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WAQF DEVELOPMENT IN MALAYSIA AND SINGAPORE: A COMPARATIVE STUDY

HAJI-MOHIDDIN, HAJAH,MAS,NOORAINI

بِسْمِ اللهِ الرَّحْمَٰنِ الرَّحِيمِ

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ABSTRACT

Waqf Development in Malaysia and Singapore: A Comparative Study

Hajah Mas Nooraini Haji Mohiddin

Waqf or endowment as an institution begins with a pious intention to do good deeds for the benefit of one and others. In other words, *waqf* is a dedication made by one person for the benefit of others, with the intention that the dedicator be entitled to a continuous reward from Allah the Creator throughout the period of the endowment. Once the *waqf* is declared by the person it will effect a transfer of the property which is the subject matter of the dedication to Allah Almighty. However the benefit derived from the use of property will be given in accordance with the founder's intention. Historically, *waqf* played a key role in the development of Muslim societies. *Waqf* served the Muslim community (*ummah*) in almost all fields, such as religion, education, medicine and other socio-economic activities. However, nowadays *waqf* has become dormant and less popular in Muslim countries. *Waqf* no longer serves the needs of the *ummah* due to problems, such as mismanagement, *waqf* laws and awareness of it in Muslim society. The status of *waqf* has deteriorated to such an extent that in some countries *waqf* assets have been neglected and abandoned. As a result of colonialism, Malaysia and Singapore adopted western laws, which precede Islamic laws including those dealing with *waqf*. Despite this, Johor and Singapore still provide the best models of the successful development of *waqf*. Therefore, it is interesting to compare the different environments and situations of the two states in order to identify the challenges faced by *waqf* institutions in both states.

Based on a comprehensive literature review of issues affecting *waqf* in the two states, the following major themes were identified; legal issues, perceptions, management and operation. The importance of the legal system is basically to support and protect *waqf* in areas such as registration or amending the deeds. Any change in contemporary law does not necessarily mean it is against Shariah principles, as long as the state regulation upholds Shariah principles, in order to protect the *waqf* while catering for the current situation. Generally, both quantitative and qualitative data support the theory that many people still believe that *waqf* is only for religious purposes. The data obtained from both states also show that national differences play an important role in the variation of knowledge and awareness of *waqf*. In managing *waqf*, there are problems or challenges that have to be faced. The problems that can be detected are from three kinds, namely; development, management and public awareness. However, lack of awareness amongst the public becomes problematic when there is a need to increase and

improve *waqf* assets. Based on the empirical analysis presented in this thesis, the last chapter's purpose is to highlight policy recommendations with respect to improving *waqf* development and increasing public awareness. This small contribution not only fulfils the research requirement but hopefully also helps to make my beloved small country Brunei Darussalam more aware of and concerned with this important institution.

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GLOSSARY

Transliteration	Translation
Ahli Sunnah wa al-Jamaah	the Sunnis
Al-Ameen	trueness as a title for the Prophet Muhammad (p.b.u.h.)
Al-Hadith	the tradition or collection of traditions attributed to the Prophet Muhammad (P.b.u.h) that includes his saying, acts and approval or disapproval of things.
Al-Maslahah	be based on general interest or benefit
Al-Sighah	statement
Al-Quran	The Holy book containing the actual words of Allah revealed to the Prophet Muhammad (peace be upon him)
Amanah	trustworthy
'Am	general *waqf*
'Ariyah	loan
Awqaf	plural for *waqf*
Badan Tanmiyah	The Development Body
Baitulmal	treasury/ general endowment fund
Bilal	the Muslim Official of a mosque who summons the faithful to prayer from a minaret five times a day.
Birr	performance of good deeds, piety, devotion
Business Jihad	jihad of Peace and Prosperity through Enterprise
Da'wah	missionary activity
Diwan	department

Fard Kifayah	communal obligations
Fatwa	legal opinion
Fiqh	muslims jurisprudence; it covers all aspects of life, religious, political, social and economics.
Hajj	the official Muslim pilgrimage to Mecca
Halal	which is allowed, permitted or permissible
Hiba Harta	property gift
Hubus or Habs	another word for *waqf*
Hukr	exclusivity or monopoly
Ibadah	worship
Ihsan	well-wishing deed
Ijaratain	a lease with dual payment
Ijarah	lease
Ijma'	unanimous resolution
Ijtihad	interpretation of the law by jurists
'Ilm faraid	law of distribution of estate
Imam	an Islamic leader, usually the leader of a mosque.
Istibdal	exchange
Istisna'	this is a kind of sale where a commodity is transacted before it comes into existence. Usually used for transaction which is in progress.
Jauhar	valuable jewel
Jihad	fighting for the cause of Allah Almighty

Ka'abah	cubic structure which is object veneration for Muslim
Kadi	judge ruling in accordance with Islamic religious law appointed by the ruler of a Muslim country
Khair	well- being
Kiblat	direction to which Muslims turn in prayer (towards the *Kaaba*)
Kiswa for the Kaaba	the cloth that covers the *Kaaba* in Mecca, Saudi Arabia
Khiyar	the right to withdrawal
Kinayah	a pronouncement that brings many purposes
Madrasah	religious school
Maslahah	social need
Maqasid	purpose, aim, objective
Maqasid Syariah	the aim and secret which is determined by Allah in every *hukm* or regulation to reach happiness for individual and community
Mauquf	*waqf* asset
Mauquf 'Alaihi	beneficiary
Muamalah	civil transaction
Mudarabah	co-partnersip where at least two parties are involved in a commercial transaction in which one party provides capital, while the other offers skill in carrying out the business successfully in view of sharing the subsequent profits or loss accordingly.
Mujawir	neighboring
Murabahah	sale on profit, profit margin agreed by both parties

Musharakah	is a partnership arrangement between two parties of more to finance a business venture whereby all parties contribute capital either in the form of cash or in kind for the purpose of financing the business venture.
Musyrif	administrator/manager
Mutawalli	administrator
Muqim	residents
Nasir	stand by, sponsor, defend or administrator
Nazara	the ministry plays a role as supervisor while another body manages the *waqf* asset.
Nazar	vow, solemn pledge
Pbuh	peace be upon him
Penghulu	a local chief especially in village
Qaim	administrator
Qaryah	village
Qaul Mukatamad	accepted views
Qurbah	the intention to seek God's good-pleasure or vicinity
Ribat	a shelter for the poor or wayfarers
Sabililah	the idea of fighting in the way of God
Sadaqah Jariah	continuously charity
Sadaqah Nafilah	optional charity
Sadaqah Munqati'ah	discontinue charity
Sadr al-Wuquf	a high position in managing *waqf*

Sarraf	exchange
Siyasah Syariyyah	Islamic politic
Soreh	clear pronouncement with specific meaning
Sukuk Musyarakah	certificate of partnership investment
Tahfiz center	*Quran* memorisation
Tasarruf Manutut bi maslahah	an act of head of state in managing public matters must be based on general interest or benefit
Ummah	muslim community
Urf	custom
Wakaf	Malay consonant for *waqf*
Wasq	freight, loading
Wasiah	will
Waqf Ahli	family *waqf*
Waqf Khairi	public *waqf*
Waqf 'Am	public *waqf*
Waqf Khass	specific *waqf*
Waqif	founder/donor
Waqf Manafi'	*waqf* usufruct
Waqf Irsyad	*waqf* of land by any corporation, institution, organisation or other bodies according to Shariah
Zakat	obligatory levy on every Muslim who has wealth
Zamzam	name of well in Mecca

ABBREVIATIONS

Abbreviations	Meaning
AMLA	Administration of Muslim Law Act
BMT	British Malayan Trustee
CPF	Central Provident Fund
DDR	Dompet Dhuafa Republika
GAC	Government Accountability Office
GDP	Growth Domestic Product
ICT	Info Communication Technology.
IPC	Institution of Public Character
IRC	Internal Revenue Code
ISO	International Organization for Standardization
JAKIM	Jabatan Kemajuan Islam Malaysia
JAWHAR	Jabatan Wakaf, Zakat dan Haji
JCORP	Johor Corporation
KAFP	Kuwait Awqaf Public Foundation
KPJ	Kumpulan Perubatan Johor
KWANB	Kumpulan Waqaf An-Nur Berhad
MAIJ	Majlis Agama Islam Johor
MBF	Mosque Building Fund

MSA	Muslim Students Association
MUIS	Majlis Ugama Islam Singapura
MYR	Malaysia Ringgit
NAIT	North America Islamic Trust
NGO	Non-Government Organization
NPO	Non-Profit Organization
OIC	Organization of the Islamic Conference
SAR	Saudi Arabian Riyal
SGD	Singapore Dollar
SIRC	State of Islamic Religious Council
SME	Small Medium Enterprise
SMS	Short Messaging Service
TWI	Tabung Wakaf Indonesia
UITM	University Teknologi Mara
UNO	United Nation Organization
VAT	Value Added Tax
VWO	Voluntary Welfare Organizations
WAREES	Wakaf Real Estate of Singapore
YWM	Yayasan Waqaf Malaysia

WAQF DEVELOPMENT IN MALAYSIA AND SINGAPORE:

A COMPARATIVE STUDY

Chapter 1

Introduction

1.1   Introduction

Waqf or endowment as an institution begins with a pious intention to do good deeds for the benefit of one and others. In other words, _waqf_ is a dedication made by one person for the benefit of others, with the intention that the dedicator be entitled to a continuous reward from Allah the Creator throughout the period of the endowment. Once the _waqf_ is declared by the person it will effect a transfer of the property which is the subject matter of the dedication to Allah Almighty. However the benefit derived from the used of property will be given in accordance with the founder's intention.

The important characteristics of classical _waqf_ are: irrevocability, perpetuity and inalienability. Once a piece of property is given for a charitable purpose, the owner is not allowed to have any claims over it, since the property is said to belong to no one but Allah. A trustee in the form of a single person or a group of person has the responsibility to manage the property for the generation of income which is distributed as specified by the founder.

This concept is of great importance for the development of the poorer sections of society as _waqf_ properties can be managed to generate income for distribution or even for further accumulation of assets. Thus, _waqf_ itself can be regarded as an important economic and social institution for the purpose of generating economic activity whilst at the same time ensuring that benefits will accrue to specific sections of society.

Therefore, there needs to be a new approach and strategy in creating an administrative system that is well-managed, efficient, and responsive, especially in the use of latest management styles and information technology. There also needs to be a new dimension of development that can make _waqf_ a major source of economic strength, this will require a change in society's perception of traditional _waqf_ practices.

1.2 Statement of the Problem

Historically, *waqf* played a key role in the development of Muslim societies. *Waqf* served the Muslim community *(ummah)* in almost all fields, such as religion, education, medicine and other socio-economic activities. However, nowadays *waqf* has become dormant and less popular in Muslim countries. *Waqf* no longer serves the needs of the *ummah* due to problems, such as mismanagement, *waqf* laws and awareness of *waqf* in Muslim society. The status of *waqf* has deteriorated to such an extent that in some countries *waqf* assets have been neglected and abandoned. As a result of colonialism, Malaysia and Singapore adopted western laws which precede Islamic laws including those dealing with *waqf*. Despite this, Johor and Singapore still provide the best models of the successful development of *waqf*. Therefore, it is interesting to compare the different environments and situations of the two states in order to identify the challenges faced by *waqf* institutions in both states.

The ability of *waqf* to reduce poverty and increase the size of a state's economy could help reduce the government's burden to undertake these activities itself, as has been proven by history. However, the reality is that the institution of *waqf* is unable to contribute to strengthening the economy. As Jamil (2007) asserts the tradition of *waqf* in the Muslim community nowadays is diminishing and does not tend towards more productivity. Besides this the public perception is still bonded to the traditional belief that *waqf* is for religious purposes only. Moreover, as *waqf* is not compulsory, it may produce less response and concern among the public than otherwise. He also emphasised that *waqf*, can improve public welfare and assist the government in order to increase overall quality of life.

In addition, the weakness of the administration of *waqf* related to legal or regulatory frameworks has become a difficulty among the public. This creates a negative impact on *waqf* development and gives an unclear view of *waqf* and its role and functions in society.

Given this background, the research intends to delve in considerable depth into the legal environments that influence waqf development in Singapore and Johor, Malaysia. Johor has been selected because it is one of the most flourishing states in Malaysia particularly, when it comes to *waqf* development. This is supported by Mahamood (2006) as she stressed that Johor has become the most advanced state in the development of *waqf* in Malaysia with a variety of current projects and innovative plans. While Singapore is a secular state with a minority of Muslims, the country is known as to be one of the most advanced in *waqf* development.

This research intends to expand on the comparison between both countries in *waqf* development. Other than comparative study, the study aims to explore, understand and learn from their experiences. The research will examine the view of people and provide insights into *waqf's* potential for enhancing social development, especially for Muslim communities**.**

1.3 Rationale and significance of the study

Historically, *waqf* is very important in enhancing economic welfare and reducing government burden. However, the current status of *waqf* institution is considered very weak (Jamil, 2007; Morgan, 2001, Ismail Abdel Mohsin, 2009). This research intends to investigate some of reasons that may have contributed towards these phenomena and to come up with some suggestions to improve the status of waqf. . As this research is compare   waqf in a secular state and state in a Muslim country, the study will be able to explore the differences in the management and development realted issues under both non-Muslim and Muslim governments. The study will aslo examine the stakeholder's attitudes and intention to donate to waqf are influenced by in different environment/background.

Muslims all over the world are exposed to waqf, but the level of understanding and depth of knowledge of *waqf* difficult to determine. Thus, this research is crucial as it will help to discover the perceptions of *waqf* and suggests ways in which understanding can be enhanced so that increased contributions can generate more *waqf* assets.

Additionally, this research expects to reveal how *waqf* property has been successfully developed in two different states: Johor as a Muslim majority state and Singapore with a minority Muslims. The success of the two states with regards to *waqf* development suggests that it does not depend on the proportion of Muslims in the population of a society. Nevertheless, it does depend on effective and efficient management of *waqf* assets and properties and the utilisation of contemporary instruments which are consistent with the era of globalisation.

To the best of the researcher's knowledge, there has been no comprehensive and detailed study on the comparison of *waqf* in Johor and Singapore. Thus, it is of interest to study this topic and fill this gap in order to explore the status of some issues of *waqf* that have never been addressed before.

 It is expected that the experience of *waqf* development in these states can be an example and catalyst for improving and increasing *waqf* development in my own country, Brunei Darussalam. Moreover,

this modest contribution will generate more understanding, awareness and confidence in the Muslim communities on the vital role and the benefit of *waqf* in the development of the economy and society as a whole includes non-Muslims.

1.4   Research Aim and Objectives

This research aims to explore the impact of legal regimes and *fiqh* (Muslims jurisprudence) on *waqf* and examine the operations, management and stakeholder perceptions of *waqf* in the Malaysian states of Johor and in Singapore. Using the findings of this study, the research expects to develop policy recommendations to improve the social impact of *awqaf*. The main objectives of the study are:

1. To ascertain the legal issues/ fiqh issues related to *waqf* and its application during contemporary times.
2. To identify the legal regimes of *waqf* in a Muslim majority state (Johor, Malaysia) and a Muslim minority country (Singapore).
3. To explore the understanding and public perception on *waqf* in both states.
4. To understand behavioural aspects related to the creation of *waqf* in both Singapore and Johor.
5. To clarify the development aspects of contemporary *waqf* by comparing the status and outcomes of *waqf* in Malaysia (Johor) and Singapore.
6. To explore the methods used in implementing good management of *waqf*.
7. To highlight the policies that can enhance the role of *waqf* in social and religious development.

1.5 Research Questions

In order to accomplish the objectives of the study, the questions this research intends to answer are:

1. Do contemporary laws governing *waqf* comply with Shariah principles?

2. How do national laws affect contemporary *waqf* and its application?

3. What are the different laws governing *waqf* in Johor and Singapore?

4. What are the public perceptions on the status and uses of *waqf* in Johor and Singapore?

5. To what extent are Muslims in these two states exposed to and understand the concept of *waqf*?

6. What is the extent of giving for *waqf* and for what is the purpose donation?

7. What is the current status of *waqf* in Johor and Singapore?

8. What are the outcomes and output of *waqf* and how have these affected developments in both states?

9. What are the approaches of *waqf* management applied by both states?

10. What are the major constraints facing the donors (public) and the management that impede the development of *waqf*?

11. What policies can be implemented to improve the role and significance of *waqf* in socio-economic development?

The first three questions are regarding to law, and are addressed in chapters 2, 3, 4 and 8, and fulfil the research objectives. While chapters 6 & 7 provide an answer to research questions 4 and 5. Chapters 4, 6, 7 and 8 respond to research questions 7 and 8 which discuss status, output and outcomes of *waqf* in both states. In terms of *waqf* management in question 9, chapters 4 and 8 answer this question. In managing *waqf,* there are problems and constraints that have to be faced by both donors or management, chapters 6, 7 and 8 provide the answers to these questions and fulfil the research objectives.

1.6 Research Methodology

For the purposes of conducting this research, both primary and secondary data collection tools are used.

To garner stakeholders' perceptions, survey questionnaires were distributed in both states. This is because quantitative analysis is more appropriate in order to explore the level of understanding towards issues related to *waqf* such as its concept, status and establishment.

For management and operational matters combined methods are utilised. The data is collected from the published annual reports from relevant bodies, online articles, journals, websites, and conferences in order to get recent information about *waqf* in both states. Additionally, interviews are used to explore in depth the operations and administration adopted in Johor and Singapore.

1.7   Structure of Research

This study will be divided into ten chapters:

Chapter One: The introduction chapter provides a framework for the study, a statement of the problem, the study's objectives, and outlines the research questions and structure of this study.

Chapter Two: This chapter provides a discussion on the important role that non-profit organisations (NPOs) play in society's development and how the legal environment affects them. The section begins with the concept and principles of non-profit organisations, followed by the benefits they received through tax exemption. There is then a brief history of non-profit organisations and endowments and a discussion of the role and function they play in fulfilling people's needs. *Waqf* institutions are also mentioned in this chapter and the constraints placed on *waqf* implementation which arise from state laws in certain countries are presented at the end.

Chapter Three: This chapter discusses the concept and principles of *waqf* from the point of view of Islamic jurists and some Western scholars. There is confusion among the public between *waqf* and *sadaqah,* so it is important to clarify the concepts and discuss their differences to understand them better. This is followed by the legal principles of *waqf* provided by the Quran and the tradition of the Prophet and the consensus of Islamic society. Then the process of establishment by the founder of the *waqf* asset, beneficiaries, management and administration will be presented. In the last section, after introducing the types and characteristics of *waqf,* the emergence of *waqf* from the pre-Islamic era to today is analysed. The idea is to reveal the success of *waqf* development for religion, economics, social improvement, health and education. This chapter ends with the experiences of *waqf* in both Muslim and non-Muslim countries, to emphasise the vital role of *waqf.*

Chapter Four: As the research plans to undertake a comparative analysis of *waqf*, this chapter provides an overview of *waqf* development in Johor and Singapore by providing the background and practices of *waqf*. This discussion includes the laws which govern *waqf* and its operation and administration that have been implemented in both states. This chapter also describes in brief the regulations of NPOs that have been adopted in those states.

Chapter Five: The research strategy, design and methodology employed in this research to meet its aims and objectives are discussed in this chapter. It also a looks at how the surveys are to be conducted and how the data obtained from them are to be analysed. The limitations and difficulties of employing

these research methods are also mentioned in order to give an insight to the reader as to the reality of conducting the research.

Chapter Six: Presents information of respondents based on the data which was collected from the questionnaires, and consists of five sections starting with demographics such as gender, age, marital status, religion, education level, monthly income, number of children, which sector they are employed in and occupation.This is followed by sections on knowledge and awareness among respondents towards *waqf* issues, *waqf* establishment, *waqf* management and *waqf* outcomes.

Chapter Seven: This chapter explores and analyses the perceptions and attitudes towards the concept of *waqf*. It consists of three sections: The first section presents results on awareness and knowledge of the concept of *waqf* including kinds of *waqf* and the flexibility of *waqf* cash. The second section discusses issues related to *waqf* creation and the constraints that the public face in developing *waqf* as they are the main source to generate assets for *waqf*. And the last section reports on *waqf* management. This includes discussion of *istibdal* (exchange) in *waqf* deeds to assets, outcomes and beneficiaries, issues of *waqf* management and finally the criteria for satisfaction chosen by the respondents in three different entities for managing *waqf*.

Chapter Eight: Presents a qualitative analysis of the perceptions of *waqf* gained from the semi-structured interviews. The purpose of this method is to explore in depth certain matters of contemporary law related with *waqf* including its status and output as well as its management. From the findings of the analysis, this chapter explains to what extent the law may impact *waqf* development and what the present status of *waqf* is in both states. The problems that are faced by management are also discussed in this chapter as are suggestions to minimise the problems in order to increase *waqf* development.

Chapter Nine: Provides more empirical evidence and contextualizes the findings. It presents the results and shows how all the research questions are answered to accomplish the main objectives of this study. The discussion is presented under three main themes; legal issues, perceptions of stakeholders on *waqf* and management and operations of *waqf*.

Chapter ten: The final chapter presents a summary of the results of the research and then proposes certain policy recommendations with respect to *waqf* management and the development of *waqf* institutions. After identifying the limitations of this study, the chapter concludes by providing suggestions for further research.

Table 1.1. Chapters and Research Questions

Chapters	Research Questions Addressed
Chapter 1	Introduction
Chapter 2	Research Questions 1 and 8
Chapter 3	Research Questions 2 and 8
Chapter 4	Research Questions 3,7,8 and 9
Chapter 5	Methodology
Chapter 6	Research Questions 4,6,7,8 and 10
Chapter 7	Research Questions 5,6,7,8 and 10
Chapter 8	Research Questions 9 and 10
Chapter 9	Research Questions 6 and 11
Chapter 10	Summary

Figure 1.1: The Structure of the Thesis

	Waqf Development in Johor & Singapore

INTRODUCTION — CHAPTER 1

THEORITICAL
- CHAPTER 2 — NPOs
- CHAPTER 3 — *Waqf* In Islam
- CHAPTER 4 — *Waqf* in Johor & Singapore

METHODOLOGY — CHAPTER 5 — Research Framework

EMPIRICAL
- CHAPTER 6 — Perception analysis
- CHAPTER 7 — Inferential Analysis
- CHAPTER 8 — Interview Analysis

CONTEXTUALIZATION — CHAPTER 9 — An Interpretative Discussion

SUMMARY — CHAPTER 10 — Recommendation

Chapter 2

Non-profit Organisations: Organisational, Format, Operation and Management.

2.1 Introduction

This chapter discusses the important role that non-profit organisations play in society's development and how the legal environment affects them. The first section begins with the concept and principles of non-profit organisations, followed by their benefits through tax exemption. This is followed with a brief history of non-profit organisations and endowments and a discussion of the role and function they play in fulfilling the people's need. *Waqf* institutions also discussed in this chapter and the constraint on *waqf* implementation which arise from the state law in particular countries are presented at the end.

The current academic debate with respect to third sector is happening at an international level and scholars from different countries have contributed on this topic. It is true that the features of the third sector differ among countries, these formats are mainly affected by the national and regional traditions (Evers and Laville, 2004).

The third sector can bring about major benefits in improving welfare and the over all development of the society. It provides services in the fields where the state has failed to offer adequate provision. The third sector is assigned different names in different regions, like 'Non-profit', 'Voluntary' and 'Independent' (Salamon and Anheier, 1999), 'Non-governmental' (Salamon and Anheier, 1992:268), 'Noncoercive', according to Robert Wathnow (1989 cited from Chirzin,2000), and the latest inclusion 'Civil Society'[1] all refer to the third sector (Morris, 2000). It is interesting to note here that when mentioning Islamic civil society it is referred to as *waqf* by Morgan (2001).

The formation of this third sector has led to many movements in social and political areas, like the environment movement, civil rights movement and so on. These movements have been able to challenge the authority of the state (Salamon and Anheier, 1997a).

Although the third sector is also referred to as being independent, in terms of finance they often receive the majority of their funds from government (James, 1990) and private business. What is

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[1] **Civil society is a realm of free activity and association that is not recognised by the state.(Dictionary of the social sciences (2002) ed. by Calhoun, Craig, New York, Oxford University Press, p. 69)**

meant by independent here can be considered as a 'third force' outside of the world of government and private business, as defined by (Salamon and Anheier, 1997).

In most of the developing world, the third sector is referred to as non-governmental organisations (NGO) (Salamon and Anheier, 1997). The term NGO is used instead of non-profit organisation in some countries. Non-government organisations or NGOs are not associated with the Government. NGOs may be big organisations like children's charitable and welfare organisations, or small community organisations such as sports' clubs or civic societies (Maddison and Hamliton, 2007). The term 'non- profit organisations' is used in this thesis in terms of the third sector as it is more familiar, when compared to the others, and is perhaps the most general of those terms (Salamon, 1997). However, the use of 'third sector' can also be found in some parts of this chapter.

2.2 Concept and Principle of Non-profit Organisation

The term 'non-profit' refers to any organisation in which the owners or partners are not eligible to any share in the profits (Barber, n.d.; Hansmann, 1980, Salamon and Anheier, 1997b). They do not have the intention to make profit, even though these organisations may generate income in a financial year (Salamon and Anheier, 1997b). Considine (2010) maintained that non-profit sector as a group seeks to promote some non-monetary value, without the use of coercive authority, which results in the creation of a non-government organisation that does not repatriate (return) profits to a class of individual owners or investors.

Though they are called NPOs, sometimes they often have an excess of income over expenditure resulting in profit (Weisbrod, 1988). Therefore, Barber (n.d.) clearly defined the term 'Profit' in this context its technical accounting meaning rather than the general sense in which it is used.

Hansmann (1980) maintains that if a non-profit organisation (hereafter known as an NPO) derives any net income, it is prohibited from distributing among its trustees, directors, officers or members, or anyone else who is an associate of the organisation. However, it does not mean that the non-profit organisations are barred from making profits. Moreover, there is no restriction or limit on the profit these organisations generate. The restriction is only on the way the profit is distributed (Weisbrod, 1988).

It is mandatory to use the net income earned to invest in improving the organisation and meeting the service objectives of the organisation, on the basis of which the organisation was incorporated (Hansmann, 1980). Furthermore, the net profit generated should be utilised in realising the goals of the

organisation and to achieve the aims and objectives of the organisation in a better way, additionally there are tax exemptions in some countries such as The United States of America. It is very clear that the restriction is not on generating profit, but on how the profit is made use of (Weisbrod, 1988).

