

Productive Waqf Development Policy As The Way For Sustainable Economic Development In Organization Of Islamic Cooperation (OIC): Saudi Arabia, Egypt, And Kuwait

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Abstract

As geo-economically, the Organization of Islamic Cooperation (OIC) has a strategic role in political economy issues in the region, especially Islamic Economy way. It refers to access to community welfare through sustainable economic development. One of the possible capital mechanisms is Productive Waqf. It is a finance-based alternative aimed at empowering assets for sustainable economic development with Islamic value. The mechanism is universal, however each country has autonomy in waqf governance, especially for waqf development policies. Each state has "best practices" for managing productive endowments and policy considerations for that state. This study used qualitative research methods with SWOT Analysis to draw the final analysis. The research finding is the development of productive waqf policies. In order to increase economic growth in OIC member countries, systematic efforts in creating a sharia economic political design that includes the realm of regulation and rule of law, institutional strengthening and expansion, and internalization of sharia economic value in the life of the state and society. In this regard, the development of a good and integrated productive waqf policy is one of the important instruments in achieving the goals of sustainable economic development.

I. INTRODUCTION

Member states of the Organization of Islamic Cooperation (OIC) have autonomy in legalizing the governance of waqf policies. The potential of endowments in these countries is enormous and can be developed into a good elaboration of structures to develop universal waqf policies. This research raises the issue of optimizing productive endowments into a policy. This is due to the need for more community literacy regarding the mechanism of productive endowments. Absorption and maximization of the considerable productive potential of waqf will be a challenge to achieve when waqf management is ineffective.

Waqf trends are often still based on traditional conservative views of protecting or protecting waqf assets. Thus, to maximize waqf, the waqf trend must shift its focus to the pillars of its utilization, especially through the implementation of productive waqf, so that the utilization of waqf can provide the most comprehensive benefits to the community. Productive waqf refers to endowments that are managed in a way that generates revenue or benefits which are then used to support charitable activities or public welfare projects. The state can empower waqf in encouraging its people to optimize the absorption of their potential. Proper waqf management will have an impact on the wider community. Optimization of productive endowments is sought to increase economic resilience amidst global economic uncertainty (Kusmayadi & Noviyanti, 2021). To optimize the role of waqf, useful indicators are needed as a starting point for the formation of government-supported policies. In an ideal context, waqf arrangements are universal and international so that countries can collaborate and exchange information and extend the range of benefits (Sukmana, 2020).

Each country in the OIC has a dynamic legalization of waqf policy governance. Some are centralized; Some are under state authority. Saudi Arabia, Egypt, and Kuwait have been selected as case studies due to their diverse approaches to waqf management and their prominent roles in the Islamic world. Saudi Arabia is notable for its centralized waqf authority, Egypt has a long history of waqf administration with significant reforms, and Kuwait is recognized for its innovative waqf initiatives. These variations provide a comprehensive perspective on the different models and practices in waqf governance. This study is guided by the following research questions: How can waqf policies be optimized to promote productive waqf in OIC member states? The objectives of this study are to analyze the effectiveness of current waqf policies, identify best practices,

and propose recommendations for enhancing productive waqf utilization. The development of waqf policy governance is intended to realize sustainable development.

II. LITERATURE REVIEW

Waqf defined as a form of Islamic donation, has evolved beyond its philanthropic origins to become a pivotal economic instrument supporting sustainable development. Effective waqf management necessitates robust governance frameworks. The concept of good governance, initially popularized in corporate settings, has been adapted to waqf institutions, emphasizing pillars such as transparency, accountability, responsibility, independence, and justice (Samsyuri et al., 2021). These principles are interconnected, ensuring stakeholders have access to critical information for decision-making, and that waqf institutions operate accountably and transparently, adhering to legal standards and fulfilling their duties to society and the environment with fairness and objectivity.

