

The Diversity Of *Waqf* Implementations for Economic Development in Higher Education

Ahmad Shaifull Anuar¹, Zakaria Bahari², Caturida Meiwanto Doktoralina³,
Fitri Indriawati⁴, Lucky Nugroho⁵

Centre For Islamic Development Management Studies (ISDEV) Universiti Sains Malaysia^{1,2},
Department of Accounting, Economic & Business Faculty Universitas Mercu Buana^{3,4,5}
shaiful_78@yahoo.com, bzak@usm.my²,
caturida_meiwanto_drm@mercubuana.ac.id³, fitri_indriawati@mercubuana.ac.id⁴,
lucky.nugroho@mercubuana.ac.id⁵

ABSTRACT

The development of higher education in Malaysia is multiplying based on the increasing numbers of Public Higher Learning Institutions (IPTA) and Private Higher Learning Institutions (IPTS). This increase has encouraged various parties to collaborate to create a solid foundation and strategy to create IPT to become more competitive. However, the funding factor is still one restraint that IPTs must face. To overcome this problem, one example of IPT is taking the initiative by implementing waqf for higher education in limited institutions. Based on this scenario, the present paper was written to achieve two objectives: The first is to examine the precise development of higher education waqf that has been implemented in IPT in Malaysia. The second is to precisely examine the variety of waqf that can be implemented for higher education. This study is an exploration in which the data used were derived from library research. The findings of this study will develop a theory on the diversification of waqf implementations for higher education in Malaysia.

Keywords: *Diversity, Economic, Instrument of Waqf, Waqf of Higher Education*

A. INTRODUCTION

Islam is very concerned about social issues such as poverty, health, and education (Ramadhan & Al, 2019; Ruthven, 2012; Sofyani, Ulum, Syam, & Wahjuni, 2012). Therefore to overcome these social problems, Islam has a solution using social funds obtained from zakat, infaq, shodaqoh, and waqf. In Islamic education is the main issue, this is reflected in Q.S Al-'Alaq verse I-5: "(1) Recite in the name of your Lord who created ; (2) Created man from a clinging substance; (3) Recite, and your Lord is the most Generous; (4) Who taught by the pen; (5)

Taught man that which he knew not.' Based on these matters, then studying for a Muslim is an obligation. Of course, to get a quality education requires a fee (Fazial & Bahari, 2018). Thus, because education in Islam is an obligation, all Muslims are entitled to quality education including those who cannot afford to pay for their education (low-income community).

The development of higher education *waqf* in Malaysia is interesting to study due to the role of the IPTA and IPTS that have participated. *Waqf* is an alternative method of funding education and university development. The reason for it is that government funding for educational institutions and universities seeking their development capital also continue to increase.

Meanwhile, Siswantoro & Dewi, (2007) affirms that the *waqf* institution in Indonesia has not been effective in the handle of a social issue because of two reasons. First, the government does not perceive that the *waqf* fund can be a potential source of income to support high economic growth. Second, most Indonesian people still assume that *waqf* is only limited in the form of fixed assets. Therefore, the *waqf* approach in the field of education is a substantial investment that can produce quality human resources, such as practitioners and experts who have high spiritual values. Besides, there is a continuous allocation of funds.

According to Jaharuddin, (2018), The steps for implementing cash *waqf* for education are: (1) Institutional, (2) education (massive socialization), (3) Collection of cash *waqf* and other types of *waqf*, (4) investment management, and (5) management of profit sharing. While Siswantoro & Rosdiana, (2016) argues that cash *waqf* needs support from many aspects in order to maintain its sustainability. Knowledge creation and innovation from related aspects can strengthen the sustainable development of cash *waqf* in any form.

For this reason, this paper was written to achieve two research objectives: The first is to study the implementation of *waqf* in Malaysian IPT. The second is to study the exact variation of *waqf* that can be applied to higher education. This study took the form of literacy, and data were collected from various literature reviews. This study develops a theory that can be applied to Malaysian higher education. The development and diversity of *waqf* instruments can be found in the following subtopics.

B. THEORETICAL

Development of Education Waqfin Malaysia

The concept of *waqf* for developing public education is wellknown in this country(Ibrahim, Amir, & Masron, 2013; Ismail et al., 2015; Sari, Yusof, & Ibrahim, 2018)and the proof is the variety of teaching huts that sit like mushrooms in Malaysia's north, such as in Kedah, Pinang and the Perak islands, which mostly concentrate more on the low and middle levels of education(Johari et al., 2014). Early education *waqf* in Malaysia manifested in various forms, such as scholarships, financial and student dormitory buildings,as well as learning tools, such as tables and books(A. Z. A. Latiff, Ismail, & Daud, 2006). This development is important because this study found that funding education through *waqf* implementation can reduce the problem of children dropping out and those who cannot continue their studies due to poverty(Mustaffa & Muda, 2014a).

