

DIVERSIFYING INCOME GENERATION THROUGH WAQF IN PUBLIC UNIVERSITIES IN MALAYSIA: EFFORTS AND CHALLENGES

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Abstract

In contemporary times, Ministry of Higher Education (MoHE) in Malaysia has announced that public universities are expected to find alternatives for income generation due to government budgetary constraints. The universities should draw on diverse sources of revenue to ensure long-term financial sustainability of their education system. The inherent features and good track of waqf in the prominent universities in the world is seen as a possible solution to fund public universities in Malaysia. Hence, the Ministry of Higher Education has highlighted waqf as one of the ten shifts in Malaysian Education Blueprint 2015-2025 (Higher Education). Additionally, MoHE has launched the "University Transformation Programme" (UniTP) Purple Book specifically focusing on enhancing university revenue generation through waqf. The extreme pressure has caused public universities to set up waqf entity towards realizing the government's aim. The UniTP Purple Book becomes the reference for public universities to set up a waqf entity in their institutions. Therefore, this paper seeks to look briefly into the Malaysian Education Blueprint 2015-2025 (Higher Education) which outlines various areas for university transformation as well as a brief discussion about UniTP Purple Book which will be made which serves as a guideline to public universities to initiate waqf entity. Besides, this article further investigates the efforts towards realizing waqf funds in public universities as well as the challenges that arise. This study has incorporated qualitative and exploratory approaches. Data collected will be analyzed based on content analysis approach. In conclusion part, the researchers offer some recommendations to face the challenges that occur for future waqf in Malaysia's higher education. In addition, the landscape of waqf implementation in other Islamic countries such as Turkey could be the best reference for Malaysia to learn from and adapt. More importantly, it is hoped that this paper would contribute to the betterment of waqf implementation in Malaysian public universities.

Keywords: Blueprint, Education, Purple Book, University, Waqf

1. INTRODUCTION

As the global trend of higher education funding in several countries has changed at the end of 20th century, the total reliance on government support is no longer feasible, and the concept of cost sharing is to be more

realistic. Universities require a lot of financing for the basic purposes such as funding of researchers, students as well as funding the cost of universities' managements and staffs. Therefore, its require another alternative sources for long-term financial sustainability. As a result, universities have to be creative to find self-financial resources apart from solely relying on government funding. Based on a research revealed by UNESCO, 2012 as cited by Siti Mashitoh Mahamood & Asmak Ab Rahman (2015), Malaysia's public universities implemented various approaches to generate their own income, such as endowment and philanthropic, income-generation from university hospitals, profit-making activities through university enterprises, entrepreneurship programmes, consultancy offshore programmes, continuing studies programmes, short-term professional development programmes, cost-recovery and profit-making and increasing the post-graduate programmes.

The unique features and good track of waqf in the prominent universities in the world has raised awareness for public universities in Malaysia to adopt waqf. Mohamad Abdul Hamid (2015) highlights that waqf has been executed to benefit in many aspects not only limited to religious purposes but also education, healthcare, national security, commercial and business activities, transportation facilities, shelter and food for the needy and poor. A study conducted by Dzuljastri Abdul Razak, Nor Azizan Che Embi, Marhanum Che Mohd Salleh, & Faaza Fakhrunnas (2016) apparently shows that waqf fund has successfully upgraded the education system and provides opportunity to the poor and needy in countries like Malaysia, Turkey, and Indonesia and presents an opportunity to the poor and needy. Furthermore, Mohamed Aslam Haneef (2016) points out that waqf is one of the potential apparatuses to assist universities apart from private and public sectors.

This paper consists of several sections starting with the introduction. The second section discusses briefly the research method employed in this study. The third section provides an overview of waqf. Subsequently, the fourth section aims to look into briefly at Malaysia's Education Blueprint 2015-2025 (Higher Education). The fifth section focuses on a little enlightenment of UniTP Purple Book which serves as a guideline to public universities to initiate waqf funds in their institutions. The sixth section discusses the effort and challenges towards realizing waqf funds in public universities. The final section concludes and explicates the recommendations of the paper.

