



# University Funding Through Waqf: Lesson from Indonesia and Selected Countries

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**Abstract.** This paper aims to explore the history, legal framework, funding sources, and allocation of higher education waqf use in Indonesia and selected countries namely Egypt, Malaysia, Turkey, and Pakistan. The study in this paper is a type of library research. In its implementation, the researcher uses descriptive analysis method. Several well-known universities in various parts of the world have proven successful as waqf-based universities such as in Indonesia and selected countries, namely Egypt, Malaysia, and Pakistan. However, they have their own unique history and mechanism in terms of funding sources, and allocation of use. The development of waqf in universities can be intensified by effective fund management, strong legislation, good governance, marketing efforts and identification of the right waqf management model to be implemented. Furthermore, higher education waqf can assist the government in reducing its financial obligations in educating the community through the waqf assistance. Waqf can be an important source of educational activities in several countries in the world. This shows that waqf funds are able to finance higher education activities in a good and sustainable manner. It is recommended that higher education waqf institutions encourage the use of waqf because they are able to bring justice and benefits to the wider community. Next, higher education waqf institutions promote the use of waqf because it brings justice and benefits to society.

**Keywords:** financing · university · waqf · funding source · management institution

## 1 Introduction

Humans are the main capital of national development. The form of increasing the distribution of quality education services can be seen from the percentage of the population's school participation. Based on data from BPS (2020) that the School Participation Rate (APS) in Indonesia in 2020 shows the largest order is in the age group 7–12 years, namely 99.26% or it can be said that almost all children aged 7–12 years are in school. As the age group increases, the APS decreases. The biggest difference is in the 19–23 year age group, which is the age corresponding to the higher education level (PT), with a difference of around 14.12%. The biggest gap is seen at the PT level in the 19–23 year age group, in Quintile 1 (lowest household economic status) PT APS is only 16.79%,

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while in Quintile 5 (highest economic status) PT APS is 45.71%. This shows that the financial needs in the field of education increase along with the increase in education level. This is certainly a separate note for policy makers to reduce the cost of education, especially at the PT level (BPS, 2020).

The problem of education costs is not only faced by the community for further studies to college, but higher education institutions also experience problems with the cost of education. The Association of Indonesian Private Universities (APTISI) stated that around 70% of the 4,520 campuses have the potential to find it difficult to finance, both salaries and operations in the coming semester due to the impact of the Covid-19 pandemic (Media Indonesia, 2020).

Islam has one of the best alternatives to answer the above problems through the application of an Islamic endowment fund instrument, namely waqf. In Islamic history, Islamic community educational institutions such as Islamic boarding schools, madrasas and universities are mostly financed by waqf assets. (Mustaffa & Zamro, 2014; Bakar, Ridzwan. 2018). The role of waqf is very important in providing financial assistance and strengthening academic quality (Mashitoh & Asmak, 2015). Funding through waqf funds also reduces the dependence of universities on government grants (Rusydia, Aam S, Raditya S, & Nisful Laila, 2021).

Furthermore, educational endowments can help generate a lot of independent research and scholarships (Arjmand, 2018). Waqf can also be an instrument for universities to generate income and can indirectly reduce the burden on the government in financing state universities (Mujani, Wan Kamal & Yaakub, 2017). Waqf can also meet a sufficient amount to fund higher education institutions in Pakistan (Usman & Asmak, 2020).

To date, a large number of waqf HEIs have established themselves in several countries and maintain academic activity. In the Islamic world, apart from Al-Azhar University, there are many other universities that benefit from waqf, such as Al-Qurawiyyin University in Fez, Morocco; Al-Munta siriyah University, Iraq; Qūrtubah University, Spain; King Abdul Aziz University, UAE; and the Indonesian Islamic University in Yogyakarta, Indonesia. It is important to note that Turkey is leading all countries with 68 waqf funded universities and the number continues to increase (Usman, Muhammad & Asmak Ab Rahman, 2020).