As stated earlier, although the profit cannot be distributed among any members, it does not mean they work for free. It is worth mentioning here that the members are eligible to receive a salary payment in return for their work. This is appropriate with the aim of taking up work to serve the public and does not in anyway serve the personal causes of the members and serves the general public or a specific group of the public (Frey and Goette, 1999).

This statement is supported by Hall (cited in Brooks, 2005) when he defined a non-profit organisation as a private organisation that has at least one of the following aims:

a) To undertakes public responsibilities on behalf of Government in a certain field that cannot be covered by states. In the other words, NPOs try to reduce the government's burden in terms of satisfying public need.

b) To supply to the public the goods and services which are in deficit when the government or any other profit sectors are not supplying them. Tohirin (2010) argued that this is necessary due to the limitations of government budgets to cover public services.

c) To make positive difference in public policies.

Therefore, non-government organisations and private voluntary organisations play a major role in serving the community by attending to their requirements and helping to provide facilities in society. As they try to make the individual self-dependent, at the same time they emphasise flexibility, participation, and improvements, and they also stress the proper utilisation of human resources to make society stronger (Chirzin, 2000).

Moreover, the public highly trust them. As Abzuq (1999) asserted that non-profit organisations provide goods and services not because they are threatened by being overtaken in the market, nor because they can be voted out of office, but because the public has put their trust in them. Without this trust and support through relaxed regulation and taxation the NPO could not exist.

In addition, they often identify and respond to social needs more quickly than governments, and are capable of delivering services more efficiently and directly (Moore *et al.,* 2008). For instance, transfer

of resources from the rich to the poor can be done more efficiently than through the state as the costs may be less and the identification of the needy may be more accurate (Siddiqi, 1991).

All organisations which are established with the intention of serving the public and which are not for making profit to the owners or members are included in the non-profit organisation category. These term non-profit organisation does not include private companies, co-operatives or income producing projects that are formed with the aim of making financial benefits to members. These are recognised as for-profit organisations. Thus, an NPO can help the public in setting up projects that can generate income (Jacques and Nyssen, 2006).

Tax[2] Exemption

NPOs are exempted from paying taxes in many jurisdictions. NPOs in the United States are exempt from paying federal income tax. Different types of organisations benefit from having tax exempt status in United States such as burial societies, garden clubs, business leagues and charitable, educational, religious or scientific organisations as these are considered non-profit organisations under this category (Salamon and Anheier, 1997b). However, in Croatia, tax benefits are only available for donations to organisations pursuing the types of activities listed in the tax law. Tax laws determine which organisations are eligible for tax benefits according to different kinds of activity (Moore *et al.,* 2008).

There are other conditions prescribed under section 501 of the Internal Revenue Code' (IRC) of the United States which states that corporations are exempted from these taxes. The section 501 (c) (3) describes a non-profit serving religious, charitable, educational or scientific purposes. Since the NPOs operate on principles of serving the needs of public, there are also other benefits that NPOs enjoy. A person giving to charities or non-profit organisations can claim a deduction from their personal income tax, therefore these donations are exempt from income tax. This is applicable to organisations that are mentioned in Section 501(c). These terms are derived from English Common law, which is over three hundred years old (Salamon and Anheier, 1997a).

Moreover, many countries extend exemptions on value added tax (VAT) to NPOs or to organisations engaged in transactions of certain goods and services related to the public benefit (Moore et al., 2008) for instance Germany (Ernst-Porksen and Porkse, 2004). In Ghana, NPOs that provide services for

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[2] Taxes serve a variety of purposes-most immediately as the primary source of government revenue (Dictionary of the social sciences, p.477)

nursing and hospital care or for disabled people are exempt from custom import duties (Atingdui, 1997).

Besides the benefit of tax exemption, they are eligible to operate like any other business establishment. An NPO can have bank accounts; they are permitted to own all types of productive assets. NPOs are eligible to receive income from sales and from any other type of activity. They are also eligible to receive donations and grants from contributors. NPOs can employ people for their organisations and they can enter into any type of contract. There are some specific tax rules which are applicable to NPOs such as declaring most of the details about the organisation to the public and state regulators and agencies (Barber, n.d.).

The benefit of tax exemption is not only for the organisation itself, but for other relevant parties as well, such as donors. The state recognition of this matter increases the attraction for public to become involved within this field. The results make people not only think of benefits to themselves but also of their responsibility to society, it is an obligation to become involved with such charities to enhance development. As asserted by Kendall and Knapp (1997) 'the legal "definition" of charity is related to the notion of "public benefit", while public benefit status is generally considered as voluntary (Moore *et al.,* 2008). However, when the purpose is mainly for the benefit of a named person or specific individuals, it is not considered as charitable (Moore *et al.,* 2008).

It is worth to note here that an NPO is similar to an endowment as they are both indirectly related**.** In order to demonstrate the connection between NPOs and endowments it seems appropriate to discuss their history before discussing the role and functions of NPOs in more depth.

2.3 The History of NPOs and Endowments

The third sector in Europe has the primary aim of increasing public participation. Third sector organisations have been the source of many action models which have increased public services. The mutual aid societies which helped to create social security system are a good example for this. Europe has a history of having complex links between state authorities, public policies, and actors within NPOs. This has resulted in a broad and steady area of welfare service provision being shared between sectors, this puts more emphasis on the third sector in Europe (Evers and Laville, 2004).

From the 1960s and 1970s, voluntary organisations played a major role in bringing about social change as the boundaries of the state and its limitations became obvious. The increasing problems of urban decay, racial tension and expectations from public encouraged the public sector bodies to

finance community based groups and service user organisations to much greater levels than before. This happened both at local and national levels.

'In France, the issue and the debate derived from the events of May 1968, and in particular from the slogan 'travailler autrement' (work differently), the revival of the concept of worker self-management and the Lip affair. Lip was a watchmaker that went bankrupt; its employees tried to save it by setting up a self-managed cooperative' (Delors, 2004).

A non-profit setup is a private non-governmental setup that is not looking to make and maximise profit by providing a service. However, they do not have any objectives of their service to benefit their members and other beneficiaries. Though they work towards social reforms they face many governmental obstacles, because of which they are not able to achieve their goals. One job of non-profit organisations is to rectify the mistakes and failures committed by the government and the market. It was in the years of early 1990's when the non-profit organisations brought these flaws to public view and after that they gained the momentum (Ben-Ner, 1994).

The emergence of NPOs is similar in all the countries. In India the NPO has existed for a long period, but the motives and the founders have changed from time to time. NPOs were founded by Christian missionaries, colonial national bourgeoisie, the state, international NGOs, middle class professionals, people from broken social environments, and also as political movements. The formation of NPOs was always influenced by political and socio-economic factors. The trend in 1960s was welfare oriented and in 1970s it was action groups, which related to the political and socio-economic context of India during that period. Frequent disasters like famines, floods and cyclones gave way to the emergence of more NPOs during this time in India (Sen, 1992).

Clearly, the emergence of NPOs was coming from public concerns and awareness of current issues that needed improvement and problems that needed solving, which had been overlooked by the government. Moreover, due to government and market failure in certain situations more energy was drawn towards the voluntary sector to help the needy for the betterment of the society (Siddiqi, 1991).

NPOs are by no means restricted to the developed societies of Europe, North America, and Japan. Anthropologists have long pointed out the rich tapestry of indigenous voluntary associations in Africa and Asia; historians have described the long history of charitable organisations in Latin America; and students of Islam and other religions have emphasized the strong philanthropic traditions present in nonwestern societies, even though such traditions may take different cultural expressions and

institutional forms. Despite the growing awareness of such philanthropic traditions outside the Western world, little is known about the non-profit sector in the developing countries in a systematic way (Salamon and Anheier, 1997c).

In recent years, non-governmental organisations or NGOs have emerged as important actors in the fields of humanitarian assistance and development, domestically as well as internationally (Salamon and Anheier, 1997c). For instance, they range from agriculture to small industry, from nutrition research to solar energy, from training regional government planning officers in small neighbourhoods to training them at the international level (Chirzin, 2000).

The full range of NPOs in developing countries, however, includes a much wider spectrum of organisations that are typically not regarded as an NGO. Examples are village associations in Africa, caste associations in India and local community organisations in Latin America (Salamon and Anheier, 1997c).

As mentioned above, endowments can be considered as part of NPOs. They play a vital role in providing facilities for good purposes and fulfilling social requirements, as has been written in many articles.

A number of reports have come up that suggest that establishing endowments has been practised for a long period of time. Various ancient civilisations had the knowledge of the rules of endowments. There are many records that people with different religious and social beliefs used to have various practices that were related to financial philanthropic laws and most of these were very close in their concept to the Islamic concept of the *waqf*. Although there were many similarities these practices differed in their purposes, beliefs and laws. There are many examples that the practices of charities were followed in pre-Islamic times. All of these were dedicated for places related to worship or for the poor. Some examples of farms have been known in which the property's proceeds were diverted to charities. This led to the development of something that was similar to the *waqf* but was much different in the purpose it served (Al-Humaidan, 2007).

There were many endowments that were known which date as far back as the Ancient Egyptian civilisation. Some of these endowments were for the poor while some were for use on temples and priests. Some of the most popular of the ancient books suggest that the Egyptian civilisation had recognised the concept of endowment for families. Gifts from a father were given to the son as well as to other siblings and these were done with no transaction of the property. This concept is known for

being similar to that of that of *waqf* although it was declared as a gift contract by many (Abu Zahrah, 1959).

Some records of the Roman Empire also suggest that the Roman government believed the concept of endowment as the divine right of an individual. Thus the property of religious places was considered as inalienable. A lot of money was thus spent by the Romans on charity work for poor and needy people and this endowment was considered far different from that spent on churches or temples.

The ancient civilisation of Greece also had lots of beliefs which gave importance to endowments. This endowment was especially for the various places of worship as well as for education purposes. They had a strong belief in this and hence they gave prime importance to people who used to give away such endowments, although these charitable practices also went together with discrimination against disabled people (Al-Kubaisi, 2001).

Many years before the birth of the doctrine of trust in English law, Islamic law gave importance to the development of a legal expedient under the name of *waqf* (Cattan, 1995). The civilisations of Europe later laid emphasis on these practices. In the United Kingdom, the first endowment similar to a *waqf* occurred in 1264 through Walter de Merton, the advisor to King Henry II (Aref, 2005). The United Kingdom is known for dedicating libraries and universities, such as the Universities of London, Oxford and Cambridge. In America, cash money endowments are widespread and dedicated to specific purposes through a system known as Trust (Al-Humaidan, 2007).

2.4 The Role and Function of NPOs

NPOs play a major role in society and the economy. Throughout history NPOs have played a major role in fulfilling the basic needs of the people, like education, training, counselling, and shelter, both in the form of cash and kind. They were important to such an extent that the Presidents of the United States of America, Ronald Reagan and George Bush, called for NPOs to take up the task of addressing the social problems of American Society (Lipsky and Smith, 1989).

Furthermore, in the economy, they have access to volunteer labour, donations and grants which gives them more liberty to experiment with new programs to help the public, as well as that they impact on communities, like for-profits. NPOs also employ people, buy goods and services, invest in assets, and sell goods and services, they also need access to capital, expertise in various fields and require a stable environment. NPOs are also involved in asset building and connect people with resources. Working

with a non-profit organisation can be meaningful and rewarding. NPOs' intentions are towards the common good and success is measured based on quality of life and not on profit. It has been found from GAC's report (Government Accountability Office) that NPOs in the USA play a major role in the economy as service providers. Though the NPOs work on small budgets, the effect of all non-profit organisations combined together is huge (Whatcom Community Foundation, 2009).

Moreover, the non-profit sector plays an important role in contributing to the growth of gross domestic product (GDP). They have left an impact in almost every possible field like social services, education, health, high culture, industries and religion. In many of the sectors there are reforms coming up and NPOs are expected to play a significant role in both economic and social fronts. When there was a comparative study conducted between proprietary and non-profit nursing homes, it was seen that families and relatives are more satisfied with the service of the non-profit ones compared to the proprietary ones. This satisfaction level persists in almost all the facilities of nursing homes including facilities for the handicapped and psychiatric institutions. For example, it found that the non-profit nursing homes use smaller quantities of sedatives than the proprietary ones. Also in providing food the non-profit nursing homes are way ahead than their proprietary counterparts (Weisbrod, 1988).

Non-profit organisations essentially have three roles to play - as seen from their connection with the developmental effort of the government. The first one in the category is the complementary function. In this function the non-profit organisations carry out those works that are included under the government development plan. The second function is to play a supportive role to any local or national development program. In this program non-profit organisations are involved in the area for which development is planned and have good relationships with the government. The third function is to act as intermediary between two parties. The best example is where non-profit organisations reach to the part of society which is the poorest and is out of the reach of political and bureaucratic agencies. These functions are not mutually exclusive for non-profit organisations, but they continue to do this to make an impact on socio-economic life (Chirzin, 2000). A clear picture of NPOs' roles can be seen in Figure 2.1.

In a society where individuals are free and responsible, the non-profit sector plays an important role. Reputation and community membership effectively coordinate small scale projects along with providing an identity and a sense of community (Rothschild *et al.*, 2009). It is emphasised by Kramer and Kania (2006) that social problems are most well understood by NPOs. This understanding helps

them in figuring out and suggesting more ambitious goals for the companies that they are associated with.

Studies by Siebel show a few German cases such as the houses of independent women, a handicapped person's workshop, and funding to a hospital which are regarded as socio-political problems that are not possible to be solved. To avoid embarrassment these problems are put on the shoulders of non-profit organisations, to get the issue resolved. If these problems are not solved by NPOs, then it is regarded as the lack of competency on the NPO's part (James, 1990).

The development of third sector is undeniable as it plays an important role in fulfilling the social needs that government cannot provide.

2.5 Law and NPOs

Organisational laws vary widely from one country to another. The core law states that it is the duty of a non-profit organisation to identify and work towards the public good and mutual benefits, this is the purpose that defines an NPO. However, they can work under various format each of which is considered differently in law. During contemporary times, the common and civil law systems are the most dominant legal traditions. Conquest and colonisation played an important role in spreading the Western legal system throughout the world (Beck and Levine, 2003).

Common law is basically the Anglo-Saxon form that is based upon law that is developed by courts. This legal tradition is differ from civil law which is based on legal written codes and has been developed in continental Europe. However, there are many countries wherein the civil laws need a formal and legal process of registration. That registration can be done anywhere, it may be a court or a government agency or department. Different civil societies come under different laws and jurisdictions (Fries, 2003).

If there is a strong legal system in place, the entire organisational system can be significantly affected, making it difficult to create any kind of institution. Because of these factors we can see the presence of more non-profit organisations in the UK and the US than in other European countries or in Japan. The civil law based system instructs the dos and don'ts of individuals and organisations in a country. However, in common law countries, it is quite opposite. In these countries organisations operate as a matter of their rights. As a result of this, the formation of the NPO is easier as long as it claims public-benefit status. In recent times, for about a decade or so, the difference between the two laws has

narrowed and there are a few factors that are behind this. However, these factors have their own effect on the system (Salamon and Anheier, 1997d).

If anyone wants to establish a civil institution that has a distinct legal personality this has to be done by the person who is responsible for that governing body. Legal personality is a basis of a forming an organisation. However, when an organisation needs an identity of its own it is very much necessary to be have a legal entity (Fries, 2003).

Common law was generated mainly for property rights and for implementing laws in England during the 11th century. Many Muslim countries adopted the common law system, especially commercial law. Most of the ex-British colonies adopted common law developed by the English whereas ex-French colonies integrated civil law (Ahmed, 2009).

NPOs can be established as charitable corporations, trusts and foundations or *waqf* but it should be under the umbrella of the law. After an NPO's formation, the law associated with it will determine its organisational structure. The types of processes an organization performs and services that it provides will operate under the same law (Ahmed, 2009).

2.5.1 Management & Operation

There are some differences between NPOs and government bodies. NPOs are very swift to take action and they perform promptly with a motive to benefit all of society. This makes NPOs very efficient and productive in executing ideas and giving fast results which makes them far more capable in meeting the challenges of daily life in order to work for the betterment of human life (Chirzin, 2000).

There are basically three major characteristics of these non- profitable groups. The deeds that NPOs make are firstly organised into proper functions which are under strict administration.

Governance is the first characteristic of NPOs. The function of governance of not for profit groups holds the responsibility for providing overall guidance, direction and control. The term "governance" defines the responsibility that the top management and the board hold. It is the duty of the top management to look on the actions performed by the board and to make sure that all that was planned was achieved and done so without disobeying the law under any circumstances (Mc Namara, n.d.). According to Ahmed (2009:11) the first component of organisational architecture for NPOs is Legal Status. 'NPOs have to choose the appropriate legal format to achieve the goals and objectives of the organisation from among the existing laws of the countries. There are instances when the law has to

provide the framework for these NPOs and their operations must stay within the law. It is possible that an individual person can carry the trust and the legal requirements related *awqaf* but there should be a board of members for a corporation that has to do charitable work (Ahmed, 2009).

The second major characteristic of an NPO is to have a program. The mission of non-profit organisations is to do with social needs, and they do need to have a program to attain their short or long term goals (Mc Namara, n.d.). Being a producer of social output, NPOs have a certain mission of delivering products that are of public and social value. While 'the mission identifies the beneficiaries, the size of the NPO will determine the impact of them' (Ahmed, 2009:11). The major aspects of a program are to have the resources and the means to provide income from the input to deliver of the output, and execute the process. It involves thinking and plotting about the money, clients, staff and other important facilities (Mc Namara, n.d.). According to Allison and Keye (n.d.) the most important source of strength for an NPO is the passion of the mission. Dalhoff and Bugg (2009) emphasised that 'having a compatible mission and developing a common vision is by far the most often cited key success factor'. And the mission should be understandable, supportable and up to date (Brinckerhoff, 2009).

The input can be related to the money that comes from clients that are a part of the organisation. It can be used in whichever way they think fit. Moreover, the input can also be the money which the NPO gets from donations from various people who are not officially part of the organisation but who want to help the organisation in its mission and to help the society (Ahmed, 2009). It is then to be decided how the program should be carried out, for example clients are counselled, children are cared for, art is created and the support is given to several of the associate member of the organisation. The outcomes of NPOs are the impact that these organisations have on the lives of their clients, as well as increasing the efficiency of its delivery, and from the perspective of the people attached to them the provision safe and very secure developments (Mc Namara, n.d.).

Whenever NPOs plot the format and the process as to how to achieve their goals, they must do proper planning and scheming with the consultation of many wise people so that they can avoid obstructions in order to attain their goals and do so for the good of a community. It is very important for NPOs that they thoroughly identify all the people who need to be a part of the process that they want to carry out, so that these people do not get undue advantage for the hard work done put by the NPO (Chirzin, 2000:32).

The third characteristic of an NPO is the central administration which consists of the staff and facilities which run all programs including the executive director and office personnel. All of the NPOs try to keep the cost of the central administration as low as possible so that they can save the funds to use in the execution of their tasks and to achieve their goals (Mc Namara, n.d.).

2.5.2 Different Types of NPOs

NPOs have been considered as charitable organisations as well as organisations providing mutual benefits. There are basically 3 types of the organisations: collective, trust and private. Private organisations do not yearn for profit but they do not depend on any other factor for funding other than themselves. Examples are commerce institutions, labour unions and farmer cooperatives. Collective organisations work in groups, some even work with government bodies in providing social help. The third type of NPO is the trust organisation which works for the betterment of the community by competing with for profit organisations but without any motive to claim any sort of the profit. Examples of this organisation type are groups that work for providing blood to needy patients, health centre services and groups that provide hospital facilities (Weisbrod, 1988).

NPOs exist in various fields and for a range of purposes. These are classified into groups by Salamon and Anheier (1992) which include culture and recreation, education and research, health, social services, environment, animal welfare, economic development, social development, community development, law, advocacy, politics, philanthropic intermediaries,voluntarism promotion, international activities, religion, business, and professional associations and unions. The total number of charitable organisations in Japan in the 1990s was around 25,000, while social welfare corporation was around 12,000 and there were over 7,000 medical corporations (Amenomori, 1997).

Figure 2.1: NPOs Elements
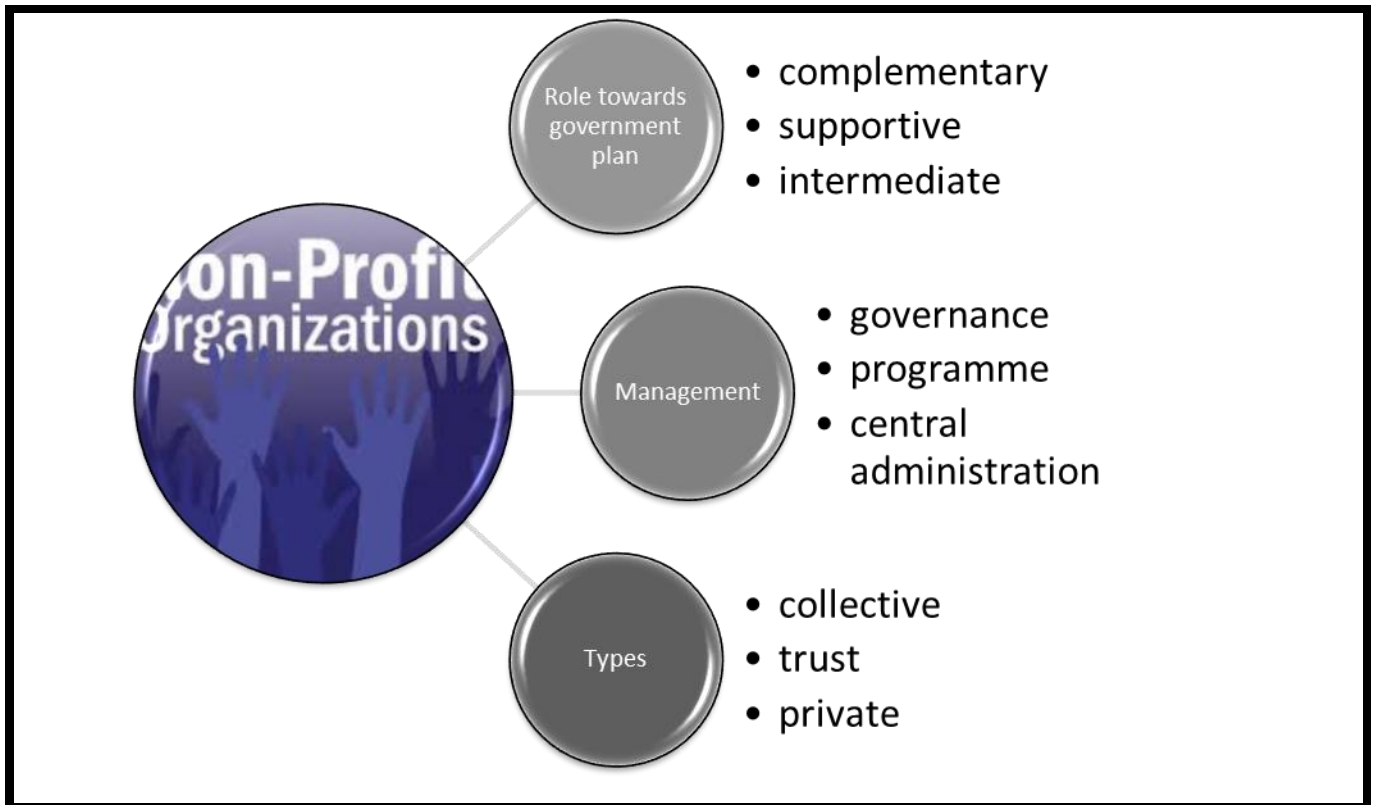
Source: Author's own

It is worth noting here that the format of NPOs can be different in common law countries and civil law countries. There are three organisational formats in common law countries: associations, trusts and charitable corporation or companies. Whereas civil law countries have two organisational formats associations and foundations (Ahmed, 2009). These are the basic forms for NPO status in most European countries (Moore *et al.,* 2008). The outline below briefly states the legal status and structure of these organisations. The Figure 2.2 presents the legal format of NPOs.

Associations

An association is generally referred to as a body that is created by a group of people that has the intention to serve a common purpose. Here the main focus will be centred on the members of the group and the purpose they want to serve (Fries, 2003). In Brazil, the legal definition of associations primarily represents membership organisations and consists of various activities including recreational and sports-related clubs, cultural and artistic organisations, and labour unions (Landim, 1997). As Fries (2004) maintained that associations reflect the principle of freedom of association, which is at the heart of the modern concept of civil society.

In common law countries it is easier to form an association and the laws are not as strict, whereas in the civil law countries the law is stricter when it comes to the formation of associations. In the US, unincorporated associations do not need to be registered with the government (Durham Jr *et al.,* 2004). In common law countries, there are no legal liabilities on the members for what they are doing. But it is evident that associations in civil law nations are more structured. One example that fits here is the Netherlands. In this country the members have the right to appoint board members and dissolve the association (Ploeg and Brasz, 2004). However, in Germany both registered and non-registered associations are possible. If the association is registered it is a Limited Liability Status Company. To become registered, an association must pursue a non-commercial objective, have a least seven members, a charter and a Board. However, non-registered associations do not have a total legal personality. It is legally represented by the Board, and members are personally liable (Anheier and Seibel, 1997).

Trusts

A trust can be defined as a body that is being formed for a particular purpose. Once the body is declared to be a trust it is then kept under the supervision of the trustee. This is essentially a form of NPO that is created from the properties of a deceased individual. In this case the property is to be used for charitable purposes only (Salamon, 1997).

A trust is a body that is accountable for donating wealth for a particular purpose. This body works under particular laws. A trust has different stakeholders in the organisational chain - trustee, creator, (also referred as donor, grantor, settler or founder) and beneficiaries. In a trust the trustee holds a legal title. A trustee works under law and has a judicial duty and legal control to ensure that trust works for the beneficiary's benefit. There are different types of trusts that operate. A charitable trust is one form and it work for charitable purposes. A trust might have an indefinite beneficiary, hence it can exist in perpetuity. A trust can also be registered under a court of law. In the USA, a charitable trust is also registered in the courts and it has to file it accounts with equity (Ahmed, 2009) Moreover, many foundations are established as trusts, as are most employee benefit funds and political action committees. However, the trust form does not provide the shield against personal liability that the corporate form does (Salamon, 1997).

