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From Religious Charity to the Welfare State and  
Back. The Case of Islamic Endowments (*waqfs*)  
Revival in Egypt

**Daniela Pioppi**



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The Case of Islamic Endowments (waqfs) Revival in Egypt*

**DANIELA PIOPPI**

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## **Abstract**

One of the major changes in the Middle East during the past three decades has been state retreat from welfare programmes. Parallel to this phenomenon, religious charitable institutions have started to emerge and have in many cases filled the gap left by the state in providing social services to the population. These mushrooming Islamic charitable institutions have been described as the social basis for Islamic political opposition or, by optimists, as the emergence of a timid but increasingly independent civil society. Advocates of both explanations, however, agree on portraying them as a serious challenge to the regimes' control on society.

This paper intends to contribute to the study of this broad topic by taking as case study the recent revival of the institution of *waqf* (Islamic charitable endowment) in Egypt. As one of the main sources of income for religious charitable institutions prior to the emergence of the modern national state, *waqf* was nationalised by Nasser, yet it has recently re-appeared as a symbol of 'civil society independence' and as an efficient way to finance development activities, somehow in agreement with global liberalisation and privatisation trends. The paper argues that, far from being a challenge to the regime (whether from Islamic opposition or 'liberal' civil society), this revival is part of a broader regime policy, which aims at delegating some important functions of the state (i.e. in welfare and redistribution) without losing control on society.

The paper contributes to the 'post-democratisation' discussion by providing some examples of regime 'management of change' strategies and by giving a critical perspective on state-society dichotomous approaches.

## **Keywords**

Egypt, *waqf*, charity, welfare, liberalisation

## Introduction<sup>1</sup>

A major change in recent Middle Eastern history has been the state's gradual retreat from welfare programmes and, in general, the redefinition of state functions as to the previous vision of the nearly total public sector dominance of economy. This tendency—shared by states heralding markedly different official ideologies and consequent to the contradictions ensued from state-led-growth (fiscal crisis) and international pressures—has often been considered as one of the most powerful factors in leading to the possible set-off of political liberalisation in the Middle East. To put it in simple terms, the argument goes that post-Second World War authoritarian regimes relied heavily on the state control of economy and large welfare programmes (i.e. health, education, subsidies, housing, employment, etc.) to grant their citizens' political compliance. Once the fiscal crisis shrunk the allocative capacity of the (rentier) state, the basis of support and legitimacy of regimes would also have decreased and the required structural adjustment of the economy would have encouraged the emergence of new economic and political actors, thus enhancing the expansion of economic and political participation.

A second challenge to regimes stability in the Middle East has concerned, in the last three decades, the much debated 'return to Islam'. In fact, starting from the seventies, all states of the region, without exception, had to face the emergence of an active Islamic opposition. A general revival of Islamic charity followed shortly to the rising of 'radical Islam', often filling the gap left by the deterioration of public services and allegedly forming the social basis of Islamic opposition.

Both state retreat and the (re-)islamisation of society were largely studied and debated, more often than not in the perspective of regime systemic change. This paper will address these two issues, taking as a case study the recent revival of Islamic charitable institutions in Egypt and, more precisely, the return on the scene of Islamic endowments (*waqfs*), after almost two decades (the 50s and 60s) of complete state control and marginalisation.

Contrary to common perceptions, our case study will uncover that the revival of religious charity is also part of a successful regime strategy aimed at managing 'state retreat' from basic social functions and the consequent change in the distribution of resources towards a more elitist model.

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The first section of this paper will provide a short description of the institution of *waqf*—generally translated as *Islamic endowment*—which was one of the most important financial bases of the pre-modern, largely religious, Middle Eastern 'welfare' system. The study will then progress on to the case of Egypt, briefly illustrating the decline of this institution parallel to the gradual formation of the modern national state in the 19<sup>th</sup> and 20<sup>th</sup> centuries, until Nasser's complete nationalisation.

The following sections will be dedicated to the recent *waqf* revival, from Sadat's rehabilitation of the institution at the beginning of the seventies, until the movement for the revival of *waqf* in the nineties', keeping as a background state retreat from welfare programmes and the general islamisation of society.

I will finally discuss some theoretical issues drawn from the case study, hoping the latter may be of general use for the larger debate on the Middle Eastern regimes' management of change. In particular, I will criticise dichotomous state retreat-expanding society analyses, calling for a renewed attention to power variables, rather than to formal institutions, in an attempt to 'bring the political back in'.