## 2 Literature Review

Based on the “benefit theories” of Leslie (1972), there are two main sources of funding for universities, namely individual students and the public (community). According to the Individual Benefit Theory (IBT) it states that every student is a real beneficiary of higher education. It is seen that they have greater prospects for college graduates than non-college graduates in taking advantage of job opportunities and achieving a better standard of living. Therefore, each student must pay the full cost of higher education. Meanwhile, according to Societal Benefit Theory (SBT) postulates that the whole community is a real beneficiary and thus orders the community to support the financial burden of higher education (Leslie & Ramey, 1988).

There is another model proposed by Johnstone in 1986 which can be considered as a combination of the two benefit theories. Through his theory of “cost-sharing” (Johnstone,

2008) and his model makes individuals and society jointly responsible for bearing the costs of higher education. He assumes that “the cost of higher education in all countries and in all situations can be seen to come from four main parties”. The four funding sources are (i) the state, (ii) parents, (iii) students and (iv) philanthropy through endowments or other existing contributions. Endowment in the Islamic concept is waqf. Waqf (Islamic Endowment Funds) for higher education is one of the main alternative sources of funding for academic activities.

### 3 Research Methods

The study in this paper is a type of library research. In its implementation, the researcher uses descriptive analysis method. Descriptive research includes surveys and fact-finding questions of various types. The main purpose of descriptive research is a description of the situation as it exists today. The main characteristic of this method is that the researcher has no control over the variables; he could only report what had happened or what was going on. In analytical research, researchers must use facts or information that are already available, and analyze them to make a critical evaluation of the material (Kothari, C.R., 2004). Literature-based research is a form of research that uses literature as an object of study. The data used in this study are secondary data, namely books, written documents, and relevant journals. Meanwhile, to answer the problem, the analysis technique used is content analysis technique. In this technique data is needed to answer each stage of the research, then content analysis is carried out on the data to answer or describe the research questions at that stage. The results of this content analysis are then used as material to answer research questions at a later stage along with other data obtained (Sawarjuwono, Tjiptohadi & Kadir, Agustine P., 2003). The sources studied were taken from several scientific references in the form of literature and the results of research studies on educational waqf in Indonesia and selected countries, namely Egypt, Malaysia, and Pakistan. In this study, analysis was carried out regarding the history, legal framework, funding sources, allocation of use and higher education waqf management institutions in the country.

### 4 Result

#### A. The History of Education Waqf in Selected Countries

##### 1) Indonesia

The practice of waqf in Indonesia has existed since the reign of the Islamic empire which became the political power of Islam at the end of the 12th century AD. This can be traced from the role of the Walisongo who introduced Islam. They spread Islam in the palace environment by establishing pesantren and mosques in the sultanate (palace) environment. This pattern was followed by Sheikh Maulana Malik Ibrahim (d. 1419 AD) and Sunan Ampel (d. 1467 AD), then their footsteps were followed by other Walisongo. Mosques and Islamic boarding schools as centers for the spread of Islam and also as the first institutions for the development of waqf in the future (Kemenag, 2017; Hasanah, Uswatun, 2008).

Currently, there are several educational waqf that are quite successful in the country, including the Waqf Board of the Indonesian Islamic University (BWUII), the Sultan Agung Waqf Board Foundation (YBWSA), the Waqf Board of the Indonesian Muslim University (UMI) Makassar, the Waqf Board for Pondok Modern Darussalam Gontor (PMDG) and other Educational Waqf Boards. This paper will describe three well-known institutions in Indonesia, namely PMDG, BWUII, and YBWSA.

## 2) Egypt

The big icon in the world of education was once just a mosque. It was Jauhar Al-Shaqali, a warlord of the Fathimiyah dynasty in 970, who originally built it. The mosque in Cairo, Egypt, then developed into a place of da'wah and an increasingly large gathering of knowledge. Even in the era of Muhammad Abduh, education levels were formed from elementary to university levels. The foundation that Abduh laid turned out to be the place where it became a major university, namely Al-Azhar University. Amazingly, Al-Azhar as a leading educational institution does not charge a dime from its students. Every year, this university, which is more than a thousand years old, provides scholarships for thousands of students (BWI, 2010).