To fully understand the role of waqf in economic development, it is essential to explore various theoretical frameworks that underpin waqf governance. Agency theory, for instance, can be utilized to analyze the relationship between waqf managers (agents) and stakeholders (principals), focusing on how to align the interests of both parties to ensure efficient management of waqf assets. Institutional theory also offers valuable insights into how cultural, social, and legal contexts influence waqf governance structures and practices. By employing these theories, researchers can better understand the complexities and dynamics involved in waqf management, leading to more effective governance models that are tailored to the unique needs of different Muslim-majority countries.

Enhancing governance practices in waqf institutions is crucial and can draw insights from the Sharia governance frameworks of Islamic financial institutions. Research underscores that effective waqf governance is indispensable for achieving sustainable development, particularly in Muslim-majority nations (Latif et al., 2018). Waqf institutions are recognized for their potential to stimulate economic growth and human development when managed systematically and optimally. Challenges in waqf management, as highlighted by Marzunisham Omar, underscore the ongoing need to strengthen governance and management practices (Marzunisham O, n.d.).

In analyzing the existing literature, it is essential to go beyond summarizing the findings and to critically evaluate each source's strengths, limitations, and the gaps they leave unaddressed. For instance, while (Samsyuri et al., 2021) provide a robust framework for good waqf governance, their study primarily focuses on theoretical aspects without offering empirical evidence from diverse contexts. This gap is crucial as it highlights the need for empirical research to validate the proposed governance models in different socio-economic settings. Similarly, (Latif et al., 2018) emphasize the importance of good governance for sustainable development but do not adequately address the challenges faced by waqf institutions in less developed countries, where governance issues are often more pronounced. These gaps are directly related to the current study, which aims to develop a more comprehensive understanding of waqf governance by incorporating empirical data from various OIC member countries. By addressing these gaps, the current study seeks to provide actionable insights and recommendations for enhancing waqf governance and its role in sustainable economic development.

III. METHODOLOGY

This research uses qualitative research methods with case study approach. The data sources through literature reviews, books on waqf studies, contemporary journal articles, government reports or international organizations, and official websites. The data obtained are strengthened by identifying the components and development of related productive endowments in each country. After identifying the parts of productive endowments, researchers conducted a SWOT analysis to map the productive waqf policies of each country.

The SWOT analysis in this research serves as a strategic planning tool to identify and understand the Strengths, Weaknesses, Opportunities, and Threats related to the productive waqf policies in OIC member countries, those are Saudi Arabia, Egypt, and Kuwait. By examining these four aspects, the analysis provides a comprehensive view of the internal and external factors that influence the effectiveness of waqf policies. Strengths and opportunities highlight the internal capabilities and external possibilities that can be leveraged to enhance the productivity of waqf assets. Conversely, weaknesses and threats address the internal limitations and external challenges that might hinder progress. Several potential limitations are inherent in this study's methodology. Firstly,

the reliance on secondary data sources such as literature reviews and government reports may introduce biases if the original data sources have inherent biases or inaccuracies. Additionally, the qualitative nature of the research, while providing in-depth insights, may limit the generalizability of the findings to other contexts outside the examined OIC member countries.

IV. RESULT AND DISCUSSION

ANALYSIS OF PRODUCTIVE WAQF POLICIES IN SEVERAL OIC MEMBER COUNTRIES

Waqf management in OIC countries has experienced significant development along with economic growth. One of the massive waqf programs today is the productive waqf program. Productive waqf can be defined as a method of managing waqf donations from the community by generating sustainable profits. Endowments can be either movable objects or immovable objects. So that the source of endowment funds for the needs of the ummah such as education and good health services can be obtained from productive waqf stocks (Zainal, 2016). Within the scope of OIC countries, of course, some productive waqf policies have their own advantages and disadvantages and can be a benchmark in the implementation of productive waqf. Within the scope of OIC countries, of course, some productive waqf policies have their own advantages and disadvantages and can be a benchmark in the implementation of productive waqf. Some countries even have a long history of waqf with implementation in the territory of their countries. Some of them are Saudi Arabia, Egypt and Kuwait. Endowments have an important and significant role in socio-economic development in these three countries. Efficient governance of waqf funds is essential to ensure transparency and accountability in such management.