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1 This paper was presented at the Fifth Mediterranean Social and Political Research Meeting, Florence & Montecatini Terme 24-28 March 2004, organised by the Mediterranean Programme of the Robert Shuman Centre for Advanced Studies at the European University Institute. The research presented is part of a PhD thesis to be submitted in December 2004 at the University of Pisa.



## 1. The Institution of *waqf*

The *waqf* is, in Islamic law, the act of founding a charitable trust and hence the trust itself. The essential elements are that a person, wanting to commit a pious deed, declares part of his or her property (i.e. land, a commercial activity, estates, etc.) to be henceforth inalienable and designates persons or public utilities as beneficiaries of its yields.<sup>2</sup>

The institution of *waqf* was widely spread throughout the Islamic world until the first half of the 20th century. Among the reasons of its success in different regions and at different times, we find that the *waqf* could also be endowed for private charitable aims (*al-khayrat al-khassa*) as, for instance, the maintenance of the descendants of the *waqf* founder. In this last case, the *waqf* was called *waqf dhurri* or *ahli* (private or family *waqf*) and was largely used as a means for preserving family wealth from Islamic heritage laws. Even when the *waqf* was entirely dedicated to public utilities (*waqf khayri* or public *waqf*),<sup>3</sup> its administration was normally kept within the founder's family, thus granting the control of a perpetual rent. Depending on different periods of political centralisation or de-centralisation,<sup>4</sup> the endowment of properties could also grant protection against state intervention or tax exemptions, thus preserving private fortunes in a context of private property fragility, especially of land.<sup>5</sup>

Due to this peculiar mix of private interests and public utility, the *waqf* rapidly became, starting from the first centuries of Islamic history, the main financial tool used by economic and political elites to sustain public utility charitable institutions, not only in the strictly religious sphere, but also in the fields of education and health or, even, in infrastructural works, such as roads or water canals. Every mosque, confraternity, Qoranic school, university, hospital and so on was, till the second half of the 20th century, financed by one or more *waqfs* and, thus, formally independent from state finance.<sup>6</sup>

## 2. The *waqf* Decline in Contemporary Egypt

In Egypt, as elsewhere in the Muslim world, *waqfs* represented a significant part of the economy. In 1942, endowed land property was 677.555 *feddan*,<sup>7</sup> that is to say the 11,5% of all private agricultural land in the country, apart from endowments in real estates and urban land (Baer, 1969, 80).

The government started a slow appropriation of *waqf* properties administration already in the 19<sup>th</sup> century, while Egypt was becoming a modern national state and public social services as well as a modern education system were being created, separate and independent from religious institutions and directly financed by the state.<sup>8</sup>

Yet, it was only after the Free Officers Coup d'Etat, that a more radical reform process was implemented. The first phase of *waqf* reform coincided with the agrarian reform of 1952. In fact, the majority of *waqf* founders and administrators were major landowners and members of the Royal family, the main targets of the Nasser reform. In 1952 a law was passed to abolish *ahli waqfs* or *waqfs* endowed for private purposes.<sup>9</sup> Two years later, all public or *khayri waqfs* were placed under the

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2 For an introduction to the history and legal developments of the institution of *waqf* see Peters (2000).

3 The legal distinction between *khayri* and *ahli waqfs* is modern.

4 On the 'circulatory history' of the *waqf* depending on political centralisation and de-centralisation see Crecelius (1991).

5 For a general introduction to the history of land tenure in the modern Middle East see Owen (1981) or, for Egypt, Baer (1962).

6 For an interesting critical discussion on the independence of Islamic religious institutions before the advent of the modern state see Crecelius (1980).

7 The *feddan* is almost equivalent to an acre.

8 A similar process went on also in Europe. See for example Rosanvallon (1990).

9 Law n° 180, 1952.

administration of the Ministry of *Waqfs*, thus abolishing the function of the private administrator.<sup>10</sup> But, more important than that, the Ministry of *Waqfs* was also granted the authority to spend the revenue of any *khayri waqf* or of part of it, without being bound to execute the conditions and provisions laid down by the *waqf* founder. This authority has since been exercised by the Ministry in many cases. Most of the *waqf* revenues were invested in the growing public economy, particularly in food and chemical public industries as well as in the housing sector (Egyptian Parliament, 20 August 1957).