2. METHODOLOGY

This study adopts qualitative and exploratory approaches. Qualitative research is defined as an inquiry process of understanding a social or human problem based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting (W.Creswell, 2009). An exploratory approach, on the other hand, is important in this study to determine how waqf is implemented as an alternative instrument in funding the public universities. In collecting data, two main methods have been used, namely library research and interviews. The first method was applied to obtain data from primary and secondary sources. The references include statutes, articles from published journals, conference papers, books, and websites. In regard to the second method, interviews have been conducted which involve experts. All the interviews are recorded and transcribed. Finally, all the data were analyzed using the content analysis method.

3. AN OVERVIEW OF WAQF

3.1 Definition of Waqf

Before going into further details about the topic under discussion, it is important to understand the concept of waqf. The word waqf (plural awqaf) according to Murat Cizakca (2000) is derived from the Arabic root verb *waqafa*, which means to cause a thing to stop and stand still. It also means detention, to prevent and restrain. Commonly, waqf refers to a religious foundation, which is defined in various ways in the Shari'ah by different schools of laws. The term waqf refers to things which are intact in themselves and yet produce an income or benefit, the owner of which foregoes his right of ownership on condition that the product serves a charitable purpose. An endowed property is appropriately called *mawquf*, *mahbus*, *muhabbas* or *habis* (Siti Mashitoh Mahamood & Asmak Ab Rahman, 2015). In addition, waqf also can be defined as private ownership or asset in any form that has been put under injunction from any kind of deal including sale, inheritance and heirloom, hibah (grant) and wasiyyah (will) at the same time as its physical source remains whole and unaffected (Abd Halim Mohd Noor, Nor Aishah Mohd Ali, Aryani Abdullah, & Henny Hazliza Mohd Tahir, 2014). All waqf enactment in the respective states in Malaysia has provided a general definition of waqf. In this paper, a reference is made to Melaka Wakaf Enactment 2005, refers to waqf as:

"The dedication of any property from which its usufruct or benefit may be used for any charitable purpose whether as *wakaf am* or *wakaf khas* according to Hukum Syarak, but does not include a trust which is

defined under Trustee Act 1949 [Act 208]”.

3.2 Waqf in Islamic Perspective

Though waqf has not been specifically mentioned in Al-Quran or hadith yet, many verses are interpreted as inculcating Muslims to use their prosperity in the way of Allah as there will be a great reward such as in Surah al-Baqarah (2: 261), al-Baqarah (2: 271), Ali Imran (3: 92), Ali Imran (3: 134), al-Lail (92: 18-21) and al-Hadid (57: 18).

As an example, Allah swt said in (Al-Baqarah: (2: 261):

“The parable of those who spend their wealth in the way of Allah is that of a grain of corn: it grows seven ears, and each ear has a hundred grains. Allah gives manifold increase to whom He pleases; and Allah is ample Giving, all-Knowing”

From the Quranic verse above, the *waqif* (the endower) will continue to receive Allah’s rewards even after his/her death as long as the waqf property is used in a good manner. One way to be a donor is through waqf. Not only that, waqf is the best instrument to do charity because the property endowed will be managed by the authorized person/institution known as *mutawalli* to ensure the permanence of the awqaf assets. Besides, there is also a hadith mentioning about waqf as started by Prophet Muhammad Peace and Blessings be Upon Him (PBUH) when Umar who asked the Prophet (PBUH), what to do with a palm orchard he owned in the city of Khaibar and the Prophet (PBUH), said:

"Give it in charity (i.e. as an endowment) with its land and trees on the condition that the land and trees will neither be sold nor given as a present, nor bequeathed, but the fruits are to be spent in charity." (Narrated-by Bukhory).