Charitable Corporation

If an NPOs purpose is to serve the public benefit, then that organisation can be registered as charitable corporation. The legal entity for perpetual status is granted by the corporate law. This law also states and instructs the dos and don'ts for the stakeholders of the committee. Non-distribution constraints are one of the remarkable features of NPOs. Under this constraint organisations can earn profit, but that profit is not supposed to be distributed among the stakeholders. There are special regulations imposed on these organisations to maintain their tax exemption status. Like other bodies they also have to submit audited account information. Because of the limited liability and the fact they operate as a separate legal entity, the corporate organisational format is attractive to NPOs (Ahmed, 2009). In Brazil, Charity corporations and associations have the same legal status. However, corporations have a greater facility in qualifying for certain benefits than associations, as they have a more pronounced public character of working for the collective benefit (Landim, 1997).

Foundations

Foundation are typically operating agencies which have the privilege of owning real estate and other assets (Archambault, 1992). They are created by a founder, through a public document or will that allocates property (Landim, 1997). It is an entity that is formed with a capital sum that is to be used for a specified purpose. This operating body does not have any members; however, the members of the governing council look after the fulfilment of the purpose (Fries, 2003). Under Bulgarian law, if a foundation wants to obtain NPO benefit status they must have two bodies: a (one-person body) and a collective body (Moore *et al*., 2008).

There are provisions for NPOs to be registered as foundations in civil law countries. These are basically a legal entity and the assets can be used for a specific purpose as laid by the founder (Ernest-Porksen and Porksen, 2004). A Foundation can be of two types - either a grant-making organisation or an operating foundation. In some countries it is law that there should be a minimum endowment for an organisation to be a foundation, while others are more flexible (Rutzen et al., 2004). Many NPOs in common law countries are named foundations, which is the legal status of these foundations either as trusts or charitable corporations (Ahmed, 2009).

Figure 2.2: NPOs Format according to law

- Association
- Trust
- Charitable Corporation

Common Law (ex-British)

- Association
- Foundation

Civil Law (ex-French)
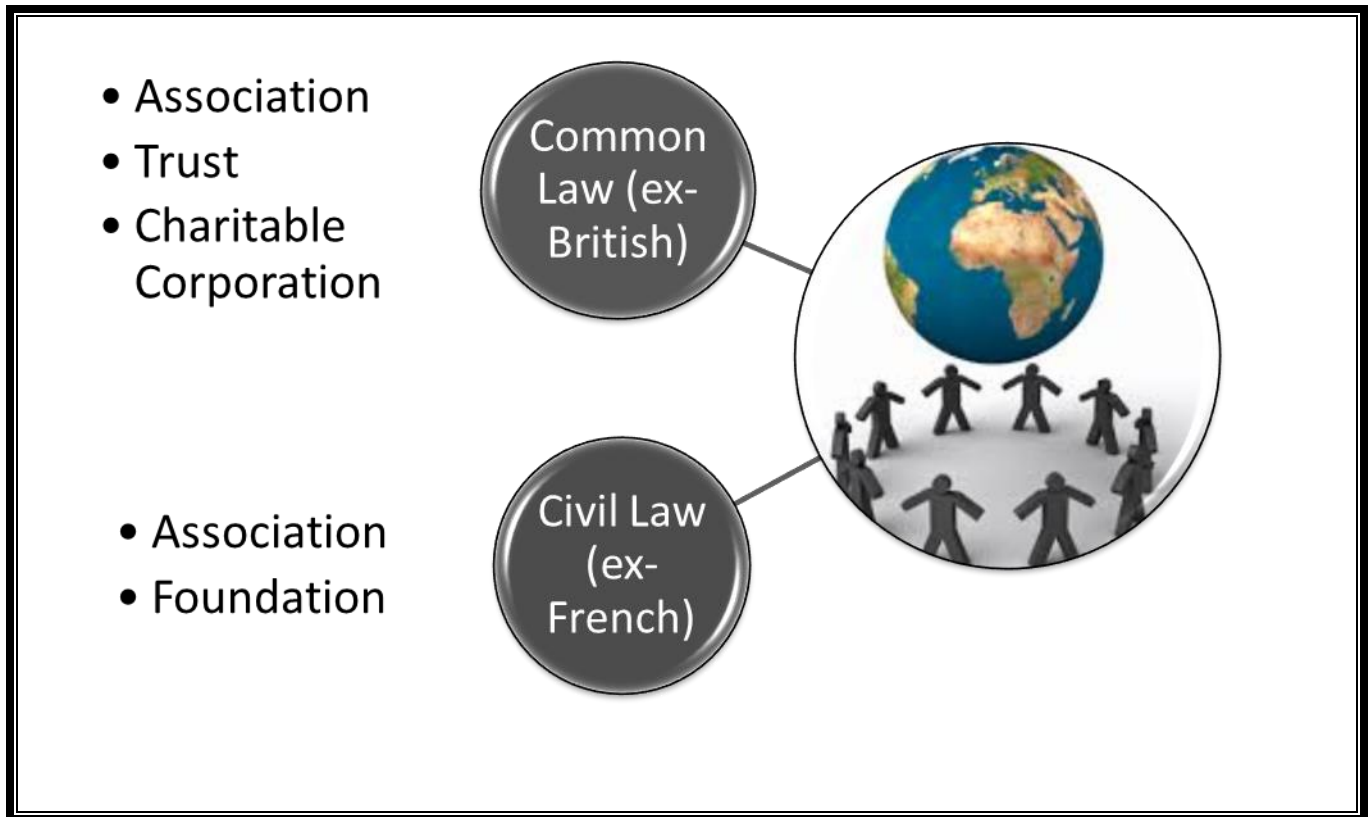
Source: Author's own

2.5.3 Source of Funds

Since NPOs are not for profit organisations as mentioned earlier, many have doubts as to how a non-profit based incentive can play such an important role in the economy of the society in which they operate. How can they play a vital role in the development of society and provide dignity to people and work for human welfare? There are several questions related to the funds that they get, with the help of which they are able to perform the tasks that they do (J. Boettke, 2009).

People are unable to understand how such an organisation can achieve so much by staying away from the normal aspects of profit and loss. Normally there are organisations that sell goods and services at a higher rate and earn profits but this is not how NPOs work, that is they depend greatly on the donations and the gifts that are given to them by society and a highly privileged section of the community. Many NPOs depend on the donations from governments, individual or business. These organisations often have to compete with the for-profit bodies for example nursery schools where NPOs have to compete with private as well as government schools. The majority of NPOs depend on

donations and grants generated by fundraising. This is because the communities that receive service from the NPOs are from the economically weaker sections of society and cannot pay for the supply of services they are provided with. The NPO's aim is providing service to needy groups and not for those who can afford to pay for the services (Posnet and Sandler, 1989; Weisbrod and Dominguez, 1986).

As Ahmed (2009) asserted NPOs vary from each other depending on the source of the cash that they get. Nowadays there are several NPOs that offer services and goods and thus they have to be considered the same as many profitable firms that are run in society. There are some NPOs that rely on the funds and donations that they get from society in order to work for society.

One of the major reasons behind the success of not for-profit groups is that the strength of the volunteers that become a part of these organisations is more than that of several paid workers on for-profit organisations. Thus the man power for these organisations proves to be a vital weapon in the execution of their task (Weisbrod, 1988).

There are different figures given for the number of NPOs in different countries. Weisbrod has estimated, by making use of all the data that were available that there are more than one million NPOs in America. The data show the number of NPOs has grown at fast speed. The number of NPOs nearly tripled between 1967 and 1984, and the revenues of non-profits grew from US$115 billion in 1975 to US$314 billion in 1983. It can also be concluded by the various data that are available that the volunteers of these organisation have put in billions of hours for these organisations (Weisbrod, 1988). Moreover, Abdallah (2010) emphasised that statistics indicate that the total number of charitable financial foundations (Foundations Center 2007) that are active in United States is 71,095 including ones particularly specialised in raising donations and distributing them to charitable projects and organisations. Total endowment revenues are US$550 billion, of which US$30 billion a year is dispersed as endowments throughout almost all social domains.

These NPOs must give a lot of importance to the factors that provide them with the funds and donations needed for their work. They should make sure that the money that they get is through legal means. They should also keep in touch with people and communities that can offer goods and resources, other than money, like raw materials, technical assistance, skilled workers and publicity. These funds and assistance basically come from government institutions, foreign or domestic bodies, private businesses, religious bodies, as well as national and international bodies like the world bank and also from the United Nation's Organisation UNO (Chirzin, 2000)**.**

As asserted by Morgan (2001) and Ismail Abdel Mohsin (2009) trusts and foundations in the West have a similar role in achieving religious, familial and philanthropic goals to the role of *waqf* institutions in Muslim countries, with the exception that, while the role of the non-profit sector is growing in developed countries at the present time, the role of *waqf* institutions has been dormant in many Muslim countries. Thus, it is appropriate to briefly mentioned *waqf* in this chapter.

Waqf is an important type of social reform and has been in existence for a long time. It has played an important role for Muslim societies. The rich history of *waqf* is indicative of Muslims' achievements and works in the welfare sector (Ahmed, 2009).

2.6 *Waqf* Institutions

A *waqf* is an unincorporated trust, an endowment that is established under Islamic law and holds land or real estate in perpetuity for the benefit of the family and their descendants, while maintaining social provisions for the poor (Brown, 2008). The institutional role of *waqf* is to reduce government burden in developing and meeting social needs. It will be easier for government to control inflation and minimize poverty once the public has awareness of the potential of *waqf* (Wan Yon *et al.*, 2008).

According Laldin *et al.*, (2008) a *waqf* is similar to a trust. However, since a trust consists of different categories, the charitable trust is most similar to a *waqf* as its purpose is for public benefit.

While the institution of *waqf* can be found in most Muslim societies, it is given different names. The Maliki in North and West Africa use *hubus* or *habs* for *waqf*, the term which is used by the Prophet (p.b.u.h). In Iran *boniyad* refers to pious foundations (Cizakca, 1998) whereas *vaqf* is used in Turkish (McChesney, 1991). Meanwhile in South East Asia, mostly Malay dominated countries; the term *waqf* is used however it is pronounced as *wakaf*. Mohammad Rasdi (2007) defined *waqf* in Malay as having two meanings. One, when *wakaf* is attached to other words, for example like *wakaf* property means property or land which was given by someone for public use. The second meaning of 'wakaf' is a square pavilion an open structure with four to twelve timber columns, a pyramidal roofed and a hipped gable design, usually made with a low platform for sitting or lying down and is meant for travellers, local or otherwise, as temporary shelter for resting, napping and as a prayer space. The *wakaf* pavilion could be found at traditional work places near paddy fields or fruit orchards and was usually equipped with a dug-out well for public convenience.

This institution is more likely to be associated with the religious sentiments rather than secular ones. A *waqf* is basically a type of *'sadaqah jariyah'* (continuous charity) (Ahmed, 2009) or 'perpetual charity' (Nagamia, 2007). The formation of this body is made by giving away an asset that generates permanent revenue. One of the most important features of a *waqf* institution is that it should have the objective of *'birr'* (doing charity for goodness). *Waqf* institutions are often dedicated to socio-economic reforms for poor and needy people. They also work in the religious, education, environmental, and scientific services (Laldin *et al.*, 2008).

2.7 Relationship between *Waqf,* Trust & Endowment

The ninth report of the Second Administrative Reform Commission in India (2008) elaborated that trusts, endowments and *waqf* are legally created as modes of property arrangement or settlement dedicated for definite charitable and religious purposes. The details with regards to their incorporation, organisational structure, distribution of functions and powers are governed by the provision of the specific law under which they are registered.

As Gaudiosi (1988) argued trust institutions in common law were derived from *waqf* institutions and *Hawala* in Islam, while Europeans were in the Middle East. In addition, she (1988:1247) asserted that *waqf* and trusts are remarkably similar in form and there is ample opportunity for the transmission of the Muslim institutions that existed at the very time trust began to emerge in England. This statement is supported by Cattan (cited in Gaudiosi, 1988), that the emergence of the trusts coincides with a period of increased contacts between Europe and the Muslim world. The Franciscan Friars who are believed to have introduced the use of trusts as an adaptation of the *waqf* institution in England had spent parts of 1219 and 1220 in Islamic territory.

There are a lot of similarities between the Islamic *waqf* and that of the English concept of a trust. The main resemblance is that under both of these, the property is reserved for the purpose of an individual benefit or for the purpose of the general charity. The corpus is said to be inalienable and the estates are for the favour of the beneficiaries. This can be created according to the rights and will of the owner and is irrespective of the inheritance law or the laws related to that of the heirs. Thus it is continuously secured by the appointment of the trustees. Although there are many similarities they differ from each other in certain legal concepts. But a close analysis reveals the similarity in these laws (Cattan, 1995).

According to the English law the legal estate is considered to be owned by the trustee, while in the Islamic *waqf* the *mutawali* is not considered as the owner (Cattan, 1995; White, 2006). Although the

trust property is registered in the trustee's name, it is never part of the trustee's own properties when he dies (Supreme Intergrated Services, 2013). To be clear, as asserted by Ur-Rahman (1980:106) the property of the *waqf* cannot be given away to the trustee. This property is dedicated to God and the process of handing it to trustees is not permitted. This is done because the trust works for the benefit of particular beneficiaries. Thus, a *mutawali* acts essentially as a supervisor and has less power than a trustee (Hussain, 1999).

Another difference is in the duration. *Waqf* rules lay emphasis on the period being perpetual, while for a trust, it is not necessary to be perpetual, irrevocable or inalienable (Abd Mannan, 2005; White, 2006). Generally speaking, control over the trust property is only for a certain amount of time. Although it is important to remember that any trust can be made in perpetuity such as charitable trust (Durham Jr *et al.*, 2004). In fact the major difference is in the fact that a trust can be made as a legal object while a *waqf* can only be made for works related to charity (Cattan, 1995). This statement is supported by Ur-Rahman (1980) and Hussain (1999) who claim that a *waqf* should be created for a religious and or charitable purpose recognised by Shariah or religious motives (Abd Mannan, 2005), whereas a trust may created for the purpose of the founder. It is worth to noting here, that in English law the essence of charity is public benefit (Fries, 2004; Kendall and Knapp, 1997). Moore *et al.,* (2008) state that if the purpose is mainly for the benefit of a named person or specific individual then it is not considered as charitable. In contrast with Islamic law, charity is not only for public benefit, but for private benefit as well as long as it is recognised by Shariah. According to Laldin *et.al* (2008) charitable trusts are the organizational form most similar to the *waqf* concept although trusts have variety of purposes.

The difference also occurs in funds. Trust funds are segregated accounts that may encroach on capital to fulfil the purpose of the fund. While endowment funds are segregated accounts in which the capital is invested in perpetuity and only the income is available to fulfil the purpose of the fund (University of Manitoba, 2012).

Table 2.1: The Comparison between *Waqf*, Trust and Endowment

Factor	*Waqf*	Trust	Endowment
Beneficiaries	Individual/general	general	Individual/general
Corpus	inalienable	inalienable	inalienable
Owner	God	Trustee	Trustee
Role of Trustee	Supervisor	Trustee	Trustee
Duration	Perpetual	Limited/ Perpetual	Perpetual
Objective	Shariah/Charity	Law/For the Author	Law/For the Author
Fund	Income	Capital	Income

Source: Author's own

Not only are there differences between *awqaf* (plural of *waqf)* and trusts but there are some obvious differences between *awqaf* and endowments. There are numerous records that suggest that some people observed that *awqaf* and endowments differed from each other in specific areas. On a broader scale these differences are in the sense of worship and intention although from a practical point of view they are almost same. The Oxford dictionary defines an endowment as a permanent income that is given to a person or institution but is basically meant for general use (Hawkins, 1987). It is interesting to note here that endowments regularly relate to religious institutions while trusts are more likely to be for general charity or a purpose defined in the terms of Ninth report of Second Administrative Reform Commission (Government of India, 2008).

These definitions indicate that any endowment can be based on religion or dedicated to a purpose other than Islam, while the *waqf* is meant especially for the worship of Allah. It serves more general purpose but most importantly it serves the purpose of worshipping Allah. Possibly because of this reason, some scholars name it as an Islamic endowment instead of *waqf*, to give a clear difference of the religious aspect between both of these terms. Therefore, Ahmed (1998) asserted that there is no term in English that can determine the true meaning and sense of *waqf*. A *waqf* is considered as a separate endowment for Islamic terms while an endowment is considered to be for the sake of a general purpose.

2.8 State Law's Impact on *Waqf* Applications

During the 19th century, the Western colonial powers took control over many Muslim countries. With the invasion, occupation, and colonisation by Euro-Christian powers there also came a wave of destruction of indigenous cultures, languages and institutions. The institution of *waqf* was one such victim, although several thousand functional and dysfunctional *awqaf* do still exist today, these are largely nationalised by post colonial governments (Cajee, 2011).

There were many countries including Turkey that refused to adopt Shariah and started following European style laws (Constitutional Rights Foundation., 2011). Although the importance of *waqf* got depressed during this period of colonisation, the interest in its revival is visible at the intellectual level, and also at the policy level in some selected countries (M.Sadeq, 2005).

During the 1830's, the government of the Ottoman Empire started controlling *waqf*. This was followed in many other countries as well as time passed by. In the early nineteenth century, a special ministry was established for *waqf* in the Ottoman Empire and laws of *awqaf* were enacted (Kahf, 2011). In the recent times *waqf* has become governed by a separate ministry or a public administrative body (Ahmed, 2011). In almost every Muslim country including Brunei and Malaysia there is a department in charge of *waqf* administration, and some of them have Ministries of *Awqaf* such as Kuwait. Even some of non-Muslim countries have offices taking care of *waqf* properties such as India (M.Sadeq, 2005). In India, Muslim communities have organised their *waqf* in accordance with Islamic Shariah within the limits of the prevailing laws and regulations. A *waqf* act was adopted at the federal level in 1954 and the Union Minister of Law was made the supervisory authority on *waqf* (Kahf, 2011).

In the United States of America and in Canada, Muslim communities administer their *awqaf* properties in accordance with the foundation acts and regulations. The usual practice is that each Muslim community establishes a non-profit organisation which in turn owns the *waqf* property which consists in most cases of the local mosque or Islamic centre. In 1975, the North American Islamic Trust (NAIT) was registered in the state of Indiana with the objective to own and promote the a*waqf* of Muslims in North America (Kahf, 2011).

In countries like Malaysia, the *waqf* board faced problems while implementing the law. Islamic law courts were promulgated in many states of Malaysia during the British period. These courts were also given the power under Shariah to make decisions on *waqf* cases. However, there are no records to prove the point that a Shariah court ever adjudicated waqf cases. There were *waqf* cases in the Shariah

court but if there was a conflict with civil law then civil law would take precedence (Mat, 2008). This siatuation only happened in the past, as it has continuoued to recent times. This is relevant as the question of the courts' jurisdiction in the *waqf* cases in Malaysia is very complex due to the separate structure of its Shariah and civil courts which was established under the Federal Constitution. In fact, there were many *awqaf* cases being decided by the civil courts. Broadly speaking, the civil courts usually 'share' jurisdiction with the Shariah courts in this particular area. This has created a legal conflict, when involving a non-Muslim party, in regard to questions of trusts and the grant of a declaratory decree (Mahamood, 2011).

Meanwhile, an appropriate example to be mentioned here is Nigeria. Oseni (2009) reports that in Nigeria no such law exists to provide for the proper handling and management of *waqf* in the whole of the country which also includes the northern part of Nigeria where the majority of Muslims reside. The Constitution of the Federal Republic of Nigeria 1999 makes a reference that incidents relating to *waqf* do not come under the jurisdiction of the Shariah Court of Appeal. There have been some in Nigeria who have suffered a harsh judgment from the High Court where the modern law of trusts has been followed.

There are many countries across the globe where both laws for *waqf* exist along with laws for other NPOs. There are a few countries which do not recognised *waqf* law especially in non-Muslim countries. In the countries where there is no law related to *waqf,* they can be brought into existence with the help of several not for-profit groups especially trusts because several points in the law relate to both trusts and *waqf* which are quite similar, hence these two laws are quite compatible. However, there are countries where laws related to *waqf* cannot be implemented with these trust laws as the country does not support such laws, this happens in many of the civil law countries (Ahmed, 2009).

NPOs, including *waqf* institutions, are voluntary organisations which provide social services and philanthropic giving. Since *waqf* is strongly recommended in Islam, the rationale of this form of philanthropy is based on religious beliefs.

2.9 Philanthropic Behaviour/Motivation

Many researchers argue that societies are unable to grow, survive and improve without the value of philanthropy (Hamdani *et al*., 2014) Philanthropy is defined by Anderoni (2001, p.11369)) as 'benevolent behaviour usually in the form of charitable gifts, towards others in society'. While Schwartz (1970, p.1264) defines a philanthropic transfer of wealth to be a 'voluntarily generated, one-

way flow of resources from a donor to a donee; the flow is one-way in the sense that it is based upon no donor expectation that an economic quid pro quo (in the usual sense of that term) will reward his act'.

While there are many reasons why people give a part of their income and wealth to charity, one key reason is a sense of religious duty (Anderoni, 2001). People who give feel satisfied when their donations help in improving the output of wellbeing and as such trust organisations that promote something good, and this motivates them to give voluntarily (Duncan, 2003).

The number of people with philanthropic attitudes has grown in every society and a large number of those people are devoutly religious. Although there may be different religious reasons that motivate people to be charitable Azzi and Ehrenberg (1975) emphasised 'the hope of afterlife consumption as one of key motives for religious behaviour'.

Since background data is unavailable on donor behaviour for *waqf*, it is difficult to determine this attitude but the nearest issue that can be related is customer behaviour in Islamic banking. However, both institutions are different in terms of their concepts, that is Islamic banking is mainly based on commercial interests for individual purposes which is in contrast with *waqf* institutions.

Despite a large number of studies identifying a difference in conventional and Islamic economics, few studies are available on philanthropy even though it has a recognisable place in Islamic consumer behaviour (Hamdani *et al.,* 2004). Religious motives will drive many decisions of Muslims in not only performing charitable acts but also in mundane economic activities. This is obvious when one examines the attitudes of Muslims towards banking and finance.

 Though a limited number of studies examine customers' attitudes towards Islamic banking (Gait and Worthington, 2008), research done by Dusuki and Abdullah (2007) reveals that the quality of services that are provided by Islamic banks contribute to customer satisfaction. However, according to Metawa and Almossawi (1998) the most important factor on the selection of an Islamic bank is because of religious motivation or 'adherence to Islamic principles'. Based on the study done by Khan *et al.* (2007; Naser *et al.,* 1999), it can be shown that the customer's preference in choosing an Islamic bank is firstly because of religious reasons. This statement is supported by Bley and Kuehn (2004) who argue that "religious sincerity' was the strongest predictor of preference for Islamic banking services'.

To the best of the researcher's knowledge, there is no research on donor behaviour towards the institution of *waqf*. This study, thus, is important to fill this gap by examining the knowledge and perceptions of Muslims towards charitable giving in general and donating to waqf in particular. The discussion of behavioural aspects will focus on the purpose of giving and willingness to give which influence donor attitudes and are crucial in the development of waqf institution.

2.10 Conclusion

NPOs play a major role in society and the economy. Throughout history NPOs have played major role in fulfilling the basic needs of the people that government cannot provide, like education, training, counselling, and shelter, both in the form of cash and kind. NPOs have been considered as a charitable organisations as well as organisations providing mutual benefits. There are basically 3 types of the organisations: collective, trust and private. The format of NPOs can be different in common law countries and civil law countries. There are three organisational formats in common law countries: associations, trusts and charitable or non-profit corporation or companies. NPOs in the West have a similar role in achieving religious, familial and philanthropic goals to the role of *waqf* institutions in Muslim countries. A *waqf's* institutional role, like others is to reduce government burden in developing and meeting social needs. NPOs can be established as charitable corporations, trusts and foundations or *waqf* but it should be under the umbrella of the law. Law serves as a guideline for regulation to manage all aspects of human life properly, including property and liberty. The importance of the law is undeniable and is proven by history. There are a lot of laws which exist nowadays to enhance and improve human life in all aspects. The way Islamic law was applied in the past was that the judgments which were implemented in actual life were founded on Shariah sources. Nowadays, in some cases, Shariah is not the first priority to be dealt with. In many Muslim countries which use both civil and Shariah law, civil law will take precedence. Therefore, a Muslim country may have what appears to be Islamic law but in reality it is only applied when there is no conflict with civil law. Additionally, when it comes to creating something relevant to Islamic law, it has also has to follow state law. If state law does not allow it then Islamic law has no value at all. A similar situation happens for Muslims minorities in non-Muslim countries. They have to follow laws regulating NPOs as *waqf* law would not exist.

Chapter 3

Waqf in Islam

3.1   Introduction

This chapter discusses the concept and principles of *waqf* from the point of view of Islamic jurists and some Western scholars. There is confusion between *waqf* and *sadaqah,* so it is important to clarify the concepts for a better understanding and to identify the differences between them. This is followed by the legal principles of *waqf* through the Quran and the tradition of the Prophet and the consensus of Islamic scholars. The process of establishment by the founder of the *waqf* asset, and beneficiaries as well as management and administration are presented. After introducing the types and characteristic of *waqf,* the emergence of *waqf* from the pre-Islamic era to today is analysed. The idea is to reveal the success of *waqf* development in religion, economics, social improvement, health and education. This section ends with the experience and impact of *waqf* by both Muslim and Non- Muslim countries.

3.2 *Waqf* and Other Related Concept: *Infaq, Sadaqah* and Donation

One of the main pillars of the Islamic economic system is the institution of *infaq. Infaq* means 'giving away for the betterment of the society and its members, including the giver and his/her family' (Kahf, 1998, p.1). While Aziz *et al*. (2009) maintain that 'each and every asset, beyond the requirement of human being is the asset or *mal* of Allah, and must be spent in His way'. It can be concluded that *infaq* contributes something useful for public benefit according to the intention to worship Allah based on Shariah principles.

