

International Conference on Economics, Entrepreneurship and Management
2019 (ICEEM2019)
Langkawi July 6, 2019

WAQF INSTITUTIONS IN PUBLIC UNIVERSITIES OF MALAYSIA: BACKGROUND, GOVERNANCE, ORGANIZATIONAL STRUCTURE, OBJECTIVES AND ACTIVITIES

Mokthar Ismail¹, Fuadah Johari²& Mohd. Nazri Mohd Noor³

¹(Corresponding author). Lecturer, Faculty of Management and Muamalah, Kolej
Universiti Islam Antarabangsa Selangor (KUIS).

² Assoc. Prof. Dr. Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia
(USIM).

³ Senior Lecturer, Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia
(USIM).

mokthar@kuis.edu.my

fuadah@usim.edu.my

nazrimn@usim.edu.my

Abstract

This paper discusses the development of Waqf institutions in public universities of Malaysia. Literatures on higher learning institutions' Waqf are available in abundance. Yet, opportunities are still existed to add more inputs in view of Waqf institutions' background, governance, organizational structure, objectives and activities in public universities of Malaysia. The objective of this paper is to share information and suggestion related to Waqf institutions in public universities of Malaysia. This qualitative paper is prepared based on interpretative research approach which seeks to understand the progress of Waqf institutions in public universities of Malaysia. Main references of this paper are online sources such as Waqf institutions' websites, reports and bulletins, besides journal articles and conference proceedings. All Waqf institutions in public universities of Malaysia put optimum efforts to have positive growth from their inception point. The purpose and objective of establishing Waqf institutions are well communicated with the stakeholders. Their governance and organization structure are designed accordingly to function as per required by universities. Activities related to Waqf stakeholders specially endowers and recipients are dynamic and could be stepped up to meet their predetermined objectives. Waqf institutions in public universities of Malaysia could consider charting their next moves after having successfully established pools of endowers and relevant recipients (*mauquf 'alaih*). One of the possible moves is to identify factors that could help to sustain Waqf benefits distributions (*Tawzi*). The sustainability of Waqf benefits distribution could ensure recipients such as students, researchers and staff to fulfill their responsibilities efficiently in the long run. In conclusion, Waqf institutions in Malaysian public universities have positive progress. Measures to ensure continuous improvement particularly related to the sustainability of Waqf benefits distribution should be taken seriously.

Keywords: waqf, higher learning institutions, governance, Malaysia

1. Introduction

Waqf and education are closely related (Siti Mashitoh, Asmak & Azizi, 2018). The contributions of Waqf in developing societies through education are well recorded throughout history. In fact, education, health care and poverty alleviation are among the major recipients of Waqf benefits (Mohammad Abdullah, 2018). Among higher learning institutions that were built using Waqf funds are Al-Azhar University in Cairo, Egypt, University of Al-Qurawiyin in Fez, Morocco and Al-Muntasiriyah University in Iraq (Siti Mashitoh, Asmak & Azizi, 2018; Mutiara Dwi Sari, Ab Aziz Yusof, Ahmad Shaifful Anuar, 2016). In addition, Indonesia and Turkey also have established many famous Waqf-based higher learning institution such as Universitas Darussalam (UNIDA) Gontor and Universiti Fateh Sultan Mehmet, respectively (Mohd Mizan, 2018). Indeed, the success of Waqf institutions during Ottoman Empire, especially in education and health care services, is still being widely admired and benchmarked by Muslims community all over the world (Nur Atikah & Fuadah, 2017).

Likewise, Waqf always play important roles in developing societies through education in Malaysia. Lots of primary and secondary schools - be it religious or vocational-based school, all over Malaysia have benefitted from Waqf. Among them are Maahad Al-Manshoor Al-Islami Education Complex in Penang and Akademi Kulinari Terengganu (Azri Ahmad, Syarqawi & Mohd Asyran, 2012). Since 2016, public universities in Malaysian have started to give more attention to Waqf as well. YB Dato' Seri Idris bin Jusoh, the Minister of Higher Education at that time, had proposed all public universities to establish Waqf funds (Siti Mashitoh, Asmak & Azizi, 2018) in order to ensure public universities' financial sustainability in the long run.