3.3 Legality of Waqf in Malaysia

Malaysia is a federation which consists of 13 states and three federal territories. They have their own local governments that possess certain administrative autonomy. Federal Constitution of Malaysia is the supreme law of Federation as explained under Article 4 which binds all the 13 States and three federal territories. Additionally, under Article 3 of Federal Constitution, Islam is recognized as the religion of the Federation but other religions may practice their religions in peace and harmony in any part of Federation. Based on Federal Constitution, Islamic matters (except in the Federal Territories) are positioned in the Ninth Schedule, List II (State List) which stipulates a Ruler (King) is the head of the religion (Islam). Out of 13 states, there are 9 States which have monarchy leaders known as Sultans and amongst these Sultans; one is elected as the King of Malaysia (*Duli Yang Maha Mulia Yang di-Pertuan Agong*) for a tenure of 5 years. Constitutionally, the authority on Islamic religious affairs falls under the responsibility of the Sultans. Administrative powers acquired by Sultan could be delegated to the State Islamic Religious Councils (Majlis Agama Islam Negeri or MAINs). Conversely, in the case of a state without a Sultan like Sabah, Sarawak, Malacca and Penang, the head of Islam is the King of Malaysia (*Duli Yang Maha Mulia Yang di-Pertuan Agong*) and in the same manner, these administrative powers are delegated to the respective State Islamic Religious Council (SIRCs) or Majlis Agama Islam Negeri (MAINs) (Azri Ahmad, Syarqawi Muhammad, & Mohd Asyran Safwan Kamaruzaman, 2012).

In each state, SIRC is formed to advise the Rulers on all Islamic matters and each state has enacted its own Islamic legislation. Legislations governing waqf have been introduced based on Article 74, read together with the State List of the Ninth Schedule. Different states will have a distinct set of legislations (Hisham Yaacob, 2013). Article 74 (2) of Federal Constitutions has mentioned waqf as following:

“...Wakafs and the definition and regulation of charitable and religious trusts, the appointment of trustees and the incorporation of persons in respect of Islamic religious and charitable endowments, institutions, trusts, charities and charitable institutions operating wholly within the State.

At the moment, only five states have waqf legislations namely Wakaf (State of Terengganu) Enactment 2016, Wakaf (State of Selangor) Enactment 2015, Wakaf (Perak) Enactment 2015, Wakaf (State of Malacca) Enactment 2005 and Wakaf (Negeri Sembilan) Enactment 2005. These legislations demonstrate various legal stipulations governing waqf in different states in Malaysia. In the effort to provide a more concerted effort in the development and utilization of waqf assets in Malaysia, the Federal Government has set up Department of Waqf, Zakat and Hajj or *Jabatan Waqf, Zakat dan Haji* (JAWHAR) under the Department of the Prime Minister. JAWHAR has thus far been able to provide a platform which helps to synchronize SIRCs of different states in Malaysia on matters relating to waqf.

