

## Waqf for Higher Education Institutions: A Conceptual Review

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### ABSTRACT

Waqf has been an important instrument for the development of a nation, including in the higher education sector. In Malaysia, educational waqf stands as a potential tool that can help higher education institutions to reduce their dependency on government funding and improve their financial systems, infrastructure, and overall growth. Therefore, this study aims to contribute toward a better understanding of educational waqf implementation, particularly in Malaysian higher education institutions. The data were obtained using a qualitative research design through the formation of a theoretical framework via the analysis of journals, reports, and other documents. The findings are expected to provide valuable insights and suggestions on how to improve the performance and practice of waqf in Malaysian higher education institutions. It also offers several recommendations for further waqf research, particularly on its role to promote sustainability in higher education institutions.

## 1. Introduction

Waqf refers to the act of dedicating properties for a good cause that benefits the recipients and improves the life quality of the community. While the purpose of waqf is diverse, it was conventionally religion-centric and mainly involved the construction or offering of properties to serve religious purposes. With the passing of time, the role of waqf has expanded to incorporate the support for education [1]. For the past few decades, waqf has been significant in providing financial support to empower the education system of both Islamic and non-Islamic countries. Additionally, the waqf system is proven to be essential for the economic development of a nation and stands as a sustainable funding for educational institutions and students from deprived and disadvantaged families, subsequently promoting access to quality education for all [2]. This subsequently highlights the attention on waqf as a financial source, particularly for educational institutions.

The concept of educational waqf is nothing new in Malaysia; however, it is made significant by the fourth goal of "Quality Education" in the United Nations' Sustainable Development Goals

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(SDGs). According to Ramli *et al.* [3], 90% of costs associated with the operation of public higher education institutions in Malaysia is funded by the government while the remaining comes from student fees. This is exemplary by the allocation of RM14.5 billion and RM15.3 billion to the Ministry of Higher Education (MoHE) in the 2022 and 2023 Budgets, which demonstrates the government's commitment to support and improve the local higher education learning institutions in Malaysia as the best investment for future generations [4].

Despite the government's funding, universities are recommended to generate their own revenues to assist in covering the costs of management, operation, and administration. Monetary constraints have been propounded as a major limitation for universities to maintain its facilities and sustain effective operation, thus disrupting the teaching and learning process along with the development of research. Such concern can be addressed through educational waqf where the combination of government funds and waqf stands as a strong assurance that the capacity of higher education institutions to conduct research and educate the students will never be impacted by monetary limitations, allocation reduction, or increase in economic costs [5]. This carries vital importance for universities to hire the best field experts, enhance the learning experience, and produce students of the highest quality [6].

The argument above hence suggests the dire need for all higher education institutions in Malaysia to devise plans that can reduce their dependency on the government's funding. Education often stands as a long-term investment that is vital for a nation's development where the establishment of quality education will promote superior human capital and an efficient labour force. Hence, the implementation of educational waqf at the tertiary level is always pertinent [7], which mainly stems from the unpredictability of the global economy that can affect all levels of education. Education waqf should be regarded as a longitudinal instrument that can improve Malaysia's educational standard and produce a group of people who are highly knowledgeable and contribute to waqf activities. This will benefit both higher education institutions and the community by enhancing the standard of education and promoting holistic national development [8].

## **2. Review of Literature Review**

### **2.1 An Overview of Waqf**

Waqf can be defined as a pious endowment in Islam and contributes to the religious precept of charity [9]. According to Cizakca [10], the foundation of waqf in Islam remains argumentative and cannot be detected from any source. However, some researchers stated that the concept of waqf existed in early civilisations such as Mesopotamia, Greece, and Macedonia. A similar structure was also practised by other countries like the Turkish Empire, Persia, Egypt, and Byzantine [10-14]. The mosque institution further contributes to the development of waqf. In fact, mosques such as Al Aqsa in Jerusalem and the Al-Haram in Makkah had played an important role and function in practising waqf before the promulgation of Islam [12].