Al-Azhar was first built on 29 Jumada al-Ula 359 H (7 May 970 AD) by the commander of Jauhar as-Siqilli, then officially opened by Caliph Mu'iz li Dinillah during Friday prayers on 7 Ramadan 361 H (972 M). The name al-Azhar was ascribed by the Fatimid dynasty to Fatimah az-Zahra. For 1040 years, al-Azhar has served to build public education (Kasdi, Abdurrahman, 2015).

## 3) Malaysia

Muslims in Malaysia have been practicing waqf in the world of education since Islam entered the Malay world. The traditional Islamic religious school (pesantren) was one of the first waqf in education in the Malay Peninsula. These schools were founded by Malay scholars after they returned from their studies in Mecca and Egypt. Madrasah al-Attas, Pekan Pahang now known as the Al-Attas Religious High School was the first madrasa to be built on waqf land. The land was blessed by al-Habib Hassan al-Attas (Mujani, et al., 2018).

However, some people believe that Madrasah al-Masriyah, Bukit Mertajam, Seberang Perai, which was founded by a cleric Haji Salleh al-Masri is the earliest waqf educational institution established in the Malay Peninsula. Followed by Madrasah al-Iqbal, Singapore in 1907 (Mujani, et al., 2018). Several universities in Malaysia, both public and private, have taken the initiative to establish waqf funds, including public universities such as Universiti Sains Islam Malaysia (SUIM), Ubniversiti Sains Malaysia (USM), Universiti Putra Malaysia (UPM), Universitas Kebangsaan Malaysia (SMEs). For private universities such as the Selangor International Islamic University College (KUIS), Universiti Islam Malaysia (UIM), Berstasi University College (UCB), and others (Asuhaimi, Fadhilah Abdullah, et al., 2017).

## 4) Pakistan

The Pakistani government has been fully aware of the important role of waqf and charitable institutions in society since the country's founding in 1947. Thus making a special call to 22 wealthy families and business tycoons to help with setting up waqf and charities

in the health and education sectors as the new country is experiencing obstacles. Serious financial and could not provide such facilities at that time. The Pakistani government uses the Societies Act, Trust Act, and Companies Ordinance to register and regulate private waqf institutions (Usman, M., 2021).

Hamdard is the name of a well-known pharmaceutical business in Pakistan since British colonial times. The year 1953 marked a major change in Hamdard's body with the declaration of Hamdard as a waqf for Muslims by Hakim Muhammad Said. Hamdard also changed its name to Hamdard (Waqf) Laboratories Pakistan. In addition to health, there is also the establishment of the Hamdard Public School in the Madinat al-Hikmah complex with a number of students reaching 5,000 people (Tohor, Tarmizi, 2021).

## B. Sources Of Education Waqf Funding In Selected Countries

### 1) Indonesia

- Pondok Modern Gontor Darussalam (PMGD)

In Indonesia, waqf funds are able to fully finance higher education, such as in PMGD (Razak et al., 2016). In 1929–1932 Kiai Pondok Modern Gontor formed a committee tasked with raising funds in the form of money and livestock. This committee is called “khizannah” or “khizanatullah”. In addition to land waqf, various facilities and infrastructure are the result of donations from the community, government, and institutions, both from within and outside the country (Danar, 2019; Abdullah & Darajat, Deden Mauli, 2016).

In addition to the unrestricted donations above, the Pondok has sources of funding that are managed internally. YPPWPM is an institution that is given the mandate to maintain and develop its waqf assets. To facilitate this task, the foundation classifies waqf assets according to their benefits and designations as follows: (1). Waqf of land and buildings (property); (2) Waqf of movable objects (commodities); (3) Cash waqf and cash waqf; (4) Self waqf (services and services); and (5) Copyright waqf. Currently, waqf management is divided into six activity sectors, namely agriculture, plantation, trade, industry, livestock, and services (Danar, 2019).

