

## Integrated Education Waqf Fund Management Model: A Case Study in the State of Johore, Malaysia

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### Abstract

The role of waqf in education is very significant. A *Pondok* institution, madrasah and college in Malaysia were established to empower religious education. In the State of Johore, Madrasah Al-Attas Al-Arabiah was first founded in 1913 and the last madrasah founded was Madrasah Arabiah Kluang, Johore in 1946. This was followed by the establishment of the Johore Religious School in 1918 which started with the Quranic School and developed into a religious school in 1923. However, there is no integrated religious education waqf model until there is a breach of trust, leakage and corruption that stutter the development of religious education. Therefore, this study aims to identify aspects of waqf management for religious education in the State of Johore as well as to analyses the successful management of endowments of education at home and abroad as well as to propose an integrated education waqf management model to overcome the problems. To obtain the study information, qualitative studies through content analysis and structured interviews were conducted. Through this method, interview data was transcribed and analyzed using Atlas.ti software to prepare reporting. The study is expected to propose an integrated religious education waqf fund management model for the State of Johore and Malaysia in general. Hopefully in this way the problem of leakage of management of waqf funds can be overcome as well as promoting the development of religious education in Malaysia.

**Keywords:** Waqf, Waqf For Education, Integrated Waqf Model

### Introduction

The word waqf in the Arabic language is taken from the Arabic word وقف which means standing, standing, still silent and non-moving (al-Marbawiy, 2008). In the form of plural is called وقوف or أوقاف instead of أوقف with the addition of hamza in the beginning of the word prohibited by al-Asma'iy (al-Basriy, 1994). According to the term of application waqf is to hold a property or goods that can be used by maintaining the original physical form by the possession of the property in case of necessity (al-Syarbiniy, 1994).

In general, waqf is divided into general waqf which includes any waqf dedication made for the purpose of charity or general charity without devoted beneficiaries (Mashitoh, 2007). While the special waqf is any treasured property, created for the purpose of charity or a special party according to Islamic Law.

In Malaysia, waqf funds are used for a variety of life needed, both traditional and contemporary. Many waqf land is used for the construction of mosques, surau, cemetery and madrasah. Meanwhile, in the contemporary context of Johore Corporation, a corporate company in Johore introduced the concept of corporate waqf which is to involve stocks listed on Bursa Malaysia whose benefits or profits were distributed to the local ummah including in education. Recently Johore Corporation Limited (JCorp) launched the Larkin Sentral Waqaf Shares for the construction of an integrated public transport center in the State of Johore with an estimated cost of RM85 million and is expected to benefit 26,000 users every day.

However, the study focuses on the management of waqf funds in the education sector, especially in the State of Johore with an integrated religious education system beginning at the primary, secondary and tertiary levels. It is organized by Johore State Islamic Council which receives annual budget for education from the Johore State Government. The scope of the study is focused on raising the resources of waqf funds for the development of religious education in the State of Johore which is currently limited to landfill activities only where there is a lack of facilities due to lack of funds for school management and student facilities. Besides that, the integrated education waqf model is proposed to overcome the problem.

### **Background of the Study**

Waqf is a funding instrument that has the potential to develop the excellence of Islamic education. Well-managed waqf funds can solve the current economic problems of Muslims (Rahisam et al., 2015). However, there are several factors that cause waqf as a development instrument and the welfare of society cannot function properly. Among them is the issue of waqf legislation in each state that causes waqf assets such as idle property and not developed (Hasanah, 2017; Zaim et al., 2015; Rahisam et al., 2015). The non-uniform waqf law has also resulted in differences in understanding of waqf governance. To date, only three states have special enactment of waqf namely Selangor, Malacca and Perak. While other states have not yet enacted a special enactment on waqf. Consequently, management of waqf is included in the field of education in the face of various bureaucratic red tape. Often, there is also a poorly developed and unregistered waqf state (Latiff et al., 2013). In addition, the waqf collection mechanism does not apply collectively so that raising funds cannot be collected and fully utilized (Yuhanis et al., 2015).

In general, various problems in waqf management have been identified, including non-uniform management, financial resources constraints, qualified shortage of qualified professionals, lack of complete waqf database and treasury assets and non-strategic waqf properties (Ramli, 2005). In addition, there is also a problem of lack of staff or competent council officials to manage and develop waqf assets. (Rahisam et al., 2015). Perpetrators also face an ineffective waqf property management problem that causes problems of dropping out of education among children (Syakir, 2017; Halim, 2007).

In the context of education, there are five main problems or challenges in the management of education waqf namely financial management, marketing management, specialist management, management and information management (Zaki et al., 2008).

Halim (2007) in his study stressed that financing education through waqf instruments can reduce the problem of dropping and abandonment of children who cannot continue their

studies because of poverty problems. With systematic management of waqf, the dependence of schools on government allocations in education can be reduced.