According to Imam Shafi'i, the concept waqf did not exist in the earlier existence of Islam and could only be traced back to the era of Prophet Muhammad (PBUH) and his companions. Waqf practices were initiated by the second caliph (i.e., Saidina Umar Al Khatab) during the time of Khulafa Ar Rasyidin circa the 7th century after hijra and this has been referred to by many Muslim jurists of laws and jurisdictions of waqf [8]. Upon Prophet Muhammad's advice (PBUH), Umar Al Khatab endowed a piece of land (Thamagh) in Khaybar. Subsequently, the Quba Mosque was erected by Prophet Muhammad (PBUH) and became the first waqf in Islam [12].

The meanings and views of waqf in Islam are interpreted differently across various schools of law. Based on the Maliki scholar, waqf is the usufruct that is tied upon the founder during the

existence and the ownership remains with the founder who is no longer entitled to use the substance of the asset [15]. Nevertheless, scholars from the Shafi'i and Hanbali schools view waqf as the "binding of property and dedicating its usufruct for the advantage of the beneficiary where the ownership of the property belongs to Allah SWT" [16]. According to the Hanafi school of law, waqf is the release of specific things or properties of the owner and dedicating their usufruct for charity purposes, to the poor and needy, as well as for loans and lending [16]. Despite the variations in interpreting the meaning of waqf, it can be mutually agreed that waqf is the devotion of an asset or property either by expressed terms or implications for religious and charitable purposes in order to benefit humans [12,16].

## *2.2 Definition of Waqf*

Waqf is derived from an Arabic word, which means "detention" and "to prevent". The majority of fiqh scholars are unanimous in defining waqf according to the word *Al Habs*, which means "hold". This is because *Al Habs* is frequently mentioned by Prophet Muhammad (PBUH) in many hadiths, including one that is narrated by Abdullah Umar R.A:

**"Waqf the land and give the fruit yield as alms."**

According to Rashid [17], the term 'waqf' is used in Malaysia for the same purpose; whereas, several terms are used to refer to waqf in Turkey, namely *vaqf* (plural *evqaf*), *evkaf*, *vakif*, or *vakfi*. From the Islamic perspective, waqf refers to "property dedication to any charity or religious object, or to give benefit to humans".

In Malaysia, the concept of waqf can be divided into two: general waqf (*wakaf am*) and special waqf (*wakaf khas*). The former refers to any waqf that is intended for charitable purposes that adhere to *syara'*; the latter is created with a specific purpose according to *syara'*. Waqf is also defined as the dedication of any property, either usufruct or benefit, that can be used for charity purposes (Section 2 of the Waqf Enactment (State of Selangor), 1999, No.7). According to the local Islamic legislation, waqf is understood as property dedication, whether openly (*sarih*) or by pronouncing the cursor (*kinayah*), whereby the property is detained and its benefits are applied for charity purposes either for a general or specific objective.

Furthermore, the word "detained" describes something that is denoted (known as *Mauquf*) and cannot involve any transactions such as selling, mortgaging, or transferring to other parties. The beneficiary of waqf is called "*Mawquf Alayh*" and is entitled for the benefits of the property without its rights belonging to them. This type of ownership is called *Al Naqis*, which means incomplete ownership. Also, different schools of *mazhab* have varied thoughts on waqf. For example, *Ibnu Al Humam* from the Hanafi *mazhab* interprets waqf as the *ain'* (physical) detention of a property owned by a waqf contributor and donates its benefits to those seeking for charity.

The concept of waqf also focuses on the contribution of assets and usufruct to give benefits to the receivers. From the aspect of ownership, these assets are said to belong to Allah SWT and the owners no longer have any possession or rights upon them upon making the waqf. This outlines the important criteria for waqf and the retention of such element has long been practised by the majority of Muslims in Malaysia.

### *2.3 The Objective and Importance of Waqf*

Many believe that the practise of waqf reflects the charitable spirit in oneself and the society. According to Hasan [18], performing waqf stands as one's gratefulness to the favoured grace of Allah SWT and their awareness and concern for societal needs through the provision of basic facilities like schools, hospitals, bridges, and shelters. This prompts many to view waqf as the giving of alms that can cleanse their wealth and seek forgiveness from the Almighty.

