

# **An Endowment (Al-waqf) Concept for the Supply of Medical Care: an Exploratory Study of the Sustainability of Health Insurance at Higher Institutions**

**Abdul-Rahman Balogun Muhammed-Shittu**

*School of Humanities, Education and Social Sciences (HESS), Khazar University*

*Email: [abdul.rahman@khazar.org](mailto:abdul.rahman@khazar.org)*

## **Abstract**

Important here is the term endowment, meaning the devotion of assets or properties, either directly or indirectly, to any charitable or religious institution or cause, or to secure advantage or benefit for a person or persons. The purpose of this study is to explore and represent the importance and utility of an endowment form of sustenance for the infrastructures and/or amenities necessary for beneficiaries at higher institutions. However, the specific aims and objectives of this study are to ensure the availability and sustainability of standardized health services at Khazar University by the application and implementation of a policy of endowment. Khazar University is undoubtedly among the world's fastest growing young universities. Obviously, the university strives endlessly to provide services of global standard to meet the challenges involved in competing with older, well-established universities around the world. The study is exploratory in nature and applies a phenomenological approach in presenting the concept of endowment and how it is practised at many world class universities to provide and sustain the necessary facilities at their various institutions of higher education. Following exploration, this study proposes that stakeholders of Khazar University use endowment to upgrade the university's health and medical services to an advanced level. The study highlights the practical experience of endowment-based universities in different part of the world, including: Al-Azhar University in Egypt; the University of Cordova in Spain; IIU- the Islamic University of Indonesia; universities founded in Turkey; the King AbdulAziz University, and many universities in Malaysia, of which the present study focuses on the International Islamic University, Malaysia.

**Keywords:** endowment; Al-waqf; sustainability, medical care; health centre; health insurance; IIUM; institutions of higher education.

## Introduction

Important here is the term of endowment, meaning the devotion of assets or properties, either directly or indirectly, to any charitable or religious institution or cause, or to secure advantage or benefit for a person or people (Mahamood, 2006). The purpose of this study is to explore and exhibit the importance and utility of an endowment practice of sustenance for the infrastructures and/or amenities necessary for beneficiaries at higher institutions. However, specific aims and objectives of this study are to ensure the availability and sustainability of standardized health services at Khazar University by the application and implementation of a policy of endowment. Khazar University is undoubtedly among the world's fastest growing young universities. Obviously, the university strives endlessly to provide services global standard to meet the challenges involved in competing with older, well-established universities around the world. The study is an exploratory in nature and applies phenomenological approach in presenting the concept of endowment and how it is practiced at many world class universities to provide and sustain necessary facilities at their various institutions of higher education. Following exploratory, this study proposes that stakeholders of Khazar University use endowment to upgrade the university's health and medical services to an advanced level. The study highlights the practical experience of endowment-based universities in different part of the world, including: Al-Azhar university in Egypt; the University of Cordova in Spain; IIU- Islamic university of Indonesia, universities founded in Turkey; the King AbdulAziz University; and many universities in Malaysia, of which the present study focuses on the International Islamic University Malaysia.

The endowment "*Al-Waqf*" system is one of the forms applied through the history of world, and especially Islamic civilization. Finance by endowment was the principal support of many systems of education, health and social care, defense and security institutions, and institutions of philosophy and culture. Endowment is an age-old operation within social history of humanity and was neither external nor strange to the dialect and language of a Muslim in the early stages of Islamic civilization. In Islam, the concept of endowment referred to as "*al-waqf*". It has been defined by a prominent, contemporary scholar as, "a permanent or temporary dedication of a certain form of wealth with the intention of achieving direct benefit from it or benefiting from what arises from it on a regular basis" (Qahf, 1996).

History cannot dispute the fact that endowment, popularly known as *waqf* in an Islamic context has played a significant role not only, but especially in Muslim societies (Fayzee, 1974). Endowment has benefited many individuals in various societies through ignificant and beneficial establishments such as shelters, hospitals and medical centers for medical care, schools, bakeries, orphanages and other religious and/or educational investments (Mahamood, 2006). Importance here are endowment's roles and efforts in providing relief and eradicating poverty, which is skyrocketing among both humans and animals (Al-Dardir, 1986; Kahf, 1999; Spuler, 2015; Mahamood, 2006). Thus, such activities of endowment-*waqf* have been enacted by people regardless of their status, whether highly placed bureaucrats or laymen (Makdisi, 1981; Baer, 1997; Gibb and Bowen, 1957; Tibawi, 1978; Kozlowski, 1985; Mahamood, 2006).