Furthermore, the diligence of previous Islamic leaders in the practice of *waqf* worship continues to be nourished by present generations, and the proof is His Royal Highness the Acting King of Perak Darul Ridzuan, Raja Nazrin Shah, who gave a very meaningful decree on education *waqf* when officiating the ceremonies of the sixth convocation of the Sultan Azlan Shah Islamic University College on 19 December 2013(Ismail et al., 2015). Other sultans should follow this system, and with this, the system of government will be more blessed by Allah SWT. Also, the *waqf* in the form of a land grant to be used as a foundation for educational institutions is widely available in Malaysia, including, for example, in the state of Terengganu, at Sultan Zainal Abidin University (UniSZA). The university was established on the land of *waqf* contributions by certain parties(Kim, 1980). Besides, Terengganu's Culinary Academy, which is a vocational school, was also developed on *waqf* land managed by the Terengganu Islamic Religious and Customs Council (MAIDAM)(Ismail et al., 2015). Most students enrolled in this institution receive education assistance and a subsidized allowance from Giat Mara. Apart from this, Terengganu also has private institutions of higher learning based on the *waqf* concept, i.e. University Bestari College (UCB) in Setiu, Terengganu. This institution was established by the Malaysian Orphanage Welfare Organization (PEYATIM). UCB has developed the concept of *waqf* in higher education and has provided greater opportunities for orphans and the poor in Malaysia over the past few years.

In Kedah, educational institutions that have been developed on *waqf* land include Maktab Mahmud in Alor Setar (Kim, 1980). The Mahmud College has established as a collection of zakat and *waqf* by the people and local generosity. The entire *waqf* land is fully utilized to develop educational facilities and to generate financial resources for students to continue their studies in the Middle East (National Archives of Malaysia, 2014). Also, the Darul Ulum Islamic College (KIDU) was also established through the collection of zakat and infaq as alms and *waqf* from the public (Ismail et al., 2015). KIDU offers the opportunity to study at the low, middle and high levels of education.

The construction of student dormitory facilities from Johor for higher education concentrating on religion and medicine in several Egyptian and Jordan universities is one example of the efforts conducted by the Johor Islamic Religious Council to cultivate the *waqf* concept in the state's society. The state of Johor is also currently in the process of establishing a pre-university education centre, Madrasah Tahfiz Medik. The Johor Waqf Shares fully support the project's finance.

Also, the Melaka Islamic University College (KUIM), a fully-owned IPTS of the Melaka State Government, has taken the initiative to establish a charity *waqf* fund that was launched in 2011 (Ismon, Ramli, Dahalan, Romli, & Hashim, 2015). The *waqf* received by KUIM takes the form of cash. The collection of cash *waqf* is derived from public contributions and students and through a minimum deduction of RM10 from KUIM staff salary. However, cash *waqf* funds earned by the KUIM are still insufficient to build a permanent asset building that can be utilized by students, staff and the surrounding community.

The Islamic University of Malaysia (UIM), located in Selangor, is the first Islamic institution of higher learning in Malaysia established by the Malay Rulers and is fully engaged on the *waqf* platform of the public and corporate institutions (Ismail et al., 2015). In addition to UIM's establishment, another institution based on the *waqf* concept includes the Selangor International Islamic University College (KUIS). This institute was established by the Selangor Islamic Religious Council (MAIS) in 1995. The collection of zakat and *waqf* by KUIS cooperate with the Selangor Zakat Board (LZS) and the Selangor Waqf Corporation (PWS). In addition, the development of *waqf* in higher education institutions is increasing with the involvement of IPTA, such as the International Islamic University Malaysia (IIUM), which established the IIUM Endowment

Fund in 1999 (Website IIUM, 2015), the Universiti Kebangsaan Malaysia (UKM), with Waqf and UKM Endowment Fund in 2010 (UPM), with UPM's Knowledge Waqf Fund in 2012 (UPM's Website, 2015) and at the Universiti Sains Islam Malaysia (USIM) in 2013, with Dana Waqf Al-Abrar. Establishment of *waqf* funds at universities is generally intended to receive domestic and foreign financial assets, cash and shares to be used to fund scholarships, loans and expansion activities, such as investments (Mustaffa & Muda, 2014a).

The development of education *waqf* in the world is multiplying and creates positive developments every year. This progress indicates that society increasingly understands the importance of *waqf* for educational purposes. Even the importance of *waqf* must be encouraged for the development of higher education *waqf* in this country. As a result, there are four determinants of the success of the implementation of *waqf* for education: community awareness, demographic conditions of high Islamic population, the stable economic position of Muslims and efficient and professional governance (Sunny, 2007). This possible method should be explored and optimized for its sustainability to benefit the entire Muslim community.

Higher Education Waqf Issues

Based on the development of *waqf* for education in Malaysia discussed previously, we can see that *waqf* can be used as an instrument for the funding and development of educational institutions both inside and outside of the country. The method of *waqf* is also applied due to the potential benefits for higher education in Malaysia.