Between 1957 and 1962, a second phase of reform was implemented as a consequence of the more radical or ‘socialist’ period of the Nasser regime. Two laws, respectively in 1957 and 1962,<sup>11</sup> allowed the transfer of all *waqf* lands to the Agrarian Reform Administration (*al-Hay’ia lil-Islah al-Zira’i*) in order to be distributed to small farmers, as was any other land property exceeding the Agrarian Reform thresholds (Waterbury, 1983, 263-306; Ansari, 1986). At the same time, all schools, hospitals and other institutions financed by *khayri waqfs* then under the administration of the Ministry of *Waqfs*, were transferred to public administrations such as the Ministry of Education, the Ministry of Health and so on, as urban land and estate *waqfs* were to local councils or municipalities (Ministry of *Waqfs*, 1964).

*Waqf* properties were divided among various public administrations and, for the first time in their history, not administered as a separate entity. The Ministry of *Waqfs*, while keeping its name, became in fact the ministry of religious affairs, with no self-supporting budget, but dependent, like any other ministry, on general public finance.<sup>12</sup>

*Waqf* reform and, in general, the loss of autonomy of religious institutions,<sup>13</sup> went hand in hand with the great expansion of state functions, not only in the economic sphere, but also in every sector of the country’s social and political life.

This last wave of reform indeed, was interpreted by many analysts of that period as the end of the long history of *waqf*, a natural destiny for what was considered a traditional and pre-modern institution, stronghold of traditional landed elites, not compatible with the institutions of the modern national state.

For example, Baer, one of the main students of landownership in Egypt, wrote in 1969:

The main importance of the [...] *waqf* laws has been that they have cured Egypt of the harmful consequences of the *waqf* system in general.

[...] the *waqf* will serve no longer, as it served in the past, as a stronghold of economic and social power, in many cases of persons holding a certain religious or political office or appertaining to influential families or groups. Also, the income from these extensive properties will no longer be spent on purposes some of which are anachronistic curiosities and on other objects opposed to the interests of the state (Baer, 1969, 92).

### 3. Sadat’s Rehabilitation of *waqf* between the Economic Opening and the ‘Return to Islam’

Despite these forecasts, the *waqf* reform did not survive the Nasser regime.

In the seventies, Sadat began a policy of gradual transformation of state socialism into a system which—while keeping an important public sector—was nevertheless starting to encourage in a more explicit way the private sector and foreign investments. It was the so called ‘open-door’ policy or *Infitah*,

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10 Law n° 247, 1953.

11 Law n° 152, 1957 and Law n° 44, 1962.

12 A similar process went on almost in all Islamic country.

13 In 1955 Islamic courts were abolished and in 1961 the Islamic University of *al-Azhar* was reformed and nationalised. In a few years all mosques’ personnel started to receive a state wage as for all public employees. The national network of mosques and other religious institutions was then used to propagate the official version of Islam. On religious institutions reforms and ‘*ulama*’ see Zeghal (1996).

which also implied a back off from the egalitarian and re-distributive logic of nasserism and a move towards a more market-oriented system, aimed at satisfying middle-class consumerism (Waterbury, 1983; Ayubi, 1991). Sadat's transformation of state policies also gave way to a gradual change in the regime's social basis, moving from Nasser's mobilisation of lower social strata towards a more elitist policy, based on a forming coalition between state bourgeoisie (Waterbury, 1983), new *Infitah* entrepreneurs and some rehabilitated elements of pre-revolutionary elites. These changes in domestic politics needed a transformation also at the ideological level. The new political discourse, inaugurated at the beginning of the seventies, combined some liberal concepts—such as economic openness and efficiency and private property defence—with a return to Islamic tradition and morality, in the attempt to justify the new political course and to regain legitimation and support after the failure of nasserism (Ansari, 1986).

Sadat's *waqf* counter-reform, implemented between 1971 and 1973,<sup>14</sup> contained all these elements. The official aim, following the text of the new laws, was the recuperation of the institution of *waqf* for its 'traditional Islamic utilisation', under a centralised public administration. Law n° 80 of 1971, established a special Administration for *Waqfs (al-Hay'ia lil-Awqaf al-Masriyya)* tasked to manage *waqf* properties and exploit them under the umbrella of the Ministry of *Waqfs*. Law n° 42 of 1973, ordered to return to the new Administration, the *waqf* land previously transferred to the Agrarian Reform Administration and to other public institutions, such as the city councils.

