region and reinstate the prominent role in society and the economy it once enjoyed. We particularly tried to emphasize the attempts for revival in greater detail since 1995 and then identified the challenges facing the ICBIH Waqf Directorate. The subsequent integration of waqf into Bosnian development attempted to overcome some of the challenges by indicating different complementary and parallel developments in BIH such as IE. Doubtlessly, the Bosnian waqf role was enormous causing it to be named the 'land of waqfs'. That initially prompted us in this research to trace the influence of the waqf institution in BIH deeper from the pre-Islamic Bosnian inhabitants' times through to its contemporary revival. It may be considered a 'rediscovery' for BIH indeed due to it has been forgotten by many. And in fact, many are surprised and astonished when hearing about the 'land of waqfs'.

Observations of the above firstly, show how the Waqf Directorate had to deal with the consequences of decades of draconic laws which have forcibly taken away most of the waqf properties, and secondly, to envisage ways how new waqfs can be created and developed. The plans usually do not reproduce in actuality. That is the case of the Waqf Directorate which today also suffers from non-conducive political and economic circumstances.

The Waqf Directorate is focused on developing new waqf properties and strategic developments that would revive public consciousness of

waqf whilst also attracting many of the Bosnian diaspora to return or support and help revive the waqf. Through its championship of waqf, the Waqf Directorate is promoting the Islamic worldview of Islam.

In part four, to support the findings of this research, semi-structured interviews were conducted with field experts which provided insights into Bosnian waqf developments throughout history until today and additional information about other countries' waqf developments in the contemporary context. From interviews conducted with various stakeholders in Bosnia, namely the Waqf Directorate's Director and the Council, we have obtained first hand information about current condition and developments with waqfs, e.g. past, realized and future waqf projects. The interviews also highlighted the rising global interest in the field of waqf otherwise known as the third sector wherein waqf-like institutions such as endowments, foundations etc. are classified.

These interviews provided a new impetus for waqf reforms in BIH whilst also providing alternative scenarios/options for waqfs' socio-economic development in BIH that was discussed in part five. Firstly, an overview of waqf-like institutions in the West then waqf in the East pointed to the backwardness of Muslims' giving practices to non-Muslims'. Secondly, by looking at the experience of other countries, e.g. Malaysia, Singapore, Qatar, Kuwait, UK etc., in developing waqf or waqf-like institutions, we were able to identify the particular aspects of each countries' accomplishments in reviving the waqf institution. These were compared and referred to the BIH Waqf Directorate to emulate whether through direct cooperation or indirect proxy research oriented projects.

While the views of scholars, regulators as interview respondents are crucial in any effort to re-build and relinquish the potential of the waqf institution in Bosnia, it is also very crucial that lessons be learnt from other countries, as those above mentioned, both Muslim and non-Muslim, on the role of a modern waqf institution.

The three primary alternative approaches and best scenarios/options to waqf development ascertained in this research are:

1. cash waqf as a new more practical medium of waqf due to for example it gives every Muslim the opportunity to become *waqif* (endower) and sense a kind of spiritual satisfaction whereby they purify their souls from sins;
2. a waqf-community bank that would foremost deal with waqf properties and funds and then only with other Islamic banking services; and

3. the development of waqf for education that would foster intellectual autonomy through dynamic-fiqh-based educational institutions and the self-financing or self-sustaining cycle waqf provides that would surely gain support of civil society and lead to development by consensus.

The discussion of the role of the third sector in development and for a more peaceful and prosperous world underscores the importance of this study. Waqf based development is based on the principles of justice, honesty, humanity, and prosperity without marginalization or discrimination. It would be a world for everyone where the rich share their excess wealth with the poor and reduce therewith the inequality gap. This study is important for BIH waqf authorities and the public by not only reclaiming the waqf institution historical legacy but also revealing the by many Muslims desired situational circumstances of today's waqf institution in BIH. In other words, it can be said that BIH waqf institution has an advantageous position for development to take place compared to other Muslim countries circumstances but only if the know-how is placed to the proper place (Naquib al-Attas, 1995). Nothing is impossible and the impossible is not a problem. The only problem is the possible due to a missing pro-active attitude.