4. MALAYSIA EDUCATION BLUEPRINT 2015-2025 (HIGHER EDUCATION)

In 2013, the Ministry of Higher Education began developing the Malaysia Education Blueprint 2015–2025 (Higher Education) or the MEB (HE) to stay abreast with the global trend. Then, in 2015, Malaysia has launched Malaysia Education Blueprint 2015-2025 (Higher Education) or the MEB (HE). The substance for the blueprint was the recognition of how much has changed since the last strategic plan, thus the need for updating. The adoption of the MEB (HE), will transform Malaysia's higher education system to meet the new challenges (Mohamed Aslam Haneef, 2016). The blueprint sets out 5 system aspirations- access (100% pre-school to upper secondary enrolment by 2020), quality (Top 3rd of all countries in PISA and TIMSS in 15 years), equity (50% reduction in achievement gaps for rural-urban; socio-economic and gender by 2020), unity (shared values for nation building) and efficiency (maximises student outcomes) and 6 student aspirations- ethics and spirituality, leadership skills and national identity to build akhlaq; language proficiency, thinking skills and knowledge to develop the intellect/ilmu (*Malaysia Education Blueprint 2015-2025 (Higher Education)*, 2015). To achieve these aspirations, 10 'shifts' are required which provide a new outline. The first four shifts focus on outcomes for the major stakeholders in the higher education system, including students in academic and TVET pathways, the academic community, as well as all Malaysians participating in lifelong learning. The other six Shifts focus on enablers for the higher education ecosystem, covering critical components such as funding, governance, innovation, internationalization, online learning, and delivery. To ensure the 10 shifts are achieved there will be KPI's to be measured and assessed annually. By 2025, Malaysia aims to have 2.5 million enrolments in higher education and to reach 70% of all those in the age group in higher education (currently at 48%). The massive increase should be equivalent in term of its quantity and quality. The total government expenditure on higher education has been rising at a rate of 14% annually, and this sustainability issue has been greatly debated in Malaysia. To achieve all these goals require nothing less than University transformation. Hence to guide and keep track of this transformation process, a clear agenda codifying best practices into "playbooks" on critical improvement areas are being developed for adoption by public universities (Mohamed Aslam Haneef, 2016).

5. UNIVERSITY TRANSFORMATION PROGRAMME (UNITP) PURPLE BOOK

The fifth shift in MEB concentrates on financial sustainability to spur continued excellence in Malaysia's higher education. For that purpose, the Minister of Higher Education (MOHE) has collaborated with universities in unveiling the University Transformation Programme (UniTP) to assist public universities in creating and implementing their own tailored transformation plans. It was reported in the Star 17 July 2016; MOHE unveiled three new guidebooks that are part of its University Transformation Programme (UniTP). One 'playbook' known as UniTP Purple Book has been released specifically focusing on enhancing university income generation through endowment and waqf. This Purple Book contains a set of guidelines for the top management in public universities on how to go forward to establish a waqf fund. In addition, Purple Book crystallizes all vital structures that are currently operating in public universities in Malaysia. Moreover, the Purple Book provides practical approaches and framework to help universities address a significant challenge in diversifying and enhancing income (Ministry of Higher Education, 2016).

Additionally, there are three possible waqf governance models that can be adopted in public universities as presented in the Purple Book. However, this UniTP Purple Book only serves as a general guide for public universities and effective implementation would depend very much on their level of readiness as well as the State Islamic Religious Religious Council. The first model prescribes that a university that has been awarded a *mutawwali* status may set up a unit or department under the management of the university itself known as the University Waqf Committee. This Committee is put under the University Board of Directors as one of the Board's committees. All decisions on waqf programs and activities are conducted upon approval by the university management. All accounts and financial management of waqf are under the jurisdiction of the university management. Subsequently, based on the second model a university may set up a waqf office under the University Board of Trustees. The University Waqf Fund is put under the Board of Trustees as a project under the University Foundation (Yayasan) having a separate account and financial management. In model three, University Waqf Board (UWB) is established as a separate and independent entity from the University. Collaboration and coordination, as well as roles and responsibilities of the UWB are spelled out in a written agreement or Waqf Deeds. UWB members comprise of representatives from both the University and SIRC. An ideal model is that of an independent Waqf Board structure as presented in Model 3 (Fahmi Sheikh Omar, 2016).

6. EFFORTS AND CHALLENGES OF WAQF IMPLEMENTATION IN PUBLIC UNIVERSITIES

6.1 Efforts Towards the Implementation of Waqf in Public Universities

In 2016's budget, the Ministry of Finance (MOF) announced the budget allocation cut for public universities between 5 to 20% prompting the MOHE to come up with innovative solutions on how public universities can generate income through other revenue streams such as waqf (Fahmi Sheikh Omar, 2016). Higher Education Minister, Datuk Seri Idris Jusoh hopes that public universities will form its own waqf fund by the end of this year. A team from Purple Book will be ready to go to any public university to facilitate the universities and provide a clear understanding for establishing a waqf fund.

