

Waqf Higher Education in Malaysia

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Abstract. The cost of higher education has been increased, despite intervention from the government in the form of grants and soft-loans. In general, parents and students alike face the burden of ever increasing fees to enroll in higher education learning institutions while the education institutions themselves also face increasing costs to operate and provide quality education. Realizing the possible forthcoming scenarios in the current education industry, scholars and researchers have made proposals to apply the concept of waqf for education development to ensure a more affordable and sustainable education industry in the country. Waqf in Malaysia is one of the largest financial sources that have not been fully explored. By using qualitative analysis this paper focusing on the scenario of waqf in supporting education in Malaysia, especially in Higher Education Institution (HEI). Subsequently, this study attempts to examine how waqf fund is used in empowering higher education apart from looking into the efforts of the Ministry of Higher Education (MOHE) to make this achievable. In short, this study found that taking the cue from the institutions of waqf, the exploration and development of waqf fund can be accomplished through the formation of formal organizations at the state and federal level and rearrange the Malaysian educational budget and policy to support the good quality of HEI. Thus, the paper makes some suggestions as to the potential effort of waqf for higher education must be played by the Ministry of Higher Education.

1. Introduction

Waqf (pious endowment) became a pillar in the religious, social, cultural, scientific, economic and political life of Islamic society. Even non-Muslims in Muslim countries established waqf for the benefit of their communities. For every conceivable enterprise of social benefit there was a waqf. There were waqf for mosques, universities, schools, hospitals, orphanages, houses for the poor, food for the poor, the blind, battered / abused women, soup kitchens, wells, aqueducts, fountains, public baths, watchtowers, bridges, cemeteries, salaries, pensions, guest houses, libraries, books and animal welfare.

Kahf [1] reported that before the 20th century, the primary priority of cash Waqf allocation was dedicated for the prosperity of the mosque, its maintenance and management cost. Second priority is dedicated for education sector which includes salary for teachers and provision of book. Third priority is for the needy, orphan and detainee. Fourth is mainly for health sector which includes maintenance costs for hospitals, salary of medical doctor and other supporting staff. According to what Kahf mentioned, cash waqf allocation before the 20th century is divided into four, and education falls under second category, so that the priority for education is there. Actually what Kahf stated is agreeing to a maxim which tells the story of the success of the Ottoman government in administering the waqf as Birol Baskan quoted: “a person would have been born in a waqf house, slept in a waqf cradle, eaten and drunk from waqf properties, read waqf books, been taught in a waqf school, received his salary from a waqf administration, and when he died, placed in a waqf coffin and buried in a waqf cemetery.”

Hence, this paper attempts to explore and advocate an active role of waqf in the higher education sector as an enabler instrument to provide sustainable models to achieve the objective of high quality

and excellence in the delivery of higher education while simultaneously making it more accessible by countering the effects of high costs and inflation.

2. Waqf for education in Malaysia

A literature survey conducted finds that at present, there are not many studies on waqf for higher education in Malaysia and any research done revolved only around waqf for schools for religious education. The reason for this is that in Malaysia waqf for education began with institutions of traditional education, such as Sekolah Agama Rakyat or SAR (People's Religious School), Sekolah Agama Negeri or SAN (State Religious School), *madrasah* and *pondok*. In the system of Islamic traditional education in Malaysia, Muslims endow their land to religious schools. Then endowment was extended to surrendering their property to build accommodation for teachers in the interest of education. It may be said that in waqf for traditional education, waqf assets take the form of lands, houses, mosques, buildings, mosques, books and so on.

Currently, waqf is increasingly utilized not only for the purpose of providing education at *pondok*, *madrasah* and book contributions in the name of traditional education system, but has extended to providing education at institutions of higher education. However, it is undeniable that there are also several researchers start to ponder about waqf in different angle that is concerning waqf HEI in contrast to the previous years. Noor Inayah (2014) for instance has confirmed that majority of Public and Private Universities in Malaysia nowadays are rigorously giving serious attention to the waqf in the sphere of education. In another studies several authors realize that waqf could be an instrument for HEI to generate income and indirectly could lessen the burden of government in financing HEI. Among of the public universities are National University of Malaysia (UKM), Putra University of Malaysia (UPM), and Islamic Science University of Malaysia (USIM). Apart from that, three private universities i.e. Islamic University of Malaysia (IUM), University College Bestari (UCB) and Al-Bukhari International University (AiU) that already implemented waqf in their education institutions. This waqf fund is generally for the purpose of receiving assets, cash, shares and financial assets from within the country and overseas to be used to finance scholarships, loans and transactions to expand the fund such as investment activities.

Furthermore, the institution of educational waqf is established or built using property endowed by Muslims. Education is a continuous activity process which comprise of the elements of teaching, training, guidance, and leadership with specific focus on the transfer of various disciplines of knowledge, religion-cultural values and useful skills from one generation to another or by an individual to another who needs education [2].

The greatness of the Islamic waqf institution was so impressive and effective that it was emulated by the West which rebranded waqf in the form of foundations, trust or endowment. Oxford University and Cambridge in United Kingdom as well as Harvard and Stanford in United States are among universities which are founded on endowments with a well-established fund. Harvard University, for example, is reported to be one of the richest universities with endowment assets worth more than US\$30 billion.