In Saudi Arabia, the waqf policy is stated in decree No. 574 dated 16 Rajab 1386 pursuant to royal decree No. M/35, dated 18 Rajab 1386 (Muhsan, 2013). In his article entitled *Waqf in Saudi Arabia and Egypt (Review of Management and Applied Productive Endowments)* discusses the regulations and institutions that manage productive endowments. The government of the kingdom of Saudi Arabia established the High Council of Endowments and Hajj (*Wizaratu al-Awqaf Wa al-Hajji*) which has the authority to spend the proceeds of waqf development and determine steps in developing waqf based on the conditions determined by waqf and waqf management.

The comparative analysis of productive waqf policies among Saudi Arabia, Egypt, and Kuwait reveals distinct approaches influenced by each country's unique strengths and socio-economic challenges. Saudi Arabia leverages its substantial financial resources, derived from its oil wealth, to support large-scale waqf projects that enhance socio-economic infrastructure. The establishment of the World Waqf Foundation and initiatives under Saudi Vision 2030 illustrate a strategic focus on integrating waqf into national development, aiming for long-term economic sustainability.

One of the productive waqf policies is to describe waqf productively and announce the results of waqf that have been issued by the government. This can be seen from the vicinity of Masjid al-Haram in the city of Makkah and Masjid an-Nabawi in Medina which built various profitable economic facilities and infrastructure, and greatly helped the economic progress of Saudi Arabia. Various facilities were built around the mosque, including apartments, hotels, hospitals, restaurants, shopping centers, government centers, and others. In 2001, the World Waqf Foundation (WWF) was established to support the socio-economic activities of endowments and social progress in member countries and non-member countries. The foundation is managed by the Waqifs Board, which donates at least one million US dollars.

The Islamic Development Bank acts as trustee of the waqf and the Board of Trustees, which runs the foundation's business. WWF aims to use endowments as an alternative model for financing development programs and projects. It collaborates with various institutions, chambers of commerce, philanthropists, and NGOs to implement projects efficiently. The foundation also encourages private economic operators, government agencies, NGOs, and civil society institutions to contribute to the foundation. WWF is financially independent from the IDB and aims to support IDB activities and promote waqf as a viable alternative to Muslim socio-economic development (Saad, Kassim, & Hamid, 2016). The importance of endowments themselves in financing and enhancing socio-economic projects has been emphasized in Saudi Vision 2030, with predictions reaching SR 350 billion by 2030 (AlNemer, 2022).

One of the countries on the African continent as well as OIC member countries, Egypt has extraordinary waqf management and even a reference for other countries. Historically, wakafan in Egypt began from a policy that was an initiative of a Tawbah bin Ghar al-Hadhramiy who served as a judge in Egypt during the time of Caliph Hisham bin Abdul Malik (724-743 AD) of the Umayyad Dynasty. This can be seen from one of the largest forms of productive endowments in the education sector, namely Al-Azhar University by Jauhar al-Katib as-Siqilli on 7 Ramadan 361 AH (June 22, 972) in the era

of the Fatimid dynasty. Currently, Egypt has a management mechanism under the ministry of endowments (*Wizaratu al-Awqaf*). For its management allocation, waqf assets are invested in Islamic banks (if money) and various companies, such as iron and steel companies. To enhance the development of endowments, waqf bodies purchase shares and bonds from companies.

On the other hand Egypt's approach to productive waqf emphasizes poverty alleviation and social welfare, reflecting the nation's significant economic challenges and high poverty rates. Historical and contemporary examples, such as Al-Azhar University's endowments and various social programs, highlight how waqf is used to support education and provide social safety nets. This focus on social welfare demonstrates a tailored use of waqf to address pressing societal needs. Moreover, the Egyptian government through the waqf policy will plan the construction of housing in the field of real estate, the development of knowledge in various fields, and various trainings. The proceeds of the development of waqf, in addition to being used to establish places of worship and educational institutions, also help the lives of the people, including the poor, orphans, and small traders, and public health, by building Egyptian hospitals and providing medicines (Muhsan, 2013).