Although *waqf* has the potential to be widely implemented in Malaysia's higher education, three issues have been identified that need to be discussed. First, high funding for IPT is crucial. This education aspect is an investment of human capital and requires a specific and sustainable source of funds to produce quality human capital through the provision of facilities and infrastructure or teaching staff at a school or IPT (Ali & Wahid, 2014). The need for alternative funds is required as the IPTs must fully finance their operating expenses, Ismon, Ramli, Dahalan, Romli, & Hashim, (2015), while the IPTAs receive only 70% of the government's support (Hussin & Rashid, 2015).

Additionally, the allocation for the development of this education sector is increasing from year to year, and this requires observations and other alternatives to

reduce the burden of the government to provide adequate funding in the education sector. More productive cooperation can be achieved between the academy and the industry, particularly in the areas of research, development and commercialization. Budget constraints and higher education cost increases should also be addressed through the enhancement of productivity and effectiveness of the higher education system and IPT in line with the overall financial sustainability of the system (Education Development Plan Malaysia 2015-2025). The spending government in the year 2019 is increase 14.80% (RM7.76 billion) than previous year (Finance Ministry of Malaysia, 2019).

This positive rate indicates that the government's concern for providing adequate funding needed to cover the costs of developing the quality of higher education in the country is competitive both in state and abroad. Unfinished financial resources will also lead to various problems, such as a lack of sufficient provision of facilities, limited human resources and a lack of promotional activities that will lead to a poor understanding of the concept of education *waqf*. Therefore, financial management and funds are the main focuses of the success of *waqf* education institutions. The reason is that if there are no adequate and consistent funds, the *waqf* education institution will have difficulty operating properly (Mustaffa & Muda, 2014a).

The second issue is related to *waqf* legislation. The existence of constitutional and state law provisions in *waqf* matters is necessary to avoid questions about the use of the term '*waqf*' and to ensure it is acceptable to all levels of society. This is because most states in Malaysia do not define *waqf* in detail, excepting a few states, and most of the definitions provided in some of the enactments merely touch on general and special *waqf* properties of all types, including land categorized as immovable property (Hussin & Rashid, 2015).

Also, several state *waqf* enactments have been enacted and created in order to facilitate the effectiveness of *waqf* management because there are many weaknesses in the provisions of the law relating to *waqf*. Although there has been drafting, the existing *waqf* law is still inadequate to make the administration and management of *waqf* more effective and comprehensive (Hussin & Rashid, 2015). From the perspective of law enforcement, *waqf* must be supported by the rules and frameworks to guarantee the sustainability of the *waqf* institutions and to encourage the religious obligation of Muslims through *waqf* (Dahlan & Mohamad, 2017). This is because there is a resolved hesitation within society about the

benefit and purpose of education, mainly because the existing legislation does not adequately protect *waqf* property. Additionally, this is partly due to management inefficiency as there is no specific law to protect *waqf* for education purposes(Hussin & Rashid, 2015).

The third issue is related to the *waqf* administration. The existence of administrative and management inconsistencies has created conflict in managing *waqf* property due to the unmodified *waqf* data and information. There is also a problem with the unstandardized structure organization division and administrative units(Hussin & Rashid, 2015). Furthermore, there is a shortage of experts and human resources, which often challenges the management of *waqf* property in Malaysia, i.e. MAIN, as the main body of *waqf* property administrators are burdened with such problems(Ismon et al., 2015), and, at the same time, the PLAN staff are charged with various other chores, resulting in a specialization attention deficiency in the development of *waqf*(Hussin & Rashid, 2015).

Also, this education *waqf* should be applied based on a concept that is not dependent on any government financial resources that are dominated by the political system (R. N. A. R. Ramli & Hamid, 2014). For example, the uniqueness of *waqf* in Turkey is that it is not associated with political or religious ideology but is based on mutual assistance and respect for fellow human beings. Nevertheless, if not dealt with thoroughly and professionally (Hassan & Shahid, 2010)using a self-reliant welfare organization (Furqon, 2012)and excellent and prudent management(Mustaffa & Muda, 2014a), there is uncertainty in the administration and sustainability of the education *waqf* funds, as well as a lack of achieving its objectives of becoming an economic generator and opening up new opportunities to meet the social needs of Muslims(R. N. A. R. Ramli & Hamid, 2014).

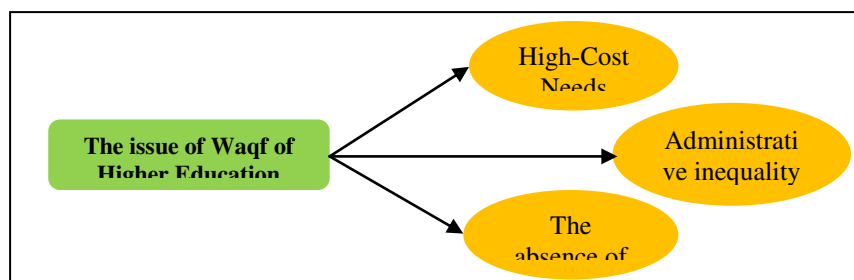


Figure I
Issues In Malaysia's Higher Education *Waqf*

It is even more unfortunate if the university based on *waqf* has been successfully established but is unable to survive due to a governance problem that does not help resolve the consequences (Hussin & Rashid, 2015). Failure to solve this problem could stop the education process, such as at al-Bukhari University, which is facing internal problems of university management (Hussin & Rashid, 2015; Mustaffa & Muda, 2014a). A summary of the issues in higher education *waqf* can be seen in Figure 1.