The implications of this research highlight a rising in awareness within BIH about the socio-economic significance of waqf in the past and present. People's perceptions towards the significance of waqf today extends to their comprehension of how much potential is hidden in waqf. This encourages the BIH public to think from the perspective of the Islamic worldview towards social contribution and justice. However, much work has yet to be done in BIH when talking about waqf institutions and properties.

The improvements for this research would be immediately achieved once the limitations are overcome. Some have been mentioned in the introduction of the book and will not be repeated here. An additional step for improvement is an even more systematic evaluation of available literary resources in multiple languages. For example, the pile of literature about waqf institution in Turkey, the country not given in book part five as an example of waqf development practices to learn from for reasons explained as follows. It is definitely a great role model for waqf development and it is already helping BIH to a great extent. A separate study on Turkey's waqf experience with reference to BIH might be of greater benefit for BIH waqf institution development due to the close relationship between the two countries. There have been many unutilised resources

in this study that would if studied give a more detailed account of waqfs' socio-economic role in BIH. This, however, is a humble attempt to attract further interest towards research along similar lines.

RECOMMENDATIONS FOR FUTURE RESEARCH

Waqf funds in BIH and elsewhere in the Muslim world are poorly managed which renders such institutions inadequate to reduce poverty levels and even less useful for development. In addition, there are no indicators of increasing Muslim charitable practices. Charitable giving per country in the World Giving Index 2010 reported by Guardian, highlighted majority and minority Muslim populated countries data with a percentage of populations volunteering, giving, helping others and an average score of all three. Most countries did not cross the 30 percent for volunteering and 20 percent for giving, and 20 to 80 percent in helping strangers. These figures are valid for only one month so no accurate conclusions can be made. However, the average score ranges from some 15 percent to no more than 50 percent among listed countries. Based on sub-regional criteria, there is no particular region that overtakes the other in giving (The Guardian, 2010). These are serious benchmarks that BIH should consider to evaluate its performance on a global level. That would also depict a clearer image of waqf activities and contribution in branding the country's name as 'land of waqfs'. Waqf data can be statistically separated for comparison with other charitable institutions in BIH.

Based on Omar Clark Fisher's "Islamic Charitable Giving" in *Islamic Evolution* (2013), Muslims with a global population more than 1.2 billion (22 percent) with over 100 countries still do not have an empirical database on charitable giving. However, most of these countries claim having considerable awqaf properties like BIH. Omar (2013) named Turkey as a pioneer of waqf management among Islamic countries however charitable giving of Turkey was only 0.23 percent per capita of GDP based on World Giving Index in 2007 and 2012 respectively. One can imagine the score for BIH and other countries. Western countries like UK and Norway had 0.73 percent and 1.06 percent. which is double that of Turkey. Moreover, while the US spent US\$4.969 trillion for the education sector alone, the Muslims minimal base of Muslim global donated assets reached only US\$2.2 trillion of which a portion goes to education. However, the potential of all awqaf assets could reach 5.3 trillion USD (Omar, 2013).

Evidently, not only are the conditions of waqf in the BIH and Muslim world worrisome but the practices of giving in general as well. It

reveals a lack of awareness, interest, concern, general poor socio-economic conditions, no defined social class relations (leadership-follower, representatives-general masses), no proper database of giving, no proper database of waqf properties etc. This indicates that non-Muslims are far more generous than Muslims. One thing that does need to be considered however, is that Muslim charity is often not recorded so that the World Giving Index cannot be taken as a proper measure for such things. That is why an analysis of where given funds are utilized becomes crucial to determine the benefits of giving rather than the amounts. For example, in the international refugee crisis of millions of Syrians and others for many years, it was Turkey which allocated most funds for refugees' settlements in comparison to far greater statistically ranked countries in the World Giving Index.

Following recommendations help identify the following step-by-step approach to waqf development for BIH and other countries that are divided into research/academia and policy/practice. Both are inter-related and intersect in many areas. The first group, however, focuses more on educational reform while the second contributes to the social, political, economic, technological etc. reform. All would be good areas for future research.