Several universities have already established waqf funds and various methods are used to generate the waqf funds. Siti Mashitoh Mahmood & Asmak Ab Rahman (2015) demonstrate that any kind of property may be created as a waqf. This is called *mawquf*, and the terms *mahbus*, *muhabbas* or *habis* are also used in some locations. A *mawquf* may consist of movable or immovable property. Cash waqf may also constitute a valid *mawquf*. In addition, an *irsad* waqf which include government grants or any waqf donation from a body or an organization is also accepted. Cash waqf is the popular way for most of the universities. It is easy and straightforward for people to contribute provided they have the motivation to do so. Muslims usually choose to donate due to religious motivation regardless of the levels of income (Dzuljastri Abdul Razak, 2016). The creative methods offered by universities open the door wider for people to participate in cash waqf. UKM for instance initiated waqf fund in 2007 and now had about MYR364,000 (Idris Jusoh, 2016). Siti Mashitoh Mahmood & Asmak Ab Rahman (2015) explain that the waqf fund in UKM is known as Dana Waqaf UKM and is commenced under the Chancellery Foundation. Various modern ICT services have been built such as website, banking, and electronic banking, as well as through direct debit. The facilities provided make the *waqif* easy and convenient to donate to the waqf fund. Road shows concerning waqf donations and their importance have also been introduced by UKM for faculty members of the university to create awareness regarding the purpose of contributions.

USIM, in comparison, has established a waqf center known as *Al-Abrar Waqf* Fund in March 2013 for the purpose of collecting waqf funds. This center was formed with the collaboration of the State Islamic Religious Council Negeri Sembilan (MAINS) as a sole trustee of all awqaf in that state. In the same way, the establishment of the center was authorized by the University's Board of Directors in the meeting of in May 2013. The thrust for the establishment, as envisaged by the University's Vice-chancellor, is to prepare for the future expectation of possible government's instruction to the institutions of learning to provide about 30% funding to itself through awqaf and the government providing only 70% (Mahadi Ahmad & Yakubu Hassan, 2015). Besides, Fadhilah Abdullah Asuhaimi, Zurina Shafii, & Mohamad Alias (2015) explain that through *Al-Abrar Waqf* Fund, USIM has carried out a project to build the first Haemodialysis Center. The funding requires a capital amounting to MYR 1.3 million and monthly operating costs of MYR30.9 thousand. For this project, MAINS has allocated MYR 1.5 million to cover capital and operating expenditure. A patient will be charged MYR 150 per visit/session. While for the *asnaf* (designated beneficiary) category, MAINS will pay the center MYR 90 per visit/session for one person. The second project carried out by USIM is the Specialist Medical Center (Medical and Dentistry). The funding required is MYR 2.3 million. For this project, MYR 2 million was allocated by MAINS as waqf grant and MYR 1 million as *qardhul hassan* (interest free loan) in which interest, profit and application fee are excluded (Noor Suhaida Kasri & Mariyam Hamziyya, 2015). USIM had also embarked on collecting cash waqf from USIM's staff since September 2013. The amount collected until end of March 2015 is about MYR 150 thousand. The collection of cash waqf through monthly salary deductions has just begun from April 2015.

Whereas in UPM, Dana Wakaf Ilmu (DWI) was formed since 2011 when it was launched by the UPM's Chancellor, the Sultan (Ruler) of Selangor, Sultan Sharifuddin Idris Shah on 16 August 2011. This waqf fund provides waqf opportunities through several schemes: namely General Waqf, Kitab Waqf, Facility Waqf, and Special Needs Waqf. Funds are collected through the waqf counter, collection boxes placed at various offices in UPM, CIMB Clicks, monthly salary deduction and staff claims facility (e-claim) (Nuruliman Ibrahim, 2016). Subsequently, waqf funds generated from this program will be used for student development, providing educational services and so on (Rohayati Hussin, Rusnadewi Abdul Rashid, & Noor Inayah Yaakub, 2016). At the end of 2016, several other public universities have formed waqf funds such as Universiti Malaysia Pahang (UMP) and Universiti Teknologi Malaysia (UTM) and Universiti Sultan Zainal Abidin (UniSZA). Hafizan Hek (2016) reports that UTM has set up a waqf fund known as Education Waqf Fund (DWP), This waqf fund has been legally established upon the signing of a Memorandum of Agreement (MoA) between UTM and with the Johor Islamic Religious Council (MAIJ). UTM has targeted the donors not only from Muslims but individuals or organizations owned by non-Muslims also are more than