Based on Figure 1, the identified issues will create a crucial situation because if the problems are not solved, then it is likely the university operations will need to be stopped. Therefore, researchers are encouraged to study and closely examine the application of the diversity of *waqf* instruments that can be applied to higher education in Malaysia.

C. METHODOLOGY

This study uses the documentation analysis method of social research. This analysis is used because it combines coding content into a theme, similar to focus groups or interview transcripts from various documents (Bowen, 2009).

D. RESULTS AND DISCUSSION

In this topic, several *waqf* instruments for higher education will be discussed. Among them are cash *waqf*, *kaki waqf*, *irqod waqf*, *sukuk*, *waqf* shares, corporate *waqf* and *istibdal*.

I. Cash Waqf

Waqf instruments, such as cash *waqf*,¹undeniably have excellent potential to develop the economy of Muslims, particularly in financing social and cultural activities, including the education sector. According to Abdul Khalim & Zakaria, (2014), the method of cash *waqf* not only keeps capital or assets but must provide multiple benefits and can generate new *waqf* properties in the form of permanent property.

In other words, Cizakca (1998) states that cash *waqf* is created by cash, and the results are used for profit purposes, with the aim of obtaining the pleasure of Allah SWT. Also, cash *waqf* also functions as a scheme that encourages people to contribute cash *waqf* at a minimum value. Furthermore, the accumulation of cash *waqf* funds will be consolidated as capital to purchase and transport

permanent property, such as land and buildings (Aziz & Johari, 2014). In the context of Malaysia, the 77th Malaysia National Council for Religious Affairs Fatwa Committee convened on 10–12 April 2007, in Kuala Terengganu, that *waqf* in cash is allowed in Islam.² This is also supported by Abdul Khalim & Zakaria, (2014), who stated that Imam Az-Zuhri, a well-known scholar in hadith knowledge, has concluded that *waqf* in the form of dinar and dirham is mandatory for preaching, the welfare of the ummah and the education of Muslims. This issued fatwa is a manifestation of the recognition of immovable property, such as cash, as one of the forms of *waqf* assets that have been adopted in Malaysia.

The implementation of this cash *waqf* has evoked a public response due to several factors. According to Htay, Mohamed, & Osman, (2012), among the factors affecting the Muslim community, particularly in Malaysia, in making cash-based donations is that the *waqf* concept is a religion-promoted practice. It is understood in performing cash *waqf* that the trust is given to the *waqf* institution in administering *waqf* property, efficient management and environmental factors. Also, Mohammad, (2009) added that cash *waqf* has an attractiveness and liquidity, making it one of the choices in the *waqf* development project. Cash *waqf* is also very useful in mobilizing funds and investments using the foundation concept, such that it can play an essential role as a financial institution (Lahsasna, 2010).

Practically, cash *waqf* is also seen as one of the alternatives that give *waqf* the potential for development among Muslims (Harun, Abd Mutalib, Rashid, Murat, & Niy, 2016). The physical form of cash *waqf* makes this method easier to manage and can be used as a tool to generate and expand *waqf* to the maximum level. The application of this cash *waqf* can be seen as one of the means of financing for developments such as business premises or other infrastructure that benefits the community. Some scholars, such as Mahamood, Ab Rahman, & Ahmad, Hasnol Zam Zam Muhammad, (2007), have stated that the contribution of this cash *waqf* could be managed by the government, society, PLANTS and corporate bodies, such as Corporate Social Responsibility (CSR).

Based on the educational aspect, this cash-generating method is used as education development, construction of accommodation infrastructure or student dormitories, subsidies for educational management, sukuk issuance and inter-agency collaboration for education purposes (Ahmad, Muhammad, & Kamaruzzaman,

2012). Cash *waqf* also demonstrates an effective mechanism in developing Islamic educational institutions. The cash *waqf* system has proved the effectiveness of its essential role in universities such as Al-Azhar University. The same situation can be seen in Malaysian learning institutions based on the implementation of *waqf*. Research institutions that have applied the cash *waqf* method include the Darul Ulum Islamic University (KIDU) (Aziz & Johari, 2014). This demonstrates the effectiveness of the cash *waqf* concept to play an important role in a university such as Al-Azhar, and the same situation can be seen in Malaysian institutions of education, which are growing based on the implementation of *waqf*. Among the institutions that have implemented the cash-bearing method is the Darul Ulum Islamic College (KIDU), which is established through the collection of zakat and infaq, such as alms and *waqf* from the public (Ismail et al., 2015). Among other institutions of study are UIAM, UKM, UPM, UTM, USIM and USM. According to Mustaffa & Muda, (2014), the implementation of cash *waqf* at the university will be utilized to fund scholarships, loans and expansion activities, such as investments and other educational activities. The issue has shown that cash *waqf* implementation is significant as the study found that funding education through *waqf* instruments could reduce the problem of dropout and the absence of children who cannot continue their studies due to poverty (Mustaffa & Muda, 2014a; Salleh, 2017).