The research/academia related recommendations are:

1. to promote the idea of waqf-financed educational institutions which are fully or partially financed via waqf. This alone, for example, can be explored in a study of Turkish waqf-financed universities;
2. to exchange experience among expertise nationally and internationally via seminars, conferences, publications and inter institutional exchange of employees (academicians and staff) and students;
3. to establish a strong networking with alumni of all educational institutions as an avenue of cash waqf mobilization, exchange of experience and communication in general;
4. to develop an integrated IT system of and for waqf education and financing facility is indispensable at this sophisticatedly interconnected Li-Fi³⁸ world. Related with other sectors, educational institutions might have an industry related approach like many

³⁸ Li-Fi technology is the new Wi-Fi that uses LED (light-emitting diode) room light to transmit data in an area that is much faster, stronger and simpler.

renown waqf-like financed educational institutions in the West, e.g. Oxford, Harvard.

5. to study other countries waqf history and experience today such as Turkey, the pioneer in waqf development, with the richest waqf legacy. The country was not explored due to BIH special relationship with Turkey since 15th century. Therefore, it necessitates a separate study.

The policy/practice related recommendations are:

1. to give the public incentives for 'giving' by projecting the holistic Islamic worldview through relationship with education institutions that have such vision and mission.
2. to strengthen institutional inter-sector and intra-sector communication, cooperation, administrative hierarchical procedures simplification and reducing *red tapism* what would be highly facilitated by seeking assistance from universities that have great technological know-how, e.g. highly developed Li-Fi use in educational learning whereby students of such universities might become new employees.
3. to improve human resource management efficiency and effectiveness what can again be facilitated through integrating pedagogical methods to a diversified workforce through cooperation with educational institutions.
4. to build a database for awqaf, and raise awareness in society which is the responsibility of, e.g. the Waqf Directorate BIH but can be facilitated through research projects on waqfs in BIH that would explore number of waqfs in different areas.
5. to promote waqf internationally by attracting interested parties to contribute and share their experience and insights into waqf development in the industrial environment.

In addition to the above, winning the peoples trust is one very important aspect in sustaining momentum of any institution. Trust creates confidence in an institution like waqf and motivates giving practices (ISRA, 2011). Another aspect to keep in mind is effective and efficient leadership and management, especially of distribution and redistribution of waqf revenues (Ab. Aziz et al., 2008; Osman, 2014; Nik Mustafa, 2012). The paradigm shift of Muslim thinking from an old mind-set to a new one is a factor that provides room for IE in the development of waqf in BIH. Hence, future cooperation with institutions that promote

principles of IE is imperative for waqf development. One such institution is the Bosna Bank International, but others might include local and newly established international universities that incorporate in their syllabi Islamic perspectives for sustainable development for the benefit of everyone.

We hope that this study will serve as source of constructive inputs to different stakeholders of the waqf institution in Bosnia. The Waqf Directorate, despite its repercussions and challenges, has shown a positive initiative to cooperate with all interested parties in directing waqf-based initiatives for general socio-economic welfare of the community. It is only through the cooperation of all parties that would enable the waqf institution to play its proper socio-economic role in modern day Bosnia.

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Appendices

APPENDIX A: Summed Overview of Waqf Properties in Bosnia and Herzegovina based on Type Entered in the Data Base (Information System) of Waqf Directorate as of Year 2015

Table 3.2 Summed Overview of Waqf Properties in Bosnia and Herzegovina based on Type Entered in the Data Base (Information System) of Waqf Directorate as of Year 2015