Although it did not completely revert to the pre-Nasser *waqf* system (also because it did not return the *waqfs* to their former private administrators), Sadat's counter-reform was certainly a first step towards a rehabilitation of the institution. The reform had in fact a symbolic importance as it revealed the change in the regime's general approach, combining both the regime policy of 'return to Islam'—and therefore the declared respect of traditional institutions and Islamic law—and the general move towards a more market-oriented discourse.

In the Ministry of *Waqf* documents and reports of that period, many references could be found 'to the communist conspiracy for the dissipation of Muslim properties' (i.e. *waqfs*) and for their 'unjust distribution to peasants' (referring to the *waqf* land transfer to the Agrarian Reform Administration) or to the importance of *waqf* for the establishment of an 'Islamic welfare system' based on a not better defined 'solidarity between Muslims' (Egyptian Parliament, 18 February 1980, 5381-5420). The same documents also emphasised the economic performance of the new Administration, which was described as the first investment body 'outside state bureaucracy limitations, aimed at economic profit as if the administered properties were private and not anymore—as in the Nasser period—lost in the public sector and no-one properties' (Ministry of *Waqfs*, 1973, 10).

#### **4. Islamic Charity and the Ministry of *Waqfs*: an Islamic Version of the Policy of *majhud dhati* (Self-Effort)**

Sadat's *waqf* reform was part of a broader revitalisation of religious charity,<sup>15</sup> partly spontaneous and partly encouraged by the regime. During the seventies many private mosques<sup>16</sup> started to provide basic social services to the population, especially in the fields of education and health. These charitable associations (*al-jama'iyyat al-khayriyya*) played an increasing important social role and were in many cases linked to the rising Islamic political groups, at that time still benefiting from the regime's benevolent eye (Kepel, 1984). However, the Islamic charity trend continued to grow in the eighties and nineties, comfortably surviving to the deterioration of the privileged relationship between Islamic

14 Law n° 80 1971 and Law n° 42 1973.

15 For the Islamic charitable sector in Egypt see the work of Ben Nefissa and Qandil or Sullivan and Abdel Kotob in the references at the end of this paper.

16 Private mosques (*ahli* opposed to *hukumi*, governmental, i.e. under the direct administration of the Ministry of *Waqfs*) proliferated starting from the seventies also thanks to a law which granted tax exemption for construction works when the building included a mosque.

political groups and the regime.<sup>17</sup> In fact, the latter was still interested in finding some palliatives to the otherwise potentially explosive socio-economic situation caused by the state's increasing difficulties in providing public social services.<sup>18</sup> And what better to that purpose than a re-valued religious charity, provided it is accurately de-politicised?

The general regime encouragement of the Islamic charitable sector of the seventies was, in fact, transformed throughout the eighties in a much more direct policy of the Ministry of *Waqfs* aimed at controlling, but also organising and enlarging, the entire charitable sector.

The first explicit declarations of the Ministry in this respect are made, in fact, at the beginning of the eighties. For example:

Following Islamic tradition, the mosque is not only a place for worship, but also a place for culture and education, for the provision of health services and, in general, for social support and solidarity (Ministry of *Waqfs*, 1982)

The policy of the Ministry of *Waqfs* under Mubarak aimed at encouraging the transformation of mosques, both governmental and *ahli*, in welfare providers. At the end of the eighties, Mubarak asked the Ministry of *Waqfs* to launch a programme meant to convert every mosque into a cathedral-mosque or *masjid al-jami'*,<sup>19</sup> which was to organise in every mosque social services such as student trainings in various subjects (from mathematics to computer science), health services, professional trainings, nurseries and so on.<sup>20</sup> The Ministry of *Waqfs* allocated a small initial budget for this ambitious project, with the final aim to quickly raise private resources in the form of charity provided by pious worshippers (*Mayu*, 17 August 1992), in an attempt to reproduce, in a politics-free version, the Islamic opposition's successful model of self-financing.

At the same time, starting from the mid-eighties, the Ministry initiated a policy of increased administrative control and private mosques annexation,<sup>21</sup> with the justification of warranting in this way a high standard in all the country's mosques. The total annexation was never completed, but it remains a threat pending on all private mosques and relative charitable associations.

As a result of these policies, the Egyptian charitable sector largely continued to develop in the framework of the general regime's control and objectives, representing the most successful part of the broader *majhud dhati* strategy. The *majhud dhati* or *juhud dhatiyya* (literally self-effort) is an expression used in official documents and governmental press throughout the nineties and indicates the society effort towards self-management and, especially, self-financing. Following this principle, society has to autonomously find the economic resources to finance those services and support activities that used to be a state duty.<sup>22</sup>

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17 At the end of the seventies, the relationship between Sadat and the Islamic political movement started to deteriorate. The confrontation ended with the assassination of Sadat himself by a young extremist, to which a general repression followed.