However, there has been a significant decrease in the practise of waqf recently. It is evidenced by the lesser contribution by individuals or society, which mainly owes to one's egoism and materialism. Such issue triggers an alarming concern on the continuity of waqf to fulfil and guarantee the basic needs of humans. This is in line with the Quran where the act of endowing properties to the public habituates individuals to think and plan for future generations. Additionally, Doumani [19] highlights the requirement for a portion of the annual revenue of "waqf ahli" to be spent on good deeds alongside the internal solidarity of their families.

Some researchers believe that waqf plays an important role to support the financing of Islam and the society [13]. Over the past decades, the contribution of waqf in Islam exceeds beyond normal charities where it has been significantly supporting numerous religious, social, cultural, economic, and political activities. Therefore, the constant practise of waqf will allow its benefits to be enjoyed by a wider society. Since the establishment of the Quba Mosque by Prophet Muhammad (PBUH), the mosque institutions have generally become the centre for waqf practices, culture, and administration [20] and it has been significant in disseminating the knowledge of waqf and strengthening its practice among the Muslim society.

Moreover, waqf also strengthens the practice of Islam, especially in the education sector. The evolution of waqf can be traced back to the early establishment of religious schools until its development into higher education institutions. Among the best examples of waqf-funded institutions are Al-Azhar University in Egypt and Al-Qarawiyyin in Morocco. The existence of tafiz schools also embraces the function of waqf in education [20-21] along with the existence of numerous religious schools that are developed and financed by waqf such as in Malaysia, Bangladesh, Pakistan, and Indonesia [22]. The importance of waqf is also exemplary by the provision of social welfare through the introduction of cash waqf in the 16th century during the Ottoman Empire [22]. This aligns with the role of waqf to provide social security and reduce the burden among the societal members through the provision of food and basic needs, supporting their religious costs, assisting in losses that occur due to natural disasters and providing clothes for unemployed people [10,14,23]. Additionally, cash waqf can also be used as a financial assistance to support orphans, widows, road maintenance, the poor, and the needy [24].

From the aspect of the Islamic economy, waqf is crucial to reduce government spending and become part of the distribution. It has been used as a source of financial for social activities [24] and indirectly channels the community's sources of income to maintain public facilities. For instance, waqf was widely utilised in the Ottoman economy to finance the education, health, and public sectors as well as for religious services and commercial centres [10,14,23]. According to Chandra and Rahman [25], cash waqf serves as an investment in equities and becomes a mechanism to support small and medium industries in Indonesia.

Additionally, the function of waqf is to build a social structure with a better understanding on the role of waqf. For example, through wakaf khas, the rights and benefits of family members toward the waqf property are guaranteed from one generation to the next. It will continue the heirs to the descendants and will never be affected by the unstable state of economy. This concept has been practiced since the 19th century in Istanbul and Egypt through massive land reforms [26].

Waqf ahli also allows individuals to dedicate their property to family members according to their wishes [19].

### **3. Waqf Implementation in Malaysian Universities**

Waqf in Malaysian universities is an integral part of the nation's higher education system. Many local universities have established waqf funds or endowments that are administered by a board of trustees. Any income generated from the waqf funds is used to support various academic and research activities as well as to provide scholarships and financial aids to students in need. Nevertheless, the implementation of waqf at Malaysian universities must be in line with the legal and aspirational policies of the state. In practice, the implementation of waqf is under the jurisdiction of the state law as listed in the Federal Constitution under list 2 (The Ninth Schedule).

Every university practicing waqf is necessary to abide by the federal law, which concerns the education. Apart from having to comply with the federal law, there are other laws to be considered by universities before implementing waqf, such as the University Colleges Act 1971 (UCCA 1971), Amended (2009), Private Higher Educational Institutions Act 1996 (Act 555), Income Tax Act 1967 (Act 53), Contract Act 1950 (Act 136), Societies Act 1966 (Act 335), and Trustee Act 1949. Although the word "waqf" is not mentioned in the previous law, references to waqf are also required especially in relation to it.