- Yayasan Badan Wakaf Universitas Islam Indonesia (YBW UII) Yogyakarta

The Indonesian Islamic University (UII) also has many ways to make money from waqf. First, the UII waqf body will send a proposal directly to waqf candidates who are entitled to waqf their money as waqf at UII. Second, UII advertises in public media to invite the public to contribute in waqf funds where the waqf body has an agreement with well-known media to promote waqf freely. Third, UII will collect waqf funds from corporate social responsibility. Fourth, waqf institutions at UII optimize alumni networks who have good positions in certain companies, government and businesses. The last is the UII waqf body building a company to generate money from waqf funds such as hotels, gas stations, hospitals and others (Razak et al., 2016; Baftim, Shahna, 2020; Huda, Miftahul, 2014).

From the business side, YBW UII has developed businesses and businesses in various fields. This makes the existing waqf funds productive. They educate Limited Liability

Companies (PT) which are very helpful in terms of the welfare of the surrounding community. (Gustina & Ihsan, Hidayatul, 2017).

- Yayasan Badan Wakaf Sultan Agung (YBWSA)

There are several ways that YBWSA uses for this fundraising activity, namely:

- Collecting from available waqf sources. This is done by sending proposals to candidates for waqif, campaigning through media/advertising (especially for nazirs who have mass media or collaboration links with them) and CSR funds (social funds issued by companies) and through alumni/student networks.
- Build business units. YBWSA generates existing waqf assets by building business units that generate income for nazir.
- Empowering the results of community/people waqf. YBWSA invests productively in multi- purpose housing plans for the development of productive economies, productive crops (agriculture), fodder crops and medicinal plants (Gustina & Ihsan, Hidayatul, 2017).

In terms of business unit development, YBWSA has businesses in education and health services, including: RSI SA (Sultan Agung Islamic Hospital); Radio PTDI UNISA; Sultan Agung Press; Sultan Agung Tour and Travel; and Cafe and snack center for Students and Students Center (Gustina & Ihsan, Hidayatul, 2017).

## 2) Egypt

The caliphs realized that the continuation of al-Azhar could not be separated from the funding aspect. Therefore, each caliph gives waqf property both from personal and state treasury. The first initiator of waqf for al-Azhar was spearheaded by the caliph al-Hakim bin Amrillah, then followed by subsequent caliphs as well as local rich people and the entire Islamic world to this day. The tradition of giving waqf is the key to the sustainability of this Islamic educational institution (Kasdi, Abdurrahman, 2015).

Abdurrahman Katakhdha (1742 AD), one of the Caliphs of the Ottoman Empire provided an example for the rulers and philanthropists to give waqf to al-Azhar. There are several models of implementing al-Azhar productive waqf, namely:

- Build a hospital. There are 4 hospitals (RS), namely: As-Sayyid Jalal University Hospital, Az- Zahra University Hospital in Abbasiyah, Husein University Hospital, and New Dimyat Hospital.
- Develop buildings, apartments and housing. Managed by al-Azhar are waqf of buildings and other rental facilities and generate profits.
- Investing waqf assets. Al-Azhar has stakes in several companies and banks, including the Faisal Islamic Bank and the Development and Property Bank, as well as investment and check certificates.
- The use of waqf for education (Kasdi, Abdurrahman, 2018; Ikhwan, Wahid. 2021).

## 3) Malaysia

Sources of waqf funds for universities in Malaysia come from within and outside the country. For example, the University Sains Islam Malaysia (USIM) and the International Islamic University of Malaysia (IIUM) come from abroad and the Malaysian community.

University Putra Malaysia (UPM) itself comes from the Malaysian community while University Kebangsaan Malaysia (UKM) comes from the community within UKM. The method of collecting cash waqf was followed by Universitas Putra Malaysia (UPM), University College Bestari, University Technology Malaysia, IIUM and others (Razak et al., 2016).