The term *infaq* is attached with '*Fi Sabil Allah'* which means giving for the pleasure of Allah or charitable purposes (Kahf, 1998). It is similar with *sadaqah* which is basically voluntary spending in order to gain Allah's consent (Aziz *et al*., 2009). According to Kahf (1998), there are several types of *infaq,* from the point view of the religious, and one of them is voluntary spending based on religious motives. This kind of *infaq* can be categorized in two ways: a running-stream of spending and one-shot spending. Giving for benefit purposes such as helping the poor by giving them cash to buy a food is one-shot spending. Whereas the running-stream form of *infaq* targets revenues or services and is known as *waqf.*

The importance of *infaq* is emphasised by al-Quran, for example 'spending money for good causes does not means it will reduce ones wealth because Allah promised to replace it up to 700 times' (Quran, 2:261). Moreover, it is also considered as one of the most important tools to run the economy and apply wealth distribution principles (Aziz *et al.,* 2009). In the other words, *infaq* in all of its forms plays a vital role in the fulfilment of personal and social needs (Kahf, 1998).

Charity establishes the development and wellbeing of the destitute, as Almighty Allah expresses it in the holy Quran: 'Ye shall never attain to goodness till ye give alms of that which ye love: and whatever ye give, of a truth God knoweth' (Quran, 2:211). Charity, in its broader sense, is called s*adaqah* in Islam. There are similarities between *waqf* and *sadaqah* in terms of charitable purposes so it is really important to understand the meaning. *Waqf* is also known as *sadaqah* (Hashim, 2008). In some hadiths (Prophetic sayings), the word *sadaqah* has been used to refer *waqf.* For example, in one hadith the Prophet says to Umar: If you wish it, you can 'freeze' it in charity. ('*In shi'ta habasta aslaha wa tasadaqta biha'*). In general, *sadaqah* is an open term used to define the word charity which also includes *zakat. Zakat* is an important obligation, or duty, for Muslims to conduct every year. On the other hand, *sadaqah jariah* (continuous charity), is interpreted as *waqf* by the majority of Muslim scholars (Al-Shawkani, 1952) as is *jariah* which means a continuous cycle of charity. It can also be defined as an action of good deed which remains forever, even if the person who does that passes away. As stated in Sahih Muslim by the Prophet (p.b.u.h): 'If a human dies, then his good deeds stop except for three possibilities; a *sadaqa jariah,* giving the benefit of knowledge, or a righteous child who prays for him'(Al-Nawawi, 2000).

Apparently, there is little dissimilarity between the terms; *sadaqah* and *sadaqah jariah* when it comes to utilising an asset. For example, giving a fish to a poor person is a *sadaqah* which can be utilised for a given time frame. On the other hand, giving a poor person a boat for fishing to meet their everyday living expenses is a *sadaqah jariah*. Hence, it can be stated that *sadaqah* remains for a short while but *sadaqah jariah* lasts longer. Furthermore, in *sadaqah*, 'the substance is transferred and also the profits but in *sadaqah jariah,* the substance is retained but the profits go to the beneficiaries' (Abd Mannan, 2005:4). Also a charitable donation which is not invested remains for ever for the person to use it to meet his daily expenses such as food, medicine, clothing and money for shelter. Kahf (1999) distinguished between *sadaqah* and *sadaqah jariah* in terms of whether or not they are repeatable, the benefit of *sadaqah jariah* can be used many times in contrast with ordinary *sadaqah*.

According to Kuwait's Awqaf Public Foundation (2010) *awqaf* as well and donations serve the same purposes. Donations can be of different kinds such as gifts, *sadaqah*, loans, and wills. Donations are a kind of a good deed in which things are given to the needy with the purpose of charity. On the other hand a *waqf* can be defined as a donation which remains constant and cannot be sold or exchanged. However a *waqf* can be donated to generate income, on the request of the founder. Foyasal (2010) emphasised that charity comprises of several kinds in terms of eliminating poverty, namely, compulsory charity: *zakat,* optional charity: *sadaqah* and perpetual charity: *waqf.*

It is evidently clear that donations are more broadly understood and practised than *sadaqah*. It is a part of *waqf* or *sadaqah jariah*. *Sadaqah* is more focused towards religion and can also be *waqf*, but donations may have nothing to do with any religious activity.

Figure 3.1: The Comparison between Sadaqah and Related Concept

Donation		
Gift	Sadaqah	Will

	Zakat	Sadaqah Nafilah	Waqf
Charity →	Compulsorly	Optional	Perpetual
Time for payment →	Annually	Anytime	Anytime
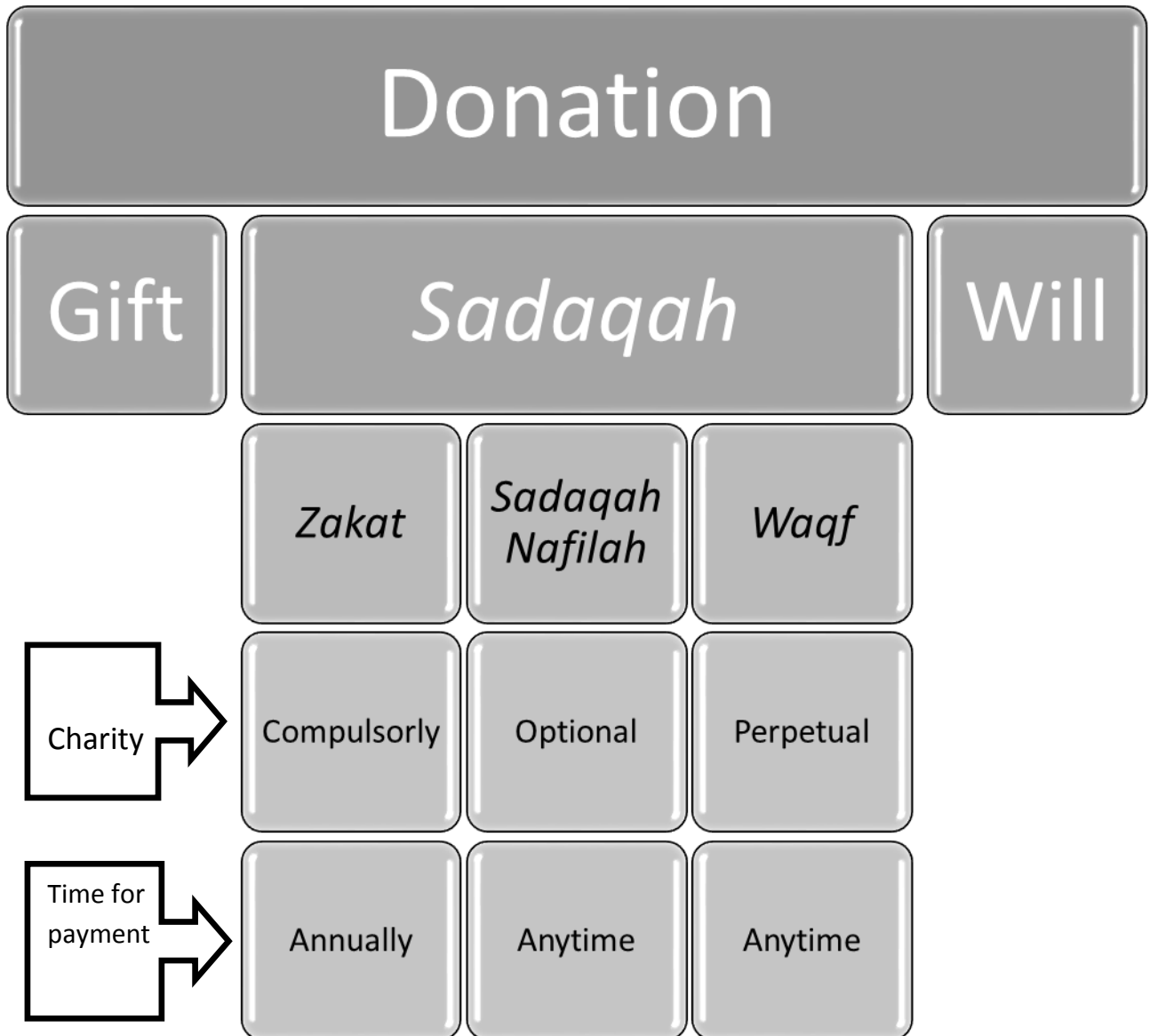
Source: Author's own

3.3 Concept and Principles

Waqf (plural *awqaf)* is derived from the word *waqafa*. In Arabic, *waqf* has various meanings such as *sakana* "become still and not move", *habasa* "to retain" (Akramah, 2008:24), and *mana'a* "detention" (Al-Sarakhsi, 1406) . The term *awqafa,* which has the same meaning of *waqafa*, is very rare in the

Arabic language (Ibn Manzur, 1956). *Waqf* and *habous* have the same meaning which is inalienable property (Wehr, 1980)**.** Thus, w*aqf* is similar with *Habs* and in some North African countries, like Morocco, Minister of *habas* is used instead of *waqf* (Zuhaili, 1987).

From a linguistic point of view, *waqf* has the more specific meaning of forbidding movement, transport or exchange of something (Raissouni, 2001). Bewley (2001) points out that the word *waqf* in Arabic, literally language means "confinement or prohibition".

The Arabic Dictionary (*Lisan Al-Arabi)* reveals that during the early period of Islamic history these semantic differences between *waqf* and *habs* were not drawn as sharply. As a result, it is not uncommon for modern histories of the *awqaf* to use the term '*habs'* to refer to a pious endowment (Manzur, 1956) In fact, according to Raissouni (2001) some Islamic jurists consider both words synonymous linguistically and conventionally. However, Maghniyah (1997:61) argued the difference both terms. He asserts that 'in *waqf*, founder ownership on the assets is completely ended, while the ownership of the *habs* is remains, thus the asset can be inherited or sold'.

There are two relevant meanings of 'retain' according to Ibn Al-Arabi (n.d.) the first is the founder permanently owns the property and he retains it to use the usufruct. The second is when the ownership swaps from the (original owner) to another person, who is restricted in using the usufruct.

The meaning of *waqf* for this study can be divided into 3 categories:

Classical scholars: The meaning can differ according to different Islamic scholars.
According to Abu Hanifah *waqf* is the detention of a specific property in the ownership of the *waqif* (founder) and appropriation of its profits or usufruct for charity to the poor or to other good deeds. Therefore, *waqf* does not become absolute, rather it conceives the property itself to be in the ownership of the *waqif* and it makes propitiatory offering if its profits, so it is in the category of lending (*Ariyah)*. The *waqif* in his lifetime is entitled to revoke it, to make a gift of it to others, or to sell it, so the *waqf* does not become absolute. Abu Hanifah adds further, a *waqf* shall become absolute only if it fulfils one of these conditions it is made in favour of a mosque as the subject, it is reserved forever to the ownership of Allah, or no human beings are entitled to it except in the performance of worship (Al-Sarakhsi, 1993).

Orders passed by a Government official or *qadi* [3] will also compel its application. This is the case when a founder claims the right to revoke his gift, after handing over its possession to the *mutawalli* or the administrator, if the administrator denies the claim in the presence of witnesses. In this respect, there is no doubt that, as the head of the Muslim community (king), his power is higher and he possesses the right to intervene directly in any Muslim matter in order to safeguard the welfare and interest of the Muslim ummah. A *waqf* would also be absolute when it is created through a will, where the effect of it will be felt after the death of the appropriator to the extent of one third of their estate, in the same way as a usufructuary bequest (Ibn Al-Humam, 1316).

According to Shafiis and Hanbalis, *waqf* is to restrain the substance of a perpetual property and devote its usufruct to the benefit of mankind. However, any transaction made by the founder or others is not permissible except for charitable or religious purposes (Al-Sharbini, n.d.). This opinion was supported by Abu Yusuf and Muhammad Al-Shaybani. This principle is in direct contradiction to the views of Abu Hanifah, their mentor (Ibn Abidin, 1960).

Maliki's view is similar to Shafii and Hanbali's except they do not accept permanence as a condition of *waqf* so the renter can also make *waqf* from the property they rent or let as it meant they own that benefit. For that the reason *habs* is referred to by Maliki instead of *waqf* as perpetuity is not necessary (Al-Asbahi, 1994; Maghniyah, 1997). Initially, Hanafi's meaning was different from the others' when he maintained that a *waqf* contract must be binding, eventually it changed to become a binding after fulfilling one of the conditions mentioned earlier. In summary, it can be concluded that their interpretation reflected that *waqf* is a restriction on a property that is owned by the founder and preserves its benefit for charity and religious purposes.

The definitions of contemporary scholars are wider compared to those of classical scholars.

Ahmad Khan (1988) points out that a *waqf* is a permanent dedication, by a Muslim, of any movable or immovable property for any purpose recognised by Muslim law as pious, religious or charitable. Similar to this are, Abd Manan's (2005) and Bewley's (2001) definitions. However, Abd Manan argues for converting ownership of a property from an individual to society as a whole. This is in contrast with Ahmad Khan's argument that the ownership of the property belongs to Allah.

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[3] Judge ruling in accordance with Islamic religious law appointed by the ruler of a Muslim country

According to Kahf (2011:45) *waqf* is 'holding certain property and preserving it for the confined benefit of certain philanthropy and prohibiting any use or disposition of it outside that specific objective'.

The Kuwait *Awqaf* Public Foundation (K. A. P. Foundation, 2010) defines a *waqf* as a means of withholding an asset, which can be a house, an orchard, cash money, or the like, so that it becomes unsellable and inalienable, while directing its usufruct to a legal channel of spending. The same opinion has also been expounded by Abu Zahrah (1959) and he adds further, that the benefit must be for charitable purposes and pay regard to the founder's request.

According to Henningan (2004), in creating a *waqf*, the founder makes the principal of a revenue-producing property inalienable in perpetuity and assigns the usufruct of the property to specified persons or institutions. The property is placed in possession of a fiduciary who administers the trust for the benefit of a third party. Islamic law requires that the remaining interest must be used for a charitable purpose. Deguilhem (2008) defines *waqf* slightly differently, as an endowment which gives an individual or a group of individuals the opportunity to finance a given beneficiary or a set of beneficiaries with a specific amount of proceeds accruing from the revenue generated by the properties owned by the endowment's founder, which he or she designated as *waqf* assets. However, Barnes (1986) describes a *waqf* in more similar way to Muslim scholars.

The definition of *waqf* under the Egyptian Law for the management of *awqaf* enacted in 1946 in section 203, (Ur-Rahman, 1980) is similar to the Musalman *Waqf* Validating Act of 1913 in India. However, the main difference is in recognition. Egyptian law is recognised by Shariah, while the other act is recognised by Musalman law. Also the transformation of the ownership property from the founder to Allah is another difference.

In conclusion, most contemporary scholars or jurists agree that the basic principles behind a *waqf* are that asset will remain intact and the revenue from the asset will be used for the benefit of the people. It is worth noting here, the term *habs* today is more suited to cater to contemporary practise. Classical Islamic scholars differ in their definition, depending on their position concerning some of elements and conditions. From my point of view, Ahmad Khan's (1988) definition appears to demonstrate the true meaning of *waqf*, although he did not mention *awqaf* as unsellable. This is supported by Shafi'i (Al-Bujairimi, 1995) who states that a *waqf* must be intended for use by Muslims only. Moreover, as the dedication of a *waqf* is considered as religious, it retains the sense of *qurbah* (vicinity). Thus, the dedicator will obtain religious reward in accordance with the virtue of the act. In addition, to achieving

the reward, such a consecration must be accompanied by an intention or *qurbah* (Ibn Abidin, 1960). However, the definition asserted by Sadique (2010) that "retaining a property that could be utilised while its corpus remains intact, by barring the possibility of the founder or any other person making a transaction on its corpus, towards an existent and permissible (charitable) avenue, for gaining proximity to Allah" is more suitable and complies with the situation nowadays .

3.4 Types of *Waqf*

The types of *waqf* can be divided into 3 different characteristic; these are objective, time, and assets utilisation, as presented in Figure 3.2.

Figure 3.2: The Categories of *Waqf* in Islamic Law
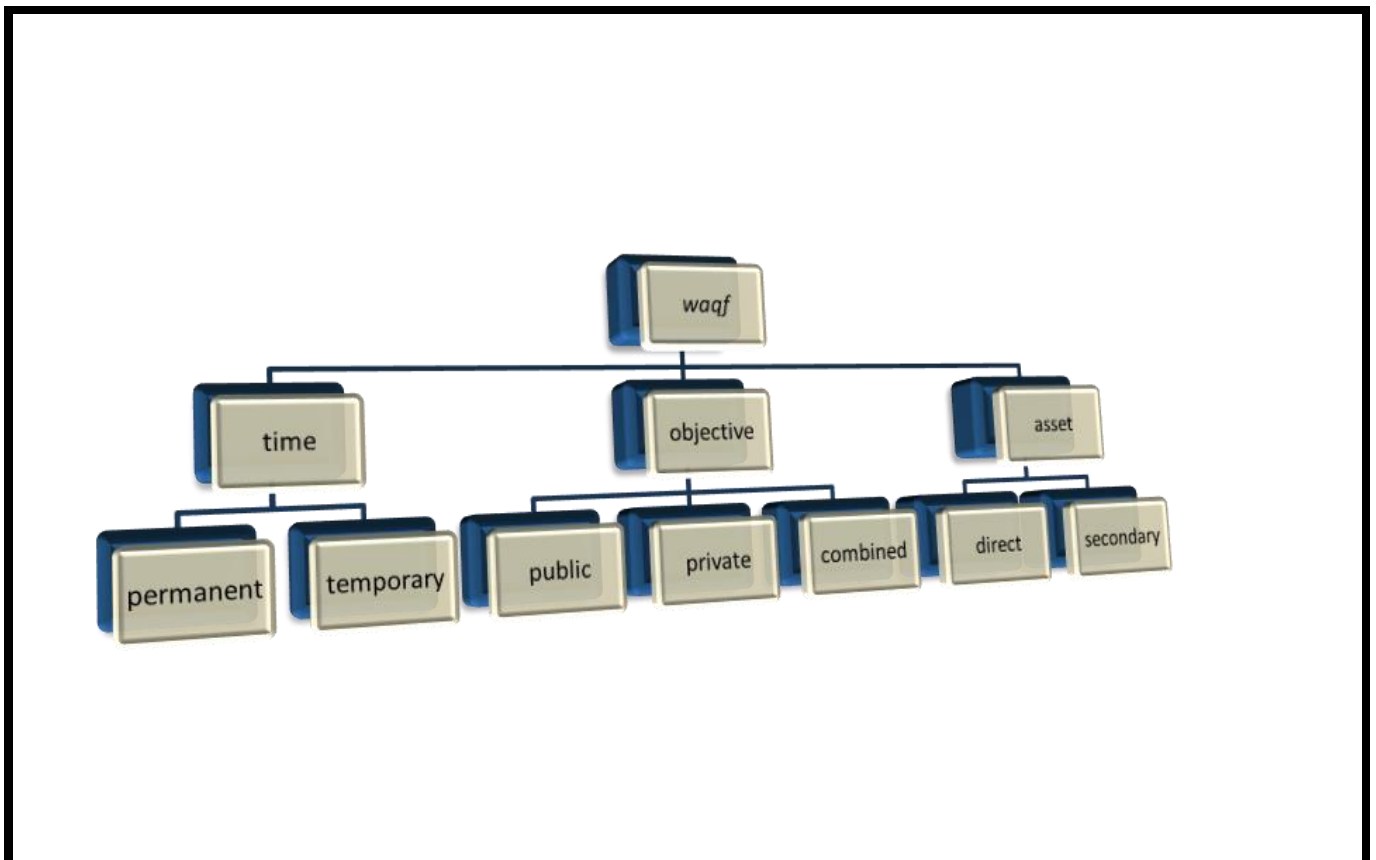
Source: Author's own

3.4.1 Objective of *Waqf*

The main objective of a valid *waqf* is '*birr'(goodness)* (Al-Shirazi, n.d.) '*khair'(well-being) 'ihsan(well-wishing deed) (Khan, 2007)* that includes all charitable purposes that are acceptable under the Shariah that benefit society such as socio-economic, educational, environmental, scientific and other prime objectives (Laldin et al., 2008). There are three relevant types of objective, which are discussed below.

Philanthropic (*khayri*) or public (*'amm*) *waqf*: the charitable or public endowment (*waqf khairi*) revolves around the permanent devotion of the assets and the income generated by the properties to fulfilling the religious purposes of charity (Haji Othman, 1982). The founder of the *waqf* declares the prime purpose of the *waqf* is for charity and public benefit such as poor and the needy people in society (Maghniyah, 1997).

A family *(ahli)* or private (*khass) waqf* [4]'is a dedication in perpetuity of the capital of property for religious or charitable purposes recognised by Islamic law and the property so dedicated, the income of the property being paid to persons or for purposes prescribed in the *waqf*' (Haji Othman, 1982). In the family donation (*waqf ahli)* property, the income is for the family of the founder, for the heirs or blood relatives, and for charitable purposes. It is for the close or immediate relatives of the founders (Henningan, 2004). A family *waqf* is bequeathed to such individuals who have a personal relationship or are connected by lineage to the benefactor. The beneficiaries of the trust are all the descendants of the original beneficiary. If the line dies out the usufruct is handed over in perpetuity to the needy, a Holy war, or any other charity (Henningan, 2004).

A combined or mixed *waqf* (*musytarak*) has dual objectives of serving partly the benefactor's descendents and partly the public good so it is a combination of both the familial *waqf* and the charitable *waqf* (Al-Mahdi, 2010).

Since the above mentioned kind of family *waqf* is not present in any other charitable endowments other than the Islamic ones, it therefore becomes an argument and area of speculation among non-Muslim scholars. As Mundy (1988) has expressed the importance of the family *waqf* as advantageous for the transmission of wealth. Conversely, *waqf* can be used as a legal instrument to prevent the

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[4] Kedah, Administration of Muslim Law Enactment, no 9, sec2 (1) cited in Haji Othman, Muhammad Zain, Phd Thesis, The theory, practice and administration of waqf with special reference to the Malaysian state of Kedah, 1971, University of St Andrews.

ownership or the sale of a disputed property (Powers, 1993). In addition, as Henningan (2004) has clearly explained the family endowment created by the founder restores a measure of control over the properties that were denied to the real owners under the guidelines explained by the Quran.

There is another kind of *waqf* as mentioned by a researcher, known as *irsyad*[5]. However Abdul Qadir (2004) has put a clear difference between *waqf* and *irsyad, waqf* involves the separation of privately-owned property for a religious or charitable purposes. On the other hand, *irsyad* revolves around the utilisation of public funds, not including the private transactions to maintain public or humanitarian services (Abdul Qadir, 2004).

3.4.2 Tenor

According to the International Council of Fiqh Academy, which was held on April 2009 in Sharjah, United Arab Emirates, the timing to grant the *waqf* is dependent on the will of the founder. It need not be permanent nor be maintained in the long run. After the allocated time completed, the asset would revert back to founder, as long as the appropriate rules and the terms were followed. This recent decision is in contrast with the majority of traditional Islamic jurists' opinion. Only Maliki (Maghniyah 1997) has allowed a time limit to be brought into effect and this applies to almost all kinds of *waqf.*

According to all Muslim jurists except the Malikis who asset that "a *waqf* is valid only when the *waqif* intends the *waqf* to be perpetual and continuous" and that will be regarded as lasting charity. While if it has a limited to its time, it will turn to *habs* (detention)" (Maghniyah, 1997:2). However, Maliki has approved such a practice in all assets except mosques. In term of permanence, it includes all of the founder's intentions that relate to the purpose, management, distribution, authority and supervision of *awqaf* (Kahf, 2011).

3.4.3 Assets Utilisation

From the point of view of the nature of *waqf* output, *waqf* assets may be classified in two categories: direct or secondary investment. Both categories can serve to fulfil the purposes of humanitarian services, and religious and private offerings, as mentioned by the well known scholars of *awqaf* Kahf (1998).

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[5] *Waqf* of land by any corporation, institution, organisation or other bodies according to Shariah.

Direct *waqf* assets are ones that generate services that can be consumed and that can be utilised by the beneficiaries and include schools, hospitals, mosques or orphanages. The main aim of such a *waqf* is may be general philanthropy such as a well transferred into *waqf* as a fresh source of water for everybody, it can also be private for example as a guest house for the descendants of the founder,or religious such as mosque for public use.

Secondary *waqf* assets are those assets which are used for investment projects. It includes a cycle of marketable goods and services that can produce a steady income which is then used by the beneficiaries. The beneficiary could be a general charity such as a school or a mosque, or private philanthropy consisting of the descendants of the founder. The generated income can be used in different fields and can be used to produce further revenue which can then be used to fulfil other purposes. The beneficiaries may be general such as an expensive scientific centre, religious such as maintenance for a mosque or private such as expenses for houses dedicated to the benefactor's descendants.

Therefore, the first type of *waqf* offers services straight to the beneficiaries. While the latter one invests in different businesses and generates revenues which are further used for religious, charitable or private purposes (Ahmed, 2004).