NO.	CATEGORY	DETAILS (CULTURE AND CLASS)	UNITS
1.	Lands, Valleys, Orchards	Construction Lands (Građevinsko Zemljište) Valley from 1 st to 6 th Class (Livada od I do VI klase) Non-Fertile Lands (Neplodno zemljište) Fields (Njiva), Fields from 1 st to 8 th Class (Njiva od I do VIII klase) Arable Land (Oranica), Arable Land from 1 st to 8 th Class (Oranica od I do VIII klase) Other non-Fertile Land (Class Ostalo neplodno zemljište) Pašnjak od I do VI klase (Pastures from 1 st to 6 th Class) Plum Orchard (Šljivik) Forests from 1 st to 8 th Class (Šuma od I do VIII klase) Vineyards (Vinograd) Orchards (Voćnjak) Orchards from 1 st to 6 th Class (Voćnjak od I do VI klase) Garden 1 st and 2 nd Class (Vrt I i II klasa) Land with Business Building (Zemljište uz privrednu zgradu) Land with non-Business Building (Zemljište uz vanprivrednu zgradu) Land with Building (Zemljište uz zgradu) Land with Building for Physical Culture (Zemljište uz zgradu fizičke kulture) Land with Building of Islamic Community (Zemljište uz zgradu vjerske zajednice)	9500
2.	Religious Objects	Mosques (Džamija), Worship Houses (Bogomolja) Charnel Ghush Room (Gasulhana) Turbah (Turbe) Graveyards (Groblje) Maktab Remnants (Ruševine mejtefa)	4653
3.	Parks, Streets, Gardens and other Habitats	Walls (Zidine) Parks (Perivoj) Pasars (Pijaca) Streets (Ulica), Gardens (Bašča) Hill (Brdo) ?? (Do) Gardens (Dvorište) Economic Gardens (Ekonomsko dvorište) Ravines (Jaruga) Hiatus (Jaz) Canals (Kanali) Local Pathways (Lokalni put) Storage Area (Magazište) Maydan Stones (Majdan kamen) Maydan Sand (Majdan pijeska) Swamps (Močvara) Enbankment (Nasip) Non-Classified Pathway (Nekategorisani put) Parks (Parkovi) Brook (Potok) Approach Roads (Prilazni put) Access Road (Pristupni put) Road (Put) Road without signs (Put bez oznake) Rivers (Rijeka) Trench (Rov) Underbrush (Šikara)	1928

NO.	CATEGORY	DETAILS (CULTURE AND CLASS)	UNITS
4.	Houses and Flats	(Two-Room Flat) Dvosoban stan, Economic Court (Ekonomski dvor) Public Dwellhouses (Javne zgrade) Commesariat (Karaula) Houses (Kuća) Houses and Gardens (Kuća i dvorište) Houses and complementary Buildings (Kuća i zgrada) Houses and Land (Kuća i zemljište) Flats Building (Stambena zgrada) Flats (Stanovi) Three Room Flat (Trosoban stan), Buildings-Zgrada Building and Housing Area (Zgrada i kućište), Housing (Kućište) Buildings and Gardens (Zgrade i dvorišta)	1610
5.	Business Objects and Offices	Complementary Business Buildings (Pomoćna zgrada u privredi) Buisness Building (Poslovna zgrada) Eco-Industry Business Building (Poslovna zgrada u privredi) Non Eco-Industry Business Building (Poslovna zgrada u van privredi) Business Areas (Poslovni prostor) Post Office (Pošta), Industry Related Buildings (Privredna zgrada) Business-Flats Buildings (Stambeno poslovna zgrada) Electricity Station (Trafostanica) Waterpower Complex (Vodoprivredni objekat) Buildings of the Islamic Community (Zgrada vjerske zajednice) Garden of Business-Dwelling House (Dvorište stambenoposlovne zgrade) Factory Area (Fabrički krug) Construction Areas (Gradilište) Stone-breaking Area (Kamenolom) Stone-Breaker (Kamenjar) Stone-breaking area (Krš, kamenjar) Sand Factory (Pjeskara) Open Pit (Površinski kop) Market Area (Sajmište)	892
6.	Shops, Stores and Complements	(Shops) Dućan, Garages (Garaža) Studio (Garsonjera) Storerooms (Magaza), Complementary Room (Pomoćna prostorija) Complementary Buildings (Pomoćna zgrada) Complementary Complex (Pomoćni objekat) Cattle House (Štala) Parking (Parking)	599
7.	Utilities	Wells (Čatrnja), (Water Taps) Česma, Fountains (Fontana) Bathrooms (Kupatilo) Mill with mill mashine (Mlinište sa mlinom) Other complementary buildings (Ostale pomoćne zgrade) Monument (Spomenik) Concrete Foundations (Temelj) Toilet (Toalet) Water Mill (Vodenica) Watersupply Reservoir (Vodovod (rezervoar) Water Trough (Pojilo)	28
8.	Educational Objects	Madrasah at Mosque (Medresa uz džamiju), Maktabs (Mektebi) Schools (Škola)	26
TOTAL UNITS (UKUPNO)			19236
1560 Entered Waqf Units into the Data Base (Information System) of Waqf Directorate (1560 Unešenih u informacijski sistem Vakufske direkcije)			