In addition to separate grants from the Malaysian government, IIUM also received waqf from Malaysian tycoons and several foundations from abroad. Then, to make it easier to collect waqf, for example, SMEs conduct a program known as “SME Waqf and Infaq Funds”. At University Technology Malaysia (UTM), a program called “Tubung Endowment UTM” was introduced where the program received endowment funds from UTM employees. And, University of Malaysia Sabah (UMS) introduced the “Tubung Amanah Scholarship” which collects funds from the community to help provide scholarships for students in need (Razak et al., 2016; Nor, Suziana M. 2017).

According to Saad, Norma Md, et al. (2016) Specific Donations at IIUM include: (i) IIUM Perpetual Cash Fund is a special donation product innovated by the IIUM Endowment Fund (IEF); (ii) IIUM Property Endowment Fund; (iii) General Donations; and (iv) zakat, where IIUM through the IEF division is quite active in looking for companies to pay zakat through IEF, especially companies that practice zakat refund programs.

The University of Kabangsaan Malaysia (UKM) has been established under the Chancellor’s Foundation in 2010 providing two schemes for waqf donations. First, the Cash Waqf UKM and the second the Takaful Waqf UKM (Hussin, Rohayati., et al. 2016).

#### 4) Pakistan

The following are the sources of funding for some waqf institutions concerned with education in Pakistan: (Usman, M., 2021).

- *Hamdard laboratories waqf*, Pakistan

Hafiz Hakim Mohammed Said Shaheed founded Hamdard Dawakhana in 1948 in a small shop in Karachi. Initially only a herbal clinic but gradually grew into a complete herbal medicine industry named Hamdard Laboratories Pakistan which was later declared as waqf by Hakim Said and changed its name to Hamdard Laboratories (Waqf) Pakistan in 1953.

- *Begum Aisha Bawany educational and welfare waqf*

The Bawany family has large stakes in various businesses such as sugar, leather, textiles, jute, particleboard, oxygen, garments, cables and tanneries. Pakistan’s richest business tycoon and family owns various companies including Latif Jute Mills, Bawany Sugar Mill, Farhan Sugar Mill, Pioneer Cables, Bawany Air Products Limited, Al-Noor Textile and Bawany Metals. The family has devoted 10% of its profits to waqf institutions in the name of Allah.

- *Darul Tasnif Waqf*

Darul Tasnif has various charities besides HEI such as Murshid Hospital with Nursing School, Law College, and technical college.

The following completes the selected waqf cases in Pakistan:

Waqif	<i>Higher Educational Institutions (HEIs)</i>	Waqf entity
Hakim Mohammed Said (Shaheed)	Madinat al-Hikmah Hamdard University And various other HEI	Hamdard Laboratories waqf, Pakistan
Mr Ebrahim Ahmed Bawany	Aisha Bawany Degree College Aisha Bawany Academy And various other HEI	Begum Aisha Bawany Educational and Welfare Waqf
Maulana Tufail Ahmed Farooqi	Tablighi College; Nursing School; Law College; Murshid Hospital	Darul Tasnif (private) Limited

Source: Usman, M and Ab Rahman, Asmak (2020).

### C. Use Of Education Waqf In Selected Countries

#### 1) Indonesia.

- Pondok Modern Gontor Darussalam

Darussalam Gontor University (UNIDA) all funds for operational and educational infrastructure are funded from the waqf assets of the Gontor Foundation. In addition, the developed business unit has also had a positive impact in improving the welfare of the community around the cottage that can be enjoyed by Muslims and non-Muslims (Gustina & Ihsan, Hidayatul, 2017).

- Yayasan Badan Wakaf Universitas Islam Indonesia (UII) Yogyakarta

In the development of education, the UII Waqf Foundation Foundation organizes Higher Education (Universitas Islam Indonesia), Secondary Education (SMA UII) and Early Childhood Education (TK “Sultan Agung BW UII” and Play Group of the UII Waqf Board). The development of the Islamic University of Indonesia is progressing rapidly, waqf fundraising continues to improve the quality of education at this university. It is clear that waqf can be used as a mainstay in terms of financing for an infrastructure such as universities (Gustina & Ihsan, Hidayatul, 2017).