welcome to contribute to this fund. Promotion via mass media such as advertisements, television, radio, newspapers and so on would open more doors for donors to participate.

6.2 Analysis on the Challenges Towards the Sustainability of Waqf Execution in Public Universities

6.2.1 The Awareness and Readiness of Universities' Top Management to Implement Waqf

As the budget of public universities has been slashed by almost 20% in 2017, the Minister of Higher Education has urged public universities to form its own waqf fund by the end of 2016 (Idris Jusoh, 2016). The reduction of the budget was considered to be in line with the efforts to reduce public universities' dependence on the government from 90% of their operating costs to 70% as enshrined in MEB 2015-2025. Even though waqf for higher education is still new in Malaysia, and many presume waqf to be optional to higher education unlike school-level or religious education as demonstrated by Fahmi Sheikh Omar (2016) and many philanthropists have yet to buy-in into this alternative but, this should not be an excuse for universities not to establish waqf fund in their institutions. Hence, the top managements in public universities should be ready to move forward to set up a waqf entity for the said purpose. Additionally, the pressure towards executing waqf in public universities requires readiness and understanding of the top management as well as other stakeholders in the universities. The nature and tenets of waqf should be clearly comprehended as waqf bears some unique characteristics and, to some degree, some strict Syariah legal principles (Siti Mashitoh Mahamood & Asmak Ab Rahman, 2015). It becomes more challenging for several universities that need to initiate a waqf entity now in contrast to the universities that have already executed waqf entity for several years such as UKM, USIM, and UPM. For that reason, a team from UniTP Purple Book has been formed to inform the people, especially Muslims, to enable them to understand the concept better. The culture of donating and having waqf should be encouraged in this country (Idris Jusoh, 2016). Thus, it requires the collaboration with the SIRC in the state to come out with a strong, effective line of action to implement waqf for public universities. The misinterpretation of waqf and endowment notions by the top management should be clear from the beginning to avoid any misassumption by the public in future. In the same way, the top management has to realize that a university's sources should not solely rely on waqf to survive. However, it may be a backup with other external sources such as donations, gifts, and bequests (Siti Mashitoh Mahamood & Asmak Ab Rahman, 2014).

6.2.2 The Readiness of State Islamic Religious Councils (SIRCs)

Anyhow, the successful implementation of waqf in public universities entail the readiness of SIRCs mainly in collaborating with public universities in relation to the waqf administrator status so that they could manage and administer their waqf assets autonomously. Lawfully, any universities that intend to implement waqf require authorization from SIRCs. Waqf implementation in the universities without the endorsement by SIRCs is considered as opposing the Malaysian laws (Siti Fatahiyah Mahamood & Siti Mashitoh Mahamood, 2016). This is pursuant to provisions in the enactments relating to waqf that are similar with Section 4(1), Wakaf (State of Selangor) Enactment 2015 (Enactment 15) which elaborates:

"The Majlis shall be the sole trustee for all wakaf situated in the State of Selangor..."

Section 45 of the same enactment explains the following:

"Any person who administers or manages wakaf am or wakaf khas without the written permission of Majlis or Corporation commits an offence and shall, on conviction, be liable to a fine not exceeding one thousand ringgit or to imprisonment for a term not exceeding six months or to both."