In Kuwait, waqf management is operated by the Ministry of Endowments, and the Kuwait Awqaf Public Foundation (KAPF), which was established in 1993 and established by the Waqf Law to effectively manage waqf assets. The Convention provides the necessary platform for dealing with endowments, such as ensuring transparent fund management and fund investment in accordance with the terms and conditions set by the founders (Khalil, n.d.).

The KAPF resource development department is responsible for the development of waqf resources, ensuring the growth of waqf assets, and opening up new horizons in the way and scope of endowments. While the investment department of KAPF manages the investment of waqf assets to expand the income base by using available waqf resources in generating investment income continuously (Siska, 2019). Kuwait Awqaf Public Foundation (KAPF) implements a Corporate Governance system by regulating the laws responsible for doing so, supervision induced through sharia committees, public auditors in the form of the Kuwait State Audit Bureau and other auditors, and the existence of an appropriate information network enabling transparent and online waqf payments to support accountability and transparency of waqf (Ahmad, Khalid et al.)

Kuwait's waqf strategy prioritizes education and innovation, driven by the Kuwait Awqaf Public Foundation's robust governance and transparent management

practices. The country's investment in educational initiatives and continuous development of waqf assets underline its commitment to fostering a knowledge-based economy. This approach aims to equip future generations with the skills necessary for sustainable development.

These varying strategies underscore the importance of aligning waqf policies with national priorities and strengths. Saudi Arabia's financial prowess, Egypt's social focus, and Kuwait's emphasis on education each present unique long-term impacts on their respective societies. Understanding these implications provides critical insights for optimizing waqf as a tool for sustainable development across different socio-economic contexts.

Table 1. Comparison of endowments in several OIC member countries

OIC Member Countries	Waqf Phenomenon
Saudi Arabia	Waqf in this country already has regulations and institutions to manage it. Among the manifestations of productive waqf is the construction of economic infrastructure around Masjid al Haram and Masjid an Nabawi. This boosted economic progress in Saudi Arabia.
Egypt	Wakaf in this country has existed since centuries ago, namely during the Umayyad Dynasty. One of the largest forms of productive endowments is in the education sector. Not only in the education sector but also Egypt allocates its funds for investment in Islamic banks and companies as well as in development.
Kuwait	The waqf law in Kuwait has regulated the management of waqf by the Ministry of Endowments and Kuwait AWQAF Public Foundation. Each institution has a function and purpose in managing waqf.

PRODUCTIVE WAQF DEVELOPMENT POLICY IN OIC COUNTRIES THROUGH SWOT ANALYSIS

Waqf is a philanthropic practice in Islam that involves donating assets for the social and economic interests of the Ummah. Waqf has become the main focus of

attention in several Organization of Islamic Cooperation (OIC) countries, including Saudi Arabia, Egypt, and Kuwait (Buskens et al., 2021). Developing productive Waqf in these countries has been considered a strategy to help advance economic growth, improve community welfare, and overcome social challenges. Development waqf productivity itself has become one of the crucial strategies implemented by the Organization of Islamic Cooperation (OIC) countries to advance development economic and social development. Saudi Arabia, Egypt, and Kuwait are three countries in the OIC that have committed to practicing Waqf productive (Kasdi, 2018). Although there is equality in this vision, each country faces unique challenges and opportunities. These three countries understand their approach, impact, and effort differences.