This is because the budget for education is included highest every year. In 2013 the education budget in the State of Johore amounted to RM31.27 million for religious education, the construction of religious schools and the development program of the ummah. In 2017 the Johore state government through the Johore Islamic Religious Council (JIRC) has allocated RM56.2 million from the zakat distribution budget 2017 for the development of Islamic education in the State of Johore. Additionally, through the 2017 budget the State government has allocated a total of RM141 million to build 25 new religious schools ([ccin.utm.my/files/2017/01/Touchpoint-Bajet-2017.pdf](http://ccin.utm.my/files/2017/01/Touchpoint-Bajet-2017.pdf)).

Failure to manage marketing activities well causes a narrowing of the understanding of the community to the lack of response to the waqf especially in the education sector. Misunderstandings on fund management between waqf and other contributions as well as mixed fund management problems between the concept of zakat and waqf also cause people to misunderstand the management of waqf funds (Najibah & Zamro, 2014). The public awareness for waqf also contributes to low fundraising (Hasanah, 2017).

In the context of providing educational facilities there is a school managed with waqf funds in a poor condition, faced with the lack of teachers and the construction of new schools disrupted due to lack of funds. (Hasanah, 2017). The State Government of Johore for example had to finance the reconstruction of 70 state government religious schools abandoned in 2016 ([www.astroawani.com](http://www.astroawani.com)). In fact, parents are burdened with various fees that make them around to send their children to religious schools. Utusan Malaysia (2014) reported that parents had to pay up to RM600 a year for the first year of admission to religious schools. The Johore State Government through the waqf scheme of the Religious School Building requires a total of RM322 million to develop religious schools and build their own building on waqf land ([www.e-waqfJohore.gov.my](http://www.e-waqfJohore.gov.my)). This is because, from 552 religious' schools in the states only 384 have their own buildings.

Even though there are eight higher educational institutions that have managed to implement higher education waqf but have no integrated management model namely education management waqf model which includes primary, secondary, and higher education to optimize waqf as an integrated educational funding instrument (Rahisam et al., 2015). In other words, there is no specific model that can minimize the abandonment of education waqf management in terms of fiscal management, marketing, specialist management, administrative and information management (Zaki et al., 2008).

In the State of Johore there are three categories of religious schools namely primary, secondary higher education level. At the primary level there are 578 evening religious schools until July 2017. In the secondary level, there are two religious schools namely Maahad Johore established in 1958 ([mj.Johoreislamic.edu.my](http://mj.Johoreislamic.edu.my)) and the State Religious Schools of Johore (SMAKJ) established in 1988 ([smakj.Johoreislamic.edu.my](http://smakj.Johoreislamic.edu.my)) and higher education institution namely Institute of Islamic Studies and the Arabic Language of Johore (MARSAH) established in 1997 ([www.marsah.edu](http://www.marsah.edu)). However, studies on religious schools are still lacking and need to be increased as there are administrative inefficiencies, lack of teachers, limited financial resources and relatively poor infrastructure (Sufian, 2005).

Therefore, this study presents some differences with other waqf related studies as the main objective of this study is to explain the aspects of management of waqf funds and its potential to religious education institutions in The State of Johore which are less discussed in previous studies. In this study, the approach used is to create a way and efficient governance to ensure

that the waqf funds can be realized and generate encouraging income and returns for the benefit of regional religious education. (Zakiah & Hairunnizam, 2014).

### Literature Review

History of the establishment of a waqf based institution begins at the mosque (Zaki, 2006). Prophet Muhammad SAW founded the Quba Mosque with waqf funds and the al-Nabawi Mosque on waqf land (Dawabah, 2010). Al-Shalaby mentions the factors that make the connection between the mosque and education so close as the syllabus of study focuses on studying religious policies and principles (Mughtar & Sanusi, 1976).

Hayat (2015) explains the Educational Institution of Waqf growing from mosques to madrasahs and universities. According to Ismail & Kamarul (2008), Hayat (2015) and Makdisi (1981) jami's mosque have served as secondary and higher education institutions with the support of the government's waqf funds.

The history of development of waqf based institutions in Malaysia began before Independence Day with the establishment of *pondok* institutions, madrasahs, private religious schools and colleges. There are also waqfs in the form of facilities such as student dormitories, chairs and tables, books, providing the scholarship for needy student, monthly salary for the teachers' and student fees (Rusnadewi & Rohayati, 2014; Baharuddin, 2011).