Thus, the authorization power held by SIRC is imperative to ensure that waqf to be realized in public universities. In the same way, public universities are allowed to create a waqf entity as well as form waqf committee based on the suggested waqf governance models presented in the Purple Book. Hence, the status as waqf administrator should be appropriately granted to public universities by the SIRC as the sole trustee of waqf assets. More importantly, it depends on the discretion of the SIRC to determine what status to be awarded. Siti Mashitoh Mahamood (2016) demonstrates three different terms for waqf manager currently practiced in respect of waqf universities viz.: An-Nazir, Al- Mutawalli, and Al-Qayyim. An-Nazir in the context of waqf university refers to SIRC as the sole trustee of all waqf assets. Al- Mutawwali on the other hand, manages waqf fund for university under the supervision of SIRC. With the mutawwali title, universities may have autonomy to manage their own institution even though the SIRC still supervises them. Then, *al-Qayyim* is considered an agent to SIRC which has lesser power to manage waqf funds autonomously compared to al-Mutawwali. Based on the exploratory study conducted, practically public universities acquired different status depending on which state the universities are located. As far as this study is concerned, no specific requirements are fixed by SIRCs in granting a university a status. Apart from

that, there is no particular section provided in any waqf enactment regarding this matter. In the mean times, several public universities have been awarded the title as Mutawwali such as USIM and UNISZA. UKM and UPM, on the contrary, have been granted status as al-Qayyim (Wan Kamal, 2016). The different status' attained by the universities reflect the power owned by them in managing their own waqf fund. As far as this study is concerned, no specific requirements fixed by SIRC in granting a university a status as al-Mutawwali or al-Qayyim. As a result, it may create confusion specifically to stakeholders involved.

6.2.3 The Talent of Parties in Managing Waqf Assets

Another essential challenge which requires pertinent attention is related to the parties who manage waqf assets in the public universities. The parties who manages waqf assets must have passion as well as are qualified and competent in ensuring that the tenets and pillars of waqf are strictly observed as waqf assets are the properties of Allah. The awareness and correct understanding of waqf should be possessed by human resources involved in managing waqf. Failure to do so exposes them to slander and apparently will tarnish the image of universities fund in future. Institutional reform of waqf must be preceded by having an in-depth knowledge of waqf in the historical dimension (Hidayatul Ihsan & Abdullah Ayedh, 2015). Therefore, those who manage waqf should continuously learn about waqf from various sources and different angles. The lack of qualified and competent human resources in managing waqf is one of the factors why people are reluctant to endow their properties to a university. This results in the management in universities facing a shortage of funds. Mohamed Aslam (2016) suggests that 'University Waqf Committee' will have to be made up of qualified and competent managers, who not only understand what waqf is but possess the technical and professional abilities to manage and invest waqf properties in order to achieve returns/proceeds. These are the returns and proceeds that will ultimately be used to fund the various public higher education costs that are targeted in the blueprint. This is where the examples from various endowment funds in western universities can play a very important role. Qualified and competent human resources are also required when accounting and reporting of awqaf institutions are concerned. Good management has to be complemented by the highest accounting standards and reporting benchmarks. Only good governance practices can instil confidence among the potential donors or *waqif* to entrust their gift with the mutawalli. In the past, there existed Waqf University known as Al Bukhari University (AiU) in Malaysia, but it had to be closed due cannot survive and problems in its management (Siti Mashitoh Mahamood & Asmak Ab Rahman, 2015). The problems of managing an organization and its staff will exist if an organization's management system is imperfect. Thus, waqf institutions need to strengthen its waqf fund management system effectively and efficiently to realize waqf in the universities. In West, an endowment fund can grow successfully, so it is not possible for waqf funds in Malaysia also be built successfully. It is because Malaysia has a significant amount of current waqf funds, but these have not been developed efficiently.