2. Higher Learning Institutions (HLIs) of Malaysia

Malaysia has many higher learning institutions that provide various programs for its people. In term of ownership, the HLIs are owned either by the federal government, state governments, state religious councils, government-linked companies as well as owned by private institutions. Public HLIs are established by the Federal Government of Malaysia. These institutions enjoy the benefits of public funds. As a result, development and staffing plus number of programs being offered are much superior as compared to the state, religious councils, GLCs and private institutions.

There are 20 public universities in Malaysia, grouped into three different categories based on specific niches, namely (i) Research University (RU); (ii) Focused University (FU) and Comprehensive University (CU). Table 1 listed all the public universities in Malaysia. Research universities emphasizes on high impact research. Comprehensive universities offer wide spectrum of programs to be selected and enrolled by local and international students. Focused universities design their programs according to specific disciplines such as engineering, education, management or defense (www.moe.gov.my)

Table 1: List Of 20 Public Universities In Malaysia (According To Its Category)

Category	University Name
Research Universities	Universiti Sains Malaysia (USM)
	Universiti Malaya (UM)
	Universiti Kebangsaan Malaysia (UKM)
	Universiti Putra Malaysia (UPM)
	Universiti Teknologi Malaysia (UTM)
Focused University (FU)	Universiti Utara Malaysia (UUM)
	Universiti Malaysia Kelantan (UMK)
	Universiti Pendidikan Sultan Idris (UPSI)
	Universiti Malaysia Pahang (UMP)
	Universiti Tun Hussein Onn Malaysia (UTHM)
	Universiti Sains Islam Malaysia (USIM)
	Universiti Teknikal Malaysia Melaka (UTEM)
	Universiti Sultan Zainal Abidin (UNISZA)
	Universiti Malaysia Perlis (UNIMAP)
	Universiti Malaysia Terengganu (UMT)
	Universiti Pertahanan Nasional Malaysia (UPNM)
Comprehensive Universities	Universiti Teknologi MARA (UiTM)
	Universiti Islam Antarabangsa Malaysia (UIAM)
	Universiti Malaysia Sarawak (UNIMAS)
	Universiti Malaysia Sabah (UMS)

Even though public HLIs enjoy public fund, the government still advocate these institutions to generate their own income by various means including Waqf and endowment. Higher education Waqf has been considered as the best potential solution to ensure the sustainability of higher education institutions for the benefits of Malaysian society (Mutiarra Dwi Sari, Ab Aziz Yusof, Ahmad Shaifful Anuar, 2016).

3. Waqf Institutions in Public Universities of Malaysia

Malaysian especially the Muslims community has gradually upgrading and shifting their view on the roles Waqf from traditional-religious mechanism towards the more widely-functional third economic sector mechanism (Salehuddin Md Dahlan & Nor Asiah Mohamad, 2017). They believe the third economic sector - also known as voluntary sector, empowered by philanthropy activism such as Waqf and endowment could become equally important forces beside the public and private sectors. As such, the establishment of Waqf institutions in public universities is well-received and supported by most Malaysian.

The International Islamic University of Malaysia (IIUM) has become the first public university to establish its own dedicated Waqf institution known as IIUM Endowment Fund in 1999 (Mohd Syakir, Wan Kamal, Ermy Azziaty & Kartini, 2017). IIUM's decision to establish such institution is considered as far sighted, considering the fact that most public universities, at that time, were heavily relying on public funds from the government of Malaysia for operational and development expenditures.

Other public universities follow suit this good initiative from time to time. In 2016, the Ministry of Higher Education has acknowledged the need for all public universities to have their own financial sources and reduce dependency on the Federal Government of Malaysia. University Transformation Programme or UTP was launched and one of the focuses is financial stability by enhancing university income generation, endowment and waqf (Ministry of Higher Education Malaysia, 2016).