Waqf Based Institutions in early days are also linked to the establishment of a more formal Islamic school system or Arabic School with complete curriculum and school facilities that emerge from the reform movement in the Middle East (Zaki et al., 2008). Sufean (2004) attributed the establishment of madrasah to the British colonial education policy which was indifferent to Malay education. Implications for the development of madrasah and Arabic

Schools are marginalized and placed under the management of State Islamic Religious Council (SIRC) which also faces the problem of providing complete school facilities, varying teaching curriculum, self-administered examination system, certificates are also inconsistent and vary according to state (Zaki et. al., 2008).

Among the earliest madrasahs built on the waqf land in the State of Johore are Madrasah al-Attas al-Arabiah Johore in 1913 (Jalil, 2012) and last madrasah established was Madrasah Arabiah Kluang, Johore in 1946 (Hairudin & Kamarul, 2012). In 1918 low-level religious education in the State of Johore began with the establishment of a special Al-Quran School related to the study of the Holy Quran. It was subsequently converted to the *Sekolah Kitab* in 1920. In 1923 created a *Sekolah Darjah Khas* as an extension of the Evening School. In 1960 Maahad Johore was established as a fourth thanawiy of Islamic studies curriculum. Religious education in the State of Johore expanded with a boarding school or fully residential school of the Johore Government Religious Secondary School, Kluang (SMAKJ) in 1988 (Azlina, 2017). In 1997, the Institute of Islamic Studies and the Arabic Language of Johore (MARSAH) was founded as a center of Islamic studies.

Waqf Stock (*Saham Wakaf*) of the Johore Religious Schools Waqf project was introduced to build 121 religious' schools under the Johore State Government. The Johore Islamic Religious Council has successfully purchased a building for the use of Malaysian students in Egypt through the waqf stock of boarding houses in 2010 (Siti Mariam et al., 2014). According to Enny (2006) in 2004 there were 498 religious' schools in the State of Johore which were set up on waqf land.

The management of Pondok Modern Darussalam Gontor in Indonesia, including those that have succeeded in integrating integrated education from primary to higher education level.

Founded in 1926, Gontor now has a series of 17 branches throughout Indonesia with a total of 22 thousand students. It is even more rewarding when the waqf mechanism is the main instrument of educational development in Gontor (Syihab, 2015). Likewise, in Singapore, efficient waqf management has helped develop education sector based on waqf funding from madrasah to college. Muhammadiyah Islamic College Singapore (MICS) among others who successfully integrate primary education to higher education based on waqf mechanisms. Through the Wakf al-Din scheme, MICS collects cash awards from the public and provides services from home-to-home donations to facilitate the welfare of the people (Mokhtar, 2015).

There are now various types of religious schools administered by various parties in the State of Johore. Among them are school administered by the state, federal government, private parties, certain bodies, and individuals (Masitah & Aizah, 2015). However, in this study the researcher focused only on the management of religious schools under the State Government of Johore which was developed on the land of waqf. This is to support the concept of Johore Islami by the YAB Menteri Besar of Johore to uphold religious education in the State of Johore. Through this concept it is estimated that about 160,000 poor people will benefit various assistance such as daily welfare, housing, medicine and Islamic waqf based education. ([www.utusan.com.my](http://www.utusan.com.my)).

### **Findings**

Implication of the existence of waqf fund management problems for religious education in the State of Johore, proposes an integrated religious education model. This is to coordinate the method of fund raising and the distribution of waqf benefits for all three levels of religious education under the Johore State Islamic Council. This model which is produced through research on the practice of religious education at Malaysia and other countries is expected to be the next model by the parties involved in managing waqf funds for integrated religious education. This is shown in Figure 1.0 below:



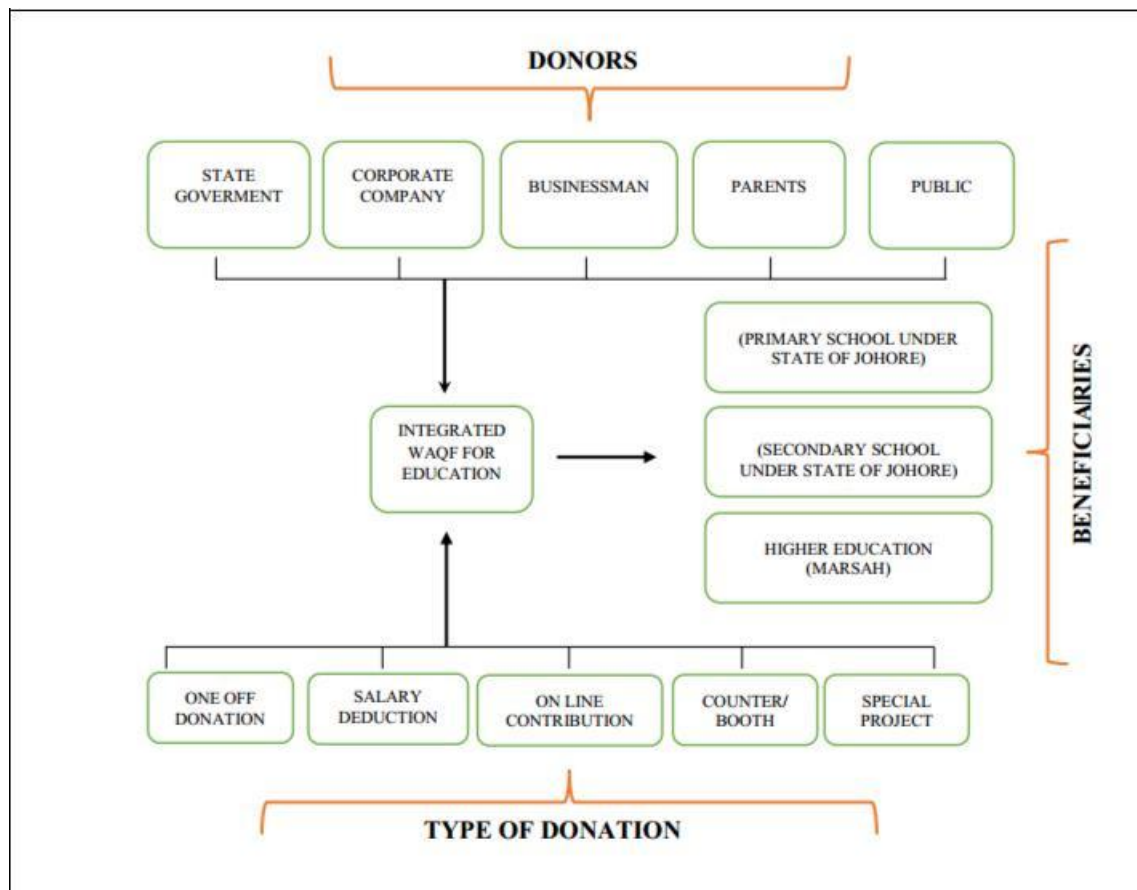


Figure 1.0: Integrated Religious Education Waqf Model

Based on Figure 1.0 above, the major contributor to the development of an integrated education waqf model consists of state governments, corporate companies, businesspeople, parents and the public. In this regard, Ujang (2010) proposed that the government contribute a total of 30% of the funds while the balance is derived from fund-raising and private sector donations.

Waqf donation by the corporate side is also capable of realizing this desire. Corporations like Waqaf An-Nur Corporation Berhad (WANCorp) have contributed through education and entrepreneurial capital programs. Among them are education assistance to the Institute of Islamic Studies and the Arabic Language of Johore (MARSAH), the International Islamic University Malaysia Student Center (IIUM), the Johore State Integrated Religious Primary School, the braille al-Quran printing and contributions to local and foreign students (Shakor, 2011). Johore State Government through Johore State Religious Council also built religious schools on gazette land as general waqf.

It was recorded that Tan Sri Azman Hashim contributed a total of RM 7 million to the International Islamic University of Malaysia which was built on a multipurpose waqf complex and its benefits were awarded scholarships to selected students. Besides that, businesspeople, schoolchildren, parents, local communities, and alumni or former students can also contribute.

The donation method can be made through periodic donations, direct contributions, online, payroll deductions, counters and promotional booth. Waqf contributions in the form of movable property such as cash and immovable property such as land and others are also

accepted. Only the movable property contribution will be converted into permanent assets to avoid waqf capital loss until the generational activity cannot be implemented.

Finally, all donations will be utilized to meet the demands of religious institutions in the State of Johore in an integrated manner (Taib, Mujani, Yaakub, & Rifin, 2017). Starting from the low level focusing on Religious Schools (*Sekolah Agama*), Johore State of Boarding Religious School and Higher Education Institutions under the Johore State Government.

### Conclusion

The role of waqf in the field of religious education is undeniable. To date, waqf education institutions have successfully produced scholars, religious leaders, politicians, academics, and even devout Muslims who adhere to religious teachings. However, waqf property management problems in the education sector have largely mitigated the development of waqf so that the enormous potential of waqf cannot be fully utilized.

People still see waqf in the form of tradition and lack awareness for waqf in the field of education. The many implications of its enjoyment are the land for the construction of mosques, surau and cemeteries. The problem of shortage of waqf funds to plan integrated education development also failed to be implemented. Hence, with the establishment of this model of Integrated Islamic Religious Education, it is hoped that it will be the starting point for creating a welfare paradigm for religious education in the State of Johore.

It is also suggested that a mechanism or model of waqf property generation be examined to highlight the conservation aspects of waqf property with the benefits of being used for the period. It should also be understood how the generation of this generation does not focus on investing activities and capitalist development which is materialistic only. The pupil's role as a righteous servant and to pray for a donator from one generation to one generation to the end of time is the invaluable benefits of waqf and no excellence.

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