Hence, the concept and method of cash *waqf* should be expanded widely, and now the higher education sector in Malaysia should take the best possible advantage in making this cash *waqf* one of the alternatives for reducing the burden borne by institutions, particularly in education financing.

2. *Irsyad Waqf*

One implementation that can be featured for a higher education *waqf* source is *irsyad waqf*. *Irsyad waqf* may also be interpreted as land that the government considers for public benefit purposes, such as schools and hospitals. The term '*irsyad waqf*' can be seen in some states' enactments. According to Mahamood et al., (2007), this term is derived from two Arabic words, '*waqf*' and '*irsad*', which, when combined, become '*waqfal-irsad*', which refers to the property of the rulers of the government as well as certain bodies or organizations. The term '*irsyad waqf*' can be seen in some of the state enactments. Among these, such as in the Selangor Enactment under Section 9 (2) (a) of the Muslim Waqf (Selangor) 1999 (No. 7 of 1999) Enactment, in which it is interpreted as 'a land which has been imposed

by any corporation, another body according to Islamic law'. Meanwhile, the Melaka Enactment under the Waqf Enactment (State of Malacca) 2005 (No. 5 of 2005) also makes its interpretation as '*waqf* from Baitulmal land, government land or land of any corporation, institution, body or other bodies of law according to Islamic law'. At the same time, the Waqf Land Management Manual Waqf Zakat and Hajj Department 2006 defines '*irsyadwaqf*' as 'the submission of any land as *waqf* by any state authority, federal government or any corporation, institution, organization or other bodies according to Syariah laws'.

In other words, *irsyadwaqf* is not from personal/private ownership but is a gift from the government, i.e. the land gazette for the site of mosques, religious schools, Islamic welfare homes, cemeteries and so on. Mahamood et al., (2007) also mentioned that the *irsyadwaqf* is focused on the rulers' acting on the property of Baitulmal, including the movable and immovable property in it and its application to the construction of mosques, educational institutions, hospitals and so on, which are fundamental to the general issues (*maslahah 'ummah*). Hence, expansion of the *irsyadwaqf* method can be extended not only for religious institutions but also to commercial, health and recreation centers created based on Islamic law, as well as to support the governments and other Islamic agencies for earning high profits in business.

3. Shares Waqf

The shares *waqf* is a new form of *waqf* system that offers a scheme to encourage participants to buy shares at a certain price, e.g. RM10 per unit. Furthermore, some state enactments have defined the term shares *waqf*. Among them, Section 17 (1), the Waqf (Selangor State) Enactment 1999 provides for shares *waqf* as a council to offer shares of *waqf* against any property acquired or to be acquired and subsequently charged to the Council. Section 17 (2) of the same enactment further states that the shares *waqf* are regarded as general *waqf*, rather than particular *waqf*. For the Waqf (Negeri Sembilan) Enactment 2005, his shares *waqf* were offered as part of the *waqf* scheme under Section 11 (1). Under Section 11 (2), the scheme begins with a share purchase offer by the Negeri Sembilan Islamic Religious Council (MAINS), and the buyer of *waqf* will then hand it over to MAINS as *waqf*. Section 11 (3) stipulates that the *waqf* stock that was formed would be not only a general *waqf* but also a particular *waqf*. In Johor, Section 2 The Waqf Rules 1983 provides for the shares *waqf* to establish a Waqf Musytarik through shares that are subject to *waqf* or later on. In addition, according to the

Department of Islamic Development Malaysia (2009), the fourth National Fatwa Committee for the 4th Malaysian Islamic Religious Affairs Meeting convened on 13–14 April 1982, in Kuala Lumpur had concluded that holding a wholly owned shares *waqf* with business companies through share purchase then being charged with the purpose of developing the property of *waqf* is required according to the terms of *waqf*.

Based on the definition of *waqf* described earlier, it can be understood that the concept of shares *waqf* centers on the perspective of its scheme. MAIN acts as a trustee and will be initiated with cash *waqf* based on the issue value of one unit of shares offered and, subsequently, involves the conversion process with the purchase of assets or their application to the development of a planned project under MAIN (Abdul Khalim & Zakaria, 2014). Benefits in the form of *waqf* stock dividends can also be applied to meet the financial requirements and to strengthen Islamic institutions of higher learning, and the results of the collected shares *waqf* can be used for infrastructure development (CAPEX) expenses, such as building institutional mosques, libraries, student dormitories or other academic buildings (Bahari & Ahmad Shukor, 2017). Also, the research by the current development of the country in the matter of *waqf* is found to have had the PLAN, which has begun introducing *waqf* practices from this category of funds, such as in Selangor, Johor, Melaka and Pahang, via shares *waqf*. Among them, the Selangor Islamic Religious Council (MAIS) also offered Selangor shares *waqf* to Muslims in cash by buying the share units offered and realizing it with the purpose and importance of Muslims to cultivate and educate the spirit of cooperation among Muslims, which will mobilize the social and economic community of Muslims (MAIS, 2012) (Mahamood et al., 2007).