At present, most public universities have established their own Waqf administration institution to manage and coordinate Waqf and endowment activities. Table 2 listed several Waqf administration institutions in public universities of Malaysia, including year established and web address.

TABLE 2: Information On Selected Public Universities' Waqf Administration Institution

No.	University	Waqf Administration Institution	Established	Website address
1.	Universiti Sains Malaysia (USM)	Pejabat Zakat Waqaf & Infaq (ZAWAIN)	2017	http://zawain.usm.my
2.	Universiti Malaya (UM)	UM Bursary's Fund Management & Credit Control Division)	2016	https://www.um.edu.my/about-administration/bursary
3.	Universiti Kebangsaan Malaysia (UKM)	Yayasan Canselor (secretariat for Dana Wakaf Ilmu UKM)	2016	http://www.ukm.my/yc
4.	Universiti Putra Malaysia (UPM)	Pusat Pengurusan Wakaf, Zakat dan Endowmen (WAZAN)	2016	http://www.wazan.upm.edu.my
5.	Universiti Teknologi Malaysia (UTM)	Pejabat Wakaf UTM	2017	http://wakaf.utm.my
6.	Universiti Malaysia Kelantan (UMK)	Pusat Islam UMK	2016	http://www.facebook.com/PusatIslamUMK19
7.	Universiti Pendidikan Sultan Idris (UPSI)	Pusat Islam UPSI		http://pusatislam.upsi.edu.my
8.	Universiti Malaysia Pahang (UMP)	MyGift UMP	2015	https://mygift.ump.edu.my
9.	Universiti Tun Hussein Onn Malaysia (UTHM)	Pusat Endowmen dan Wakaf	2017	https://wakaf.uthm.edu.my
10.	Universiti Islam Antarabangsa Malaysia (UIAM)	IIUM Endowment Fund	1999	http://www.iium.edu.my/division/ief
11.	Universiti Sains Islam Malaysia (USIM)	Pusat Wakaf dan Zakat/ Centre for Awqaf and Zakat	2017	http://www.pwz.usim.edu.my
12.	Universiti Malaysia Sabah (UMS)	Centre for Investment and Endowment (CIE)/ Pusat Pelaburan dan Endowment	2017	http://www.ums.edu.my/cie

4. Brief Overviews of Waqf Institutions in Public Universities of Malaysia

This paper discussed in brief some aspects of Waqf institutions in public universities of Malaysia. In particular, the authors focused the discussion on the background, governance and organization structure, vision, mission and objectives as well as activities of Waqf administration institutions in public universities.

(a) Background

In Malaysian legal framework, Waqf falls under state jurisdiction. Majlis Agama Islam Negeri (MAIN) or State Religious Council is the sole trustee of Waqf (Siti Mashitoh, Asmak & Azizi, 2018). Therefore, the Council's written approval is very crucial in any establishment and administration of public higher learning institutions Waqf. In this view, most public universities have been appointed as *Mutawalli* agent by the respective State Religious Councils. The Federal Government of Malaysia has also formed Jabatan Wakaf, Zakat dan Haji (JAWHAR) or the Department of Waqf, Zakat and Hajj to assist States Religious Council to develop Waqf properties in integrated manners (Mohd Mizan, 2018).

Events leading to the establishment of Waqf institutions in public universities are unique to each university. For example, IIUM Endowment Fund was founded in 1999 by the second Rector, Prof. Datuk Dr. Abdul Hamid Abu Sulayman to ease international students' financial burden ((Mohd Syakir, Wan Kamal, Ermy Azziaty & Kartini, 2017). Similarly, other public universities also quoted students financial constraints as one of the events that lead to Waqf funds establishment. However, most students involved were local Malaysian.

