



Sustainable Development of Waqf In Higher Education

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Abstract

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The development of higher education waqf at Public Higher Education Institutions (IPTA) and Private Higher Education Institutions (IPTS) has been increasingly driven by the education ministry's initiatives. The implementation of higher education waqf can be approached in various ways based on agreements among the involved parties. Although this concept is relatively new, its sustainability warrants thorough examination. This paper aims to identify the sustainable development of endowments at Universiti Putra Malaysia (UPM), International Islamic University Malaysia (IIUM), and ISDEV, Universiti Sains Malaysia (USM). The study adopts an exploratory approach, utilizing data from document studies. The findings will provide insights into the sustainability of higher education waqf development at these institutions, offering valuable information to stakeholders, particularly the community, who are keen on understanding the progress and implementation of these initiatives. This paper contributes to the existing body of knowledge by exploring the potential and challenges of sustaining higher education waqf, thereby informing future strategies and policies to enhance its development..

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INTRODUCTION

The implementation of higher education endowments at the Institute of Public Higher Education (IPTA) and the Institute of Private Higher Education (IPTS) is increasing at the instigation of the ministry of education and also related parties. The implementation of waqf in higher education institutions has been welcomed because of the great potential of waqf as a method of generating funds to the institution in addition to being able to help students who need it either in the form of scholarships or educational goods assistance.

Against the backdrop of this scenario, this study was conducted with the aim of identifying the development of sustainable education endowments at Universiti Putra Malaysia (UPM), Universiti Islam Internasional Malaysia (UIAM) and ISDEV Universiti Sains Malaysia (USM). This study is in the form of exploration and the data used is obtained from document studies by

examining secondary data from past studies such as magazines, journals, books and so on which will then be analyzed using descriptive qualitative content analysis.

This paper is divided into two parts. The first part of the discussion is related to sustainability and the second part also discusses the analysis of sustainability in the three institutions involved. Therefore, the discussion in this working paper began with a discussion related to the development of Malaysian higher education endowments. Next discussed the sustainable development of Malaysian higher education endowments. Then, the subtheme is related to sustainability analysis in the three institutions involved and ends with a subtopic of conclusions.

Literature Reviews

2.1 Development of Malaysian Higher Education Endowments

Implementation of waqf¹ It is one of the soleh practices that is carried out with the aim of obtaining continuous rewards as long as the property entrusted is fully utilized within a certain period or forever. Based on the Qur'an, surah ali-Imran, 3:92 also adds that the reason the waqf is decreed is for a person to get close to and do the practices favored by Allah Almighty when alive and get the reward after death which is for the Hereafter (Mustafa al-Khin, Mustafa al-Bugha and Ali ash-Sharbaji, 2011). Waqf is also seen to function as a mechanism for redistributing wealth in addition to strengthening the capabilities of individuals and communities who need basic assistance such as borrowed capital, hospital treatment, nutritious food, infrastructure needs and so on (Raja Nor Ashikin Raja Ramli, 2015).

Lately the implementation of higher education endowments² It is increasingly interesting with the involvement of certain universities that take the initiative in implementing waqf for the purpose of educational development in their respective institutions. The early development of educational endowments in Malaysia has existed in various forms such as scholarships, finance, student dormitory buildings and learning tools such as desks, books and others (Ahmad Zaki Abdul Latiff, Che Zuina Ismail and Norzaida Mohd Daud, 2006). In addition, these higher education endowments have begun to be expanded in various forms such as cash endowments, stock endowments, corporate endowments, land endowments and so on. As long as the waqf is not mixed with elements of fraud and usury, it needs to be managed properly for the benefit of the ummah (Raja Nor Ashikin Raja Ramli, 2015). This development coincides with several studies that have found that education financing through waqf instruments can reduce the problem of poverty and lagging behind of national children who are unable to continue their studies on the grounds of poverty (Najibah Mustaffa and Mohd Zamro Muda, 2014). The sustainability of waqf can be utilized by all parties in the long term because waqf has two economic approaches that can increase the value of long-term investment (Syed Othman Alhabshi, 1986). First, the ability of property through investment and second is the way of using property that is using the results and not the property itself. Both of these characteristics have proven that the practice of waqf is not only a worship promised by Allah SWT with great rewards but at the same time waqf also plays a role as an investment mechanism to produce sources of financing in the long term (Razali Othman and Rohayu Abdul Ghani, 2016).

¹ Waqf generally refers to one of the methods of distributing property that is given to a particular party with a specific intention and to be utilized continuously. In other words, waqf is the permanent and temporary retention of good property to be used directly or indirectly and taken advantage of repeatedly in the way of the general and special good (Mundhir Qahaf, 2005).