For the provision of humanitarian welfare services, a huge number of social cum educational institutions; mosques, hospitals, schools, universities, libraries, dormitories and many other leisure facilities, have been established by *waqf* or endowment funds (Mahamood, 2006). However, endowment \_irrespective of its Arabic or Islamic linguistic meaning (*waqf*)\_ is no strange concept in the Western world, which correspondingly has several universities built by the concept and practice of endowment known as *waqf* in the Muslim world.

It is clear that the universities of Yale and Harvard in the United States of America, and those of Cambridge and Oxford in the United Kingdom are among the eminent examples of endowment-based universities in the West. Surprisingly, the notion of compassionate and philanthropical contributions by endowment to higher institutions has been embraced positively the government of the United Kingdom to the extent of recognizing and considering the practice of endowment as the way forward and as one the best approaches to maintaining and financing higher education, acknowledging that it will make the educational sector less contingent upon a sole source of financial income (Higher Education White Paper, 2003). Apparently, the concept of Oxbridge is an indicator of Cambridge and Oxford as endowment-based colleges. Given this, the heads of colleges and their colleagues are regarded as the agent responsible for the activation of pious activities and efforts to sustain the objective of the assistance by maintaining the intertwined roles of trustee and beneficiary (Acharya and Dimson, 2007).

Having established the significant roles of endowment at various institutions in different sectors, as stipulated in previous chapters, this present study explores the importance of health insurance and the need for a medical centre equipped with modern facilities for the benefit of Khazar University students and provided by endowment.

## **The Evolutional Stages of Endowment and its Developmental Role**

The endowment term "*waqf*" in the language literally means confinement and stop, while the term in jurisprudence is "the imprisonment of the source and the sincerity of its benefit." The imprisonment of the source means that he does not act in it by selling or foreclosure or giving, nor does he transfer the inheritance (Swift and Zadeq, 2002).

Since ancient times, there have been different forms of voluntary financial transactions that are not come in the nature of an endowment, in the form of properties that are restricted to places of worship or to benefit them. This was known to the ancient Egyptians, the Romans, Greeks and others (Friedman, 1970). Endowment began with the emergence of Islam. and expanded its scope. It was not limited to temples and rituals but extended to include many kinds of alms and donations for religious, social, scientific and economic purposes. Endowment were to mosques, their maintenance and function, to schools and their role in education, to libraries, scientists and the students of science, to the poor, the needy, and it extended further to include hospitals and pharmacies schools and communities (Swift and Zadeq, 2002).

With this expansion, endowment greatly advantageous and influential in building Islamic civilization and laying the foundations of integration, solidarity, cooperation and brotherhood. The expansion in the care of endowment led to its major role in social and economic development throughout Islamic history (Gaberman, 2008). It is no secret that the endowment system in Islam brings scientific and charitable benefits, as well as appreciation (Swift and Zadeq, 2002). There are also non-material public interests of significant weight in the legislative. Endowment, particularly in Islam is not limited to places of worship and their means; but it has since the era of the Prophet (peace and blessings of Allah be upon him) to served wider purposes for good in society (Friedman, 1970), thus; expanding the scope of the contained money; and extending the purpose of the moratorium. Examples of this are:

### **Endowment for Education**

This paragraph showcases the impact of endowment on the educational system in consideration of the present study's objective to focus on maintaining a standard health care service at the university. Endowment is one of the most important instruments that are active in the development of education, whether in mosques, schools, libraries or other charitable institutions (Chapra, 2008). Endowment funds

sponsored the process of education from childhood to specialized higher levels, enabling Muslims to progress from a simple life to a prosperous life, while many other societies remained in recession for long periods (Gaberman, 2008).