Another important event that leads to the establishment of Waqf institutions in public universities is related to the financial constraint of Malaysian government. Malaysia has been spending lots of money in education sector since its Independence in 1957. In 2015 alone, the government had allocated RM15.78 billion (20.8 percent of the total budget) to the Ministry of Higher Education Malaysia (Mohd Mizan, 2018). However, the total budget had been steadily reduced in 2016 to RM13.37 billion, in 2017 to RM12.28 billion and in 2018 to RM13.89 billion - slightly increased, but still less than the allocation in 2015 (Mohd. Mizan, 2018).

On the other hand, cost of education such as tuition fees, payrolls as well as university's assets maintenance have been steadily increasing through the years (Azri Ahmad, Syarqawi & Mohd Asyran, 2012). The decreasing budget allocation and increasing cost of education has prompted the Ministry of Higher Education Malaysia to look for alternatives to ensure financial stability of public universities in the long run. As the result, the Minister had suggested Waqf and endowment as possible solutions to the situation.

(b) Governance and Organization Structure

Governance and organization structure largely contributed to the success of Waqf institutions in public university. Obviously, good governance and effective functioning of organization structure could influence the sustainability of Waqf benefits for the public (Mutiara Dwi Sari, Ab Aziz Yusof, Ahmad Shaifful Anuar, 2016).

In general, public university's Waqf is managed by a specific department such as Pejabat Zakat Waqaf & Infaq (ZAWAIN) USM, Centre for Awqaf and Zakat USIM and Pusat Pengurusan Wakaf, Zakat dan Endowmen (WAZAN). This is a good approach because it empowers the specific Waqf institutions. The institutions could focus and organize its own activities to promote Waqf. However, some public universities still maintain their Islamic Center responsible for Waqf-related activities.

In term of staffing, most Waqf institutions in Malaysian public universities have between five to ten officers. The department is lead by a director, assisted by several officers and assistant officers. The numbers indicate most Waqf institutions are still lacking in manpower as compared to the responsibility to generate and sustain university's income from the third sector.

(c) Vision, Mission and Objectives

The following Table 3 listed out the vision, mission and objective of several public universities' Waqf administration institutions. Only the first vision, mission and objective are listed. The authors considered the first-mentioned vision, mission and objective as the most important or primary information that Waqf administration institutions would like to share with the public.

TABLE 3: Vision, Mission and Objective of Selected Public Universities' Waqf Administration Institutions

University	Waqf Institution	Vision	Mission	Objective
Universiti Sains Malaysia (USM)	Pejabat Zakat Waqaf & Infaq (ZAWAIN)	Promoting Islam as the beautiful Way of Life through the practice of Zakah, Waqf and Infaq as the basis of <i>Rahmatan lil 'Alamin</i> via professional and holistic Zakah, Waqf and Infaq management.	Emerge as a referred, relevant and respected center of Zakat, Waqaf and Infaq management among public higher learning institutions.	To optimize the third financial sources of the university via Islamic-based assets and funds (Zakat, Waqf and Infaq)
Universiti Putra Malaysia (UPM)	Pusat Pengurusan Wakaf, Zakat dan Endowmen (WAZAN)	Become the center of excellence management for Waqf, Zakat and Endowment and reputable internationally.	Provides services to the whole community with high integrity and professionalism in managing Waqf, Zakat and Endowments.	Nurturing the culture of "Give" and "Contribute" for public interests.
Universiti Tun Hussein Onn Malaysia (UTHM)	Pusat Endowmen dan Wakaf	Become the best center of Endowment and Waqf management for the Ummah's well-being	Provide professional platform with integrity and wisdom for internal and external university stakeholders to contribute for the well-being of this world and hereafter	Empower endowment and Waqf generation activities based on focused and specific funds policy.

As mentioned earlier, one of the events leading to the establishment of Waqf institutions in public universities is financial constraint faced by the Federal Government of Malaysia. All public universities are required by the Ministry of Higher Education Malaysia to look for alternatives that could contribute to their financial sustainability. Therefore, most of the Waqf administration institutions' vision, missions and objectives match the scope and framework of Sustainable Development Goals or SDGs introduced by the United Nations (Mohammad Abdullah, 2018). This is not surprising since the success of SDGs is very much dependent on the contribution of the philanthropic sector i.e. Waqf and endowment, besides active involvement of private and public sectors (Mohammad Abdullah, 2018).