² Educational endowments can be defined as property, goods, assets or cash given to the education sector or an educational institution continuously or not for public benefit (Raja Nor Ashikin Raja Ramli, Nor 'Adha Abd Hamid, 2014; Nur Yuhani Ismon, Rahisam Ramli, Nur Farhana Dahalan, Shahrina Romli and Roslina Hashim, 2015). Therefore, we can understand that this higher education endowment refers to various forms of waqf that are accepted for the use of an institution of higher learning (IPT) with the aim of elevating the level of education and to gain the approval of Allah SWT.

The implementation of higher education endowments also occurs in the form of granting waqf land as an example of the establishment of universities based on waqf land such as Sultan Zainal Abidin University (UniSZA), Maktab Mahmud in Alor Setar Kedah and Terengganu Kulinari Academy which has been established on waqf donated land by certain parties (Khoo, 1980; Mokhtar Hj. Ismail, Mohd. Isa Mohd. Deni, Muna Sulaiman and Hairullfazli Muhammad Som, 2015). In addition, there are also universities that have been established based on foundation funding such as Albukhari International University (AIU) which was established in 1996 by Tan Sri Syed Mokhtar Albukhari and the university administration also does not charge any fees to its students because all study costs including food and accommodation costs are fully funded by the Albukhari Foundation (Muhammad Husni Hasbulah, Mohd Zaidi Daud and Mohammad Taquiuddin Mohamad, 2015).

In addition, there are also higher education institutions that establish waqf tubes. Among them are Universiti Kebangsaan Malaysia (UKM) with its UKM Waqaf Fund and Endowment in 2010 (UKM Website, 2015), Universiti Putra Malaysia (UPM) with UPM Science Waqf Fund in 2012 (UPM Website, 2015), Universiti Sains Islam Malaysia (USIM) in 2013 with Al-Abrar Waqf Fund (USIM Website, 2015) and Universiti Sains Malaysia with ISDEV Education Waqf in 2014. The establishment of waqf funds in the institutions involved generally aims to receive assets, cash, shares and financial assets in the country and abroad that will be used to fund scholarships, loans and fund expansion matters such as investment activities (Najibah Mustaffa and Mohd Zamro Muda, 2014). Therefore, this development is interesting to be studied more so that it is beneficial to all parties, especially the general public.

2.2 Sustainable Development of Malaysian Higher Education Endowments

Sustainability of a development is very important to ensure that development and benefits can be used continuously, especially in endowments. This is because the contribution of waqf institutions in Malaysia has succeeded in driving the economic activities of local communities through the provision of business premises and commercial buildings on waqf land, more affordable rental rates for business premises and housing, developing Islamic bumiputera businesses and reducing dependence from other financial resources (Nik Mustapha Nik Hassan, 1999; Asmak Ab Rahman, 2009). In the field of education, waqf institutions have become one of the important sources of funding in the development of education and research (Norsiah Sulaiman and Farahdina Abdul Manaf, 2009). Optimizing this waqf fund for the purpose of funding and developing IPT will benefit not only students and university staff but all universities and communities can also be beneficiaries of the waqf (Nur Amalina Saidan and Asmak Ab Rahman, 2014).

Although this higher education endowment has the potential to be implemented for the purpose of Malaysian higher education, there is a sustainability issue behind the implementation. The original purpose of waqf itself is to provide benefits to the community, but this waqf fund should be developed so that the asset develops to increase the quantity of waqf and the quality of benefits in addition to the structure in the waqf organization must also be clear to ensure that this waqf fund can be developed and commercialized (Siti Zakiah Ali and Hairunnizam Wahid, 2014). Until now, most waqf management parties only depend on contributions from the public in organizing waqf assets and still lack initiative in increasing the production of waqf assets, especially those that are economic and business in nature (Zakaria Bahari, 2013). Therefore, the sustainability of accommodating IPT funding is very important because the education process takes a long time and this institution needs to be able to survive in the foundation of the education industry especially related to finance (Mokhtar, Mohd Isa, Muna and Hairullfazli, 2015).

The issues involved need to be handled more systematically and optimally. Before that, it is necessary to know several methods of measuring sustainability, especially in endowments. Among

them according to Hydzulkifli Hashim Omar and Asmak Ab Rahman (2013), the sustainability of waqf property refers to the development of a waqf property with the aim of adding or multiplying the property and the benefits can be distributed to mauquf 'alayh. While Nor Asiah Mohamad (2015) also explained that the measure of sustainability for waqf property is based on the concept of permanence or permanency, cannot move property (inalienability), compliance with sharia, giving priority to the will of the waqif and the results of waqf must be for public welfare purposes.