Source: Obtained from Waqf Directorate of Islamic Community of Bosnia and Herzegovina (ICBIH) at 8th August 2015

APPENDIX B: Summed Highlight of Entered Waqf Land in the Data Base (Information System) of Waqf Directorate as of Year 2015 (Zbirni prikaz vakufske imovine u BiH unesene u informacijski sistem Vakufske direkcije u 2015. godini)

Table 3.3 Summed Highlight of Entered Waqf Land in the Data Base (Information System) of Waqf Directorate as of Year 2015 (Zbirni prikaz vakufske imovine u BiH unesene u informacijski sistem Vakufske direkcije u 2015. godini)

TYPE OF WAQF LAND	LAND SIZE IN m²
Land in Use (Imovina u upotrebi)	39.146.187 m ²
Nationalized Waqf (Nacionalizovana)	326.252 m ²
Transformed Waqf (Transformisana)	882 m ²
Muqata Waqf (Mukata)	4.379 m ²
Destroyed Waqf (Uništena)	3.738 m ²
Erased Waqf (Brisano)	456 m ²
Total (Ukupno)	39.481.894 m²

Source: Obtained directly from Waqf Directorate of Islamic Community of Bosnia and Herzegovina (ICBIH) at 8th August 2015

APPENDIX C: Respondents

- R1 – hfz. dr. Senajid Zajimović (Director of the Waqf Directorate Islamic Community of Bosnia and Herzegovina (ICBIH)) and Council of the Waqf Directorate ICBIH (mail response)
- R2 – assist. prof. Nahar Mohd Arshad (Department of Economics, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia)
- R3 – assoc. prof. Mustafa Omar Mohammed (Department of Economics, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia)
- R4 – prof. Recep Senturk (main respondent) (Institute Director General & Dean of Graduate Studies, Alliance of Civilizations, Fatih Sultan Mehmet Waqf University) and Alparslan Acikgenc (Department of Philosophy, Faculty of Arts & Science, Yildiz Technical University and Alliance of Civilizations, Fatih Sultan Mehmet Waqf University)
- R5 – dr. Adnan Trakić intervju (School of Business, Monash University)
- R6 – Dr. Ir. Ahmad Faizul Shamsuddin (Dean Faculty Management and Information Technology, Islamic University College Sultan Azlan Shah (KUISAS)) (mail response)
- R7 – assoc. prof. Spahić Omer (Department of Usuluddin and Comparative Religions, Kulliyah of Islamic Revealed Knowledge and Human Sciences, International Islamic University Malaysia)
- R8 – assist. prof. Fatmir Shehu (Department of Usuluddin and Comparative Religions, Kulliyah of Islamic Revealed Knowledge and Human Sciences, International Islamic University Malaysia)

APPENDIX D: Questions to All Respondents

1. The Osmanli Caliphate was the pioneer, if we can say it that way, of waqf development. Literary sources indicate that the tradition of charitable giving (*waqf* later) Osmalis (today Turks) dates back to pre-Islamic times? (Similar indicators are available about Bosnia as well and then Bosnia became part of Osmanli Caliphate and learned extensively about Islam and waqf thereafter.) Can you please say something about that aspect of pre-Islamic generosity, giving, charities or philanthropism?
2. Did the Islamic civilization from four rightly guided Caliphs, Umayyds, Abbasids, Andalusia etc. practices with waqf have any influence upon non-Muslims in Muslim lands and in other regions ex. in Bosnia (pre-Islamic period)? Was waqf an incentive for converting those people to Islam at that time when the Islamic civilization traded with all those regions ex. Anatolia, North Africa, Balkan, specifically Bosnia? May you shed some light on these aspects of waqf role?
3. Did Osmanli Caliphate waqf practices immensely facilitate socio-economic development inside the Caliphate and in newly conquered territories (ex. Balkans, Bosnia)? What insights can you share here? What was the extent of waqf institution's stretch?
4. Do you think the waqf institution, its organization, its socio-economic role, had a role in unifying Muslims (creating a bond) throughout Islamic civilization as well?
5. Can waqf help attain objectives of *Shari'ah* (*maqasid Shari'ah*)? Did it have that role in the past?
6. Does the Islamic worldview (Islamic economic worldview) as it is named today, have an important role in directing Muslims' practices with waqf (ex. during the Osmanli Caliphate, Bosnia)? Did Muslims have an important role in that development of waqf due to that worldview? Was there any role of Islamic economic thought in having a vision and objective for developing the institution of waqf throughout history and today?
7. How to raise the consciousness of Muslims about waqf? What is the best way in your opinion to achieve this in current poor developing countries in general or Bosnia and Herzegovina in particular?
8. Do you think Islamic economics and waqf can be integrated into development of Muslim countries or countries with bigger Muslim population like Turkey and Bosnia and Herzegovina? Is that integration into development possible through an Islamic bank in initial stage?