Additionally, formal authorisation and consent from the State Islamic Religious Council (SIRC) are required prior to implementing waqf in universities. According to Omar [27], to realise the implementation of waqf in universities, a special policy and legislation should be established as a guide to the entire university system in Malaysia. The waqf law should also be adjusted to the advantage of utilising future Malaysian universities. To date, neither a generalised framework nor a body of law is applicable for the implementation of waqf in both public and private universities in Malaysia.

Some public universities have recently adopted the more modern practice of waqf in response to changes brought about by the waqf practice. For instance, Universiti Sains Islam Malaysia (USIM) has implemented several cash waqf development programmes. The university was also appointed as a mutawwali by the State Islamic Religious Council (SIRC), hence giving them the responsibility to administer and manage the waqf at their own university. Meanwhile, Universiti Putra Malaysia (UPM) initiated a special waqf programme that began in 2011, known as the waqf knowledge fund. It involves several methods of waqf fundraising, such as waqf general, waqf books, special facilities, and waqf requirements, which are implemented through various ways, including salary deductions and online contributions.

Public universities in Malaysia have been empowered autonomously to generate their own income to cover the costs of management and administration based on the Malaysia's Education Development Challenge (2015-2025) (Higher Education). The government has created an endowment fund initiative aimed toward promoting donations channelled to cover higher education costs. In the UniTP Purple Book Transformation Programme, waqf is seen as an alternative source of generating university income. This book has been used as a guideline for public universities in developing and managing waqf properties. The current time is considered appropriate because it helps public universities to face financial problems following the reduction from 90% to 70% of operating budget for public universities ahead of 2020 (National Higher Education Strategic Plan (PSPTN), 2007) .

Although the 2023 Budget shows a slight increase in the number of fund-raising trends allocated to the Ministry of Higher Education by RM15.3 billion (management expenses amounting

to RM11.7 billion and development expenses amounting to RM3.6 billion) compared to RM14.5 billion (RM11.5 billion for management expenditure and RM3 billion for development expenditure) in 2022, it is still insufficient to cover the rising cost of education at present. Alternative financial planning and support are thus important to ensure sustainability and income stability for public universities. To achieve a successful agenda, all educational institutions must work for a more organised implementation of waqf.

Several public and private universities have begun implementing the collection and development of waqf in their respective institutions, including Universiti Putra Malaysia (UPM), Universiti Sains Islam Malaysia (USIM), Universiti Kebangsaan Malaysia (UKM), Universiti Sains Malaysia (USM), Universiti Malaysia Perlis (UNIMAP), Universiti Malaysia Terengganu (UMT), Universiti Teknologi MARA (UiTM), University Sultan Zainal Abidin (UNISAZA), Universiti Teknologi Malaysia (UTM), Universiti Malaysia Pahang (UMP), Universiti Teknikal Malaysia Melaka (UTeM), and University Tun Hussein Onn (UTHM). Although such initiatives only began in 2016, the collection has reached RM25 million to date. This is a good sign for public universities in Malaysia to continue the development of waqf as one of their sources of income.

#### **4. Waqf Governance Guidelines for Universities**

To strengthen waqf implementation in higher education institutions, the Ministry of Higher Education has created an initiative drawn up in the University Transformation Programme (Purple Book) [28]. It proposes three models serving as a guide to implement waqf in public education institutions. A summary of the Purple book is as follows:

- a) Generally, a public university in Malaysia is placed under the management of the university director who serves as a manager of the waqf assets. There are also universities that wait for trustees who are responsible for managing the waqf funds. In conclusion, no specific guidelines are provided for public and private higher education institutions. The waqf management community must obtain the authorisation and mandate as waqf manager (mutawwali) from the university.
- b) As stated in the law, every university in Malaysia, be it public or private, must obtain permission from the State Islamic Religious Council (SIRC) before collecting waqf in their institutions. Any waqf implementation in institutions of higher education unapproved by the State Islamic Religious Council (SIRC) violates the Laws of the state, as mentioned in Section 4 (1), Waqf (state of Selangor) Enactment 2015 (Enactment 15) [16].
- c) It depends on the State Religious Council to give permission to the university to manage waqf for their university acquisition [16]. The status of their affiliates affects their role in managing the dependent waqf funds. The examples include Nazir (a trustee to all waqf assets, Mutawali (a manager who has the autonomy and power to manage waqf assets), and Al Qayyim (an agent of main, but has less power).
- d) University Waqf Board is constituted as a distinct and autonomous institution from the university. The collaboration, coordination, as well as the tasks and responsibilities of the University Waqf Board are outlined in a formal contract or in the Waqf documents. Representatives from both the university and State Religious Council (SRIC) serve on the University Waqf Board.
- e) A university establishes a waqf office under the supervision of the University Board of Trustees. The University Waqf Fund is administered by the Board of Trustees as a project of the University Foundation (Yayasan), with a separate account and financial management. All