Figure 3.3: *Waqf* **Assets Utilisation**
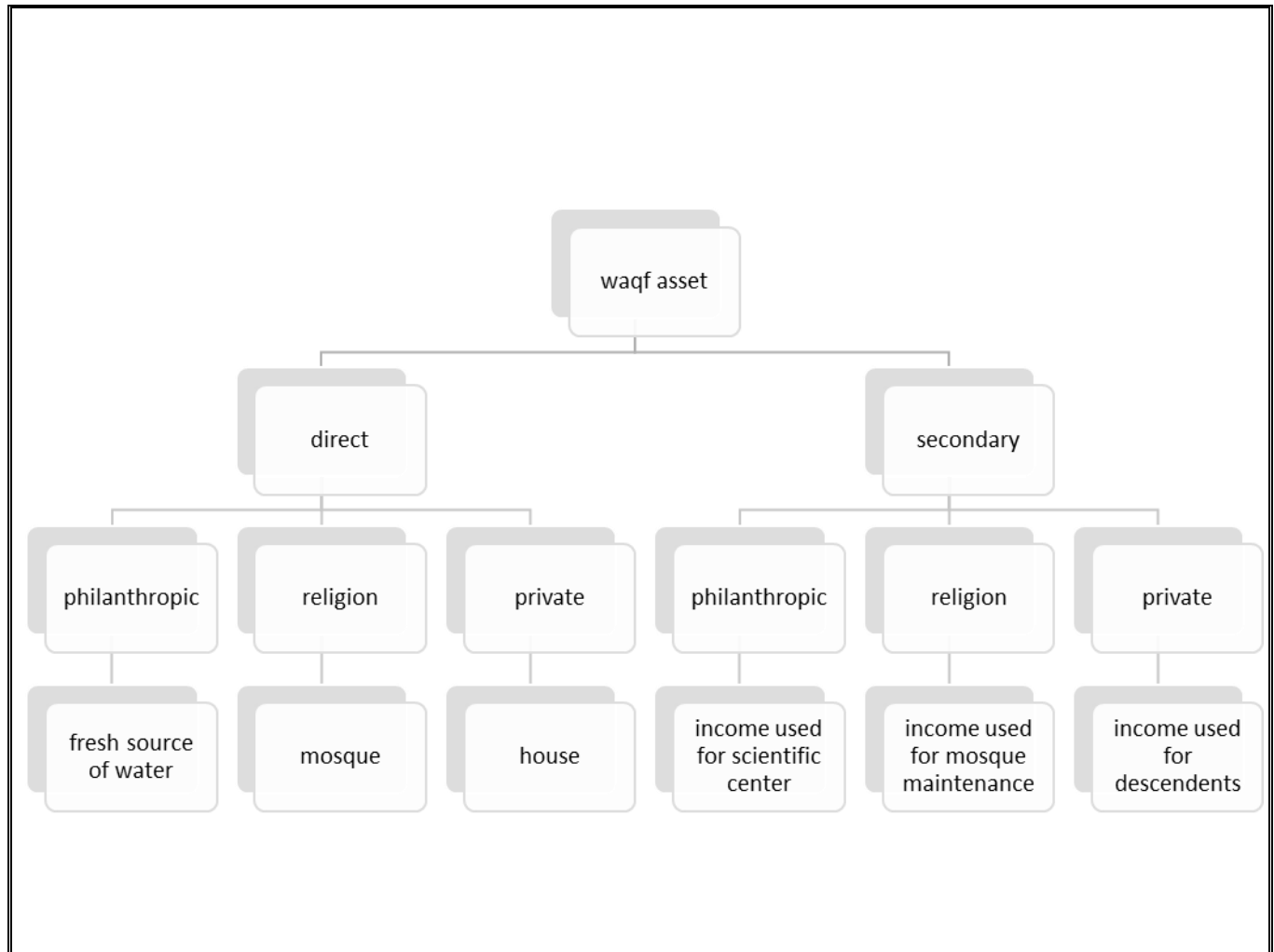
Source: Author's own

Researchers are embroiled in a discussion over the importance of investing *waqf* assets. Laldin *et al.* (2008) suggest that they should be developed in a manner to obtain *maqasid al-shariah[6]* of *waqf*. The *maqasid of waqf* are basically the benefits to the *ummah*. This is because the only reasons these assets are retained is to generate revenue, which in turn benefits the needy. Islam does not allow and abhors

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[6] *Maqasid Syariah* is the aim and secret which is determined by Allah in every hukm or regulation to reach happiness for individual and community, to protect the law in order to flourish the world until it reaches perfection, development and high civilization (Zuhaili, Wahbah(1997*) Nazariyah al-Dhororah al-Shari'yyah Muqaranah maa al-Qanun al-Wadi',* Dar al-Fikr, Damsyiq.

unused, undeveloped stagnating assets, and thus it is deemed wiser to invest the assets bequeathed to the *waqf* in such a manner that is in accordance with the *maqasid (purpose)* and God's will[7].

According to Haji Nik Hasan (1999), there is immense potential in the institution of *waqf*, as it encourages and provides support for the economic development of a community. There should thus be a focused effort to involve Muslims to actively participate in the practice of *waqf*. Not only this, but there should be improvement in the projects underway and also the organisations of *waqf* to better develop their assets.

3.5 *Waqf* History

Waqf is a founding institution that preserves the old Islamic heritage and Islamic principles. It plays an important role in the welfare of Islamic societies. It has increasingly gained pace and started benefiting people by different means such as schools, mosques, wells, warehouses, orphanages, graveyards and many more such things. This is one of the greatest practices of the Prophet which was followed by his companions for benefiting the Muslim *ummah*. It would have faded away from history but for the continued practice by the Muslims all over the world which has kept it alive to this day.

3.5.1 *Waqf* in Pre-Islamic Times

Waqf is an old tradition and an Islamic custom that was in practice, although somewhat differently, before the arrival of Islam. *Waqf* was a part of Arabic society even before the advent of Islam and the first *waqf* known to the world of Arabia was the construction of *ka'abah*[8]. It was built by Prophet Ibrahim and his son Ismail. The main purpose behind its construction was to make the people return to their land and to provide them with security. But due to different conflicts, Arabs replaced it with their idols for worship. They thought that they could become closer to the Almighty. So the practice of retaining property in the pre-Islamic world was totally different, when the main intention was for pride while in Islam it is a way to get closer to Allah Almighty (Tabari cited in Sabri, 2008). Consequently, endowments were known during the pre-Islamic period, but the difference between *waqf* in Islamic time and pre-Islamic endowments is that the former was made to win God's good pleasure, whereas the latter was made to show off and for boastfulness. Therefore, the word *waqf* is especially used for Muslims only, according to Shafi'i, since there was no property truly given as *waqf* during pre-Islamic

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[7] Allah said 'And for those hoarding gold and silver and do not spend them in the way of Allah, announce unto them a most grievous penalty (Quran,9:34) and Allah also said in other surah 'so that it will not be a perpetual distribution among the rich from among you (Quran, 59:7).
[8] Cubic structure which is object veneration for Muslim.

times. As *waqf* in Islamic law is a dedication to the worship of Allah Almighty and not an act to boost pride and honour in order to show-off to people (Al-Shafie, 1990). Although, Shafi'i debated that *waqf* prevailed among Arabs even before the advent of Islam (Akramah, 2008; Al-Sana'ni, n.d., Al-Dusuki, n.d.). As they built the *ka'bah* and dug the water *zamzam*[9], it was only for pride ((Al-Sawi, n.d.; Al-Dusuki,n.d.).

After analyzing the above evidence, it clearly shows that endowments during pre-Islamic times were definitely different in concept to *awqaf* that have been practised subsequently. Therefore, regarding the previous facts, the institution of *waqf* began after the promulgation of Islam.

3.5.2 *Waqf* in Early Islam

Even though is a part of a muamalat contract like any transaction, waqf in Islam is considered an act worship to Allah. It is a noble cause to benefit people regardless of their status and religion in society. It has a variety of purposes which serve humanitarian causes such as education, socio-economic development, helping the needy and contributing to community services and it is not limited to religious ends only (Abu Zahrah, 1959). In the history of Islam, the first *waqf* was the mosque of Quba in Madinah which was constructed on the arrival of the Prophet (Zarqa, 1998). The mosque still stands there with a new enhanced structure. Six months after the mosque of Quba was built another mosque was built in Madinah in the name of Prophet Mohammad (p.b.u.h). *Waqf* deals with the expenses that incur during their maintenance and administration.

The philanthropic *waqf* is the second kind of *waqf* known in history. Its prime objective is to help the needy and the poor segments of society. These services include the building of schools, research centres, mosques, hospitals, orphanages, wells, parks and roads along with taking care of animals and the building of dams. Muslim scholars differ over the first philanthropic *waqf* in Islam. According to a hadith narrated by Umar bin Syabah from 'Amr bin Sa'ad bin Mu'ad said: "We asked about the first *waqf* in Islam? Muhajirin people said *waqf's* Umar, while Ansar said the Prophet" (Al-Shawkani, 1952).

The first record of a philanthropic *waqf* made in Islam was the bequeathing of orchards by a Jewish man named Mukhairiq to the Holy Prophet (p.b.u.h) (Subhi Salleh, cited in Sabri 2008;Al-Waqidi, 1989 Abi Zahrah, 1425, Al- Salabi, 2008). His will stated that his seven orchards, A'raf, Shafiyah, Dalal, Barqah and others in Madinah would go to Muhammad (p.b.u.h) on the event of his death. The

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[9] Name of well in Mecca

Prophet (p.b.u.h) took the orchards and made a charitable *waqf* when the man died in the year 4 AH. This is indicates that what the Prophet means by administering the Mukhairiq's assets. It was done on the will of the person, according to his intentions and purpose.

However, some scholars (Al-Sana'ni, n.d.) argue based on the hadith narrated by Ibn 'Umar that Umar bin Khatab implemented that the first *waqf,* which began in the time of the Prophet in 7 AH. Nevertheless, the origin of *waqf* has been traced by other scholars (Haque, 1982;Shibli Naumani cited in Rashid, 1978) to the Prophet himself in the first year of hijrah. In 1 AH Bani Najjar bequeathed land to The Prophet to construct a mosque in Madinah. This land was the property of two orphans, the sons of Amr named Sahl and Suhayl. The orphans refused any payment for the land even though the Prophet wished to pay them, thus endowing the land.

Different scholars have differing views regarding the first philanthropic *waqf* as there is no strong evidence present in history. As a result, it is difficult to determine the existence and evidence regarding this *waqf*. Although, it seems Sahl and Suhayl's *waqf* is the first legal philanthropic *waqf* in Islam, which was made earlier in the first year of Hijrah (Haque, 1982)..

Different charitable *waqf* were made on the suggestions and advice of The Prophet. For example, a *waqf* of drinking water in Madinah, a *waqf* of horses and camels for the sake of God and others (Kahf, 2011). The same practices and traditions were followed by the companions of The Prophet such as Uthman who gave his property to charity in Khaibar and Ali bin Talib who offered his agricultural land to be used in the way of Allah. Muad bin Jabal gave his house, which was popular with *Dar Al-Ansar*, to be retained, this was followed by Anas bin Malik, Abdullah bin Umar, Zubair bin Awwam and Aishah the Prophet's wife.

Different companions of The Prophet made *waqf* for philanthropic purposes as Abu Bakar endowed his land in Mecca which is dedicated to his descendants who come to Mecca. Umar, Uthman, Ali, Zubair, Saad, Umar bin 'As, Hakim bin Hizam (Ibn Qudamah, n.d.) and Abu Talhah[10] also made similar act.

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[10] Anas reported that when this verse was revealed:" You will not attain righteousness till you give freely of what you love," Abu Talha said: I see that our Lord has demanded from us out of our property; so I make you a witness, Messenger of Allah. that I give my land known as Bairuha for the sake of Allah. Upon this the Messenger of Allah (May peace be upon him) said: Give that to your relatives. So he gave it to Hassan b. Thabit and Ubayy b. Ka'b. In a different report he gave it to his relatives and cousin (Al-Sanadi, 1998:237).

The management of *waqf* was controlled and managed by the individuals who were entrusted by the founders of the *awqaf* (Akramah, 2008) Mukhairiq's charity showed that The Prophet (p.b.u.h) was considered as the only trustee able to administer the *waqf* for its rightful purpose. As he was known for his honesty and fairness as truthful (*al-ameen*)[11], people in Arabia and elsewhere, including Jews trusted him and gave him the ability to conduct the property. Additionally, this task is related deeply to the reliability and loyalty of the prophet as the appropriate person to take this responsibility.

3.5.3 Development of *Waqf* after the Prophet Era

During Umar ibnu Khattab reign, the management of the *waqf* started growing smoothly and steadily and a time came when the *waqf* became a part of an administrative office under the treasury. Moreover, the first person who was appointed to take care of *awqaf* was Egypt's *qadi*; Taubat bin Namar bin Humal Al-Hadrami as he was also responsible for *awqaf* administration in Basrah. *Awqaf* became independently administered from that time and they were under the supervision of a *qadi.* This system was as based on trust and loyalty. Moreover, a part of this responsibility was to appoint and entitle a person to manage *waqf* property for its beneficiaries (Abu Zahrah, 1959). This statement is supported by Kahf (2011: 5) as he describes that early in the history of the Muslim world an *awqaf* office for registration and control was established under the supreme judge who used to be called the "judge of judges".

During the Umayyad Caliphate, *awqaf* and their channels of spending increased therefore a special department known as *diwan* for *awqaf* was established. This was the first of its kind in the Islamic era during the ruling period of the Caliph Hisham ibn Abdul Malek in Egypt (Al-Mahdi, 2010). During Abbasiyah's time, the management of *waqf* was precise and concrete, compared to the previous Caliphs. *Waqf* was given a broader meaning and was not limited to the building of mosques but also for educational purposes such as libraries and schools, social purposes such as lodging houses, and orphanages. Furthermore, the status of a person responsible for a *waqf* was upgraded and such a person became known "*Sadr al-Wuquf,*" meaning one who creates *waqf* as an honour of his effort in managing it (Abu Zahrah 1959). As a result, the management and the responsibilities of a person who manage a *waqf* became wider as he supervised the management of *waqf* administration, as well as appointing employees to assist him to carry out his duties. Consequently, more channels of *awqaf*

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[11] Trueness as a title for the Prophet Muhammad (p.b.u.h)

were established such as: the first *diwan* (department) which was for mosque *awqaf*; the second department was for family a*wqaf*; the third department was for the *awqaf* of the two Holy Mosques (Abu Zahrah 1959).

The *awqaf* were a most important concern for the Ottoman emperors of Egypt. They found that the majority of the land in Egypt had been given away as *waqf*. These were the first issues that Salem I tackled once he entered Cairo (Abdul Qadir, 2004).

The Fatimids, the Abbasids and the Ottomans all took a strong interest in *waqf* until the collapse of the Ottoman Empire. *Awqaf* reached their climax during the Ottoman Empire when some important laws regarding *awqaf* were enacted in 1280AH/1863CE. Different practices and principles were devised to maintain the essence of *waqf* administration and this was the first system to regulate the modes of organisation, revise family *awqaf,* and to invest and develop the buildings to make an income of *waqf* properties as well. After seven years, in (1287AH/1870CE) a system of *waqf* rentals (apartments, land, hotel,) was established and they are still in use in Middle Eastern countries. In 1331AH/1912CE an organised system of *waqf* was introduced that consisted of the procedures for choosing religious officers from leadership, teaching and rhetorical perspectives. This continued until the department of *waqf* was upgraded to become a special ministry (Abu Zahrah, 1959).

However, the establishment of the Ministry of *Awqaf* and centralisation of waqf management gave an opportunity for states to control *waqf* affairs. Thus, it may create a negative impact on *waqf* institutions through interference from other authorities of the state. For instance in Turkey, during the Tanzimat era (1830s) the power of collecting *awqaf* revenues was given to the Ministry of Finance. They began to collect *waqf* revenue steadily by delaying repayments to the *awqaf*, as a result the outstanding debt of the state to *waqf* administration was increased. At the same time they tried to take over the management of *awqaf*. The *waqf* administrators were also forced to invest in economic enterprises and re-sell these at a huge discount to the municipal authorities and the loss was to be blamed on the administration of the a*wqaf*. The destruction of the *waqf* system in Turkey is even clearer when it came to *waqf* assets auctions which transferred ownership to the highest bidder, organized by certain authorities It is clear, that the state played a crucial role in determining the *waqf* development (Cizakca, 1997.) As Cizakca (1997, p.27) suggested 'any attempt of institutional reform must be preceded by careful historical investigation so as to have a thorough understanding of the institution in a historical dimension'.

3.6   The Origin and Practice of *Waqf*

There is no explicit injunction pertaining to the legal principle of *waqf* in the Quran. It can only be found in the traditions and practices of the Prophet. However, the Quran does provide principles which can be applied by Muslims to carry out *waqf*. There are a number of verses that relate to the practice of making charitable donations, generous offerings and extending monetary help to the needy.

Furthermore, the Quran has encouraged mankind to actively contribute to helping the poor and the needy as much as they can, so that such people would be rewarded in the world hereafter as promised by Allah himself. For instance, 'They ask thee, (O Muhammad), what they shall spend. Say: that which ye spend for good (must go) to parents and near kindred and orphans and the needy and the wayfarer. And whatsoever good ye do, lo! Allah is Aware of it'(Quran, 2: 215). In addition, in the Quran (18: 107) Allah promises those who are actively contributing by their good deeds that they will have a blessed garden in paradise. Generosity and hospitality are the characteristics of the people who would be given the higher position in paradise ("Mu'jam Mufahras li Alfaz Al-Quran," 2010). In addition, the Quran also repeatedly emphasises that one should spend the finest, the lovable and most precious goods in the way of Allah as is clearly indicated in the Quran (2:267 & 280 and 3:92. It is undeniable, that *waqf* assets can be valuable as indicated in the hadith which describes when Umar got a piece of land in Khaiybar which was the best of all the properties he ever received. In other words, Allah sees such actions of generosity as 'goodly loan' which result in forgiveness (Quran, 64:17) to the person and provide manifold rewards (Quran, 2:245).

As Salleh (2001) stated spending generously is essential for the Muslim ummah for spiritual as well as social wellbeing. Such actions are considered as a spiritual training for the person who spends in the way of Allah for His divine happiness, as promised by Allah in the Quran 'Who is it that will lend unto Allah a goodly loan, so that He may give it increase manifold? Allah straiteneth and enlargeth. Unto Him ye will return' (Quran, 2: 245).

From the above mentioned values and principles as described by the Quran, it has been noted that *waqf* is not only a kind of charity to benefit humans but it is also a kind of reward for the humans in the world hereafter. However, it is difficult to analyse the indication of offering *waqf* from the Quranic verses. Nonetheless, there is a huge amount of supporting evidence and reports which verify the existence of *waqf* during the life of Prophet (p.b.u.h). There are a number of scholars who prove the

existence of *waqf* from the *hadiths* narrated by Ibn Umar Ibn Al-Khattab. Even though the word *waqf* has not been mentioned clearly or directly but other words are used instead such as *habasa, sadaqa* and *ihtabasa* which refer to *waqf*.

Different scholars agreed with Al-Sana'ni (n.d.) and Al-Shawkani (1952), state that frequent charity means *waqf*, since it is constant in its practice and it cannot be undone except by retaining the asset.

Following the second Caliph's action at the time of the Prophet (p.b.u.h), when he got a palm orchard in the northern Arabian Peninsula city of Khaybar, and acquired a piece of land named Thamgh, which he treasured. He came to the Prophet (p.b.u.h) seeking his advice about it. Umar[12] accordingly dedicated the property on condition that the land should neither be sold, nor made the subject of a gift or inheritance. The income alone should be spent on the poor, relatives and on freeing slaves, and on the services rendered to travellers and hospitality. The administrator (or manager) shall have the power to take some of its income and the rest of it shall be for feeding others, not accumulating riches thereby (Al-Asqalani, 1408; Al-Bukhari, 1422, Al-Nisaburi, n.d., Al-Qazwini, n.d., Al-Sajistani, n.d., Al-Sharbini, 1994).

Another good example to be mentioned here is that of the endowment made by Abu Thalhah of the best and the most supreme wealth of date palms among Ansar in Medina. He was the landlord of the garden of Bairuha', which is located opposite the Mosque of the Prophet. The Prophet used to visit the garden and drink from its fresh water. When the following Divine verse came, [13]Abu Thalhah without a pause offered it to Rasulullah as for community help. Yet, the Prophet returned to him the garden with the advice to make it a *waqf* for his relatives.

The Prophet's life and actions are the best examples for mankind to learn the lesson of practising *waqf*. It infuses the motivation in Muslims which encourages them to donate more for the welfare of mankind and the ummah. As narrated by 'Amru bin Al-Harith bin Al-Musthaliq: 'Swear to God, there

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[12] He said: "O prophet! I have obtained a piece of land in Khaybar which is the best of all the properties I ever got. What is your opinion about putting it to use in the name of Allah?". The Prophet (p.h.u.b) replied: 'Retain the thing itself and devote its fruits to pious purposes'. (Al-Sana'ni, n.d.; Al-Sharbini, 1994)

[13] Abu Talha got up saying. "O Allah's Apostle! Allah says, 'you will not attain piety until you spend of what you love, (3:92)' and I prize above all my wealth, Bairuha' which I want to give in charity for Allah's Sake, hoping for its reward from Allah. So you can use it as Allah directs you." On that the Prophet said, "Bravo! It is a profitable (or perishable) property. (Ibn Maslama is not sure as to which word is right, i.e. profitable or perishable.) I have heard what you have said, and I recommend that you distribute this amongst your relatives." On that Abu Talha said, "O Allah's Apostle! I will do (as you have suggested)." So, Abu Talha distributed that garden amongst his relatives and cousins [13](Al- Shawkani, 1952:28).

was nothing the Messenger of Allah left upon his death neither dirhams nor dinars, neither slave boy nor slave girl except his mule and sword and his land became a charity'(Ibnu Huzaimah, n.d.:120). As Sabri (2008) has clearly explained the significance of charity here refers to *waqf* since the Prophet (p.b.u.h) did not retain the property or any belonging for personal benefits but for the entire community.

Without a doubt, the Prophet (p.b.u.h) encouraged his companions who were rich to actively donate through *waqf*. For example, Caliph Abu Bakar gifted his property in Mecca, also Uthman the third Caliph and Caliph Ali followed in his footsteps. The worth of his land during that time was 1000 *wasq*[14]. The generous characteristic of charity was not limited to Caliphs but also included other noble companions such as Zubair bin Awam, Muaz bin Jabal, and some of The Prophet's wives, Saad bin Waqas, Khalid bin Walid, Jabir bin Abdullah, Uqbah bin Amir, followed by others were also a part of this noble cause (Al-Tarabulsi, 1981). For example, as Uthman bin Affan reported when the Prophet (p.b.u.h) came to Madinah, he found there was no water as fresh as that in Romah's well. The Prophet (p.b.u.h) asked people who wanted to buy this well and make a contribution to other Muslims, so Allah Almighty will give him a reward in heaven and Uthman agreed to buy it with 35 thousand dirham (Al-Asqalani, 1408). Actually that well belonged to a man from Bani Ghifar, he was selling bags of that water with a dry measure so his family could afford their daily expenses (Al-Shawkani, 1998). Amazingly, *waqf* Uthman bin Affan still exists today (this is discussed later in this chapter).

In addition, according to the tradition narrated by Abu Hurairah: The Prophet (p.b.u.h) said, 'If somebody keeps (retains as *waqf*) a horse (for *Jihad*[15]) in Allah's Cause motivated by his faith in Allah and his belief in His Promise, then he will be rewarded on the Day of Resurrection for what the horse has eaten or drunk and for its dung and urine as good deeds in his balance' (Al-Bukhari, 1422;Al-Nu'mani, 1998, Al-Mazhari, 1412).

It has been proven that *waqf* was practiced by the Prophet himself and also by his companions. According to the claims made by Jabir bin Abdullah (Al-Tarabulsi, 1981:9), "I didn't know anyone from Muhajirin and Ansar who had a property except they make them for permanent charity, it cannot be sale forever, not even for inheritance and as well as gift." He also added "Any of the Prophet's

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[14] *Wasq* means load, freight or cargo (Wehr, Hans (1980) A Dictionary of Modern Written Arabic, Ed.. Cowan, J.Milton,3 ed, Beirut, Libraires Du Liban).

[15] One of the meanings of jihad is fighting for the cause of Allah Almighty

p.b.u.h companions who were known as rich would take the opportunity of contributing their belonging to *waqf*" (Ibn Qudamah, n.d.). As a result, it inspired the Muslims of those times to practise *waqf* as a fundamental duty; however, during the times of Prophet there was no particular administration established to look after this institution.

The Muslim community in the Islamic world still practises *waqf* and they have been bound together with this practice unanimously from the first century of Islam untill today. Muslims still believe in *waqf* as a devoted practice to abide by the principles descended from the Almighty Allah and His Prophet. Such practice includes donating personal properties, wells, lands, building mosques, schools, orphanages and hospitals (Al-Baihaqi, n.d.).

According to Ibn Qudamah (n.d), the legality of *awqaf* is undoubtedly stressed by Islamic jurists. The emphasised importance of *awqaf* has been proven by various historical evidence and also, by the efforts of Muslim scholars in preserving the beneficial traditions of Islam.

3.7 *Waqf* Legal Conditions

Awqaf must comply with certain legal conditions. The most important among these are discussed below.

3.7.1 Process of the Establishment a *Waqf*

Islamic law has not imposed any specific form in the creation of *waqf*. It depends on the intentions of the *waqif* as to how he/she creates the trust, for what purposes and how it should be administered. The *waqif* can explain his/her intentions in written or verbal form or in any other way to make the point understandable even to a person who is unable to speak, write or follow an action (Ibn Qudamah al Maqdisi, 1972). When a person makes the intentions verbally, there are certain words to be used to express the meaning of one's intention such as detention, retain or *waqf*. As a result, under the principles outlined by Egyptian Law section 201, it is clearly stated that *waqf* is dependent on the words spoken which are focused towards the creation of *waq*f (Ur-Rahman, 1980). However, in the case of words with vague meanings and understanding such as "I give this house to the needy", Muslim scholars and Islamic jurists have accepted it, except Hanafi. On the other hand, Shafii (Al-Sharbini, n.d.) has stressed that this should be made clearer by citing the expression as, "I give this house to the needy forever" or "I give this house to the orphans and not for sale".

As Al-Fauzan (1423) and Al-Thayar *et al*. (2005) observed a *waqf* not only has to be specified orally but is also dependent on intentions and the aim of the *waqif*. So if the purposes behind the intentions result in conflict or give rise to any harm or a dispute then the *waqf* should be prohibited. An example of this situation happened during the time of Prophet when they were faced with the hypocritical intentions of building a mosque in the name of *waqf*. As a result, a message from Allah was sent to the Prophet. In the *al-Quran*, this message appears as: "And as for those who chose a place of worship out of opposition and disbelief, and in order to cause dissent among the believers, and as an outpost for those who warred against Allah and His messenger aforetime, they will surely swear: We purposed naught save good. Allah beareth witness that they verily are liars" (Quran 9:107). After the Prophet received this message, he burnt and destroyed the mosque. This proved that their *waqf* was not acceptable to Allah. As we know that the purpose of a *waqf* is to become closer to Allah by worshiping and practising His principles based on good and sincere intentions. *Awqaf* with harmful and insecure intentions are not considered acceptable (Abdul Wahab, 2002).

All Muslim scholars agreed on main point: that a *waqf* is acceptable as long as it is based on pure intentions and actions such as a land provided to build a public cemetery, a mosque , a park or a public toilet (Al-Bahouti, n.d.). However, Shafi'i is the only Muslim scholar who has accepted *waqf* verbally and in writing (Ibn Qudamah, n.d.).