Equally important, the concept of endowment fund has become the drive of Western progress, particularly in the field of education and medicine. Provision of funds from a "Philanthropic Waqf" i.e., waqf to help the poor and needy and for the purposes of community interest such as provision of public facilities, education, health, scientific research and libraries are seen as having a great role and potential in funding educational programs.

Besides, it can be said that in the traditional educational waqf, assets are in the form of land, mosques, houses, buildings, books and the like, for example, an educational Waqf to fulfill a request by an integrated religious school in Johore Bharu. There is a study which stresses that funding of education through the Waqf instrument helps reduce the problems of school dropout and lagging behind among Muslim-Malay children caused by poverty. That study also explains four factors which determine the success of waqf implementation for education: society's awareness, demographic

situation, i.e. a high Muslim population, stable Muslim economy and professional and efficient governance [3].

3. The authority on religious affairs and Malaysian government's effort towards making waqf higher education accessible

Malaysia is a federation of 14 smaller regions known as States, each with their own local governments that possess certain administrative autonomy. The incorporation of Malaysia was established under a common master legal framework known as the Federal Constitution of Malaysia, which binds all of these States as components of the country of Malaysia. The Federal Constitution recognizes that there are many religions practiced in Malaysian but Islam is stated as the official religion of Malaysia. 9 of the States 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 tenure of 5 years.

The Malaysian Government aware that education is important for the future development of Malaysia, therefore, they established National Higher Education Fund Corporation, or better known as PTPTN, under the National Higher Education Fund Corporation 1997 (Act 566) which became effective on 1st July 1997 to provide and manage a loan scheme to Malaysian undergraduates who pursue higher education at public or private universities in Malaysia. As this is a revolving fund, PTPTN's responsibilities also involve collection of repayments from the borrowers after they have graduated and obtained employment, so that the funds can be recycled and re-disbursed as new study loans to other students.

The Government will continue to provide affordable education and high quality to students, while balancing the needs of the people by fostering future talents. Approximately 85 to 95 percent of the cost of education has been subsidized by the government while the student living expenses were factored into the PTPTN loan."

4. The Responsibility of Ministry of Higher Education (MOHE)

The study on waqf in higher education has attracted the attention of the Ministry of Higher Education (MOHE). In the year 2014, the Ministry of Higher Education (MOHE) approved the Long-term Research Grant Scheme (LRGS) and UKM has been given the responsibility to head the research project with the research code LRGS/2013/UKM-UKM/SI under the title of "Preservation Of Waqf (Endowment) Institutions In Empowering National Higher Education."

This Long-term Research Grant Scheme (LRGS) awarded by the Ministry of Higher Education (MOHE) total amount MYR 3.9 million, involving several universities and institutes of higher education from all over Malaysia to conduct a detailed study and further details about waqf in higher education in Malaysia.

Professor Dr. Wan Kamal Mujani from Universiti Kebangsaan Malaysia (UKM), has been appointed as the Program Leader of the Long-Term Research Grant Scheme (LRGS). The code grants study LRGS/2013/UKM-UKM/SI with the program titled "Preservation of Waqf (Endowment) Institutions in Empowering National Higher Education" with the help of some experts, professionals and academicians. Under the LRGS grant program consists of three main projects, namely: Project 1: Professor Dr. Mohammed Aslam Mohamed Haneef from the International Islamic University Malaysia (IIUM) as head of Project 1 with the project title: "Islamic Economic Framework for Waqf: Lessons from History, Comparative Best Practices and Developing Contemporary Theoretical Models"; Project 2: Associate Professor. Dr. Siti Mashitoh Mahamood from University of Malaya as head of Project 2 with the project title: "Financing, Investment & Development of Higher Educational Institutions: A Study in Malaysia and Some Selected Countries", and Project 3: Professor Dr. Wan Kamal Mujani from Universiti Kebangsaan Malaysia (UKM), as head of Project 3 with the project title: "The Social Impact in Development of Integrated Governance Waqf Higher Education Through Statute Waqf and Bank Waqf" [4].

The objective of the Ministry of Higher Education awarded this LRGS grants research, to monitor the effectiveness of the waqf to generate income as well as the financial results of the higher education institute and solve the problems related to the financial in higher learning institutions. With a LRGS research grant about Waqf higher education from Ministry of Higher Education Malaysia (MOHE) shown that ministry is very serious and concerned about waqf of higher education.

5. Summary

Hence, from the above discussion, it can be seen that waqf is an important asset toward the development of Muslim community through higher education. Waqf in higher education will not only provide opportunities and facilities for the public to gain knowledge but, it is an institution that provides a space for Muslims to do good deeds. Waqf should be implemented in Malaysian higher education institution in order to maintain the progress of the institution itself. Even though waqf higher education in Malaysia has emerged besides getting a good support from the government specifically Ministry of Higher Education (MOHE), nonetheless, it does not work as expected because there are certain constraints and obstacles that should be taken into consideration. The constraints and obstacles arise provide the opportunity for present waqf researchers and scholars to find for solutions and recommendations toward the betterment of waqf higher education institutions in Malaysia.

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7. References

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