These endowments have helped education to provide facilities necessary individuals to qualify contribute to the economic, social and cultural development of their societies. These funds spent on education have supported many different aspects of teaching and learning processes (Swift and Zadeq, 2002), most importantly establishment and equipping of schools, the provision of teachers and others, and the encouragement of science students to engage in the process of education by the provision of facilities to do so (Carroll, 1991).

### **Endowment in Support of Health Care Services**

Endowment systems have also made significant impacts in supporting general health care services, for citizens and residents of different sects. Some researchers have discussed about the types of health centers sponsored by endowment providers and drawn the attention of universities to health care, the development of services, and allocation of funds for the construction of integrated medical neighbourhoods (Swift and Zadeq, 2002). Importantly, Mahamood (2006) said that some higher institutions are surrounded by beautiful individuals who help to execute several projects like building the booths and the multiple houses, all of which ran on endowment funds and catered for sick students and staff under the supervision of doctors, pharmacists and medical students.

Islamic endowments also gave significant support to medical and health care in societies. However, an Islamic medical endowment did not focus merely on providing health care services to society, in addition it provided opportunities to sponsor science students studying medicine at the university (Mahamood, 2006).

Çizakça (1998) notes that medical centres were supported by endowment funds and the health services they provided medical treatment, operations, medicine and food, were free in return to the endowments that Muslims monitored for these humanitarian purposes.

Hassan (2010) and Gaberman (2008). assert that health care in most Islamic countries was close to charity, when there were no Ministries of Public Health as there are in the present era. Endowment has had a beneficial effect on the advance of medical sciences, because the role of hospitals operating by endowments was not limited to providing treatment (Gaberman, 2008). They went further: teaching

medical science and in the halls of large hospitals dedicated to lessons and lectures. Examples of such endowments include contributions by the following individuals.

-Nur al-Din Mahmoud bin Zanki built a health centre, a school and a modern home in Damascus as endowments and donated many medical books.

-Moez Bouya built a hospital in Baghdad as an endowment to the value of five thousand dinars. Fakhruddin Mardini, a medical doctor donated the book he wrote on medicine to the people of Mardin.

King Al-Mansour built a palace in Cairo and decided to dedicate it as an endowment with the worth of forty thousand gold annually. The weight = 4.25 grams and the harvest of this endowment is one hundred and seventy thousand grams of gold.

Endowment is gradually becoming a global trend:- the concept gained recognition as the social and economic changes accompanying the rise of capitalism in Europe contributed much to the development of the voluntary sector, where issues of relief and social welfare became part of the landscape in these countries (Azim, 2009). The process culminated, in early 2005, with the inclusion of volunteerism in the draft European Constitution and then in the European Charter as one of the European Community's strategic social activities. In the last few years, many giant corporations have also begun to donate money or return to philanthropy to care for the poor (Al-Harithi, 2009).

This was done by some non-Islamic giants such as the Bill and Melinda Gates Foundation, established in 2000, and incorporating the Gates Education Foundation and the William H. Gates Health Foundation. The first institution specializes in office technology, while the second is concerned with public health (Al-Harithi, 2009). The Foundation's programmes go beyond a local scope to global scale, offering scholarships to the University of Cambridge for students from all over the world. It also aids non-profit institutions and renders assistance to poor communities in a number of countries and international endowment institutions, including the Foundation for International Community Assistance (FINCA), which seeks to rehabilitate individuals. Additionally, the endowment targets qualified individuals, especially women, and gives them small loans ranging from (350 USD) three hundred and fifty dollars (Islahi, 1996). Perhaps this requires Islamic endowment to look at how endowment is being implemented in the non-Islamic world, despite its late appearance.

## **Endowment Concept Applied on Health Care in Higher Education**

Previous studies (Makdisi, 1981; Baer, 1997; Gibb and Bowen, 1957; Tibawi, 1978; Kozlowski, 1985; Mahamood, 2006) have shown the importance and significance of endowment at higher institutions. According to Fayzee, 1974 and Mahamood, 2006, many institutions ultimately resort to the practice of endowment to sustain the necessities that enable their higher educational activities to move forward (Nor, 2012). Al-Azhar University is a great example of an old, renowned higher institution that depends on endowment funds to survive and is a globally recognised as an endowment-based university (Baskan, 2002). The study concentrates on the International Islamic University Malaysia (IIUM) as popular contemporary higher institution, focusing mainly on both the practice and impact of endowment on university's medical services.