- Yayasan Badan Wakaf Sultan Agung (YBWSA)

Since YBWSA was formed, the development of the Islamic University of Sultan Agung (UNISSULA) Semarang, Central Java, has progressed rapidly. They have been raising waqf funds to continuously improve the quality of education at this university. It is clear that waqf can be used as a mainstay in terms of financing for infrastructure and others (Gustina & Ihsan, Hidayatul, 2017).

The utilization of YBWSA’s financial assets is divided into four budget allocation strategies, namely: (1) Meeting daily expenses or operational costs, salaries, employee salaries, etc.; (2) Fulfill obligations to the second party, namely funders or banks, namely the return of financing obtained from the funders or banks; (3) Meeting future needs



as savings or reserves; and (4) Fulfilling sharing/giving obligations: Zakat, Infaq, and Sadaqah (Anwar, saiful, 2017).

## 2) Egypt

In detail, the use of productive waqf funds from al-Azhar consists of: (i) supporting the operational costs of education et al.-Azhar. Providing complete facilities, free of charge, and scholarships to al-Azhar students; (ii) provide welfare to teachers, lecturers and education staff; (iii) Finance the construction and maintenance of educational infrastructure; (iv) construction of supporting facilities, including sports buildings, soccer fields, student dormitories, housing for teachers/lecturers; (v) improving the quality of human resources, including training of teachers, lecturers and education personnel, enhancing research culture and supporting appropriate technology research projects; and (vi) construction of mosques. Al-Azhar Mosque is the center of Muslim civilization (Kasdi, Abdurrahman, 2015).

Productive waqf is very significant in funding the operational activities in the institution, both with an independence system and cross subsidies. There are several productive waqf empowerment models developed by al-Azhar, namely: Hospital empowerment model, student dormitory empowerment model, Research Institute empowerment model, al-Azhar management model, Salah Kamil waqf empowerment model, library empowerment model, and waqf empowerment model. Productive for education (Kasdi, Abdurrahman, 2015).

## 3) Malaysia

Waqf funds aim to help students who need to finance their education. For example, every year the International Islamic University of Malaysia (IIUM) manages to help 4,000 students get scholarships funded from waqf funds. In addition, waqf funds finance several research projects, scholarships, and other religious purposes (Razak et al., 2016).

In particular, the specific objectives of the IIUM Endowment Fund (IEF) are: (i) to solicit and receive contributions in the form of movable and immovable property, cash, shares and other instruments from Malaysia and internationally for educational and research purposes; (ii) providing scholarships, loans and assistance to IIUM students in need; (iii) promote and develop academic activities at IIUM, including research and publications; and (iv) to invest in investment channels permitted by Sharia (Saad, Norma Md, et al. (2016).

Likewise at Universitas Kebangsaan Malaysia (UKM) fundraising is directed towards student welfare, research and academic development as well as Industrial and Community Partnerships (Siti Mashitoh & Asmak, 2015). SMEs really work hard to ensure waqf is implemented as a means to reduce financial dependence from the government (Hussin, Rohayati., et al. 2016). The waqf funds collected from the Science Waqf Fund (DWI) program will be used for student development, research, finance the acquisition of facilities and facilitation of academic activities and the advancement of science (Siti Mashitoh & Asmak, 2014; Ruslia, Mohd Firdaus & Adeyemi, Adewale.