Saudi Arabia, as the world's largest oil producer, has superiority significant financially. This country has made Waqf productive as a component important in the development strategy economy period length. One crucial step is launching the "Waqf Fund" in 2017 (Al Muniroh & Sagala, 2019). The Government of Saudi Arabia launched this initiative to develop Waqf productively distribute the results to those entitled to them. This initiative makes a target entity manage asset waqf for development economics. It reflects the commitment of the government of Saudi Arabia to optimize the role of waqf in support of impactful projects positive for Society. Saudi Arabia also has a Waqf Board named the High Council of Waqf. The Waqf Upper Council is under the Ministry of Hajj and Waqf. Waqf High Council is regulated by Decree No. 574 dated 16 Rajab 1386 by Royal Decree No. M/35, the 18th of Rajab 1386 (Bilge, 2021).

The authority of the Waqf High Council includes developing Waqf productively and distributing the results of waqf development to those entitled to it. In this regard, the Waqf High Council also has the authority to create waqf development programs, collect data on waqf assets and think about how to manage them, determine investment steps and other productive waqf development steps, as well as publish the results of waqf development to the public. As studies case, project housing area based Waqf in Makkah has become an example of successful development waqf productive. This project increases access to housing areas for fewer people and significantly increases their quality of life. In 2021, the data shows impressive improvement in standards of life recipient benefits (Sowtali, 2021). Investment in Waqf productive in Saudi Arabia impacts a strong economy and delivers benefits and substantial social status (Kahf, 2003).

Egypt has a long history of practicing waqf, and its potency in developing it is productive. Although its power source is educated human beings, this country faces

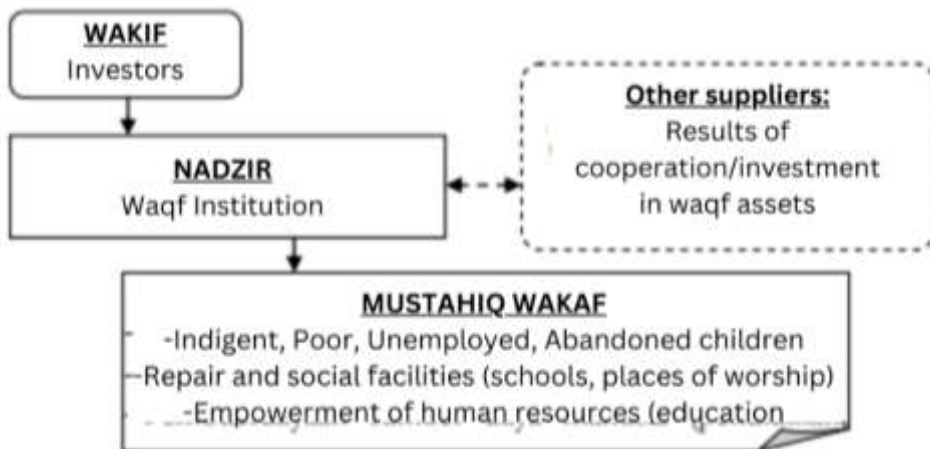
significant economic challenges, including high poverty and a lack of investment infrastructure. Thus, Egypt has started modernizing sector waqf through the "National Awqaf Development Program" (Kasdi, 2018). This program aims to strengthen the role of waqf under construction economic and social state. Development waqf productive in Egypt has become the focus of government and related institutions. One institution responsible for the development of waqf in Egypt is the Egyptian Waqf Board, under the Ministry of Waqf (*Wizārah al-Awqāf*) (Baer, 1958).

The Egyptian Waqf Board has taken steps to improve management waqf and productively use it. Onesteps taken is diversification asset waqf. The Egyptian Waqf Board has developed various types of waqf, including land, buildings, and cash endowments. The Egyptian Waqf Board also makes investments in various sectors to maximize return investment from asset waqf. They collaborate with financial and corporate institutions to identify opportunities for profitable investment. In development, This Waqf involves the development of infrastructure and institutions of education. For example, al-Azhar University was founded during the Caliphate era. Fatimiyyah is one example of a very large and well-known waqf in the Islamic world (Hayati, Sihotang, & Hamdani, 2022). Development results waqf is also used to help needy people, such as people experiencing poverty, children, orphans, and small merchants. The Egyptian Waqf Board also established hospitals and provided drugs for society.