decisions regarding waqf programmes and activities are approved by the university's Board of Trustees.

## **5. Underlying Theory**

### *5.1 The Nature of Institutional Economic Analysis Theory*

Institutions are a set of rules influenced by formal and informal concepts that affect human economic life. Therefore, any change in institutions will have a direct impact on society. The development of institutions is also a process of formulating activities and behaviours that continue over time as these changes are supported by the norms and values of a society. Institutional development can also be defined as a process of enhancing institutional capacity to enable existing financial and human resources to be used effectively [29]. Since institutions are created based on human and social needs, it will act to reduce uncertainties in daily life.

North [30] explains that institutions play a role in encouraging agents to interact with one another. However, any interactions and collaborations between agents must consider both formal and informal rules. It does not mean that change will never occur in an institution, but rather changes in individuals or societies can be influenced by a variety of factors such as law, behaviours, and regulation. The relationship between legal factors, customs, attitudes, and ethics owned by these agents regulates the human activities in a society. In other words, these factors (legal, customs, attitudes, and ethics) can encourage or prevent the society from acting and thus changing; however, any changes must be made slowly by considering the patterns of change over time.

The process of change within an institution involves the role of time [31]. The experience of the community will provide an in-depth understanding about the institution's constraints or regulations in facilitating social relations and interactions among agents. It can eventually assist the understanding on the implementation of intellectual property waqf by higher education institutions in Malaysia. Through formal and informal approaches, these institutions can regulate factors contributing to the constraints of executing the intellectual property waqf. Additionally, the interaction between agents can be encouraged or inhibited to enable social interaction with each other through institutional relations.

Furthermore, agent attitudes can influence the ideas, strategies, and actions taken in each of their activities [32]. These agents are responsible to assist the institutional development process by interacting through their social relations. According to North [31], change processes are never easy. The ability to change depends on the strength of the organisation and the belief system that a society leads. Meanwhile, institutional analysis focuses on the role of institutions in the social, political, and economic framework that regulate the movement, interaction, and action of every agent [32]. This means that the approach is related to evolutionary change, power relations, and even the complexity of a process happening in society.

The process of making changes is often considered as complex whether it involves formal or informal rules. However, changes to the formal sector can happen in a short period through regulations, statutes, or contracts; the question whether the existing components can be altered or not depends on the current state of society. For example, the law on the implementation of waqf can be referred to the Islamic Administrative Law (Federal Territories) Act 1993. The formal writing rules are more to change and improve than informal rules that involve local culture.

Moreover, changes in formal institutions often take a long time due to the constraints of time and culture. Time shifts will affect both the present and future of formal institutions. For example, higher education institutions have relied heavily on government funds to cover institutional expenditures. However, the amount of funding provided to institutions of higher education has

decreased over the years, thus requiring them to resort to self-funding. Most universities have started their fundraising efforts through cash collection. In fact, many higher education institutions have produced a wealth of intellectual property with reference to patents, copyrights, and doctoral works.

However, it should also be noted that most changes that occur in formal institutions are usually triggered by changes in informal institutions. Hence, formulating formal rules in the form of agreements, contracts, or statutes is required after the change in the value system of a society. It is well known that the creation of written rules is shaped by the changes that occur in informal institutions as a result of changes in the society's value system. The preparation of written rules through laws and terms of agreement is intended to regulate every movement, behaviour, interaction, and action of agents [33], which ultimately enables development to be achieved through improved economic performance.