Waqf should not be delayed. It can only be delayed under certain conditions. For example, when a person says that if this land becomes mine I will give it as *waqf,* in that case when the land belongs to him then he should endow it. This act is not prohibited by any Islamic jurists. But if the *waqf* is delayed due to the death of the owner then there are two opinions regarding such a type of *waqf*. The first is that the *waqf* will be accepted according to the will *(wasiah)*. This is not accepted by Hanafi, however it is accepted by Maliki, if the person says, "if he comes I will make a *waqf"* or "he will retain it after one month", (Zuhaili, 1987:331). Egyptian Law of 1949 clearly state under section 205 of the *Waqf* Management Act,'The creation of the *waqf*, except by a will, must be immediate and must not depend upon a condition unless that condition is present or is certain to be present in future' (Ur-Rahman, 1980).

According to Leinhardt (1996) in past eras the supervision of *awqaf* transformed them into private property as they were mishandled by the caretakers while the law failed to restore the real meaning, value and understanding of *waqf* in society. These days different practices and procedures have evolved to take care of the properties that are given under *waqf*. It is important to declare *waqf* orally

as well as in writting to avoid any dispute in the future. Many problems are caused by improper documentation and evidence.

3.7.2 Founder or creator

The *waqf* founder should be legally fit to act. Thus, the *waqif i*s required to be in full possession of his physical and mental faculties, be of age, and a free man. He must also have unrestricted ownership of the property declared *waqf* (Al-Kasani, 1986;Al-Dariri, 1372, Zuhaili, 1987). Furthermore, every Muslim who is sensible and practical has the right of devoting his assets in the path of Allah as *waqf*. In other words, any *waqf* or declaration of donating an asset as *waqf* by a minor or someone of unsound mind is void. However, according to earlier scholars it is not even just Muslims who can donate his assets as *waqf*. Non-Muslims can make generous acts of charity as well. With Islamic jurists such as Hanafi, there are two different views. The endowment made while being an apostate is considered as suspended until the person reverts to Islam (Ibn Abidin, 1992; Abd Mannan, 2005). In cases like this it is accepted by the majority of Muslim scholars that if the *waqif* is a non-Muslim it is possible to establish a *waqf* such as a mosque. On the other hand, Hanafi regards an action of *waqf* as an act of worship to the Almighty and only a Muslim can practice such an act (Ibn Abidin, 1992). According to Egyptian Laws, a non-Muslim can bequest to a *waqf* as long as it falls under the boundary of Islamic laws and regulations (Ibn Qudamah al-Maqdisi, 1972:85). This provision is similar with Johor's *Waqf* Procedure 1983 in Section 8 (4).

Also, for charitable purposes the *waqf* should not be restricted to the rich only. This has been proved by Imam Hanafi. There are different schools of thought as to whether anyone needy can accept *sadaqah*; it is allowed for rich people too, under certain conditions (Ibn Qudamah al-Maqdisi, 1972:77). This can be proven by the example of Umar, when he asked about the purpose of his land in Khaibar. The Prophet suggested to him to grant his land as a charity for the betterment of the rich, the poor, the needy and the deserving (Al-Sanadi, 1998). According to Zuhaili (1987) and (Al-Kharsi,n.d.) the creator of a *waqf* is not allowed to grant all his assets as *waqf*, or half of them to his sons, without mentioning the share for his daughters. In ancient times, daughters were deprived of their legal rights to property after the death. This can be further proven from the example of Caliph Umar Abd Aziz who returned *waqf* to the people who did not give the property to his daughters (Ibn Qasim, 1324; Al-Qairuni, 2002).

It is compulsory to fulfil the founder's intention as long as it is not contradictory with Shariah (Al-Fauzan, 1423; Al-Thayar *et al.*, 2005). However, according to al-Sheikh Taqiuddin (cited in Al-Thayar

et al., 2005), it is permissible to make an ammendement to the founder's deed for a better purpose, in order to meet situation where there has been a change of need.

3.7.3 *Waqf* Asset

According to different Islamic jurists, property donated as *waqf* can be real estate or, personal property which can be given as *waqf* permanently. In addition, the property should have some value that can benefit people, as stated in light of Shariah. Properties or items such as alcohol, misleading books, and wild animals including dogs, are not allowed as *waqf* (Al-Khatib, 1958; Al-Kharsi,n.d.). The property must be also be defined clearly in order to avoid conflict among related people for example: I endow part of my land to certain people (Al-Fauzan, 1423).

When it comes to property assets, all the scholars agreed that movable property assets are permissible for *waqf* if it fulfils the terms and conditions similar to those immovable properties (Ibn Qudamah al-Maqdisi, 1972). As indicated above, horse can also be donated as *waqf*. Moreover, Ibn Qudamah (n.d.) stated that any item that can be sold and reap the benefit of its value in the market is permissible for *waqf*. Anything such as food, drink, dinars and other items that are of little or no worth at all are not allowed for *waqf*. All Islamic schools accept this concept except for Maliki.

Furthermore, history has shown that different items such as land, buildings, camels, cows, sheep, books, jewellery, swords and other weapons, agricultural tools, money and others were used as property for *waqf* by Muslims. During the Ottoman regime, cash *awqaf* were used widely. From the 10th to 16th centuries, cash as *awqaf* represented a huge part of Ottoman *waqf* assets, which later in the 18th and the 19th centuries formed the basis of well-organised Ottoman banking system. Foundation administrators lent out the cash with an interest rate, through particularly named money changers who were members of the *sarraf* [16]profession, as indicated in the foundation document, with the aim of creating liquid assets for the endowment (Abdul Qadir, 2004).

Although, cash *waqf* is an old form of *waqf* as mentioned above, however it is a new mode to many Muslim countries such as Malaysia (Mohsin and Mohammad, 2011). It has also become increasingly popular in recent times. Using cash as a medium of *waqf* is a newly introduced method which is widely used by Muslims rather than giving away property or land. Not many people own land and houses these days. As a result, many Muslims do not perform *waqf*, though they would like to, due to a lack of opportunities and limited resources (Hj Mohd Salleh and Muhammad, 2008).

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[16] *Sarraf* means exchange

In order to motivate people, to perform *waqf* nowadays, cash *waqf* is an appropriate and reliable form in terms of being used for multiple purposes, since the majority of people do not have physical assets and many opportunities in *waqf* management can be found in cash form (Ibrahim, 2008). Furthermore, cash *waqf* can be utilised in different projects and have applications other than fulfilling financial needs. It can be used for investment and trade in different business activities such as construction projects, or other purposes (Mohsin and Mohammad, 2011).

A good example of successful cash *waqf* to mention here is Islamic relief in the United Kingdom. Each year this organisation collects no less than £30 million through issuing *waqf* shares for £890. The collected cash is distributed to 5 million people in 25 countries. As a result, it provides 7,000 employment opportunities in Bosnia through the Income Generation *Waqf* programme (Wan Yon *et al.*, 2008).

Cash *waqf* can be in one of two forms. In the first form it is converted into a *waqf* which is used for free lending to needy people and in the second form, it is invested and the profit or the return on investment is further used by beneficiaries of *waqf* (Ahmed, 2004). The modern world provides different ways and modes to effectively use the cash *waqf* according to shariah rules. Transferring shares is another example approved by Islamic Scholars. It is the shareholder's choice to make all of the dividends or a proportion of them to be used for charitable purposes (Bekkin, 2009).

Conversely, Hanafi (Al-Siwasi, n.d.) has debated that movable assets cannot be utilised in perpetuity, to benefit people as they can only be used for a limited time, unless they are combined with immovable assets such as trees on the land. However, moveable assets can benefit society if it becomes custom or habit within a certain society to use items such as funeral tools or books in such a way. Although, using weapons or horses for the purpose of *waqf* and even for *Sabilliah*[17] are not acceptable and should not be approved by society. However, his follower Abu Yusuf and Muhammad differ with him on this issue (Al-Kasani, 1986; Al-Siwasi, n.d.) .

An interesting approach which has been used in Bangladesh is *waqf* in intellectual property (*waqf* right) consisting of copyrights on books. There are at least two organisations of *waqf* supporting these sorts of offering, The Khairun Prokashani Trust and The Deeni Publications Trust. The founder of the *waqf* authorizes for his wife and children to receive benefit from the publishing of books and their copyrights. The Deeni Publication *Waqf* has already published twenty books based on *waqf* form.

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[17] The idea of fighting in the way of God. (The encyclopedia of Islam (2009)ed. Bearman, P..J, Bianquis, TH, Bosworth, C.E, Donzel, E.Van & Heinrichs, W.P. Boston, Brill

(Sadeq, cited in Foyasal, 2010). According to Sadeq (2002) one donor of an intellectual property *waqf* stated that 10 percent of its revenue is to be dedicated to helping the needy and for ideological causes. As Kahf (1999: 6) asserted *waqf* copyright is essential in order to protect the rights of writers on Islamic heritage from being exploited financially by modern publishers. Nowadays intellectual property rights may generate a huge source of wealth (White, 2006).

Recently, Kahf is one contemporary scholar who has suggested *waqf* of *manafi'*, (usufruct) which is known in the Maliki School (Kahf, 1999). 'It is the right to the use and enjoyment, and even the profits, of property not owned by the *waqf* outright. Including a *waqf* of crops harvested from non-*waqf* lands, profit from non-*waqf* intellectual property and even a *waqf* of the right occasionally to use a non-*waqf* building or land' (White, 2006:522).

3.7.4 Beneficiaries (Outcomes)

Different scholars have different opinions regarding the beneficiaries of *waqf*. According to the majority of them it could be an individual or a group of deserving people including those who are disabled. However, Imam Hanafi (Ibn Qudamah al-Maqdisi, 1972) has argued that non-existent beneficiaries are also acceptable. For example, unborn babies who will be benefit in the future are also the part of this clause. However, the *waqf* is suspended until the baby is born. As a result, any child who is still in the womb of his mother or if he is born 6 months before the accrual of income generated through the *waqf* assets, is considered as entitled to receiving the benefits. If the mother is in a state of transformation of beliefs or is going through a divorce then the unborn child will receive a share of the property when born. In some cases if the unborn child dies at birth then his wealth would be distributed among the legal heirs (Ibn Abidin, 1992). In the other words, if he is born after six months or more after the accrual of the income and the mother's position does not change, then he shall not then be entitled to the *waqf's* income (Ibn Abidin, 1992), as the presumption is that it was not in being at the time the produce came into existence (Mohammad Khan, 2007).

Al-Zuhaili (1984) and Al-Shirazi (n.d.) and Al-Kasani (1986) argued that the founder cannot position himself as a beneficiary. However, he may be regarded as one of the beneficiaries as long as he is not allowed to benefit personally from the generation of *waqf* assets according to different Muslim scholars (Ibn Qudamah, n.d.) excluding Abu Yusuf and others from Hanafi's school (Al-Kasani, 1997). If the *waqf* is dedicated as a school, mosque or a cemetery then in these conditions the founder can benefit himself. It can be proved with the example of Othman bin Affan when he made a 'rumah' well endowment and he was one of the beneficiaries. (Ibn Qudamah, n.d.). On the other hand,

according to present-day scholar Al-Darir (1415), the founder can position himself as a recipient of a *waqf's* benefits. This statement is further supported by (Cizakca, 1998) as it considered a family *waqf* or *waqf khas.*

The beneficiaries need not necessarily be Muslim according to the majority of Islamic jurists (Al-Kharsi, n.d.). Therefore, non-Muslims are also allowed to receive the benefit from *awqaf* such as hospitals, schools and libraries. The main objective is to propagate the practice of Islam and to benefit society, and the needy and the deserving population at large.

In the case of a *waqf* purpose which cannot be fulfilled, such as when the beneficiaries are in country which is at war, then the income must be used for the closest purpose both in concept and geography. If this action cannot be made to work then the revenue will be transferred to the poor and needy as the main objective of *waqf* is to help them (Kahf, 2011).

3.8 *Waqf* Management & Administration

The manager or administrator of a *waqf* is known through a variety of names such as *Nazir, Mutawalli, Qaim, Musyrif or Trustee* (Anis *et al*., 1973: 932). He or she is the person who is supervises and manages the *waqf* and its affairs (Al-Humaidan, 2007) who can be considered as the manager or the supervisor of the trust (Wehr, 1980).

Words such as *mutawalli*, *nazir* and *qayyim* are used in different situations but they convey a similar meaning. However, in some cases, at the time of positioning a *mutawalli*, the creator of a *waqf* can also appoint a *nazir* or a supervisor over the *mutawalli*. In such a case, the *nazir* is not allowed to hold any power over the disbursements, but his task tend more to control and supervise the *mutawalli* who cannot make any major decisions regarding those disbursements without the permission of the *nazir* (Nasr, 2009). This situation occurs in *waqf* management in Singapore as discussed in the next chapter.

Under Shariah law the founder is held responsible for the management of the rights of the administrator or administrator of a *waqf*. He can appoint himself as the trustee or he can give the rights to other people to manage the *waqf* as *mutawalli* (Ibn Qudamah al Maqdisi, 1972). In general, a *mutawalli* should be a Muslim who can deal with the affairs of the *waqf* legally and fairly without creating any dispute or discrimination and who has the necessary knowledge and experience (Al-Syarbini, n.d.; Al-Ansari, n.d.). As Ibn Qudamah (n.d.) has highlighted that the *mutawalli* should be a man who is reliable enough to deal with the affairs. This clause is also stated in Article 10 paragraph (1) of Indonesian Law no. 41 year 2004 (International Law Development Organisation, 2008). If the

founder sets certain conditions on those appointed, the trustee should implement the conditions and observe all the decisions taken by the founder as long as it does not contradict Shariah (Nasr, 2009).

According to the Hanafi School of thought, it is not a necessary condition for a Muslim to be appointed as *mutawalli*. However, if the *mutawalli* has to take care and manage the affairs of a mosque or anything that involves experience or the knowledge of Islam then it is important that the person appointed as *mutawalli* should be a Muslim. According to different Islamic jurists the appointed person should be reliable, pious, and abide by Islamic rules and laws. However, according to Hanbali's opinion, the *mutawalli* would remain in his position even if he performs an act of injustice or any wrongful action. If he turns out to be a deceitful person or insane then the *qadi* will be appointed as the next *mutawalli* as a responsible person to deal with the affairs of the *waqf* (Ibn Abidin, n.d.). As indicated previously the founder can also appoint himself as the main trustee of the *waqf*. He also has the power to appoint or dismiss the *mutawalli*. Different Islamic jurists have different opinions in the situation where a founder does not specify any authority to deal with the affairs of *waqf*. The majority of edicts (*fatwa*) mention that the main power lies in the hands of the Shariah Court to manage the high affairs such as Maliki and Shafii**.** In contrast, Hanafi's view is that an heir becomes the *mutawalli*. If no heir is present, then this responsibility is handed over to the *qadi.*

The founder who bequeaths the trust also specifies the persons who are to receive it. Recipients may be individuals or groups. When they receive their share of the *waqf* the individuals that have been named as recipients become trustees of the property or land that is bequeathed to them. The trust founder does this according to Hanbali's school of thought. The *waqf* in question and the rules of endowment used for its distribution are applicable to both specific and general purposes. However, when the general *waqf* does not name a direct recipient, the need to appoint an executer to the trust arises. This happens when the endowment is directed for the needy or a mosque, and thus the Judge or an assistant of the court can perform the trustee duties. According to Hanbali there can also an appointment of more than one *mutawalli* by the founder of the trust. In this condition, multiple executers have to work in the capacity of a team and thus neither can make any decision in their sole capacity and cannot act without the knowledge of other (Ibn Abidin, n.d.)**.**

The majority of classical jurists do not mention that any particular gender should be place in the position of *mutawalli*. This can be supported by history when the daughter of Umar was appointed as the *mutawalli* of his *waqf* property (Al-Tarabulsi, 1981; Al-Maqdisi, n.d.). Therefore it is stated in Section 215 of the Egyptian law of the management of Waqf enacted in 1946: 'Any person, man or

woman is eligible to be the *mutawalli* of a *waqf* who is adult and of sound mind, not known to be given to debauchery and immorality, and is trustworthy and capable of carrying on the management, either personally or through an agent' (Ur-Rahman, 1980:155).

The duties of the *mutawalli* revolve around the administration of the *waqf* in light of Islamic guidelines and the principles. Muslim jurists describe the primary duties of the trustee, as preservation of the *waqf,* collection of *waqf* income, allocation of that income to the right beneficiaries, hiring and firing of subordinates, and making decision and resolutions on different disputes. The trustee could hire subordinates and delegate certain tasks to them, in order to carry out his duties (Al-Nawawi,1991). Although the *mutawalli* is given free control in his administration of the *waqf,* he is also responsible to perform his duties under certain boundaries and reservations prescribed by the Islamic principles (Al-Darir, 1415). In addition, the *qadi* always retain general supervisory powers over the *mutawalli* (Cattan, 1955).

The Shafi'i school (Ibn Qudamah, n.d.) and Hanbali (Al-Bahouti, n.d.) have highlighted that any cost arising from the maintenance of *waqf* asset should be brought to the knowledge of the founder. These are the prime responsibilities of a founder and not of the beneficiary. If it cannot produce income or he is unable to afford it, then all the expenses would be maintained by *Baitulmal* as it is considered the owner of the asset.

As Raissouni (2001) states all the costs, expenses and associated responsibilities are the responsibilities of the founder. The beneficiaries are not liable to bear the costs or the expenses. On the other hand, Maliki, (Al-Sawi, n.d.) and Hanafi (Al-Kasani, 1986) have stated that the income generated from the *waqf* assets is to be used for the maintenance of the properties. Moreover, they are the descendants' responsibilities if the *waqf* is dedicated to them, except if they are poor then *Baitulmal*[18] will have full responsibility for it.

During the administration of Mamluk in Egypt, the central control of *awqaf* has played an important role in their management. Mamluk Kadi played a central command role in the management of *awqaf* at the court level. Every asset that was given as *waqf* was registered in several copies and one remained in the *qadi*'s archives (Abdul Qadir, 2004). It has been noted that it was the first registration office, during the eighth century of Hijra to account and supervise records in Islamic history (Kahf, 2007).

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[18] treasury/ general endowment fund

There has been an ongoing discussion around the differences between the performance of the management of privately administered and government administered *waqf* institutions.

Historically, the management and administration of *awqaf* was in the hands of private individuals and not the government. It remains as a bone of contention between private parties and state run organisations. It has been observed that data and records have been misplaced in the old archives of local courts. In addition, the mismanagement and corruption of *mutawalli* gave an opportunity for government bodies to take over and supervise *waqf* assets in the 19th and 20th centuries (Ahmed, 2004; Mahamood, 2006). Another reason why government bodies have taken an interest in *awqaf* is their exemption from taxes. As a result, governments incurred huge losses and deficits from such situations, especially in the management of agricultural land which was converted to *waqf* property. This urged the government to take over the *waqf* properties, especially in times of financial crisis or in times of war, to overcome the financial losses (Al-Kubaisi cited in Siddiqi, 1991).

It is impossible to sustain the management of a *waqf* now, with the old practices. For example, during the British rule over India, the practices were changed over *waqf* properties to overcome corruption and mismanagement (Government of India, 2008).

It can be seen through different examples that the life of an organisation or a trust often ends with the life of the founder. In the West, organisations continue to flourish even after their owners. This concept becomes void when it comes to managing and running the *waqf* organisations or properties. By introducing the concept of the *nazara*[19], there is little chance for the assets to be corrupted or mismanaged by the authorities compared to when individuals were given the liberty to manage the *waqf* affairs single handed (Boudjellal, 2005).

In contrast Sakr (2005) highlights that *waqf* has come to more harm from the hands of government bodies than any other party during the 19th and the 20th centuries. Muslim governments enforced different acts which either confiscated or abolished the power of Shariah courts, to interfere in the administration of *awqaf*. In general, people are very suspicious of government policies, mainly when it comes to public funds such as *zakat* collection. Mismanagement in the *zakat* funds and other donations were clearly observed by concerned authorities who were hostile to governmental bodies. In recent times, different practices have been applied to fairly collect the *zakat* and other funds to help the needy

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[19] *Nazara* means the ministry plays a role as supervisor while another body manages the *waqf* asset.

and the deserving. They are given legal status to hold the major role in establishing and administering *waqf* properties.

The collected amount for *zakat* is huge in some countries yet fails to meet the needs of the most needy people who are completely excluded from receiving any benefit. In the case of Brunei Darussalam, the *zakat* balance alone stood at over BND $200[20] million in 2004. This huge balance was highlighted and queried by His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam (HH, 2009). Without a doubt, this highlights the poor management and the ineffectiveness of the government and the responsible authorities, and is an important factors leading to the decrease in public participation in *Zakat* and *Awqaf* funds (Hassan, 2010).

As Kahf (2007) has stressed governments sometimes fail to accommodate good management of funds and to understand the economics of organisations. More often, the purpose and the objective of investment in the *waqf* properties play an important role in fulfilling the real meaning of a *waqf.*

An example is the case SMU (A) Sullamiah, Bunut Payong in Kelantan. A school was planned to be built on the *waqf* land which was situated in a strategic part of the city centre. Due to the location, they assumed that the status of land was to be changed as the donor did not want that asset managed by government because they feared that the state would change the status or their intention (Hj Abd Latiff *et al.*, 2008). It is unclear what the situation can highlight the most; political motives or the improper use of the properties (Abdallah, 2010). The state has no right to interfere in the affairs of *waqf* organisations except under certain conditions and under *waqf* laws. This is one reason, among many, as to how the destruction of *waqf* management has led the present problems of mismanagement, corruption and interference from government bodies (Hassan, 2010).

Researchers like Siddiqi (1991; Ariff, 1991a, Ali Hashim, 2001, Kahf, 2007, Abdallah, 2010) have proposed that *waqf* institutions can be managed by an NPO. This idea proposes combining a corporate element with a *waqf,* thus forming an institution called the Corporate *Waqf.* It was considered in the context of NPOs being extremely capable of fulfilling the gap in society left by the failure of government and for-profit organisations. NPOs are highly effective as intermediaries, and are successfully ran by non-Muslims in Malaysia and in developed countries. This is different when compared to the practice of the Muslim community, as they depend on the government entirely to tackle the problems they face. The NPO channel is not exclusive to helping non-Muslims, as in many

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[20] $200 million Brunei dollar converted to USD=157.93 million

instances Muslims have benefited from it as well. The idea of Corporate *Waqf* thus carries great appeal; NPOs have been very successful in overcoming the problems in society. In an economy where distribution is controlled mostly by businesses and corporate organisations, distribution of wealth through *waqf* is preferred. The instance of the Johor Corporation in Malaysia (Ali Hashim, 2001) is a good example in this context and the dealings of *waqf* funds by this foundation shall be discussed in the next chapter.

Pirasteh (2011) argues against this method from an accounting viewpoint. He argues that there is a danger of the misuse of the assets by the trustees that hold the properties, or any other personnel who might be able to access the *waqf* assets. In light of the economic disciplines in place, the wish for accountability and to ease the research in scientific matters relating to the *waqf* issues under question, there should be a database put in place, which contains in it the lists of all the properties put in trusts by *waqf* donors, the relevant information about the trustees or *mutawalli,* whether they are private individuals or government-administered. This should be done with the thought of accountability in mind. By putting all the essential information into a specific database, the managing of the *awqaf* becomes more streamlined and effective and it mediates against losses at the hand of mismanagement. This complete database of information about *awqaf* would allow for better oversight and evaluation of the entrusted properties. It would then be a simple task of analysing the information present in such a database, and that would show the state of affairs of the *awqaf.* It is for the benefit of the general public, but especially for the *waqif* themselves.

In addition, Pirasteh (2011) added that the idea of transparency leads to the success of an administration of *awqaf* by increasing public participation. They can see the good being done by the *awqaf* and find confidence in it, thus making the system more effective and the administration can find success in its purpose and help revitalize this institution. It is always beneficial to try new ideas in administration, mainly because one can't know how change will work unless it is given a chance. NPOs show their strength by being able to manage all fields of work as mentioned in the previous chapter.

3.9   Legal Characteristics of *Waqf*

Waqf is an act of doing good deeds with good intentions. The *waqf* is dependent on the intentions and the objectives. In the other words, bad intentions and immoral purposes are not allowed (Ahmed, 2004). The most important characteristics of classical *waqf* are: irrevocability, perpetuity or inalienability.

Irrevocability means the restriction of the founder to use his power to revoke his donation at any given time (Haji Mohammad and Hj Mar Iman, 2006). According to Abu Yusuf, a *waqf* is useful and necessary as soon as the donor announces the delivery of his assets to the beneficiary without delay (Al-Sarakhsi, 1993). This opinion is widely accepted by four major schools of thoughts in Islam. On the other hand, Hanafi and his follower Muhammad do not have the same opinion with them (Al-Kasani, 1997).

The *waqf* must be made to be inalienable and in perpetuity, although there was an argument among Islamic jurists (Abd Mannan, 2005). The property once declared by the donor cannot be made available for sale or any other private purpose by the authorities. It can neither be offered as a gift nor can it be inherited. It could be exchanged with the other properties of the same worth and value in the market. It is dependent on the decision of the *waqif* only. For example, in the case of a mosque that is not maintained and goes to ruin and therefore ceases to produce income, then the property could be sold. However, in the case of an abandoned mosque which fell into disrepair, the majority of earlier Islamic jurists do not allow it to be sold, other than Hanbali as according to him it cannot produce benefit to anyone anymore (Ibn Qudamah, n.d.). Conversely, *waqf* assets can be sold as long as they can produce more benefits than previously (JAWHAR, 2008). The process of exchanging property is difficult and takes a long time. As it must be of equivalent, or higher, value and gain local court approval. Then the new property will applied to the same purpose and beneficiaries as before and in theory the perpetuity is maintained in that way (Kahf, 2011)**.**

Istibdal is the change of the previous asset into a better asset. It can be done through sale, purchase or exchange. The current asset should be better in quality, quantity, status, area and have more potential. Hanafi allowed *istibdal* for the purpose of preserving and continuing the flow of the pious intention of the founder (Mohd Ariffin, 2010a).

Istibdal law is an issue for the entire country due to differences in opinion among different scholars. It holds a great public importance in its application. In discussing *istibdal* law, mosque *awqaf* must be

distinguished from other *waqf* properties. For other *waqf* properties, *istibdal* must be used if the new property produces a greater benefit. Generally, mosque *awqaf* which can still create benefit are regularly used and prosper and are kept in good condition, cannot use *istibdal* without any desperate excuses or needs (Mohamed Isa *et al.*, 2011).