In addition to Selangor's participation, Johor is also involved in the issuance of shares *waqf*. The Johor shares *waqf* is a scheme in which the Muslim community will buy a share of RM10.00 per unit from the Johor Islamic Religious Council (MAINJ) and subsequently disburse the shares to the Religious Council Islamic State of Johor. Consequently with the purpose of benefit, it will be distributed to five divisions, namely religious school *waqf*, *waqf* al-Quran, *waqf* dormitory in Egypt, *waqf* shop building in Nusajaya and *waqf* oil palm plantation (Abdul Khalim & Zakaria, 2014). Also, there is participation from Yayasan Islam Malaysia Foundation (YADIM). YADIM offers its shares of *waqf*, including the former Yayasan Pembangunan Ekonomi Malaysia (YPEIM), which introduced the

National Waqf Development Scheme to promote the culture of *jariah* practices among Malaysians (Mahamood et al., 2007).

Hence, shares *waqf* are promoted by the community with the purpose of helping Muslims, particularly in providing funds for educational purposes and carrying out *waqf* methods. Such a method will hopefully influence more Muslims to engage in the practice of *waqf* and further enhance the socio-economic development of Muslims without involving permanent properties.

4. Corporate Waqf

Awareness of developing *waqf* property has grown in most Islamic countries through corporate *waqf* instruments. This corporate *waqf* refers to the management of *waqf* properties in the form of movable property, such as cash, company shares and stock dividends, fully administered by corporate entities or in collaboration between corporate and *waqf* authorities (Mohsin, 2013). Besides, among the critical elements of the organizational *waqf* structure, *waqf* assets are in the form of movable property, while the *waqf* trustee, a corporate company, is mutually the beneficiary of *waqf* (A. M. Ramli & Jalil, 2013). The tendency of corporate companies to engage in the aspect of management and development of *waqf* assets indirectly demonstrates the commendable ethics of the corporate world, which not only focuses on profit-oriented activities but even on companies. It is also involved in *waqf* programs, such as education, health and property management *waqf* (A. M. Ramli & Jalil, 2013). Also, there are corporate companies in several countries that are involved in the management of *waqf* property, particularly those involving the education and health sectors. Among them is Turkey, where the two largest corporate companies, through the Koc Foundation and Sabanci Foundation, have been directly involved in financing the establishment of a university and a *waqf* school (Çizakça, 2011). While in Pakistan, there are corporate companies through foundations, such as the Hamdard Foundation, managing and attributing *waqf* funds to recipients consisting of schoolchildren and the poor (A. M. Ramli & Jalil, 2013, 2014).

In Malaysia, there is a development of *waqf* through the involvement of corporate companies. Among them is the Johor Corporation (Jcorp) through Waqf An-Nur Korporat Sdn. Bhd. (WANCorp). It is involved in the development of *waqf* through its main contribution to company shares, and this makes it internationally unique (Khairi et al., 2014). Among the programs undertaken by WANCorp in terms of education and human capital, developments include the

sponsorship of programs at the IPT level, such as student conventions, contributions to student associations and student life development like SMART prayers, schooling aid and more(Mustaffa & Muda, 2014a). Also, WanCorp declared that all of its income earned as dividends would be distributed according to formula 70:25:5. A total of 70% benefits were returned to WANCorp for reinvestment and human capital development, 25% were returned to WANCorp for *fi sabilillah* and 5% to the Johor Islamic Religious Council(Khairi et al., 2014). The more significant percentage of reinvested capital is due to the primary long-term goal. It aims to capture expanded corporations with strategic national business, while also empowering the Muslim economy(Mujani, Taib, & Yaakub, 2014).

Also, there is participation Supply Chain Management (SCM) from financial institutions cooperating(Anggraini, Hamiza, Doktoralina, & Anah, 2018; Arafah & Nugroho, 2016)with MAIN to empower the *waqf* institution. Among them is the Bank Muamalat Malaysia Berhad (BMMB), which partnered with the Selangor Waqf Corporation to introduce a cash *waqf* scheme known as Waqf Selangor Muamalat. The results will then be distributed to several sectors, including for educational purposes to build school buildings, the contribution of educational equipment such as the Quran, reference books to religious schools and Mahad tahfiz, as well as primary equipment donations to schools, such as toilets, surau and classes(Talib, Ismail, & Azizan, 2014). Also, there are several other strategic partnerships, including, for example, between the GiatMara, the Malay Religious and Indigenous Malay Council (MAIDAM) and Yayasan Waqf Malaysia (YWM) for the construction of the Terengganu Kulinari Academy(Ahmad et al., 2012). Funding for the academy, which costs RM 2.5 million, is provided by YWM, and GiatMara provides the learning syllabus. The conclusion of academic development and operations is shown in Figure 2.