**Table 1.** Utilization of waqf income in Pakistan

Case study	Development expenditure	Operational expenses	Academic support
Pakistan Hamdard Waqf	<ul style="list-style-type: none"> <li>• Madinat al-Hikmah (<i>City of Education, Science and Culture</i>)</li> <li>• Hamdard University</li> <li>• Bait al-Hikmah library</li> </ul>	<ul style="list-style-type: none"> <li>• Sufficient</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Scholarships</li> <li>✓ Merit based</li> <li>✓ Need based</li> <li>• Journal publications</li> <li>• Research and development on herbal products</li> </ul>
Aisha Bawany Waqf	<ul style="list-style-type: none"> <li>• Aisha Bawany Degree College</li> <li>• Aisha Bawany Academy</li> </ul>	<ul style="list-style-type: none"> <li>• Sufficient</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Local and international scholarships</li> <li>✓ Merit based</li> <li>✓ Need based</li> <li>✓ Others</li> <li>• Medical facilities</li> <li>✓ Students</li> <li>✓ Staff</li> </ul>
Darul Tasnif Waqf	<ul style="list-style-type: none"> <li>• Tablighi College</li> <li>• Murshid Hospital and Nursing School</li> <li>• Law College</li> <li>• Madarssa Taleem ul Islam</li> </ul>	<ul style="list-style-type: none"> <li>• Sufficient</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Full scholarship program</li> <li>• Transportation</li> <li>• Accomodation</li> <li>• Daily meal</li> <li>• Medical facilities</li> <li>✓ Students</li> <li>✓ Underpriviledged people of the society</li> </ul>

Sumber: Usman, M., 2021.

2017). The DWI program has achieved its target and this has raised public awareness to contribute directly to the program (Ahmad Shaifful, 2015) (Table 1).

4) Pakistan

The following is a summary of the utilization of higher education waqf income in Pakistan:

**5 Analysis**

It has been proven that university waqf in the selected country can assist the government in reducing its financial obligations in educating the public through waqf fund assistance. It is important for the university waqf to have a clear regulatory or legal framework to govern the whole system of institutions. Waqf has some unique characteristics and to some extent, a number of Shariah legal principles, there must be some authoritative guiding and binding guidelines for the university to be able to follow easily and clearly.

It is known that there are various sources of waqf funds channeled to universities in the countries studied. The sources of waqf funds can be grouped as follows: (1) Cash waqf, Malaysia and Turkey are very popular in the use of cash waqf, very popular; (2) Business activities, Pondok Modern Gontor Darusaalam (PMGD) is one of the leading waqf institutions in practicing this scheme; (3) Government allocations, government waqf allocations also contribute to the collection of waqf funds such as at the Malaysian Islamic Science University (USIM) and IIUM as well as other examples; (4) Alumni, this contribution is quite significant in several countries.

Regarding the use of productive waqf funds generated from several educational waqf institutions in Indonesia and selected countries, we can summarize several budget allocation strategies, namely:

- 1) Supporting educational operational costs, salaries, employee salaries and others at each university/higher education in each country. By providing complete facilities, all for free, as well as providing scholarships to students, either on merit or other need basis.
- 2) To finance the construction and maintenance of educational infrastructure.
- 3) Improving the quality of human resources through training for teachers, lecturers and education staff, improving the culture and research climate and supporting appropriate technology research projects.
- 4) Construction of supporting facilities includes sports buildings, sports fields, university medical facilities, student dormitories, housing for lecturers and staff.
- 5) Provide welfare to teachers, lecturers and other education personnel.
- 6) Meet future needs as savings or reserves.
- 7) Fulfill sharing/giving obligations, such as zakat, infaq, sadaqah and others.

Finally, that the development of waqf in universities can be intensified with effective fund management, strong legislation, good governance, marketing efforts and identification of the right waqf management model to be applied. Hopefully each country already has specific guidelines for the management of educational waqf to be used as a reference for all universities.

## 6 Conclusion

Waqf can be an important source of educational activities in several countries in the world. This shows that waqf funds are able to finance higher education activities in a good and sustainable manner. It is clear from this research that waqf funds have succeeded in improving the education system in these countries (Indonesia, Egypt, Malaysia, and Pakistan) and providing opportunities to the poor and needy.

Different countries adopt different governmental structures and have specific laws under which they are registered. Therefore, it is recommended that higher education waqf institutions encourage the use of waqf because it is able to bring justice and benefits to the wider community. Furthermore, higher education waqf can assist the government in reducing its financial obligations in educating the community through the waqf assistance.

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