According to the Hanafi School, not all mosques in the name of *waqf* can be used for *istibdal* although it is possible if they are not in use for prayers or they are old and ruined. Shafi'i also prohibits the *istibdal* method on different *waqf* properties. However, Maliki approved *istibdal*, if it tends to expand the mosque or the road. In the case of a mosque which is badly ruined then *istibdal* is not allowed. However, the Hanbali School allows a mosque to be used for *istibdal* if it is not in use or not constructed. The statement is based on the story of Sayyidina Umar r.a and Saad of Kufah. Sayyidina Umar r.a ordered Saad to relocate the mosque and build *baitulmal* at the mosque's *kiblat*[21], and his action is considered as *ijma'*(accepted view) because it was not protested by Rasullulah's friends. The proceeds from the sale can be used to buy another property similar or different to the original one as long as its benefit can be enjoyed by all.

According to the opinion of Imam Ahmad ibn Hanbal, in the Hanbali School, *istibdal* has the capacity to create a more dynamic *waqf* institution to promote goodness to the public as well as to attain the original *waqf* purpose which is well-being and continuous merits (Mohamed Isa *et al.*, 2011).

Time limit is not the main element as mentioned earlier according to International Council of Fiqh Academy. Thus, anything that comes under category of an asset and can produce a benefit, even of a small size can be considered as *waqf* although it may only be for a certain time. The concept can be similar in its understanding and implementation with *sadaqah*. As a result, it will create more difficulties for people to understand the true meanings of *waqf* and *sadaqah*.

3.10 Ownership of *Waqf* Property

Regarding the different definitions among scholars, they disagree as to whether the ownership *mauquf* (*awqaf* assets) belongs to Allah Almighty, the founder or the beneficiary;

According to Shafii's school, (Al-Ramli, 1967) Hanbali's school, (Al-Muqadisi, n.d.) Abu Yusuf and Muhammad Al-Syahbani, that *waqf* solely belongs to Almighty Allah due to the unlimited benefits associated with the sacrifice and charity that is dedicated to Allah (Al-Sharbini, 1994). This statement

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[21] *Kiblat* direction to which Muslims turn in prayer (towards the Kaaba).

indicates that any property as a *waqf* cannot be given further as a gift nor can it be inherited due to the restrictions imposed according to Allah's guidelines.

By contrast, the ownership of the property remains with the ownership of the founder according to the school of Hanafi while the generated profits remain with the beneficiaries (Ibn Abidin, 1960). This indicates that the creator of the *waqf* offers the beneficiaries to use the asset for the time being but he holds the right to cancel the offerings at anytime during his lifetime. After the limited time is over, it will be wholly owned by the founder with the condition that a transaction can be made only when it is necessary for the founder (Al-Kasani, 1997).

Maliki holds the opinion that ownership of the *mauquf* belongs to the beneficiaries. As a result, the *mauquf* is not granted the rights of sale nor can it be used as a gift (Abu Zahrah, 1959; Al-Kubaisi, 1977, Al-Dardir, 1986) even though he allowed temporary *awqaf* other than mosques as mentioned earlier. The same pattern is followed by the Shafii and Hanbali in terms of inalienability and irrevocability.

It is agreed upon by all Islamic scholars that once bequeathed; a property is permanently a part of the assets of *waqf*. Al-Shawkani (1952) states that once willingly offered to the *waqf*, it cannott be reclaimed or exchanged. He further states that this is because if that were not the case, the charity given would turn into a *sadaqah munqati'ah* (discontinuous charity). These conditions of permanence are stated in the tradition of Umar. They seek to assert that *waqf* is important to society and thus it is a permanent bequest with no margin for revocation.

Khiyar means the right to withdrawal, and an argument can be made that if the founder decides to put in such a clause (Kharofa, 1997), it is the right of one or both parties to accept or decline the contract. Shafi'i's and Hanbali's schools both stated that such a condition is not permissible and thus the *waqf* does not remain valid (Al-Sharbini, 1994). However in Hanafi's school (Ibn Abidin, 1992), it is argued that it is permissible for all *awqaf* except a mosque, this being the exception because the property in placed in the ownership of Allah. According to Maliki it is permissible to accept that condition for a temporary *waqf* (Zuhaili, 1984).

3.11 *Waqf* Output/Beneficiaries

The use of *waqf* revenues has provided benefits in almost all fields. They perform a wide range of functions. In addition, Siddqi (1991) has mentioned that all types of property including anything that can yield an income or that can produce benefits to mankind can be endowed as *waqf* such as

agricultural lands, residential buildings, wells, baths, bakeries, parks, inns, rest-rooms, drinking water facilities and food distribution centres. Generally, *waqf* revenues are most frequently spent on mosques, followed by education. While the needy are the third largest beneficiary of *waqf* (Hassan and Shahid, 2010). The various purposes for which assets are commonly given as *waqf* are discussed in more detail below.

3.11.1 Religion

The founders of *awqaf* always preferred their money or land to be used for the religious purposes. As creating such charities as building a mosque makes them feel nearer to Allah and they feel more devoted towards their religion (Mahamood, 2006). There are a number of mosques built around the world, in places like Cairo, Damascus, Istanbul, Baghdad, Morocco, Tunisia and Hijaz as well as in many villages that have been established by *waqf*. This also includes the salaries and benefits given to the *imam* (prayer leaders), scholars and preachers of Islam (Kahf, 2011). Due to these reasons, the founders prefer their land or money to be used for religious purposes, such as mosques, to make a place of worship, a place of learning and spiritual and moral character building for the betterment of the Muslim *ummah* (Hussain, 1999).

3.11.2 Education

Throughout history, *awqaf* have not only been used for religious purposes but also for other purposes which also facilitate the Muslim *ummah* and society, one of the most important of such purposes is education. For many years, *awqaf* were the only source to be used to meet their educational needs of Muslims throughout Islamic countries. *Waqf* financing was used as a method to fund libraries, books, teachers' salaries, help for deserving students, higher education and paying other educational staff for research and other related matters. There are a high number of educational schools and universities in major Islamic cities such as Al-Quds, Damascus, Baghdad, Cairo and Nisapur, which are very highly ranked. The universities not only offer Islamic studies but other studies as well such as the sciences, medicine, chemistry, and law. The top Muslim universities include Al-Azhar in Cairo, Al-Nizamiyah and Al-Mustansiriya in Baghdad, Baihaqiah in Nisapur, and Zaituniyah in Tunisia (Sulaiman and Abd Manaf, 2009; Sa'ati, n.d.).

Al-Azhar University is the one of the oldest and most successful education institutions established as *waqf*. It was established in the year 975AH and is one of the oldest universities in the world. The

expenses of the university are funded from *waqf*, it is aimed to provide free education to people from around the world. The university starts from elementary school and goes all the way to higher education. In the year 1986, the *waqf* granted the provision of about EGP 147,324,300[22] for the University to pay for education and building activities which comprised of 55 faculties with 6154 academic staff including 849 professors, 819 associate professors, 1517 lecturers, 1456 tutors, and 1510 readers. Al-Azhar University is also known for its religious contributions in the Islamic world (Kuran, 2001).

This supports the declaration of Makdisi (1981) which stated that in the Islamic world education is dependent on *awqaf*. For example it has been noted that in the island of Sicily, there were 300 elementary schools during the Islamic period that were built as *awqaf* (Al-Hajji Al-Kurdi, 1416).

3.11.3 Medical

The tremendous contribution of the pious endowment of *awqaf* can be seen in the development of hospitals. There are many hospitals and health services, which cater for both Muslim and non-Muslim patients, throughout Muslim lands, that were built and paid for by a *waqf* institution. Such as Ahmad bin Thulun hospital and Mansuri hospital in Cairo, Cooperative Hospital in Baghdad and Nuruddin Zanki Hospital in Damscus (Sa'ati, n.d.). The salaries of the physicians, the fees of deserving medical students, books on medicine, schools of medicine and health facilities have all depended on the funds collected through *waqf*. Furthermore, special *awqaf* were established for specialized medical schools for research in chemistry and for the payment of food and medicine for hospital patients (Al-Qardawi, 1983; Al-Zuhaili, 1984).

According to Nagamia (2003:24, 2007) 'Mansuri Hospital of Cairo built 1248 CE, was one of the largest hospitals in Islamic Civilisation with 8,000 beds. The endowment paid for the care of all the patients and the treatment was entirely free (for all 8,000 patients) and the annual income from endowments alone was one million dirhams'.

It has also been observed that patients were given monetary help so they could receive free treatment. Hospitals were responsible for maintaining strict discipline and treating all the individuals until they recovered. As mentioned 'the hospital shall keep all patients, men and women until they are completely recovered. All costs were to be borne by the hospital for all of the patients, whether they are residents or foreigners, rich or poor, employed or unemployed, blind or sighted, physically or

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[22] The currency of Egypt is Egyptian Pound (EGP) with the exchange rate 1USD=6.06643EGP

mentally ill, learned or illiterate. There are no conditions of consideration and payment. The entire service is through the magnificence of Allah, the generous one' (Nagamia, 2003:24).

3.11.4 Socio-Economic Support

Supporting the poor has always been a priority among the objective of *awqaf* and is become recognised in Shariah. To help poor and needy people becomes the default goal if the founder does not declare an objective. Throughout the history of Islam, and as mentioned in the Quran, members of society should work together for the betterment of mankind in groups as well as individually. Islam has provided care for every individual, for foreigners and travellers shelter homes were constructed such as *Rabath*[23] *Al-Tahiri* and *Rabath Al-Mahmuniyah* and *Al-Zuzani* and *Ibn Al-Niyar* in Baghdad, *Rabath Rabi'* and Al-Sharbini and Al-Sidrah and *Al-Abraquhi* in Mecca and A*l- Faruqi* In Madinah.

The function of *waqf* was not only to focus on religious fields as stated earlier, it also replaced *zakat* in financing zakat recipients (such as the poor and needy) in society as asserted by Hodgson (1974). This clearly shows the vital role of *awqaf* in many fields.

This was recognised by Ibnu Battutah, a Muslim traveller who visited Damascus in the year 726AH who acknowledged the contributions by the Muslim rulers in his travelogue. He mentioned in his book the generosity and spending of *waqf* money was the greatest attribute of Muslim rulers. Different types of *waqf* were offered during that era such as *awqaf* for pilgrims to perform Hajj, for marriage, for education, for shelter, for food, for clothes and for upgrading infrastructure such as roads and many more were provided to needy people by wealthy individuals (Ibn Battuta, 1929).

Awqaf were also used for helping take better care of animals, such as through establishment of veterinary clinics. Special kinds of *awqaf* were also created which offered food and milk to families deprived of basic needs; it also provided food to travelers and slaves. Ibnu Battuta (1929) mentioned in his record book: 'While I walked in Damascus city, I saw a slave unintentionally break a Porcelain glass from China. This slave was so afraid and was surrounded by many people there. One of these people recommended this slave to collect the pieces of glasses and to bring it to the person who was in charge and ask about the *waqf*. The slave finally brought the wreckage pieces of glasses to him and was given the equivalent payment of the broken glass.'

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[23] Rabath is a shelter home for the poor or wayfarers

In Sultan Mamluk's time, in Egypt, *awqaf* were widely used for socio-economic purposes. There were largely used to fund religious and educational needs of individuals, for the making of hospitals and schools, wells for water supply, and constructing the Holy Cities (including Hebron and Jerusalem) and different services revolved around the pilgrimage and its infrastructure, such as the construction of the *kiswa*[24] *for the Kaaba*. There were also public kitchens, sponsored by Sultan Barkuk in Hebron and by Ka'itbay in Mecca and Medina. In times of epidemic disasters such as plagues, floods and earth quakes people were given the facilities to wash and bury the dead and they were also provided with coffins and shrouds (Abdul Qadir, 2004).

The above mentioned facts and evidence indicate that *awqaf* have played a significant role in the welfare and well being of all society as well as the Muslim *ummah.* With the passage of time, the disciplines of *waqf* will continue to progress.

In the beginning of nineteenth century it was estimated that, three fourths of the real estate property in some towns of the Ottoman empire had been given away as *waqf* land and that one-half of the land in Algeria, and one-third in Tunisia, had been kept separately for noble causes by the pious people (Henningan, 2004).

It is of interest to mention here that the original base of the Rumah well, created by Saidina Othman one of the Prophet Muhammad's companions still exists today. A luxurious hotel has been built on that location. Its recorded annual income reaches 50 million Saudi Arabian Riyal (SAR) [25] and the original deed still maintains that 50% of the income is dedicated to the needy. The most impressive thing is that 1,400 years after the *waqf* was created, there is now an account under Saidina Uthman Affan *waqf* in Madinah bank. This is proof of the success of *waqf* to strengthen Muslims economically and help eliminate poverty (Ali Hashim, 2013).

3.12 *Waqf* Development on Contemporary Era

Waqf has played a great role in the betterment and development of the Muslim societies. It has boosted their economic wheel, social infrastructure and it has developed Islamic culture. *Waqf* has been continuing its progress and development throughout Muslim countries ever since its foundations were

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[24] The cloth that covers the Kaaba in Mecca, Saudi Arabia.
[25] 50 million Saudi Arabian Riyal (SAR) when converted to USD is 13.34 million.

deeply established by the Caliphate and the Umayyad state, then further supported by the Abbasid, and the Ottoman Empire.

In addition, *waqf* is a unique characteristic of Muslim societies. It was established in the Ottoman Empire for public welfare, which is still becoming more popular day by day. The Ottoman rulers' were concerned with their responsibilities for public security, defence and tax collection and the role of *waqf* was a crucial instrument to support ordinary people's welfare. Moreover, they established a thorough system of justice, equality, and distribution of wealth in society which benefitted ordinary people and it is expected that it will continue to grow and inspire recent Islamic rulers (Sait and Lim, 2005).

3.12.1 *Waqf* Development in Muslim Countries

Waqf is the key system in Islam to establish financial prosperity among the poor. *Waqf* has provided different institutions in Muslim societies throughout world. For example in Pakistan a number of religious schools and social institutions are founded on the funds collected as *waqf* (Farooqi, 1990). In Malaysia, a huge number of *awqaf* can be found that are dedicated for social purposes. Some of the buildings constructed by the funds collected in the name of *waqf* are use for commercial purposes to generate income that can be given to needy people (Wan Yon *et al.*, 2008).

In the majority of Muslim countries nowadays, where they have strict Shariah laws, charities such as *zakat* are managed by government bodies (Siddiqi, 1991). These government authorities are further sub-divided into departments of *awqaf* or ministries which are combined under religious affairs (Kahf, 2011).

Since the early 1990s, governments in some Islamic countries have improved on the administration of *waqf* properties and activities. The majority of Muslim countries have provided an agency to fulfill the needs of *waqf* such ministries or central administrative offices. In some cases, however, 'the management of *awqaf* has become a typical public sector agency and being administrated according to the bureaucratic system of the government' (Ahmed, 2004:43).

Contemporary *waqf* in Kuwait started in 1965 when a mosque was constructed on land donated as *waqf*. As the country gained its independence in 1962 a special ministry of *awqaf* was established to managed the affairs. In 1993, the Kuwait *Awqaf* Public Foundation (KAFP) was established to support the effectiveness and status of *awqaf* in managing these affairs. The primary objective of the ministry was to enhance the socio-economic development of the country and to contribute effectively to the

welfare of the citizens. In 1994, KAFP managed 611 *awqaf* institutions and the estimated value of this property was estimated at US$211.5 million (in 1997) (Ahmed, 2004).

In Oman *awqaf* also played an important role under the umbrella of the Ministry of Justice, *Awqaf* and Islamic Affairs. Significantly, the management of *awqaf* in Oman is very wide in catering for various kinds of assets to meet social need at large and for individual needs, such as toilets for women, providing a feast during the fasting month, *awqaf* for compensation in a case of homicide or injury and *awqaf* for flour grinding tools (Sayin, 2010a).

While in Brunei, the first *waqf* was offered by Sultan of Brunei in 1807. The Sultan Muhammad Tajuddin was known for constructing houses in Mecca for the citizens of Brunei during the Hajj period. Mansurnoor (1998) points out that 'in 1807 the Brunei Sultan sent his senior religious official to purchase a *waqf* house in Makka designed for the *muqims* (residents) and *mujawirs* (neighboring)'. The Islamic Religious Council handles all the affairs of *awqaf,* as it is responsible for handling matters of the welfare of the Muslim *ummah* as dictated in the Religious Council and Kadis Courts Act, (Cap.77). The body that handles investment issues is called *Badan Tanmiyah* (The Development Body). This part of the council was founded in 1994 and began working in 1995. The goal of this department is to manage and plan the development of assets under its supervision, and to best place investments. The main focus of these investments has been on real estate development such as commercial and housing projects and fuel stations. The development that was a part of these investments has already given the council profits in the form of rent accumulated from the developed *waqf* land. Statistics up to 2003 state that there were five lots of land for cemeteries, and seventeen lots for mosques or other places of worship. There was one lot for public use and three cars registered for funeral procession usage. All of the land was given in *waqf,* there was also an additional the endowment of two mosques by the royal family and two more by the government staff collectively and individually (Haqqi, 2008)**.**

3.12.2 *Waqf* Management in Non-Muslim Countries

Muslim communities in non-Muslim countries have organised their *awqaf* within the framework of their local legal systems such as under Acts of Parliament like in India, Sri Lanka, Myanmar and Kenya and under laws governing Trusts, Foundations, Non-Profit Organisations, Non-Government Organisations and Societies like in the UK and USA (Ali and Takaful T&T Friendly Society, 2012).

In non-Muslims countries or in such places where it is impossible for the Muslim population to abide by Shariah laws, such practices are managed and administered by voluntary agencies (Siddiqi, 1991). As Ariff (1991a) has debated if under any condition the government or the ruling authority is unwilling to take responsibility then the principles outlined as *fard kifayah*[26] (communal obligation) should be performed. These practices are carried out in a state where Muslims are in minority or when the state is non-Muslim one. As a result, the establishment of *awqaf* according to Shariah must be founded according to the legal framework of that specific place (Kahf, 2011).

In Russia, the first officially registered *waqf* was bequeathed in 1830 to the first main Mosque of Kazan by the merchant Gabdulla Yunusov, unfortunately it was not successful since it did not specify the rules of its management and control over the revenue it produced. In the late 19th century, the mechanism for transforming property into *waqf* was legally registered. Under the newly established legal procedure, a *waqf* institutor applied in writing to the assembly of parishioners representing the community. He was duty bound to describe in detail the property to be turned into *waqf*, state its value, and enumerate the owners and the conditions for managing and disposing of this property. The only way Islamic religious organisations in Russia can ascertain their financial independence nowadays is through *waqf*. This may be why it is seen to be limited to religious boards and mosques. This may be, but no amendment is needed in the legislation to utilize the most effective *waqf*, this is the cash endowment, and as it can expand into multiple uses, it can thus be used for support of small medium enterprises (SME) (Bekkin, 2009)**.**

In America, *awqaf* are created through the North American Islamic Trust (NAIT) which was established in 1973 in Indiana by the Muslim Students Association (MSA) of the United States and Canada. All assets owned by the MSA such as mosques, Islamic centres, schools and other real estate fall under this category. They developed these assets through business projects and investments and the generated income is used to buy new buildings, schools and mosques (Ali and Takaaful T&T Friendly Society, 2012).

In the United Kingdom, an institution known as Islamic Relief successfully manages *waqf* funds which are collected through *waqf* cash. It is dependent on the share holder as to where the money is spent, through Islamic Relief usually suggests that the share holder spend the money for general purposes. For the last 4 years, Islamic Relief has been making tremendous efforts in helping the needy. It has

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[26] Fard Kifayah refers to socially obligatory duties that help fulfils the basic individual needs and essential social needs and is extremely pertinent and instructive. According to this doctrine, a socially obligatory duty must be performed somehow (regardless of whether it is done by the state, the community, or individuals).

funded many projects all over the world for the well being of the poor. For example, the project in Bosnia, rehabilitation of primary education infrastructure in Kandahar and tsunami response in Indonesia are a few of the major projects assisted by Islamic Relief (Kholid *et al*., 2007).

Another good example to mention here is the Indonesian *waqf* institution Dompet Dhuafa Republika[27] (DDR). DDR has an advantage in *waqf* management when compared to other institutions in Indonesia. They adopted a modern approach in administration and have the skill and trust to responsibly improve public benefit. DDR established Tabung Wakaf Indonesia (TWI) which mostly consists of *waqf* cash. In the six years of its operation, the recorded amount of cash *waqf* received by TWI was over [28]IDR 4.69 million. This encouraged DDR to develop this kind of *waqf* productively in order to produce high returns in the future. TWI also contributed various kinds of social facilities through health and education using *waqf* cash. They believe that *waqf* cash can reduce and minimize poverty among the public (Candra and Abd Rahman, 2010). According to the DDR president, Rahman Riyadi, DDR has not only been successful in *waqf* management but has also won public confidence (Riyadi cited in Candra and Abd Rahman, 2010).

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[27] Dompet Dhuafa Republika is non-profit organisation that initiated by Tabung Wakaf Indonesia (TWI) to manage and operate waqf funds independently (Siswantoro, Dodik and Dewi, Miranto Kartika(2011) The Effectiveness of Waqf Fund Raising Through Mutual Fund in Indonesia in Essential Readings in Contemporary Waqf Issues(ed.) Kahf, Monzer and Mahamood, Siti Mashitoh. Kuala Lumpur, Centre for Research and Training (CERT) Publication Sdn Bhd.

[28] IDR –Indonesia Rupiah

3.13 Conclusion

The definition of *waqf* given by earlier and latter jurists are similar for the benefit being for charitable purposes. However, the contemporary definition is wider but also more specific than traditional definitions, as it has to cater for the present situation of *waqf* usage.

Evidence shows that endowments were practised prior to Islam but these were different in concept to *waqf*. The true concept of *waqf* appeared with the Prophet Muhammad's (p.b.u.h) guidance when Islam arrived. As a result of the earlier Islamic jurists' effort and in order to preserve Islamic heritage, the latter ulama have allowed the new form to develop into a more suitable form for today's requirements. In addition, since The Quran does not mention *waqf* it is possible to be more flexible in finding the new forms with *hadith* directions.

Awqaf play a vital role in the effort to alleviate poverty, abolish deprivation, increase knowledge and improve quality of life. The function of a *waqf* is not only to provide for religious purposes, in fact, it encompasses any purpose such as education, health, science and economic or social improvements. The usufruct of it is not limited to use for human beings as can also provide for animal welfare. The early success in *waqf* development attracted an attention from most non-Muslims countries, and their establishments of charities or funds are based on the *waqf* concept.

Moreover, *waqf* is an important Islamic institution that has influenced Islamic and world economic development and social improvement and political history. Its potential in future development should not be underestimated or beyond doubt. The *waqf's* significance arose out of its centrality to the Islamic principle of charity (*zakat*), though debates persist as to its effectiveness in achieving development goals. However, even today only a handful of countries have set up working effective *awqaf*. Even in the countries with developed Islamic Banking, investment and insurance, *waqf* does not play a key role in economic development. Moreover, *awqaf* are still widely considered to be for religious purposes only so the function of the social *waqf* is not widely used or developed properly.

Chapter 4

Waqf in Johor, Malaysia and Singapore

4.1 Introduction

As the research plans to undertaken a comparative analysis of *waqf* in the Malaysian state of Johor and Singapore, this chapter discusses *waqf* development in both regions. This chapter covers the background and details of the current status and practice of *waqf* in these states. This discussion includes the laws that govern *waqf* and the operation and administration that is implemented in both states. It is crucial to know about the status of *waqf* in these countries, to give a clear picture and better view on why both countries have been chosen.

History shows that there was a link and connection between both regions. Furthermore, Johor is the nearest neighbour, of all the states in Malaysia to Singapore. Since this research focuses on Johor the *waqf* legislation and administration in this state will be discussed as well as Singapore.

Furthermore, interdependence of Malaysia and Singapore is strictly rooted in the British colonial administration of the Malayan Peninsula. In 1819, Britain deployed Sir William Raffles to begin a trading station in Singapore. The three British colonies Penang, Malacca and Singapore were became known to the world as the Straits Settlements. The British controlled and managed Singapore along with the two other lands (Malaysia Tourism Promotion Board, n.d.). The Straits Settlements those were trading posts and served to fulfil the business interests of the British Empire. Singapore was the centre of the British management of Malaya (Ganesan, 1998; Hunt, 1997). As a result, it is one the reasons that why Singapore gained popularity as a secular country despite its location in Malay Archipelago and why the national anthem is in the Malay and the national language is Malay, yet English is the key common working language for people in the country (Ganesan, 1998).

The British constituted a single administrative power in 1826.The East India Company controlled the territory from its Calcutta headquarters located in Bengal, India until 1858. The British raj in India took over from 1858 to 1867. In 1867, the Straits Settlements were place under the administration and power of the Colonial Office in London, and as a result their standing changed to that of a Crown Colony (Lee, 2008).

4.2 Background of Singapore and Johor

Singapore is a geographically small state, which comprises of the main island spreading at just about 42 km from west to east, and 23kms from north to south. It is situated at the peak of the Malay Peninsula (Austcham Singapore, n.d.). According to the Department of Statistics of Singapore, the total population was estimated, in 2011 at 5,187.7 million. A number of different religions can be found in Singapore, due to a high number of immigrants from all over the world. Chinese people have the largest population in the region and Muslims account for 14% of the total population. The largest proportion of the Muslims in Singapore are Malays while the second largest population of Indians (Department of Statistic Singapore, n.d.).

Singapore has a free market economy. The country fosters a clean, transparent and corruption free business environment. It has one of the highest GDP per capita in the entire world. Its strategic port makes it ideal for all the world's economies to conduct business deals there. Singapore is one of the most developed countries in the world and among the world's fastest growing economies (Lim, 2011). According to World Data Atlas (n.d.), it was recorded in 2012 that Singapore per capita income reached US$54,007. In addition, the World Development Indicator (2012) shows that Singapore comes under the high income economy category list whereas Malaysia is classified as an upper middle income economy[29].

