

## The role of University in the New Phase of Awqaf: **Knowledge Led Development**



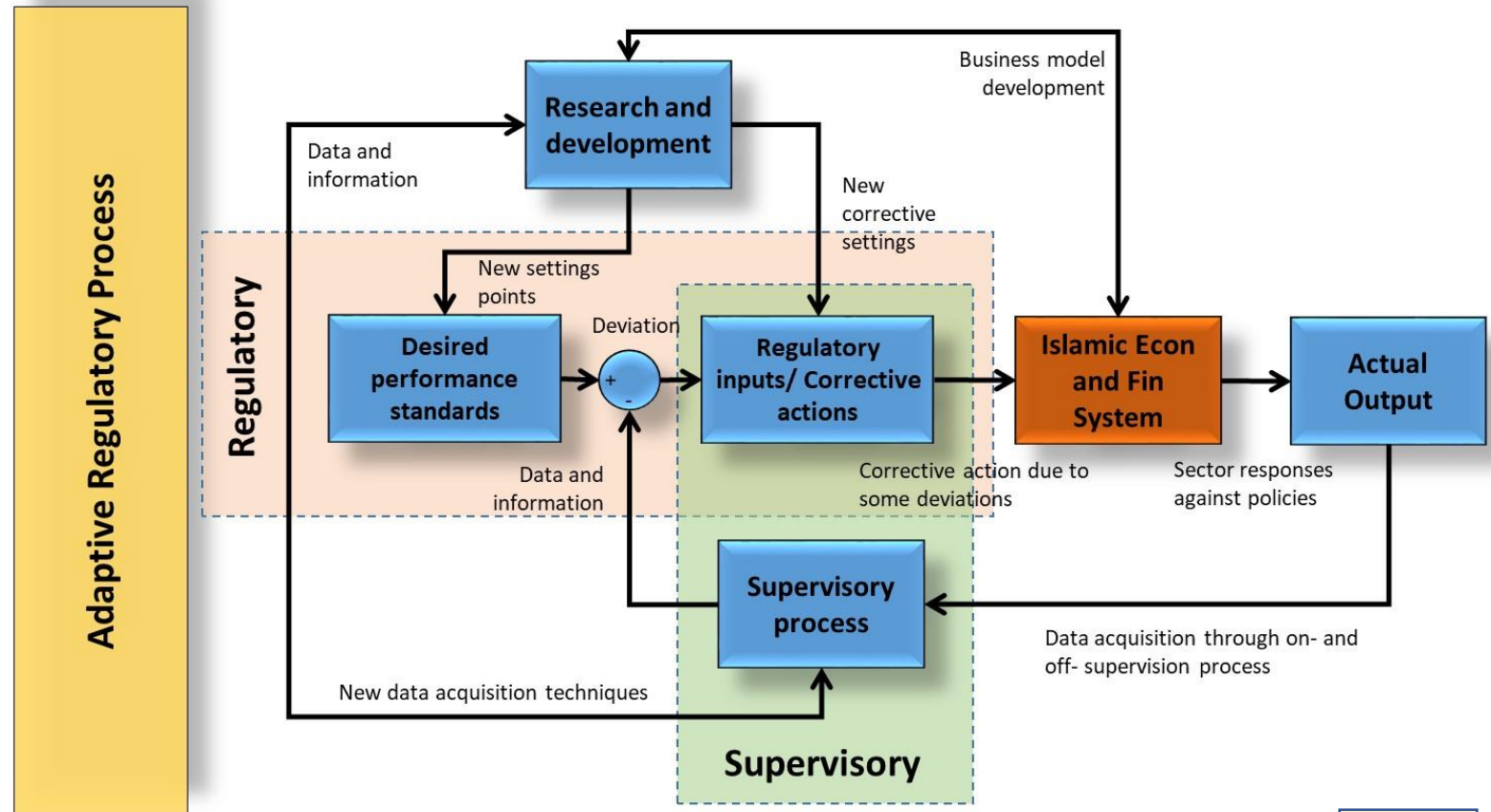
# Outline

---

- I. The new landscape
- II. Awqaf System in the new dynamics

# I. The new landscape

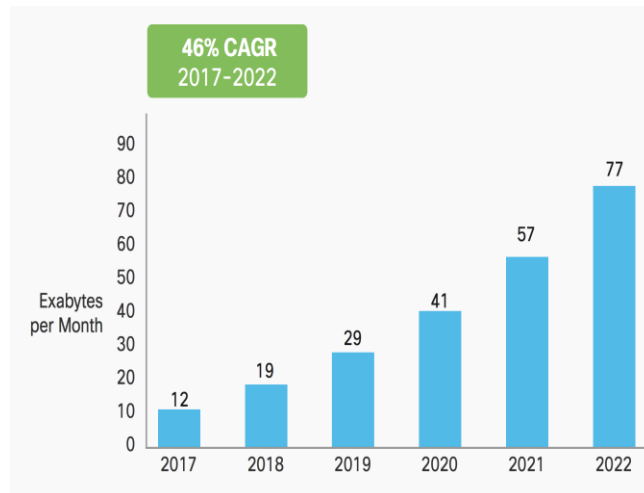
1. The position of research activities and the functions in the system development



# I. The new landscape

---

## 2. Covid-19 as the super changer to hi-connectivity and subsequently lower response time ( $\tau$ )



- i. Technological invention – dissemination of science and technology becoming more advanced and faster.
- ii. Product and business life cycle – new products and business models enter market more easily and consumer preferences more easily
- iii. Shift of portfolio investment – with more innovative feasible set, flow of funds become more easily to sustain the efficiency.

# I. The new landscape

---

3. A lower  $\tau$  and higher variation of instruments create higher dynamics in the financial system which requires prompt and comprehensive policy response by the government (authorities)
4. However, the  $\tau$  of certain real economy, like agricultural industry, remains unchanged which create greater disparities in the capital market.
5. Shorter product life cycle in the industry combined with stiffer competition would create thinner financial buffer the industry has, higher number of business failures, and more demand for creative start-up projects.
6. More social buffer is required to anticipate economic disparity as a result of stiffed competition.

## II. Awqaf in the New Dynamics

---

1. The success of the Awqaf depends upon the ability to be a part of the dynamics and to provide tangible solution to the challenges that are faced by the society (including the government). The objective is to strengthen industrial structure, efficiency, investment, reduce disparity, human resource development, and sound macroeconomic policy.
2. For the Awqaf, the areas which need to do research activities more intensively in order to have capacity to drive the changes are the followings:

## II. Awqaf in the New Dynamics

---

- A. Behavioural economics - resource allocation is very important in improving the internal stability of the system. The inducement of Islamic values to the economic decision making by the public may ease the pressure.
- B. The theory of incentive - at the micro level, the Islamic financial contracts have to be contain both the sharia compliance and the economic appeals.
- C. Investment policy - well-developed policy and instruments to maintain stability of the Islamic financial system is deemed necessary.
- D. Digital economics - the introduction of sharia compliant smart contract to support Halal Value Chains is very important.

## II. Awqaf in the New Dynamics

---

- E. Awqaf based Business Model – Awqaf system has to be economically viable to sustain its operations and further expand its capacity in the future.



# Thank You