Based on these measurements, there are several scholars who have proposed methods to increase investment in waqf assets in a more productive and sustainable manner. Among them are Hydzulkifli Hashim Omar and Asmak Abd Rahman (2013) through three methods of sustainable waqf assets. First, lease existing waqf assets and the proceeds can be channeled to waqf beneficiaries or develop other waqf assets. Second, carry out livestock and agricultural activities on waqf land. Third, build commercial buildings on waqf land such as supermarkets or lodging places. In addition to receiving financial assistance from the government, the method of raising funds for the purpose of financing waqf development can be implemented based on contemporary methods and forms such as cash endowments and waqf shares (Siti Mashitoh Mahamood, 2006; Naziree Md. Yusof, 2010). According to Md Nurdin Ngadimon (2011) in the context of waqf asset development, financial tools such as sukuk are suitable for generating capital as a source and a strong financing basis for a quality asset and the effect will have a significant impact on the local community because it becomes a symbol of management efficiency according to sharia principles and the efficiency of Islamic financial instruments. Therefore, this sustainability is important for the continuity of this higher education endowment so that it can be utilized for a long period of time.

RESEARCH MODEL, HYPOTHESES, AND METHODOLOGY

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

RESULTS AND DISCUSSION

4.1 Sustainable Development Analysis of Malaysian Higher Education Endowments

Based on the discussion above, it can be concluded that the sustainability of this waqf can be measured through three things, namely permanent, productive and beneficial. Further discussions related to the implementation of sustainable waqf development at Universiti Putra Malaysia (UPM), Universiti Islam Internasional Malaysia (UIAM) and ISDEV Universiti Sains Malaysia (USM) are as follows:

4.1.1 Retention of Funds/Waqf Assets

The concept of waqf has similarities with the concept of sustainability considering that waqf has characteristics such as permanence, cannot move property and is not allowed to withdraw the waqf property. This is because waqf is the act of holding permanent property and its benefits can be used for benevolent purposes in the hope of drawing closer to Allah Almighty.

The method of collecting higher education endowment funds in all three institutions involved is seen using a variety of methods including through cash donations, static tubes in mosques, banking, salary deductions, telecommunications and charity sales. The funds will then be placed in a banking account so that the dividends will be used for student and institutional

purposes. When sufficient is sufficient for the target waqf funds set by the institution, it will then be converted into permanent assets so that the waqf remains.

This concept should be prioritized because the retention of waqf property is important for sustainability purposes. However, the conversion of such funds to permanent assets takes a long time because the targets placed high in addition to facing the risk of currency depreciation and this will have an impact on the exchange of permanent assets. This matter should be examined again because as long as the benefits of the endowment cannot be used, as long as the reward will not flow to the endowment donor.

4.1.2 Development of Waqf Funds/Assets

The development of waqf funds/assets is one of the important agendas that needs to be researched and improved so that the waqf funds/assets can develop and be productive. These endowment funds/assets can be productive by various methods that have been touched before. Even so, the implementation must aim to sustain the funds/assets.

The development of these funds/assets can be seen through UIAM which has applied various methods to develop the waqf funds that have been received. Among them is through the purchase of condominium units and obtaining proceeds through renting these units to outside communities. In addition, UIAM has also built the Tan Sri Azman Hashim complex and obtained proceeds from rented premises such as cafeterias, bookstores, banks and multipurpose halls. Meanwhile, USM will also build a five-storey multipurpose building endowment equipped with a multipurpose hall, conference hall, lecture rooms, lecture rooms and general offices, accommodation, children's guidance park, shops, multipurpose cafes and parking. However, it is different from UPM because the funds collected have not met the target by the university and this has caused no asset purchases and no investment to avoid the various risks that are likely to be faced.

Based on this, the responsible institution needs to be more active and creative in developing the funds / waqf assets received in order to benefit all parties both in the short and long term. Therefore, the development of these funds/assets needs to be done because it not only increases the value of the waqf and at the same time can generate income to be used for the purpose of administering the waqf.

4.1.3 Utilization of Waqf Funds/Assets

The results of the development of the waqf fund/property can once be utilized the fund/property as the purpose of the waqf itself. The utilization is intended to help outstanding and underprivileged students to finance tuition fees and self-allowances while the funds are also used to fund and develop academic activities including the institution's publishing field and general assistance such as social assistance, disaster, health and education.

Based on the expansion of these funds/assets, students and educational institutions can receive direct benefits and obtain results that can be used for a long period of time. This case can prove that KPT and MAIN have succeeded in utilizing the funds as entrusted by the donor.

CONCLUSION

In conclusion, the implementation of higher education endowments at UPM, UIAM and ISDEV, USM is one of the sustainable developments that can be used as an example. In addition, the endowment can be developed productively which can ultimately benefit the community, especially to students and universities. However, the Ministry of Higher Education (KPT) and the State Islamic Council (MAIN) need to plan so that higher education endowments and their benefits

can be optimized for use for the purpose of benefiting all in the long term. Therefore, the concept of educational endowments should be applied and developed to its potential because with its implementation it has produced many of the best institutions of study and produced thousands of famous and famous scholars throughout the world including Al-Azhar University in Egypt, Nizamiah Madrasa in Baghdad, Cordova University in Andalus, Islamic University of Indonesia, Darunnajah Islamic Boarding School, Indonesia, Al-Junied Madrasah, Singapore and also institutions other endowment education.

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