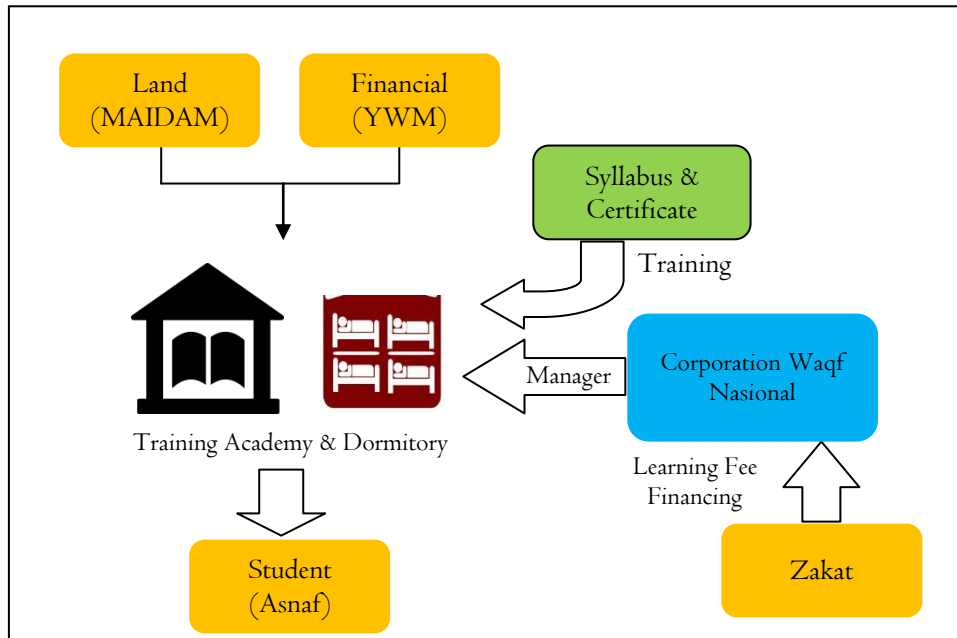


Figure 2
Development and Operation of the Terengganu Culinary Academy

However, the exploration of funding sources for the development of *waqf* in financing higher education through a more innovative approach should be intensified. This is to increase the development of *waqf* in Malaysia, particularly among corporate bodies, in carrying out social responsibility for the community[10,39]. Therefore, three ways have been proposed for increasing the company's endowments for the development of IPTs(Ismon et al., 2015). First, the IPTs will be established as a corporate institution that acts as mutawwali to manage the *waqf* funds. Second, the welfare fund of IPTs should have strategic land for future development purposes. Third, alumni of IPTs should be involved in the *waqf* IPTs to contribute continuously to the institutions. The government should also provide various incentives to attract more engagement among community members as well as corporate bodies contributing funds through the *waqf* concept for higher education funding, including, for example, the exclusion of incentives taxes for companies that are directly involved in corporate *waqf* practices, as is done in zakat practices(Ali & Wahid, 2014; Bahari & Ahmad Shukor, 2017; Doktoralina, Bahari, Herliansyah, Ismail, & Putri, 2018).

Hence, the involvement of these corporations can assist the IPTs in diversifying the funding of *waqf* resources as well as in the development of infrastructure facilities for higher education *waqf*.

5. *Istibdal*

The *istibdal* method can be used to diversify the technique in the development of *waqf* land. The term '*istibdal*' may be defined as buying another property with the proceeds of a sale to be used as *mawquf* to replace the property sold, covering any property acquired by way of substitution with the same property or a better property of its value and benefits (JAWHAR, 2010). The term is taken from the word '*ibdal*', which has the purpose of issuing the property that is taken from the original terms of the carry out of *waqf* to be converted to another property in which the second property will be the *waqf* to replace the first (Mahamood et al., 2007). Also, there are enactments from several states that have defined the term '*istibdal*'. Among them is the Waqf Enactment (State of Malacca) 2005 (No. 5 of 2005), which defines '*istibdal*' as replacing a *waqf* property with another property of the same or higher value of money, either by substitutions, exchanges, sales or any other ways according to Islamic law. Section 2, the Waqf Enactment (State of Selangor) also has a corresponding interpretation, in which only the 'exchange' statement is omitted. The Waqf (Negeri Sembilan) Enactment 2005 provided the '*istibdal*' term as similar to the Malacca Enactment, with the substitution of *mawquf* with other property or money equal to or greater than the *mawquf*, either by substitution, buying, selling or any other means following sharia principles.

Also, the application of the *istibdal* method for education development purposes can be referred to in Singapore. The WARESS has rebuilt the *waqf* of Madrasah al-Maarif al-Islamiah Singapore through the *istibdal* concept by transferring the madrasah from the land of *waqf* by developing a better eight-store religious school with complete and processed facilities. It replaced the previous facility in considerations with the need to have a better learning atmosphere and hostel facilities (A. Latiff, Zaki, Ramli, Ismail, & Sulaiman, 2006). Nevertheless, the Singapore Fatwa Council allowed the *istibdal* process based on four matters. First, the assets are in an abandoned state. Second, the assets are in danger of being taken over (Karim, 2010). Third, the assets are in an inappropriate location. Fourth, the assets will provide a better return when replaced and developed.