(d) Activities

The main activities of public universities' Waqf institution are to promote Waqf and collect funds through various mechanisms such as cash Waqf, besides receiving Waqf assets donated by the public. Most of the time, major endowers come from the staff of the public universities, besides responsible individuals and corporate citizens of Malaysia and abroad. For example, the IIUM Endowment Fund is privileged to receive RM40,000 from Prof. Dr. Yusuf Abdullah Ali al-Qaradawi in 2009 (Bernama, 2009).

Almost all Waqf institutions in public universities initiate cash Waqf to collect waqf donations from the public. Cash Waqf is a simple and affordable Waqf mechanism to most endowers in Malaysia (Fuadah et.al, 2015). In addition, Muslims community could easily create cash Waqf funds to assist university students completing their study (W.K. Mujani, M.S. Mohd Taib, M.K.I. Rifin and K. Aboo Talib Khalid, 2018). As such, most activities organized by Waqf administration institutions in public universities revolve around it. Many public universities have set up specific funds purposely to pool cash Waqf donations from the

public. Table 4 highlights several cash Waqf funds established by public universities in Malaysia.

TABLE 4: Waqf Funds Established By Selected Public Universities

No.	University Name	Waqf Fund Name
1.	Universiti Sains Islam Malaysia (USIM)	Dana Wakaf Al-Abrar USIM
2.	Universiti Putra Malaysia (UPM)	Dana Wakaf Ilmu UPM
3.	Universiti Tun Hussein Onn Malaysia (UTHM)	Dana Wakaf Tunai Pendidikan UTHM
4.	Universiti Teknologi Malaysia (UTM)	Dana Wakaf Pendidikan UTM
5.	Universiti Sultan Zainal Abidin (Unisza)	Dana Wakaf Unisza
6.	Universiti Malaysia Terengganu (UMT)	Dana Amanah Wakaf Ilmu UMT

Promotion of Waqf is extremely crucial to disseminate information regarding Waqf funds and attract as many endowers as possible (Mohd Mizan, 2018). Contemporary marketing medium such as social media (soc-med) in the Internet has been used by most Waqf administration institutions in public universities to reach the intended target group of endowers.

5. The Way Forward for Waqf Institutions in Public Universities of Malaysia

Relatively, generating the Muslim Ummah's wealth is more difficult and challenging as compared to contributing to the Ummah via Waqf, Zakah and other philanthropy mechanism (Mohd Daud Bakar, 2018). Waqf institutions in public universities are required not only to receive Waqf donation, manage Waqf asset and distribute the benefits. They are required to expand the assets and its benefits as well to be enjoyed by the Ummah. This is really an uphill task. Therefore, Waqf institutions in public universities should identify factors that could help to sustain Waqf benefits distributions (*Tawzi*). The sustainability of Waqf benefits distribution could ensure recipients such as students, researchers and staff to fulfill their responsibilities efficiently in the long run. The authors are currently doing research in this area to empirically identify the factors and propose a model of sustainable Waqf benefits distribution (*Tawzi*) for Higher Learning Institutions of Malaysia.

From another perspective, Waqf administration institutions in public universities should emphasize on several internal factors that influence endowers' repeat contribution to the Waqf funds while doing marketing and promotion. There are several factors that affect endowers' willingness to give Waqf such as endowers' awareness on religious obligation, familiarity with waqf institutions and easy access to perform Waqf or endowment (Fuadah et.al, 2015). For example, as the society gets better access to the Internet banking, all Waqf administration institutions in public universities could develop and provide easy online access to Waqf funds via the Internet banking, such as MyGift developed by Universiti Malaysia Pahang (UMP), for cash waqf donations.