In its development, the Egyptian Waqf Agency also pays special attention to the management and maintenance of asset waqf. They conduct audits and evaluations periodically to ensure asset waqf is well managed and productive optimal benefits. One studies striking case projects productive waqf success in Egypt, Al-Azhar University in Cairo, including several hospitals, management of the Salah Kamil waqf, management of the Al-Azhar Conference Center (AAC), management of the al-Azhar building, and also the management of hadiqah al-Azhar (Taman al-Azhar) (Hayati et al., 2022). The results of the management of al-Azhar waqf can be felt directly by students in the form of adequate facilities and infrastructure, also provided for research activities and completing studies for free. This success was motivated by the placement of Waqf, both in the form of immovable and movable objects, which were managed professionally. The waqf funds collected are invested in stocks and bonds in Islamic banks and essential companies (Kasdi, 2018). The benefits from this placement are used to establish places of worship, education, health, and social, and also help community life.

Productive waqf management in Egypt has led to economic empowerment (Elnazer et al., 2021). The Egyptian Waqf Board has made several policies, such as entrusting waqf assets to Islamic banks, collaborating with bona fide companies, managing vacant land productively, and even buying shares and bonds of solid companies. The development of waqf proceeds is used to economically empower low-income people, establish hospitals and free medical treatment, establish educational institutions, and develop science and technology.

Figure1. Pattern of productive waqf in Egypt



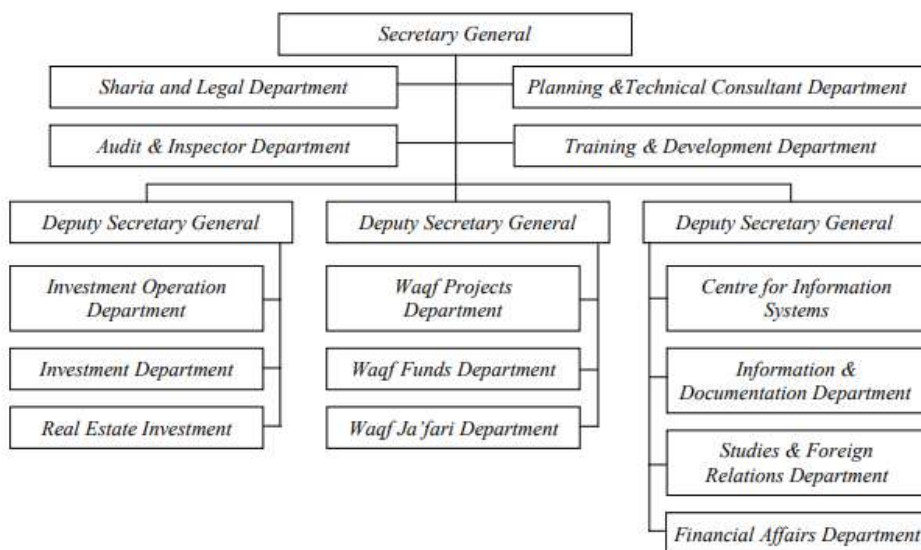
Source: Elnazer et al., 2021

As a country with sources of significant finances from oil and natural gas, Kuwait has considerable potency in developing Waqf productivity. However, that regulation needs to be clarified, and the level of awareness is still high. Society low becomes challenges in implementation waqf productive. The Kuwaiti government has launched an initiative to strengthen the role waqf the productive in the country's economy. One prominent step is project waqf productive. The Kuwait government formed the Kuwait Awqaf Public Foundation (KAPF) in 1993 (Murat Cizakca, 2013) to encourage the development of waqf, promote the repair of economic and social society, and relieve people with low incomes from various difficulties experienced. KAPF made various efforts to realize effective management Waqf. KAPF has achieved a significant

increase in revenue waqf. In 16 years, earnings waqf in Kuwait has increased threefold (Al-Daihani, 2021).