### *5.1 The Nature of Institutional Economic Analysis Theory*

Formal and informal rules (institutions and constraints) can pose an impact to human behaviours and economic activities. Formal constraints have counterparts and enhance informal constraints, which later reduce the need to monitor and facilitate interaction between humans. Whereas, written rules are formal constraints that can be modified or redefined to replace the existing rules. According to North [30], formal written rules can be reinforced to replace formal or informal constraints. Also, both formal and informal rules affect the implementation of intellectual property waqf at higher education institutions in Malaysia as follows:

#### a) Written or Formal Rules

##### i. Waqf Law

In Malaysia, waqf implementation is governed by the state law as stipulated in the Federal Constitution of Malaysia. Therefore, waqf implementation in any institution of higher education must be approved by the state law under the authority of the State Islamic Religious Council (SIRC), which acts as the sole trustee of all waqf created in all states. The Administration Act Section 61 of the Islamic (federal) Territories Act 1993 (Act 505) defines Islamic Religious Council as the sole trustee of all types of waqf including special waqf, general waqf, and all trusts of any kind that establish a charitable trust to support and promote Islam. This explains that all waqf-related activities must first obtain written permission from the Islamic Religious Council.

Fundamentally, waqf law is more focused on the jurisdiction of the Islamic Religious Council. There are no formal rules that allow public higher education institutions to play their roles in ensuring the attainment and success of the waqf fund. A clear formal rule acts as an idea or plan for action as agreed in the organisation [27]. In this regard, the Purple Book issued by the Ministry of Higher Education Malaysia provides guidelines on the establishment and operation of the University Waqf Fund. However, since the book is merely a collection of notes and guides, it does not serve as a policy or constitution that can be referred to in developing a waqf fund in higher education institutions. According to the University Constitution, the term 'waqf' is yet to be directly or indirectly defined. However, the university, as a corporate entity, has the right to raise funds through the instrument of waqf in accordance to Schedule 1, Section 8, in Section 1 (Constitution), Item 3 (3c) of the University Act

and University College 1971. This provision makes it clear that a university has the capacity to conduct any transaction of any kind including property, the sale and purchase of any movable or immovable property, as well as making leases, exchanges, and donations.

Noticeably, unspecific rules and regulations make it difficult for an agent to make decisions to implement and operate waqf funds, particularly in higher education institutions. Thus, policies specific to waqf education need to be developed as guidance to all parties and laws relating to waqf should be defined and amended, if necessary. This will require the cooperation of various parties, especially the Ministry of Higher Education, local public and private institutions of higher education, and the State Islamic Religious Council. The existence of a specific policy regarding the establishment of waqf funds in higher education institutions is necessary to further strengthen local educational institutions in the future.

ii. Different Enactment in Waqf Management

From the Malaysian context, waqf is under the jurisdiction of the State Islamic Religious Council (SRIC); however, the enactment used in the management of waqf differs across each state. To date, only four states have established special enactments for waqf, namely Selangor, Perak, Melaka, and Negeri Sembilan. While, in other states waqf operate under its general administration. It can be seen that no uniformity of law exists in the implementation of waqf for every state in Malaysia. Having a uniform law will help to reduce uncertainties and facilitate the passage of waqf transactions [34]. This will particularly benefit cases where a waqf property is located in one state but its beneficiaries are situated in another state, while the waqf managers may also operate in other countries. It also contradicts the judiciary, policymakers, administrators, and the public [35].