Another example that can be highlighted for educational purposes is that of the *istibdal* case in Penang. The Penang State Government has given a piece of land to the Penang Islamic Religious Council (MAIPP) for the construction of Maahad Al-Mashoor Al-Islami in Balik Pulau, Penang. It is to replace the actual site that has been taken over for the construction of KOMTAR building for administrative purposes and the main business of the state (Ahmad et al., 2012). The agreement is between MAIPP and the state government, and the state government has allocated RM6 million and 31 acres of land compensation in the Balik Pulau district as a landlord (*istibdal*), and the maahad development costs RM 42 million to be built (Hisham, Jaseran, & Jusoff, 2013). Therefore, although the use of the *istibdal* method for education development is still not very popular, it provides opportunities for exploration and expansion. The aim is to avoid unproductive land of *waqf*, while also seeking the pleasure of Allah SWT (Mardhatillah). The potential of this method should be explored and detailed to avoid confusion that may arise within society. The summary of the diversity can be seen in Figure 3.

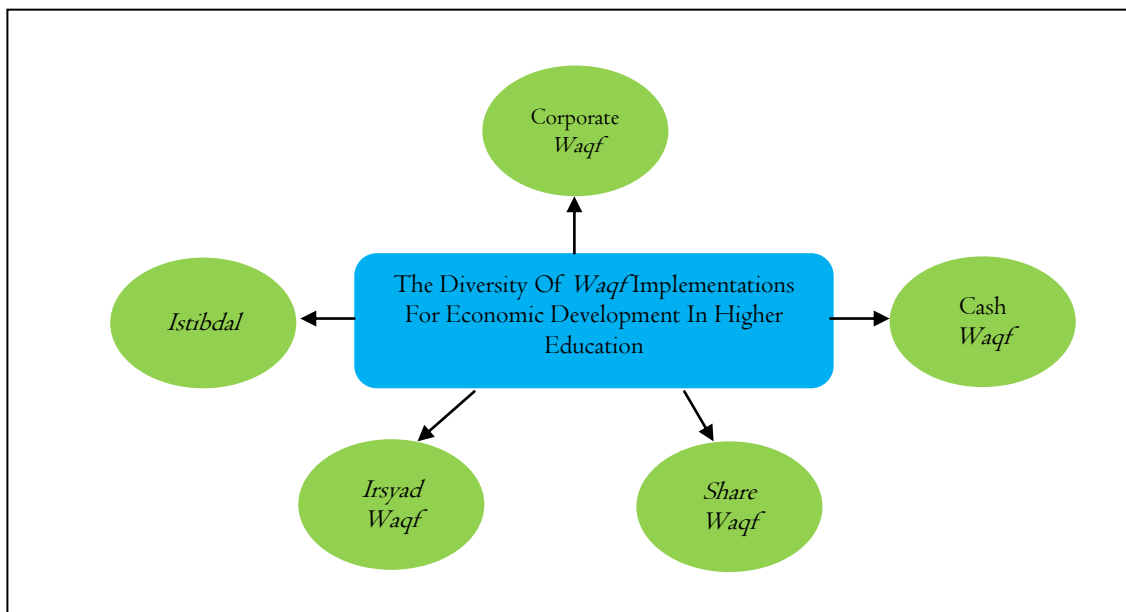


Figure 3
The Diversity of *Waqf* Implementations for Economic Development in Higher Education

E. CONCLUSION

In general, the *waqf* implementations is one of the alternatives to increase the economy of the people and can be used for higher education in Malaysia. The development of higher education *waqf* in Malaysia is growing as the diversity of *waqf* implementations can be used efficiently and optimally. Based on the completed research, the findings implicated in the theoretical facet of this study can also be used as the basis for further research to develop knowledge related to the Malaysian higher education *waqf*. It is also expected to benefit in finding the best method of application of *waqf* for IPTA and IPTS in particular, and can also be used as a reference source for relevant agencies and the community. Also, there is an urgent need to have a paradigm shift while maintaining close cooperation between the various parties to realize the potential of *waqf* as a driving force for socio-economic growth and higher education in Malaysia. Nevertheless, a comprehensive strategy must be implemented to produce a more productive and dynamic *waqf* so that the dependence of the IPTAs on funds donated by the central government can be reduced without affecting the ability the IPTAs to continue producing future leaders. However, this study is still exploratory and experimental, and thus, there is still much research space available to strengthen and develop education *waqf* as a primary source for the education and development of the Muslim community.

Acknowledgment

We wish to thank Professor Dr Muhammad Syukri Saleh and the External Reviewer. We also express our appreciation to the team of the Center for Islamic Development Management Studies (ISDEV) of Universiti Sains Malaysia and to all of the Ikatan Ahli Ekonomi Islam team of Indonesia Komisariat Universitas Mercu Buana, The economics and business faculty of the Universitas Mercu Buana which have been very constructive in the various stages of the development of this article.

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