9. What is the role of younger generations in development of waqf? Do they have the zeal to do some social oriented work ex. waqf related work and help maintain/develop waqf? How do you mobilize youth? Are there any other institutions, which contribute to this (maybe from the Islamic Community organization, congregational mosque networks in a country)?
10. How do you perceive the awareness of Bosnians in particular and other Muslims in general about the waqf institution in past? How strong was the institution of waqf in Bosnia and what was its legal status in BIH throughout history and today? How about the future of waqf institution?
11. What do you consider most vital for waqf institution development, ex. country like Bosnia and Herzegovina? You may compare with some good practices of waqf/endowments/foundations in other countries, East and West with which Bosnia might also cooperate?
12. How do you view the political and economic situation in Muslim countries and with that the prospect of developing waqf (ex. Bosnia and Herzegovina)?
13. The condition of waqf in Bosnia and Herzegovina needs much development to reach the current level of ex. Turkish, Kuwait, Qatar, and Malaysian waqf institution. So how do you view, in general, the perceptions of people (political will) towards waqf, when mentioned? What are the potential sectors for development of a strong waqf institution (to raise awareness, stimulate political will, improve policies, fulfil basic needs, gain the trust etc.)? How can waqf be improved?
14. What policies would you recommend for waqf development in Muslim populations with poor economic infrastructure (ex. Bosnia and Herzegovina)? How to set proper foundations for waqf development, ex. to go for a grassroots approach or vice versa?

APPENDIX E: Realized Projects, Projects under Construction, Projects to be Realized in the Coming Period and New Waqfs

The realized projects are:

1. Restitution of facade and furniture of the building of Land Waqf (Zemaljskog Waqf) and Hadim Ali-Pasha waqf in Sarajevo (headquarter of Waqf Directorate)
2. Information database system of waqf shares in BIH, realized in two stages
3. Reconstruction of the complex Tekije on Buna in Blagay
4. A specialized minibus was bought for the needs of Centre of Vladimir Nazor Sarajevo
5. Seminar on “Waqf and humanitarian-volunteer work”, in Sarajevo
6. Seminar on “Wasatiyyah - Centre for Promoting the Middle Path”, in Kuwait
7. Regional seminar on “Administering and Investing in Waqf”, in Sarajevo
8. Seminar on “Leading to the Culture of Creation of Waqf Land Parcels”, in Sarajevo
9. Seminar on “Hajj”, in Sarajevo
10. Publishing of the Mushaf with translation in Bosnian language
11. Publishing and disseminating of the brochure about waqfs in BIH in four languages
12. Manifestation of “Days of Waqf (Dani Vakufa)” of year 2011/2012
13. Publishing of proceedings from the intellectual gathering in commemoration of “Days of Waqf (Dani Vakufa)” of year 2011
14. Making of a documentary about waqfs in BIH
15. Cultivating seeding of walnuts on all waqf lands in every muftuluk
16. Cultivating seeding of waqf orchards in Majlis of Islamic Community of Visoko
17. Final works on a built mosque in Walnut Hill (Orahov Brijeg), in Sarajevo
18. Built mosque in Oak Hill II (Hrasnom Brdu II), in Sarajevo
19. Built mosque in jama’ah Podlugovi, in Sarajevo
20. Adaptation of Iplidžik Sinan’s Mosque, in Sarajevo
21. Opening the centre for Wasatiyyah

22. Upgrading of commercial building of Majlis of the Islamic Community Bugojno
23. Constructing a greenhouse on waqf land in Visoko
24. Provision of financial resources for helping the projects beneficial to society like the project of the community "Heart for children suffering from cancer", "Civilians union for culture and education 'Progress Travnik' etc.