b) Unwritten and Informal Rules

i. Management

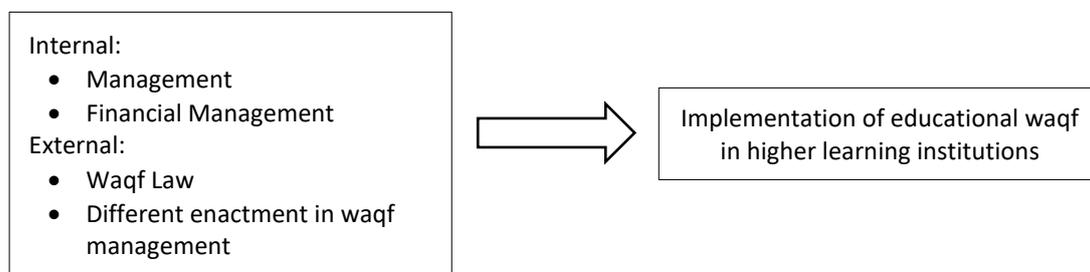
Waqf is an effective instrument for the financing of education; however, it has yet to be fully utilised and empowered among higher education institutions [36]. Among the aspects that need to be improved in educational waqf is management. Without good and prudent management, it is almost impossible to develop waqf and for it to remain competitive in achieving its objective of becoming an instrument of economic generator for Muslims. According to Latiff [37], administration is among the challenging issues facing many educational institutions in Malaysia. Furthermore, successful management of waqf funds in higher education institutions mainly depends on the managing party, who must possess in-depth knowledge and understanding about waqf. Such aspect is important as incompetent and inefficient management of waqf commonly stands as the primary reason that makes people reluctant from contributing to universities, subsequently leading to a shortage of funds for university management. Therefore, it is suggested that a committee of qualified and competent members should be formed to lead the administration and management of waqf in order to achieve returns [1].

ii. Financial Management

Waqf financial management is one of the many backbones that contribute to the success of higher education institutions. Among the aspects that need attention in waqf financial management include the distribution of funds for the purpose of physical development, operating costs, and academic excellence programmes [38].

According to Ali *et al.* [39], the sustainability of waqf funds depends on the administration and management of the waqf funds itself. This aspect is important to develop, grow, and further increase the quantity of waqf and the quality of its benefits. Additionally, having a clear structure in the waqf organisation will ensure that the waqf funds can be developed and commercialised. To encourage the implementation of waqf in higher education institutions, the State Islamic Religious Council (SIRC) must give freedom and approval for higher learning institutions to be the sole manager of waqf funds. Although the law stated that SIRC is the sole trustee of state waqf, Bahari [40] explained that administrative constraints between the university and SIRC regarding the need for universities to apply as mutawalli will discourage the freedom and progress of the waqf. Additionally, universities that wish to empower waqf are forced to hide the implementation of waqf educational financing under the shadow of a foundation to avoid interference from SIRC [40].

Based on the arguments above, this paper proposes a framework on the constraints of educational waqf implementation in higher education institutions as shown in Figure 1 below:



**Fig. 1.** Proposed framework on the constraints of educational waqf implementation in higher education institutions

## 5. Underlying Theory

Education stands as a significant contributor in producing a knowledgeable and highly civilized future generation. The globalisation trend has become a point of challenge for higher education institutions to provide the best education and learning experience for students. Hence, waqf is an alternative financial resource that continues to grow and contributes to the sustainability of education in the future. From a legal perspective, the administration of waqf in higher education institutions must be refined by the administration and management to avoid any jurisdiction-related issues that can distort the public's trust in the universities' capability of managing educational waqf. Furthermore, formal approval and support from the State Islamic Religious Council (SIRC) are required not only for monitoring but also to create a wider space for collaboration and discussion to boost educational waqf activities and achieve the outlined objectives.

Financial management is a vital focus for the successful implementation of waqf in higher educational institutions. The inexistence of sufficient and consistent funds will provide universities with numerous problems such as a lack of facilities, limited human resources, and inefficient management activities, ultimately leading to the public's misunderstanding toward the educational endowment concept. Following the reduction in government funding, now is the right time for higher education institutions to reduce their dependency on government assistance and instead take advantage of various Islamic financial instruments, such as waqf, in managing their operations.

This paper also discussed the aspect of waqf management. In the implementation of educational waqf, the waqf administrators and managers are responsible for preserving, developing, and redeveloping the waqf property for the benefit of the community in accordance with the waqf policy. The ill management of waqf will impose a negative perception toward education waqf, subsequently halting more contributions in the future. The scope of waqf management covers the aspects of having adequate and qualified staff, the manager's understanding of waqf, and the use of proper managerial facilities and technology to facilitate the governance system of waqf data storage. In conclusion, waqf has great potential in developing the education sector if it is properly managed by a professional organisation and practices a work-based culture of real Islam. The various recommendations in this paper can serve as a guide and added value for waqf managers to strengthen their management of educational waqf in higher educational institutions for the benefit of all stakeholders.

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