Kuwait Awqaf Public Foundation is vital in supporting Community development in Kuwait. However, it is undeniable that support for the educational forums by the Kuwait Awqaf Public Foundation (KAPF) is significantly low-graded compared to other distribution channels of Waqf. Besides, the literature that discussed the factors influencing behavioral intention to Waqf giving behavior is extremely limited in Kuwait. Therefore, this study aims to investigate the factors influencing behavioral intention to endow to the education sector, particularly among Kuwait Awqaf Public Foundation (KAPF) employees, based on the theory of planned behavior (TPB). A set of questionnaires was constructed to measure the validity of the theory in the field of Waqf-giving behavior in Kuwait. This study found that all variables of attitude, subjective norms, and perceived behavioral control were significantly related to the intention to contribute to the education sector by Waqf in Kuwait. In addition, KAPF was also successful in developing waqf capital assets and conducting investments in securities. Kuwait's success in developing Waqf productive is also seen from various types of waqf in the country, such as waqf health, waqf water, waqf public, and waqf investment (Furqon, 2020).

Figure 2. Pattern of productive waqf development in Kuwait



Source: Furqon, 2020

Policy development waqf productive work in Kuwait is based on the vision and strategy set out by the Kuwait Awqaf Public Foundation (KAPF) (Pattanaprichawong, 2021). KAPF aims to develop Waqf as a source of sustainable income to finance beneficial social and economic programs for Society. One implemented policy is to increase efficiency management waqf. KAPF conducts audits and evaluations to manage existing Waqf to ensure asset waqf is well managed and productive optimal income. In addition, the KAPF institution also encourages the development of productivity through profitable investment. They make diversification investments to maximize return investment from asset waqf. KAPF cooperates with institutions, finance, and companies to identify opportunities for profitable investment (Victoria & Ong, 2019). Policy other is expand type waqf that can accepted to encourage the community to donate various types of assets, including land, buildings, money, and metalnoble. By expanding the type waqf received, KAPF gets increased potency development waqf productive.

The concept of Waqf productive has succeeded in making three contributions. First, developing waqf objects focused on land, whether cash or securities. Second, waqf assets may be managed and developed. Thus, the waqf assets will increase, and the community will no longer bear maintenance costs. Third, development in terms of *mustahiq* Waqf, where the recipients are not only the dhu'afa, for the needs of places of worship and social facilities, but also for human resource development, such as providing scholarships, research costs, operational costs for translating scientific works, etc. (Russell, 2021). KAPF also supports and guides Nazir (manager of waqf) in managing asset waqf in a productive way (Qaddoumi, 2022). They give training and resources the Power required to boost the ability to manage waqf. Despite its challenge, Kuwait has understood the potency of big waqf productive in supporting economic and social (Nur Bayinah, 2012). Investing in education through Waqf productive is a wise move to upgrade the quality power source for people in this country.

Table 2. SWOT Analysis of Productive Waqf of OIC member countries

Aspect	Selected OIC Member Countries		
	Saudi Arabia	Egypt	Kuwait
Strengths	- Substantial financial resources	- Long historical tradition of waqf - Increasing awareness	- Strong regulation - Economic prosperity supports waqf

	- Waqf linked with strong religious values		
Weaknesses	- Limited implementation in certain sectors	- Infrastructure and regulation need enhancement	- Management limited to local scale
Opportunities	- Economic diversification through productive waqf	- Waqf sector reform - Infrastructure investments	- Spreading the model of productive waqf to other countries in the region
Threats	- Dependency on the oil sector - Global policy changes	- Political and economic instability	- Dependence on the oil and gas economy

Although Saudi Arabia, Egypt, and Kuwait have the same goal of developing productivity, they have different approaches to dealing with it. Saudi Arabia relies on superior financial support projects (Rusydia, Sukmana, & Laila, 2021), while Egypt emphasizes development sector agriculture and eradication of poverty. In this focus, Egypt is empowering Waqf to be productive, more leaning towards empowerment economics aimed at eradicating poverty (Mustafa L. Bilge, 2020). On the other hand, Kuwait is targeting sector education to improve literacy in the community (Latifah & Jamal, 2019). All these countries are also facing similar challenges, including regional instability and regulation changes. In this context, the development of Waqf productivity in all three countries requires efforts to improve community awareness about potential Waqf productivity, exploit technology and innovation, and consider regional cooperation to overcome the challenge and maximize opportunities in projects based on Waqf productivity.