6.2.4 The Lack of Waqf Provisios in Higher Education Laws

Though waqf is under state jurisdiction as listed in the Federal Constitution under List II (the Ninth Schedule), nonetheless, the implementation of waqf in public universities need to comply with Federal laws as education is listed under the Federal List in the Ninth Schedule. Universities and University Colleges Act 1971 (UUCA 1971) is the primary law for reference apart from the constitution of the university. A university as a corporate body pursuant to Section 6 (1) (a) of UUCA 1971 is allowed to provide, promote, and develop higher education in all such branches of learning as specified by the order. In addition, according to First Schedule, Section 8 Part 1, Section 3 (c) of UUCA 1971, a university has power to take, accept and hold any such property which may become vested in it by virtue of any such purchase, or by any exchange, grant, donation, lease testamentary disposition or otherwise. Hence, based on the provisions mentioned, a university has authority to engage in any property transaction including acquiring, sale and purchase movables or immovables, lease, donation and others. It is apparent that a university has the power to establish a Trust Fund for that purpose. A waqf unit also may be formed legitimately based on the same provision as explained by Siti Umairah Ali Hamdan (2016). Equally important, the law permits a university to receive funds from individuals, government agencies, national or international and charitable organizations for the development of education. The fund received by a university could be made in various forms such as donation, gift, and bequest. Even though the term 'waqf' does not specifically mentioned in the above provisions, however, waqf could be categorized as a perpetual donation. However, the researchers are of the opinion that the waqf term should be inserted into higher education laws to show a particular attention on waqf. In the same way, special regulations or rules are vital in governing the overall system of universities based on waqf. This is due to the fact that waqf has some exclusive features, and some strict Shari'ah principles need to be followed (Siti Mashitoh Mahamood & Asmak Ab Rahman, 2015).

6.2.5 Investment of Waqf

The funds cannot be used directly to serve the waqf purpose as this may disturb the permanent character of

the mawqf (the funds). The direct application of the funds will retain nothing as to the substance or the principal of the property. Thus, the funds might be invested to gain dividends, or else they might be used to buy immovable property, and the income would be used to serve the purpose of a waqf. They might also serve as a *qard al-hasan* (interest free loan) to the poor (Siti Mashitoh Mahamood & Asmak Ab Rahman, 2015). It is vital for a university to engage in prudent investments to secure against any economic contingencies, for example, in times of economic and stock market uncertainty. It is vital to note here that the very important aspect in the context of waqf is that the waqf manager in a university must engage in ethically Syariah-based investment. Activities involving illegal elements and transactions such as riba (usury), maisir (gambling), gharar (ambiguity) and other prohibited activities like tobacco, alcohol and the like are thus prohibited (Fadhilah Abdullah Asuhaimi et al., 2015; Siti Mashitoh Mahamood & Asmak Ab Rahman, 2015). Investment in properties should preferably be prioritized firstly towards an expansion of the university's core business, then in high-potential commercial and residential areas, or in plantation projects with a reasonable turnover. All these steps are necessary to maximize benefits without compromising values. The role of Chief Financial Bursars in universities becomes more challenging due to the need to invest, divest and re-invest waqf funds effectively.

7. CONCLUSION

Based on the discussions above, many benefits can be derived from the establishment of a waqf in the university. Indeed, not only students and staff but also the whole university and society can be the beneficiaries of waqf. The sustainability of waqf in higher education in future depends on what has been done and prepared in the present time. Collaboration among all the stakeholders is imperative to find a feasible and preferable outcome towards the successful development of waqf implementation in Malaysia's universities. The challenges, however, are there nonetheless, the path through is also getting clearer by the day. There should be an optimistic mind that the aim of MOHE to execute waqf as a financial instrument as enshrined in Education Blueprint 2015–2025 could be accomplished with dedication and commitment from all the parties involved. Equally important, the experience of waqf implementation in another Islamic country like Turkey is a good model to be adapted in Malaysia. As has been observed by Shaya'a Othman (2015) waqf education institutions in Turkey are well managed and could be the best model to be embraced by Malaysia. Differences in cultural and language practiced by Malaysian should not be an obstacle to learn from Turkish's experiences in implementing waqf in their universities.

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