Endowment funds can be attracted from different sources: organizations, companies or philanthropists, for general or specific plans (Acharya and Dimson, 2007), or for specific general purposes (Mahamood, 2011). Acharya and Dimson, 2007 show that in many cases donors are the determinants of specific purposes of their endowments, while some donors give the university authority total autonomy in making appropriate decisions about how and where to execute their endowments (Acharya and Dimson, 2007).

Endowment practice at the International Islamic University Malaysia as mentioned above, is the focus of this study. Thus, it is relevant to reckon between the year of IIUM's establishment and the year when the practice of endowment was utilised. IIUM was established in 1982, while the IIUM Endowment Fund (IEF) was established in 1999 by the university's second rector, Prof. Dr. Abdul Hamid Abu Sulaiman (Datuk). The main purpose of the IIUM Endowment Fund is to render assistance to less privileged students. This is not limited to academic assistance but is to ensure the student's holistic wellbeing, particularly in medical and health related issues (Ahmed, 2007).

## **Methodology**

The study applied a simple methodology in gathering information on how endowment is implemented at the International Islamic University Malaysia. The office of the IIUM Endowment Fund was contacted to assemble the necessary information and responses generated during the interviews were accurately presented.

## Conclusion

After establishing the crucial role of endowment in various higher institutions; and critical evaluations and reviews of the strategies applied by those universities; IIUM was selected as the central object of study. The following strategic recommendations were drawn up as the conclusion of this exploratory study, pointing to sustainable health insurance and medical care services at Khazar University.

Khazar university was established in 1991 and, of course aimed to contribute to the development of educational values in Azerbaijan. In ensuring that Khazar University achieves a social dimension including a variety of aspects concerning the impact of the institution's operations on people both inside and outside the organization:- sound business relationships, safety and health Ven van de, and Graafland, 2006) the latter being the area central to his study. There is always a need for individuals and collective efforts to promote sound initiations, overcoming obstacles that may lead to marginalization. It is always necessary to move forward and instigate success and development to ensure actualization and progress. Based on the researcher's involvement and investigation of IIUM practical experience, with over 38,832 students (according to IIUM's estimated total enrollment, with regards to endowment, 2007) of endowment related practice. These two workable strategies to generate endowment funds are outlined:

1- Internally Initiated Programmes

2- External Contributions

The first strategy refers to any forms of internal motivation to generate income for the university. This may be conducted in many ways after viewing several programmes of health and medical care endowments. For example: the university may introduce voluntary fund raising internally for health care endowment, there should be no compulsion to achieve this, strictly voluntary action. Accordingly, the coordinator of the IIUM Endowment Fund (IEF) confirmed that more than 145 IIUM staff expressed interest and voluntarily joined the project through which a significant amount of money was generated periodically.

The second strategy for health care endowment was found to be more productive in most endowment-based universities.

Here, the contribution process is not limited to the staff or members of the university. It can be extended to humanitarians and philanthropists within the university's state or at international level, depending on the strength of the



university's network. Apart from individuals, there are many endowment-based organizations that render humanitarian services and they often target institutions to ensure a spread of advantages and benefits. They provide support either in money or by construction. According to the IEF coordinator, in most cases there are conflicting missions behind the idea of construction. For example, building an auditorium, hall and conventional centres for a higher institution will serve two different purposes: firstly, the institution uses it for its own educational events; while, secondly also generating income by renting it out for externally-organised events.

It is imperative to emphasize the fact that some donors may be interested in reciprocity by requesting specific actions in return. A common scenario is a proposal to have their brands advertised by the university. Some medical practitioners voluntarily give free humanitarian services either at the university hospital, or at their own health centres/hospitals. To sum up, health insurance at higher institutions is essential, especially for international students. The purpose of the study is not to highlight difficulties experienced by students, but this is recommended for future studies on health-related issues, as it may create awareness and trigger the attention of university managements to the value of the practice of endowment.

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