18 The Egyptian fiscal crisis became more acute at the end of the eighties. In 1991 Egypt signed an IMF agreement, implying a strong reduction in state expenses. For an overview of the Egyptian fiscal and debt crisis, see Richards and Waterbury (1996, 216-219 and 225-229).

19 The mosque for the Friday prayer.

20 After three years *Māyū* published a report reconstructing the entire project. *Māyū* 17 August 1992.

21 Articles and reports on governmental and opposition press on the annexation plans are numerous starting from the mid-eighties and for all the nineties. The term used is *damm*, literally *annexation*, and not *ta'mim*, nationalisation. See for example the articles in *al-Ahram* April-May 1985 or, in the same period, *al-Nur*.

22 There are many examples of official declarations in this sense, many from Mubarak himself or from the Minister of Social Affairs. See, for instance, *al-Masrī* 29 August 1993, *al-Ahrām* 18 April 1994 and 1 July 1996, *al-Watan* 18 June 1995, *al-Akhhbār* 15 January 1995.

Yet, it would be naïve to think that self-financing automatically leads to a larger political autonomy. In most cases, privately financed welfare programmes,<sup>23</sup> as well as Islamic charitable associations, are ultimately linked and directed by the public administration. Private donors have their return in terms of access to public administration positions or administrative facilitations for their private activities, aside, of course, from social prestige.<sup>24</sup>

## 5. The Movement for the Revival of the *waqf* (*al-haraka al-waqfiyya* or *haraka ihyā' al-waqf*)

It is precisely in this context of controlled state delegation of welfare functions and general religious charity revival, that the institution of *waqf* was again reconsidered, this time explicitly as an example of 'Islamic civil society'. The first press articles to deal with the *waqf* in this new perspective were published in March 1991 by the daily newspaper *al-Akhbar*. A number of well-known Egyptian intellectuals and professionals were interviewed on the importance and potential value of the institution of *waqf*, which was portrayed as the original model plagiarised by Western NGOs or foundations (*al-Akhbar* 8/15 March 1991). It is the first sign of what will become in the following years the movement for the revival of *waqf* (*al-haraka al-waqfiyya* or *haraka ihyā' al-waqf*),<sup>25</sup> a sort of pressure group for the recovery of the full role of the *waqf* in Egypt, in line with the international trend towards privatisation and civil society enhancement. *Waqf* promoters expressed themselves in a series of publications<sup>26</sup> and conferences<sup>27</sup> to which the current Minister of *Waqf*, Dr. Muhammad Hamdi Zaquz participated, as well as many representatives of the moderate Islamist tendency and of the Islamic business sector (Islamic Banks and so on).

In these publications and conferences, the *waqf* is represented as an essential institution capable of granting the running of an efficient private welfare system. In fact, following the principle of decentralisation, the common welfare has—for *waqf* promoters—to rely on civil society and cannot depend on the state.<sup>28</sup> It is, in fact, the loss of traditional Islamic institutions such as the *waqf* that caused the political and economic decline of Islamic societies.<sup>29</sup> The authentic Islamic state should not have social functions, since the principles of Islamic economy—if correctly applied—already predispose private social institutions such as *waqf* or *zakat* (alms) for these purposes, which should operate without state interference.<sup>30</sup>

For instance, in the proceedings of a conference organised by the Union of Islamic Universities at the University of Port Said, we can read that:

The *waqf* system is in harmony with the principle of economic freedom, which was historically at the basis of the Islamic economy. Islamic governments, in fact, could not intervene in the activities of the individual and the Islamic state did not have any economic role or activities, contrary to what is happening today. The *waqf* system allowed, on the one hand, to redistribute wealth from

23 A good example of privately-financed and publicly-controlled welfare programmes are the First Lady initiatives in the field of education, health, women's rights and so on. See, for instance, *al-Ahrām* 18 April 1994 and 8 May 1994. See also the reports on *al-Jumhuriyya* 18 June 1996 and *al-Akhbār* 18 June 1997.

24 On charity and social prestige for the emerging *infītah* bourgeoisie see Haenni (1996 and 1997).

25 I heard this expression for the first time from Ga'far Abdel Salam, Law Professor in al-Azhar, Director of the League of Islamic Universities (*Rabīta al-Jamī'at al-Islamiyya*) and of the Center Salah Kamil, author's interview, Cairo, June 2003.