6. Conclusion

The discussion of this paper focused on Waqf institutions in public universities of Malaysia. It generally discussed the background, governance and organization structure, vision, mission and objectives as well as activities of the institutions in a brief manner. On the whole, Waqf institutions in Malaysian public universities have positive progress. The Ummah has warmly accepted and supported the establishment of Waqf institutions in public university by becoming endowers especially to the cash Waqf scheme. In addition, measures to ensure continuous improvement particularly related to the sustainability of Waqf benefits distribution should be taken seriously. The success of public universities' Waqf institution is

also dependent on the institutions' ability to understand endowers' needs and wants. The institutions should always aware on the methods and mediums that draw endowers to participate in specific Waqf scheme.

7. References

- Azri Ahmad, Syarqawi bin Muhammad and Mohd Asyran Safwan bin Kamaruzaman. 2012. Education Development through Waqf. Proceedings of 3rd. International Conference on Islam and Higher Education. 1-2 October 2012. Kuantan, Pahang.
- Bernama. 2009. Dr. Al-Qaradawi gives RM40,000 to IIUM Endowment Fund. Education News Update. http://education.bernama.com/index.php?sid=news_content&id=463771
- Fuadah Johari et.al. 2015. Factors that Influence Repeat Contribution of Cash Waqf in Islamic Philanthropy. Malaysian Accounting Review. Vol.14, No.2
- Ministry of Higher Education Malaysia. 2016. Enhancing University Income Generation, Endowment & Waqf. University Transformation Programme, Purple Book
- Mohammad Abdullah. 2018. Waqf, Sustainable Development Goals (SDGs) and Maqasid al-Shariah. International Journal of Social Economics. Vol.45, No.1 (pp.158-172)
- Mohd Daud Bakar. 2018. Pemeraksanaan Ekonomi dan Pembangunan Ummah menerusi Wakaf. Keynotes speaker. Simposium Wakaf Pulau Pinang, 29 September 2018. Majlis Agama Islam Pulau Pinang. Seberang Jaya, Pulau Pinang.
- Mohd Mizan Aslam. 2018. Kelestarian Institusi Pendidikan Tinggi Islam melalui Waqaf. Proceedings of Simposium Wakaf Pulau Pinang 2018. 29 September 2018. Majlis Agama Islam Pulau Pinang. Seberang Jaya, Pulau Pinang.
- Mohd Syakir Mohd Taib , Wan Kamal Mujani, Ermy Azziaty Rozali & Kartini Aboo Talib @ Khalid. 2017. Perkembangan Wakaf Pendidikan Tinggi di Malaysia. International Journal of West Asian Studies. Vol.9, No.1 (pp 82-92). DOI: 10.22583/ijwas.2017.09.01.07
- Mutiara Dwi Sari, Ad. Aziz Yusof and Ahmad Shaifful Anuar Ahmad Shukor. 2016. Pembangunan Wakaf Pendidikan di University College Bestari Terengganu. Malaysian Journal of Social Sciences and Humanities (MJSSH). Vol.1, No.4 (pp. 1-17).
- Nur Atikah Atan and Fuadah Johari. 2017. A Review on Literature of Waqf for Poverty Alleviation Between 2006-2016. Library Philosophy and Practice (e-Journal). June 2017
- Salehuddin Md. Dahlan and Nor Asiah Mohamad. 2017. Waqf Literatures from Malaysia: 60 Years after Independence. Proceedings of Global Waqf Conference 2017, 17 October 2017, Pekanbaru, Riau, Indonesia.

Siti Mashitoh Mahamood, Asmak Ab. Rahman & Azizi Che Seman. 2018. Pembentukan Institusi Pengajian Tinggi berteraskan Wakaf di Malaysia: Cadangan Model Pelaksanaannya. *Jurnal Syariah*. Vol.26, No.1 (pp.1-22)

W.K. Mujani, M.S. Mohd Taib, M.K.I. Rifin and K. Aboo Talib Khalid. 2018. The History of the Development of Higher Education Waqf in Malaysia. *International Journal of Civil Engineering and Technology (IJCIET)*. Vol.9, No.3 (pp. 549-557)

ICEEM 2019