Projects under construction:

1. Renewal of Isa-beys hamam in Sarajevo
2. Identification and registrar of waqf properties in Republic of Serbia entity of BIH
3. Gathering archive of building waqf in BIH from the time of Othamn Caliphate
4. Building of mosque facility objects in jama'ah Podlugovi, Sarajevo
5. Reconstruction of a mosque in jama'ah Kasapovići, New Travnik
6. Building of a mosque in jama'ah Bračićko Polje, village Stup, Sarajevo
7. Giving scholarships to 60 students which live in Student Dormitory in Sarajevo

Projects to be realized in coming period:

1. Building of Kalin haji Aliya mosque (Kalin hadži Alijine džamije), in Sarajevo
2. Draft the rules and regulations for administering and organization of graveyards in BIH
3. Organization of waqf legal status in diaspora
4. Renewal of waqf object on Čraćama in Sarajevo
5. Building of residential-business object in Odobasha Street in Sarajevo
6. Drafting the project for renewal of "Hastahana" in Sarajevo
7. Organize seminar in Kuwait for employees and collaborators of Waqf Directorate
8. Increase the number of scholarships for students
9. Revival of domicile economy

New Waqfs:

- In the last 1999-2007/8 years the waqf directorate Sarajevo has issued 773 waqf certificates for cash waqf in BiH and Bosniak diaspora,
- In the last year via Riyaset ICBIH there was 26 new waqf shares on the majlis IC Banovići, Bugojno, Cazin, Konjic, Modriča, Sarajevo, Srebrenik, Teočak, Tešanj, Travnik, Tuzla and Zavidovići.
- In 1999 there was a waqf certification in total of 3.086.200,00 KM. The same were invested in PIF Bonus dd Sarajevo and PIF Bosfin dd Sarajevo. Riyaset of IC BIH has in 03.07.2007 permitted selling of waqf shares at price of 470.037,76 KM and participation for the same in re-capitalization of the Industrial Bank Sarajevo.
- From 1999 in the within the Waqf Directorate functions the Fund Bosniaks for giving scholarships for talented children, students
- In 2005, the Komplex of School Gazaz valued 20 million KM was given as waqf
- In Tuzla several smaller waqfs were recapitalized and merged into a bigger one and an Islamic Center is being constructed

APPENDIX F: Policies for Waqf Directorate ICBIH Development

- Evidentation and registration of all waqf properties in BIH and the diaspora,
- Undertaking of activities in protection of waqf properties in BIH and diaspora as well as affirmation of waqf as permanent good,
- Return all misappropriated, usurped and on any other way taken waqf from its rightful owner,
- Attracting new waqifs via giving of shares, movable properties or cash,
- Give legal support to majlises of Islamic Community concerning waqf matters,
- Initiate discussion regarding waqf challenges in order to protect waqf in domicile courts and international legal insitutions as well,
- Chose the best renters and follow up the procedures upon renting waqf properties,
- Oversee and follow legal cases in initiatives of waqf transformation,
- Naming of mutawalles and control of majlis opeartions with waqf,
- Follow government and parliament activities in the case of confirmation of draft Law of Restitution,
- Lobby executive and legislative government bodies in BIH to legislate regulations for waqfs which would contain essential principles of doing waqf, and the Islamic Community and its institutions would be the implementors and actors of those regulations,
- Renewal, recontsturction, revitalization and protection of waqf properties and preparing it for purposive use,
- Establishment of agencies for industrial, financial, economic, cultural and touristic cooperation of Islamic Community with other similar associations in the country and abroad,
- Establishment of industrial organizations based on market principles,
- Buy and sell shares,
- Cooperation with parallel institutions of waqf in the world,
- Insist on the literal implementation of waqifs conditions of waqf where ever that is possible,

- Establish waqf funds per sector: for mosques, maktabas, madrasahs, Islamic faculties, scholarships for students, for refugees needs, for development of Islamic medias, for social projects etc.,
- Use waqf firstly for educational and social purposes,
- Provide believers the ability or service to give waqf via shares, cash, savings contributions, valuable papers, certificates etc..