26 For example Bayumi Ghanim (1998).

27 See for example the conference organised by the League of Islamic University (1998) or the seminar at the Islamic Benevolent Society (2000).

28 League of Islamic University, conference proceedings (1998, 121) or Tareq al-Bishri's preface in Bayumi Ghanim (1998, 7-16).

29 Islamic Benevolent Society, seminar proceedings (2000, 12-21).

30 League of Islamic University, conference proceedings (1998, 213) or Islamic Benevolent Society, seminar proceedings (2000, 18).

the rich to the poor and, on the other, to support public utilities, such as mosques, hospitals and schools that must not, in a true Islamic state, be a government duty.<sup>31</sup>

The development of the ‘authoritarian-bureaucratic state’ in the fifties and sixties represented, in this perspective, a deviation from the true nature of the Islamic state in line with the ‘liberal-pluralist model’ (Bayumi Ghanim, 1998, 494). More precisely, this last model was recently borrowed by the West, but it originated from Islamic principles and institutions.

These arguments resemble, on the reverse, previous attempts at finding the roots of Arab socialism in Islam, providing, in that case, a religious legitimation to state intervention.<sup>32</sup> In a similar, but opposite way, the movement for the revival of the institution of *waqf* is part of a new understanding of Islamic principles, this time in line with the international neo-liberal trend. This new interpretation, although formally outside official circles, is beyond any doubt supported by the Ministry of *Waqfs* itself, as we can see from the Minister’s contributions to conferences and publications.

So far, the new promotion of *waqf* does not seem to have caused a large-scale endowment of new *waqfs*—although we do have some examples<sup>33</sup>—nor a new *waqf* reform. Instead, what seems to become a common phenomenon in Egypt is the restitution of old *waqfs* to their former private administrators or to their descendants,<sup>34</sup> using a new and more flexible interpretation of existing laws.<sup>35</sup>

Such restitutions have acquired more importance after the promulgation of Laws n° 96 of 1992 and n° 4 of 1996, for the de-regulation of the rent and sale prices of agricultural land and real estates (Dupret and Bernard-Maugiron, 2002). These new laws resulted from a long process, initiated by Sadat, which gradually dismantled the Nasser Agrarian Reform<sup>36</sup> and led to the immediate rising of land and estate prices and, therefore, also of *waqf* properties.<sup>37</sup>

The increased value of existing *waqf* properties raised the interest of former *waqf* administrators in recovering their properties, and a few cases were mentioned by the press.<sup>38</sup> Nevertheless, *waqf* restitutions are not at all systematic and, to my knowledge, no law is being prepared to restore the pre-Nasser *waqf* system.<sup>39</sup> Rather, it seems that the Ministry arbitrarily allocates some *waqfs* to specific individuals or associations, following a clientelistic logic, similarly to what is happening in other cases for public sector privatisation or state licenses allowance. The restitutions can in any case be re-appropriated<sup>40</sup> by the Ministry, which remains—following present regulations—the sole arbiter of all *waqf* matters.

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31 League of Islamic University, conference proceedings (1998, 102).

32 On Islamic socialism see for instance Carré and Michaud (1983).

33 In the majority of cases, *waqfs* are dedicated to charitable associations. This is the case of the *waqf* founder Shawqi al-Fangari, who endowed *waqfs* for the financial support of the *Islamic Benevolent Society*, or some of the customers of the Lawyer Ga’far ‘Abd al-Salam, author’s interview with Ga’far ‘Abd al-Salam, Cairo, June 2003. Shawqi al-Fangari endowed also *waqfs* to al-Azhar or for scholarships in other Egyptian Universities. See Shawqi al-Fangari (2000).

34 This is the case for instance of the Islamic Benevolent Society *waqfs*. See Shawqi al-Fangari (2000a); or the Association for the Worthy Deed, *al-Ahrām*, 11 March 1993.

35 Existing laws do not formally impede private administration of *waqf*. It is up to the Ministry of *Waqfs* to decide.

36 For an analysis of the slow process of Nasser’s Agrarian Reform reversal till the end of the eighties see Springborg (1990 and 1990a) and Hinnebusch (1993).

37 The effects on *waqf* land and real estate properties of Laws n° 96 and n° 4 are mentioned by the Minister of *Waqfs*, Dr. Zaquq, in the seminar of the Islamic Benevolent Society (2000, 44) and by Bayumi Ghanim (1998, 497-498).