The Strength, Weaknesses, Opportunities, and Threats (SWOT) analysis identifies the specific challenges and potential for improvement within these policies. Good governance practices are crucial in ensuring the effectiveness of productive waqf in contributing to socio-economic development. As identified in this study, the success of waqf institutions in various OIC countries is significantly influenced by the degree of transparency, accountability, and public trust in their operations. For instance, the waqf management in Saudi Arabia and Malaysia has shown substantial progress in aligning with good governance principles, which has resulted in improved socio-economic outcomes.

Studies like Samsyuri et al. (2021) highlight the importance of governance in waqf management. Their findings align with the results of this study, showing that transparent and accountable waqf institutions contribute positively to socio-economic activities. This research also supports the conclusions of Latif et al. (2018) on the role of productive waqf in sustainable development, emphasizing that tailored governance frameworks are essential for maximizing the benefits of waqf.

Our findings on the impact of productive waqf policies in Saudi Arabia align with the conclusions of Saad Kassim & Hamid (2016), who emphasized the role of effective waqf governance in supporting socio-economic activities. However, our study expands on this by providing detailed SWOT analyses of waqf policies in different OIC countries. Contrary to the findings of Muhsan (2013), which suggested that waqf management in Egypt faces significant challenges, our study found that recent reforms have improved the transparency and efficiency of waqf institutions. This discrepancy may be due to the implementation of new governance frameworks in the past decade. This study contributes to the growing body of literature on productive waqf by providing a comprehensive analysis of waqf policies in OIC countries and their impact on sustainable economic development.

The practical implications of these findings are significant. Policymakers should focus on creating robust legal and institutional frameworks that promote good governance practices in waqf management. This includes enhancing transparency, ensuring accountability, and building public trust through effective communication and stakeholder engagement. By doing so, the socio-economic potential of waqf can be fully realized, contributing to sustainable development and poverty alleviation in OIC countries.

V. CONCLUSION

This study offers several unique contributions to the field of productive waqf. It expands the existing literature by providing a comprehensive comparative analysis of waqf policies across multiple OIC countries, highlighting the importance of governance frameworks tailored to specific socio-economic contexts. Furthermore, the SWOT analysis presented in this research offers a novel perspective on identifying the strengths, weaknesses, opportunities, and threats within waqf management systems, which has not been extensively covered in previous studies.

The results show that all three countries have great potential in developing productive endowments, but also face challenges such as complex regulations and lack of coordination among relevant institutions. Because countries that successfully implement productive waqf policies have the same goals in their development, they have different approaches to dealing with them. Saudi Arabia relies on its financial advantages to support major projects, while Egypt emphasizes the development of its agricultural sector and poverty alleviation. On the other hand, Kuwait targets the education sector to improve the literacy of its people.

Our findings highlight the importance of tailored governance frameworks that consider the unique socio-economic contexts of each country. The results of this study suggest that policymakers should prioritize the development of transparent and accountable waqf governance frameworks to maximize the socio-economic benefits of waqf. This is particularly important in countries like Kuwait, where financial resources are abundant but require effective management to ensure sustainable development. One limitation of this study is the reliance on secondary data, which may not capture the most recent developments in waqf policies. Future research could benefit from primary data collection and longitudinal studies to track the evolution of waqf governance over time.

One limitation of this study is the reliance on secondary data, which may not capture the most recent developments in waqf policies. Future research could benefit from primary data collection and longitudinal studies to track the evolution of waqf governance over time. Additionally, a more in-depth analysis of individual case studies could provide further insights into the specific factors that contribute to the success or failure of waqf institutions in different contexts.

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