38 See the reports published in *Akhar sa’a*, 16 March 1994, 13 April 1994 and 4 May 1994; in *al-Ahrar* 28 January 1996; *al-Uktuber* 28 April 1996; *al-Ahram* 23 May 1996 and 1 June 1996; *al-wafd* 25 June 1996; *al-Jumhuriyya* 29 August 1996.

39 Although *waqf* promoters often mention the law of 1946 as their preferred model. On this law see Anderson (1952).

40 I do not have any formal documentation of *waqf* re-appropriation by the Ministry, but this is what Shawqi al-Fangari affirmed in an interview with the author, Cairo, June 2003.

## 6. The *waqf* Revival and State-Society Dichotomous Approaches

The institution of *waqf* is inversely associated throughout its history to the power of the state. As we have seen in previous paragraphs, during the 20th century this inverse association seems to be particularly true: decline and loss of autonomy of the institution as the state increases its power (modern national state formation—etatism) and, on the contrary, rediscovery and revival of the institution as the state faces a crisis and a de-centralisation process (state retreat—economic reform).

The political science of the last 50 years analyses in different ways these phenomena of state expansion and state retreat. The prevalent vision in the fifties and sixties ascribed a fundamental role to the state in leading backwards societies towards modernisation (i.e. industrialisation, secularisation, middle classes formation and, eventually, democratisation). The great expansion of the welfare state was, in this perspective, functional to establishing a new relationship between the state and society based on citizenship and social rights, in opposition to the former paternalistic logic of traditional religious charity. Moreover, state control on religious institutions would have led to a gradual secularisation of society, i.e. limiting religion to the private, personal sphere. The modern state is, accordingly, the realm of the legal rational logic (as in Weber), opposed to a society still permeated by pre-modern norms and values and controlled by traditional elites. From an economic point of view, the state still remains the only actor capable of filling the gap with industrialised countries and of leading the private sector, otherwise blinded by its short-term interests.

Following this perspective, the *waqf* is a pre-modern, traditional institution leading to arbitrary resources allocation and economic stagnation.<sup>41</sup> Therefore, its gradual decline, at the end of the 19th–beginning of the 20<sup>th</sup> century, is the unavoidable and desirable consequence of the modernisation process carried out by the state. While its revival, starting from the seventies, would on the contrary show a return to the past and to tradition, due to a failure in the development and/or modernisation process and to the emergence of Islamism, signifying a denial of the European modern state for an ideal traditional communitarian model.

Apparently in total contraposition to what we just described, the neo-liberal trend of the 1980s and 1990s represents the state as a Leviathan, or—in the Middle Eastern case—as a praetorian state, heir of the Mamelucs, place for hierarchical and authoritarian relationships, repressing a society, which is, instead, the place for equal relationships regulated by the free market and potential democratic participation (civil society). In the context of free market promotion during the last two decades, the retreat of the state from its economic and re-distributive functions is perceived as the end of the bureaucratic interference and arbitrary authoritarian power and as the beginning of a more efficient and rational private sector.

If we consider this second perspective, the decline and the nationalisation of *waqfs* in the fifties and sixties are a consequence of the authoritarian regimes' necessity to control every form of social autonomy, represented in this case by the *waqf*. The recent revival could, therefore, be welcomed as a sign of general reinforcement of independent social institutions that could pave the way for further economic reform and political liberalisation. Quite naturally, this last interpretation is also the one provided by the Egyptian *waqf* promoters themselves.

Both of the mentioned approaches—respectively pro and anti state—pose some problems of interpretation or explanation when confronted with our case study. Though apparently antithetic, they are actually based on a common framework that distinguishes two opposite poles: state and society. The basis of the common analytical framework is a normative definition of the state, established *a priori*, emphasising the institutional-formal aspect or 'visible' side of the state and separating it clearly from society. Hence, besides the negative or positive interpretation of each approach, the public sector expansion bears a certain logic or

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41 See our quotation of Gabriel Baer (1969, 92), but we also have many Egyptian examples. For an account on the Egyptian *waqf* debate in the first half of the 20th century see Sékaly (1929).

rationale given by its institutions, independently from its historical or geographical context. Vice versa, the state's retreat automatically implies its loosening control on society, for better or worse.

What we question in this common framework is the representation of the state as a cohesive and homogeneous actor implementing rational policies, somehow separated from individuals and social groups detaining power inside it and from society at large.<sup>42</sup>

The state, in fact, is more than the sum of its institutions and functions. Rather, we could say with Mitchell that the perception of the state as an institution separate from society is an effect of that particular political-institutional adjustment typical of the modern state, but it can hide very different political dynamics (1991). If we limit our analysis to the formal definition of state, we would for example interpret phenomena such as corruption or clientelism in the public administration as a sign of weakness of the state or as an infiltration of social norms that modern state logic did not manage to abolish. Instead, these phenomena could also be part of the logic of a political system—even a modern one—and be indicative of the *efficiency* of a system of power and not of the contrary.

After this discussion, it is clear that the state and its relationship with society need to be considered on different terms. In an interesting book on the privatisation process in Africa, Beatrice Hibou pointed out that, when trying to analyse political processes concretely, it is impossible to separate between state and power or governing elites:

In order to understand the state you need to understand the actors in power and, more importantly, their actions, strategies and historical practices [...] It is impossible to separate in concrete terms the economy from politics, private interests from public interests and the general from the specific (Hibou, 1999, 36).

These governing elites or relevant groups constitute their alliances and fight their battles across state and society. The state is not, therefore, a single actor, but rather a special setting for action and the arena of conflicts for the political and economic supremacy (Tripp, 2001).

The second remark taken from Hibou's work is that, in order to understand the expansion or retreat of the public sector, we should distinguish between state functions and state capacity, that is to say between state formal institutions, on one side, and state effective control, on the other (Hibou, 1999, 38-39). The state, if understood as a system of power, could extend its control beyond its formal institutions. For instance, the state can retreat from certain formal functions (i.e. production or re-distribution), but still maintain its control on the economy, by simply expressing it in a different way. Or else, the appearance of extra-state actors, apparently in opposition or competition with the state itself, could also be interpreted as a re-deployment of the latter using new strategies.<sup>43</sup> Consequently, the Egyptian state's recent retreat from its re-distributive functions and the contemporary emergence of religious charity must not necessarily be a symptom of state weakness or of the appearance of possible antagonist actors, either positively understood as civil society, or negatively as Islamic fundamentalism. This, in fact, would be the case only if such social actors were really questioning existing power relations and resources distribution and presenting an alternative model.

Yet, our call for attention to power variables rather than to formal institutions (either public or private) could be criticised as it would entail the fading of distinction between state and society, public and private. The fundamental political science question of defining the relationship between state and society seems to be resolved by avoiding the issue. In this respect, Mitchell argues that it is more accurate and useful to look at the distinction between state and society as *internally* defined by every political system, rather than as fixed and universal. What is part of the state and what is not, public and private are incessantly changing categories and the product of historically varied power struggles.

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42 For a critique to this representation see Tripp (2001).

43 See the informal relationship between the public and the private sector in many countries of the world or even the association between the state and 'illegal' actors, such as mafia in Italy, smugglers in Morocco or the drug cartel in Colombia.



Paradoxically, the opposite value judgements that are assigned to public and private sectors by scientific literature in different periods of time, prove our point: they might also reflect changing power relations at the international level.

The study of the contemporary history of *waqf* exemplifies our argument. Its recent revival does not necessarily mean that private actors managed to profit from state crisis, finding once again their autonomy and claiming what was nationalised by Nasser. Rather, it proves that broader transformations are on their way in the country, implying a redefinition of what belongs to the private and what to the public, to the advantage of certain social groups that use state and social institutions to promote their interests. To sum up, the *waqf* recent history in Egypt seems to be a small example of a more general move from the Nasser distributive logic and mobilisation of lower social strata (granting public social services, land distribution, etc.) to a more exclusivist model, which goes together with the (re-)islamisation of society, but also with the global economic and political trend.

In this perspective, we probably need to partially reconsider the traditional stand that portrays the Islamic charitable sector, and the Islamic opposition behind it, as necessarily antagonistic to the state. In fact, this would be the case only if the so called social Islam was effectively able to form new elites, independent values or to create a social milieu in which new political practices and power conceptions were elaborated. It could also remain, however, largely under the control of the regime, taking part in the process of reformulation of the state role, without questioning existing political and economic hierarchies.

These considerations become more important while political arrangements resulting from the nineteenth and twentieth centuries, such as the welfare state, are questioned not only in the Middle East, but everywhere else. At the end, the two worlds—the West and Islam, to use a current unfortunate expression—have many more things in common these days, than that which a superficial analysis might reveal, precisely when they are depicted as extremely different and distant.

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