Singapore has the longest history of Western colonial rule in the region and remained a colony until 1963, when the country decided to join the Federation of Malaya which had gained full liberty from Britain in 1957. "Malaysia" came into being after Tunku Abdur Rahman influenced Singapore, Sabah and Sarawak to unite with Malaya in a federal union. After two years on August 9, Singapore detached itself from Malaysia, without any conflict and came into being as an independent state (Malaysia Tourism Promotion Board, n.d.).

Whereas, Malaysia has a dominant Malay-Muslims culture within the country, Singapore's political culture is neither communalistic nor religious (Ganesan, 1998). This shows that Malay-Muslims are a

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[29] Middle income economics are those with a GNI per capita of $1,006-$12,275. While High income economic are those with a GNI per capita of $12,276 (World Development Bank, 2012).

minority population and hence they live in secular country. Yet, these obstacles can be overcome for them to develop and excel in the world of business.

Malaysia is situated in Southeast Asia. The country slightly is larger than New Mexico which has an area of 328,549 sq. km ("Malaysia," 2005). The country is bordered by Thailand in the north, Indonesia lies in the south, and the Philippines in the east. The South China Sea separates the Malaysian peninsular from East Malaysia and Borneo. Similar to Singapore, Malaysia has a multi-racial society that is comprised of different ethnic groups. Malay is the largest ethnic groups with 50% of the population and Islam is the most highly represented religion in Malaysia with 60% of population ("Malaysia-Country Profile," n.d.).

According to the constitutional definition, all Malays are Muslims. However, approximately a quarter of the population are of Chinese ethnicity, whereas Indian descent makes up about 7% of the entire population. It is a federated constitutional monarchy, supposedly headed by Yang di-Pertuan Agong, usually known to the people as the King. The country consists of 13 states and three federal territories (Kuala Lumpur, Labuan Island, Putrajaya federal administrative territory). It was reported in 2010 that Malaysia had a population of 28.3 million people with a per capita income (GNI) US$9,204 and a nominal GDP of $237.8 billion. Ever since its independence in 1957, Malaysia's economic record has been one of Asia's best. Real gross domestic product (GDP) grew by an average of 6.5% per year from 1957 to 2005. Malaysia is one of the world's largest exporters of technological goods such as semiconductor devices, electrical goods, solar panels, and information and other communication technology (ICT) devices (Department of State, 2012).

Johor stands as one of the states of Malaysia and it is the fifth largest region with about 19,210 km of land. It has the second largest population in Malaysia, of about 3.3 million. It holds a significant position due to its strategic geographical location. Johor is on the southern tip of the Malaysian Peninsular which is surrounded by the sea on three sides: to the west by the Straits of Malacca, to the east by the South China Sea and to the south by the Straits of Johor. Also it is the closest Malaysian state to Singapore.

The literal meaning of the word Johor means 'a valuable jewel'. The word is taken from the Arabic word "*Jauhar"* which shows the influence of early Arab traders in the region (Johor Bahru

Sawadee.com, n.d.). Wu Min Aun (1982) has outlined the economic benefits of the region, which come from its strategic position, and this is what attracted British Colonial rule.

Johor's capital city is Johor Bahru. Johor has an area of 18,841 sq km (26.5 times the size of Singapore). As indicated, Johor has a population of 3.3 million people comprising; 54% Malay, 35% Chinese, 7% Indian and 4% others. Islam is the official religion in Johor (Malaysia FactBook, n.d.). It was reported that in 2013 per capita income reached US$7,498 and nominal GDP was US$ 24,574 million (Department of Statistic Malaysia, 2011).

The ten districts of the state of Johor include Johor Bahru, Segamat, Pontian, Muar, Kota Tinggi, Kluang, Ledang, Batu Pahat, and Mersing, the capital being Johor Bahru, which according to Xpatulator.com (2013) is the centre of industry and tourism, and also the commercial focal point for Southern Malaysia, in addition to being the largest industrial hub of the country. Its industries include shipbuilding, electronics, and petrochemical refinery. This city also has very close ties to Singapore, they are linked together economically with residents from Johor Bahru working in Singapore and vice versa. Singapore's residents also visit Johor Bahru for recreational purposes such as shopping and dining.

4.3   The History of *Waqf* in Malaysia

Before the advent of the British in the region, Islamic law prevailed in the country with the normal guidelines on *waqf* (Mat, 2008). However, it is impossible to pin-point the exact date of creation of *waqf* in the country. As a result, it was assumed by scholars that it came into being after the advent of Islam in the Peninsular Malaysia in the 14th century. The practice of *waqf* brought dramatic changes to the region, particularly to the way of life and world view of its inhabitants. (Mahamood, 2006). The construction of mosques is the most remarkable example of the early establishment of *waqf* in Malaysia namely the Kg. Hulu Mosque in Malacca and the Sultan Abu Bakar Mosque in Johor as well as the Kg Laut Mosque in Kelantan (Sayin, 1994a).

Both Malaysia and Singapore were heavily influenced by Western colonial rule in politics, social institutions, and economics. The institution of *waqf* is also an example of this influence as Western powers brought many changes to the practice of *waqf* (Cajee, 2007). As a result, in recent times, the prevailing law has originated from the western system which now takes precedence over Islamic law.

The *waqf* system in the Muslim states was overpowered by the western powers and was greatly dismembered after the Second World War (Heyneman, 2004). The entire system which was run by the Muslim *waqf* founders was dismantled by the colonial administrations. This contributed to generating a huge management of *waqf* resources in Muslim countries (Raissouni, 2001). As a result, a huge proportion of Muslim lands, which were previously used for producing steady income and other beneficial activities have been converted for various religious and social activities such as mosques, graveyards, orphanages and religious schools. This practice changed the entire use of *waqf* lands as well as greatly influencing the attitudes of donors and the administrators of *waqf* properties. They believe that *waqf* lands should be reserved only for religious and social activities (Mohd Nor and Mohammad, n.d.)

'The Malay states were colonized by European powers in the early sixteenth century beginning with the conquest of Malacca by the Portuguese. The Portuguese were later on replaced by the Dutch who were themselves replaced by the British. It has been asserted that four centuries' long colonial rule has reduced Islam from being a comprehensive mode of life into being merely a religious belief in Malaysia. The secularist perspective that 'mundane matters of everyday life should not be influenced by religion' was put into practice by the British who confined the Sultans' authority to matters of religion and culture and took charge of general administration, security, law and order, finance and education. It is only natural that the Malaysian *waqf* system should also be affected by these developments'(Cizakca, 1998).

With the enforcement of the British colonial administration, the status of Islam, as a religion to guide all aspects life was decreased to just one private religious belief among many others. Islamic laws were not given any more attention by the Malay rulers. The British rulers declared the legislative councils as the supreme authorities. The British Colonial system completely ignored the Islamic laws, such as Islamic Criminal Law[30] by replacing them with English laws and legislation. This is evidently clear from the inception of various laws such as the Charters of Justice, the Civil Law Ordinances and Enactments, which clearly imposed the application of English Laws upon these states. As a result, the application of Islamic law was restricted to overcoming and resolving personal and family issues including ancillary matters relating to aspects of law such as inheritance, wills and *waqf* (Mat, 2008).

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[30] For instance Hudud means limits and hudud crimes are those specifically mentioned in the Quran as transgressing the limits which God Himself has placed on people's behaviour

During the Portuguese (1511-1641) and the Dutch (1641-1795 & 1801-1824) invasions of Malacca, no record of any laws was found to implement *waqf* and to establish its administration in the Straits Settlements, the Malay States of the Malaysian Peninsular or in the Borneo States of Sabah and Sarawak (Mat,2008).

The institution of *waqf* survived for four centuries even though Malaysia was colonized. This practice became common among the masses, even during the British occupation in which the implementation of secular policies meant Muslims were restricted in practising their religious rites (Mohd Hanefah *et al.*,2011).

The first codified laws relating to *waqf* in Malaysia were the Pahang Laws enacted in 1596 CE (Mahamood, 2001). Different laws were passed which pertained to the administration of *waqf* during the British rule in Malaysia. Johor was the first state in Malaysia that created a *waqf* institution the Johor Wakaf Prohibition Enactment in 1911. It was followed by Kelantan Majlis Ugama Islam dan Adat Istiadat Melayu Enactment 1938 and then Perak in 1951. It remained associated with the Majlis Ugama (Islamic Council) as the only trustee of all *waqf* assets whether *waqf am (*public *waqf)* or *waqf khas (*specific *waqf)*, Selangor was the first state government to enact laws on the Administration of Islamic Shariah in 1952 which was implemented in Malaysia and *waqf* administration was in practice for more than 50 years prior to the advent of the Administration of Muslim Law Enactment. This was followed by Kelantan in 1953, Terengganu in 1955, Pahang in 1956, Melaka and Pulau Pinang in 1959, then Wilayah Persekutuan in 1974 and Sabah in 1977. Johor was the last state that appointed Majlis Ugama Islam as the only trustee for *waqf* in 1978 (Sayin, 1994a). Before this, the trusteeship of *waqf* assets was entrusted to the Muslim's Property Board of Trustees (Sayin, 1994b).

In the early years of Malay States, the trusteeship of *waqf* assets were managed by the community organisers that people could trust such as the *Qadis, Imams*[31]*, bilals*[32]*,* religious school teachers and the *penghulus*[33]. The roles and responsibilities of the trustees included the organisation, control and the management of *waqf* for the good of the beneficiaries. No written proof or evidence was recorded to show the asset was being used as *waqf*. Due to this reason, different issues were faced such as claims after the death of the founder by the heirs and loss of *waqf* documents. Furthermore, the transfer

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[31] *Imam* is an Islamic leader, usually the leader of a mosque.
[32] *Bilal* is the Muslim Offical of a mosque who summons the faithful to prayer from a minaret five times a day.
[33] Penghulu is a local chief especially in village.

of ownership granted to the trustees would lead to the same situation as the heirs would believe that the assets belonged to their family (Mahamood, 2006).

The above mentioned issues forced the British rulers to involve themselves in order to prevent misuse and mismanagement. As a result, official trustees were positioned, either by the British led administration or the states' religious councils, to manage and control the *waqf* in the late 17th century (Mahamood, 2006). In addition, the first written registration of the ownership of grants of land was introduced in Malaya through the Deeds System. The assets were recorded and noted in detail with the reference to the legislation. It provided more security and safety as well as clarity to the system (Mahamood, 2006).

After the independence of Malaysia in 1957, Islam was positioned as the highest religion, pursuant to Article 3(1) provisions in the Federal Constitution. Thus, in Selangor, Kelantan, Terengganu and Pahang, the Shariah Courts of the Chief *Qadi* (Judge) and The Court of *Qadi* were authorized to deal with the cases in which all the concerned parties were Muslims. *Waqf* was also introduced into the legislation according to the administration of Islamic law (Mat, 2008). Islam was restricted in certain domains. Islamic law was confined in its implementation and application to family, inheritance and ancillary issues as mentioned in the Federal Constitution and the respective states' administration of Islamic law enactments (Syed Abdul Kader and Md Dahlan, 2009). Therefore**,** Malaysia can be suitably called 'Muslim' but it cannot be referred to as an 'Islamic country' as stated by Ariff (1991a).

However, there is no evidence present that the Shariah courts have adjudicated cases of *waqf*. As a result, it is hard to obtain knowledge and past information on such matters with respect to Islamic courts' jurisdiction and how the laws were implemented. It can be seen that these states followed the English rule against perpetuities when considering trusts or wills. They thus dealt with the issue of *waqf* under the English law and not Muslim jurisprudence. The reports from the court cases on the Straits Settlements, 1920-1950, show that this is the case. They thus considered *waqf* as a type of general trust.

Common English law states that the formation of trusts should be subject to public benefit, which differs from Islamic concept. This can be observed in different cases adjudicated by the civil courts

(Mat, 2008). For example, in Singapore the case of Re Shaik Salleh bin Obeid Abdat and Anor: Shaik Awad v. Shaik Ali bin Salleh[34] [O.C.J. (Knight, J) October17, 1953].

The major problem that was a cause of concern with regards to the application of *waqf* was the constant attempt by Malay Sultans to overpower the management and use of *waqf* for personal means and family benefits. A *waqf* should be created for religious or public benefits and not for personal means. Besides, it was noted that the courts in both the Federated and Non-Federated Malay States thought, from about 1900, that there was an increased need to implement English laws which also encompassed the laws on charitable trusts. As a result, *waqf* practices became a part of English trusts and there was a large scale importation of Anglo-Indian laws on the subject into the Malay States. Family *waqf* remained unfamiliar from the era of 1920s onwards while public *waqf* was reduced by a great extent. The combination of the *waqf* with the English trusts made the donors have little confidence in the practice and management of *waqf* during that time (Abdul Qadir, 2004).

This situation has continued until today. It was stated that issues related to *waqf* should be brought to Civil Court, especially if the *waqf* land had not been transferred into the name of the State Religious Council or if it involved non-Muslims (Mohamed Ibrahim, 1999). For example, in the case of G Rethinasamy V. Majlis Ugama Islam, Pulau Pinang Dan Satu Yang Lain [1993] 2 MLJ 166, the High Court of Penang, Abdul Hamid J *decided that the plaintiff's claim (a registered proprietor of plot 1214) for a declaration that he was entitled to vacant possession and possession without interference of the land he had purchased, and further claimed for damages, interest and cost thereof was a matter within the jurisdiction of the civil court. This includes the defence of estoppel, which could only be determined by such a court.* Furthermore, the plaintiff being a non-Muslim was not able to report the

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[34].[1954]M.L.J.8, in this case the settler by a statement gave a property as a trust to a beneficiary for his life until he shall (a) change his religion or (b) without consent of the trustees depart from, reside outside or continue to reside outside Hadramaut or (c) attempt to set aside the provisions of the settlement, or (d) do or suffer any acts or thing whereby he would be deprived of the right to receive the income of the property. It was held that the conditions as to the change of religion or residence or attempting to set aside provisions of the Settlements were condition subsequent and being in terrorem and uncertain were void. A trust for the "maintenance and support of and for giving pecuniary or other aid or assistance to all such members of the kin or kindred and/or all such persons in any wise related to the settler or to his family as reside or shall reside in Alghurfa or elsewhere in the Hydramaut and shall or may be in needy circumstances" was held to be charitable.

action in the Shariah court. As a result, in such cases civil courts provided the decision to resolve such matters. In other words, civil courts shared the cases along with the Shariah courts in particular disciplines (Mahamood, 2008).

The main reason that this matter has been consistent is due to the provision of *waqf* that allowed non-Muslim donors of charity which was accepted by the religious scholars of that time as long as it remained in the jurisdiction of Shariah (Enakmen Wakaf (Negeri Selangor) 1999). However, this was the opposite case in Singapore where the founder of the trust has to be a Muslim according to the Administration of Muslims Law Act definition of *waqif* (founder) (Syariah Court Singapore, 2006).

4.4   *Waqf* Development in Malaysia

In Malaysia, legislation is carried out by the Parliament at the federal level as well as by the various State Legislative Assemblies. As indicated, there are thirteen states in Malaysia including Kedah, Perak, Perlis and Penang in the Northern part; Terengganu and Kelantan in its Eastern part; Negeri Sembilan, Pahang, Selangor and Malacca in the Western part; and Johor in its Southern part. Sabah and Sarawak are located in the Eastern part of Malaysia. The Federal region has three territories: Kuala Lumpur, Putrajaya and Labuan. The legislation of the states complies with the state authorities, while the Federal Territories follow the Federal authority. Laws enacted by both bodies should be in accordance with the limitations allowed by the Federal and State Constitutions. Above all, the Federal Constitution is the supreme law of the Federation (Mahamood, 2011).

The Federal Constitution of Malaysia clearly states that the King is the supreme authority in Islam for the country. Every State is ruled by a King or Sultan. In states within the Federation that lack the presence of any governing authority such as Sabah, Sarawak, Malacca and Penang, the supreme authority in Islamic issues is the Yang di Pertuan of the State (Wu, 1991). These Islamic issues revolve around different matters such as *zakat*, *baitulmal, waqf* and many others. The Sultans have supreme authority and the power of the State Islamic Religious Councils (hereafter known as SIRC) to control and administer Islamic religious matters (Hj Mohd Salleh and Muhammad, 2008). In addition, the administration of Islamic legal matters in Malaysia is upheld by the Federal Constitution. Therefore, the Civil Law that is enacted at the state level should not contradict the Federal Constitution (Federal Constitution, Article 75).

In Malaysia the function of the government is important in *waqf* management. For example, all *waqf* lands in Malaysia are controlled and managed by a State authority. The Malaysian federal government does not own any land. This has added a different challenge for the government to control and manage the *waqf* resources within the country. The *waqf* land bank is huge in many states and there are many initiatives that the government can make to facilitate *waqf* development. The former Malaysian Prime Minister Dato Seri Abdullah Hj Ahmad Badawi analysed the different underlying opportunities in *waqf* for the growth and development of the state. Similarly, during the year 2004, he announced the establishment of the Department of *Awqaf, Zakat* and *Hajj* (hereafter known JAWHAR) under the Prime Minister's Department to help in the *waqf* development in Malaysia in order to control and manage different *waqf* resources in the state (Hj Mohd Salleh and Muhammad, 2008). The main aim of the department is to maintain a clear, neat and transparent system in compliance with the Islamic structure that can benefit and improve the socio-economic structure of Muslim society in Malaysia. Moreover, it also aims to increase the effectiveness and efficiency of its service delivery. Conversely, JAWHAR is not meant to control the function of the State Islamic Religious Council or other departments (Mohd Rani, 2008).

Even prior to the establishment of JAWHAR, the government through JAKIM (Jabatan Kemajuan Islam Malaysia) in the Prime Minister's Department, had positioned the Property Development Coordinating Committee of *Waqf* (Jawatankuasa Penyelaras Pembangunan Harta Wakaf) at the National Level to help SIRC to develop *waqf* property (Mat Rani and Abdul Aziz, 2010).

In addition to JAWHAR, the State Islamic Religious Councils have a defined set of roles and responsibilities in different management and control programmes relating to overseeing the *waqf* properties within each state as enacted in Schedule 9, List 2 of the State List, in which it is stated that their duties cover *'Wakafs* and the definition and regulation of charitable and religious trusts, the appointment of trustees and the incorporation of persons in respect of Islamic religious and charitable endowments, institutions, trusts, charities and charitable institutions operating wholly within the State'.

However the task of controlling and managing real estate properties has been assigned to State Islamic Religious Council as the only trustee, but yet the management is controlled by a special committee to ensure transparency of the *waqf* property (Bakar, 1999). They are empowered by the law to undertake all the responsibilities. They can use the land for different purposes from religious to commercial uses

(Mohd Hanefah *et.al*, 2011). Different financing systems have been implemented and applied to resolve problems of funding such as *hukr*[35]*, ijaratain*[36]*, istibdal*[37] *and sukuk musyarakah* [38] (Sait *et al.*, 2005).

As discussed above, laws on *waqf* are supported by different states laws, therefore different interpretations, of *fatwa* or legal rulings lead to differences in the status of *awqaf* (Hassan and Abdullah, 2008). *Waqf* law is also influenced by the context of area where it is created and the needs of the people there (Adnan and Wan Chik, 2009). In fact, the *waqf* allocation in the state enactment is not all encompassing. It focuses more on the administration aspect and the simple procedures of *waqf* donation.

The implication of this is that the administration of Islamic religious matters is not standardized whether in legislation, management and implementation among the states in Malaysia. As a result, some states are moving forward by introducing new methods to enhance and maximize the benefit gained from utilising *waqf* assets and some of them are still using traditional approaches without making any improvements.

In the current era, only four states have devised their own *waqf* legislation in order to effectively manage and control the *waqf* properties within the state, these are Selangor (*wakaf* enactment 1999), Malacca (*wakaf* enactment 2005) and Negeri Sembilan (*wakaf* enactment 2006). Prior to this, Johor had established the *wakaf* enactment, 1973. This law was later brought into action by the Administration of Islamic Law enactment, 1978, as the provision in 1973 was included in this new law. Currently, with the beginning of the Administration of the Religious of Islam (State of Johor) Enactment 2003, all the administration laws concerning *waqf* and other Islamic issues have been included in this new enactment (Mahamood, 2011).

Most state enactments do not describe how to allocate and manage *waqf* assets. Official bodies are the main governing powers which manage *waqf* properties and they are limited as it is placed under the *Baitulmal*, excluding some states such as Johor, Selangor, Malacca and Negeri Sembilan. In the other

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[35] *Hukr* is a long lease or lease in perpetuity given to the tenant. In return the tenant needs to maintain the property, building on it or cultivating it. Any structure that is built on the land with the permission of the trustee belongs to the lessee.

[36] *Ijaratain* is a lease with dual payment. It means two leases or two rents.

[37] *Istibda*l is to exchange an asset with one of equivalent or higher value.

[38] *Sukuk Musharakah* is a certificate of partnership investment .

words, other states do not provide a specific *waqf* allocation. In Selangor, after the commencement of the *waqf* enactment, all *waqf* resources were managed by the *Waqf* Management Consultant panel. The *Waqf* Management committee manages, controls and administers the *waqf* assets as well as also controlling the *waqf* funds so that it fulfils the requirements of Islamic law (Md Nor, 2008).

NPOs are known as similar charitable organisations in other non-Muslim countries. In the last two to three decades, NPOs have shown remarkable progress while *waqf* organisations have struggled in their functioning. Due to legal regulation, *waqf* organisations can only be run under strict government control whether the founder likes it or not. Trusts can be utilised as a channel to collect funds and permanent donations which are managed by NPOs. In Southeast Asia, Non-governmental Organisation (NGO) is a more widely used term than NPOs.

There are 1,224 companies limited by guarantee registered in Malaysia and the majority of them were Foundations established in 2006. An NGO may be formed either as a charitable corporation or as an association. The foundations in the country are regulated by the Companies Commission; on the other hand, NGOs are regulated by the Registrar of Societies. Registration is necessary for all NGOs in the country. The important laws that address the establishment and regulation of NGOs are the Societies Act 1966, the Companies Act 1965, the Income Tax Act 1967 and House to House and Street Collection Act 1947. NGOs should have a principal document, membership register, register of minutes of committee and general meetings, income and expenditure register, receipt books, subscription fees register and bank account books. Companies are bound to submit their yearly audited accounts to the Companies Commission. They also obtain tax exemptions under the Income Tax Act. Any fund raising from the public requires an approval from the Minister of Domestic Trade & Consumer Affairs in accordance with the license issued to companies limited by guarantee under section 24(3) of the Companies Act ("NGO Regulation Network," n.d.).

It is worth noting here that there are still *waqf* institutions that are established as trusts in Muslim countries such as Malaysia. For example the Ibnu Masood organisation in Johor has a mission of persuading the public to practice all Islamic teachings more closely, especially in educational and social aspects. Nowadays, they have successfully built *madrasah* [39]and hostels for elderly people based on public contributions. According to one authority, they felt freer and more comfortable to

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[39] Religious school

manage this organisation by themselves and so for that the reason they registered it under the trust act and not as *waqf*.

4.5 *Waqf* in Johor

Waqf has played an important role throughout Islamic history to enhance and develop the lives and well- being of Muslim societies. Land plays a central role in *waqf*. Malaysia holds a huge area of land in the name of *waqf* which can be utilised for economic development due to its potential for the public within the country. Malaysia has 20,735.61 acre of *waqf* land, 14,815.787 acres are private *waqf* (*waqf khas*) while 5,919.83 acres are public *waqf* (*waqf am*). Johor has showed a remarkable *waqf* practice, according to the Department of Malaysian Islamic Development (JAKIM) report in 2007, Johor has 5,900 acres which are positioned as *waqf* land and this is followed by Perak and Pahang. Also, Johor is the most flourishing state in Malaysia particularly, when it comes to *waqf* development. This assertion is supported by Mahamood (2006) as she stressed that Johor has become the most advanced state in the development of *waqf* assets in Malaysia with a variety of current projects and innovative plans.

A good example of *waqf* in Johor is when in 1914, Habib (sayyid) Hassan al-ʿAttas, one of the most prominent Arabs who played a vital role in creating a huge number of Arabic schools in Malaya, established *Madrasah* Al-ʿAttas in Johor Bahru ("Tunas Melayu", cited in Othman, 2006). *Madrasah* al-Attas has produced many scholars, politicians, lecturers and officers. Namely Dato Ahmad b. Awang (mufti Johor), Dato Murtadza b Hj Ahmad (mufti Sembilan), Pehin Dato Seri Utama Hj Ismail Umar b.Abdul Aziz (mufti Brunei) and Dato Hj Harusani b. Zakaria (mufti Perak)(Hj Abd Latiff *et al.*, 2008).

4.5.1   The Provision of *Waqf* in Johor Legislations

Waqf laws that are applied in Johor are;
1. The *Wakaf* Prohibition Enactment Johore 1911
2. Johor *Wakaf* Enactment 1973
3. The Administration of Johor Islamic Religious Enactment 1978
4. Johor *Wakaf* Procedure 1983
5. The Administration of Johor Islamic Religious Enactment 2003.

In Malaysia, *waqf* is indisputable due to the prevalence of laws which declare that the State Islamic Religious Council is responsible for *waqf* property management in every state. This provision is

clearly stated in Section 43 of the Johor Administration of Islamic Law Enactment, 1978. As a result, any association, group, foundation or individual declared as a trustee had to give the *waqf* property to SIRC as soon as the law was enforced. At the same time, it was ensured that all the declared properties were handed over to SIRC. It should be noted that SIRC is the main body responsible for the management and control of *waqf* assets; however; they cannot change or amend the ownership or purpose of a *waqf* particularly, in *waqf khas* except[40] when it gets approval from founder or Majlis. In addition, the capital of the *mauquf* (*waqf asset*) is held in a separate fund and is not a part of *baitulmal* in Section 53 of the Johor Administration of Islamic Law Enactment, 1978. However, their income shall be paid to and form a part of the *baitulmal* (Mahamood, 2011).

According to a research conducted by Sayin *et al.* (2006) Johor is different from other states in Malaysia in regard to *waqf* provisions. In Johor, it is divided into three parts: *waqf khas*, *waqf am* and *waqf irshad*. Also, Johor is the only state that allows temporary *waqf* excluding mosques and cemeteries.

The illegal uses of *waqf* are documented in S. 50(1) (2) of the Enactment 1978 and are not allowed.. The provision of *waqf* in this enactment was the most restricted of all the Malaysian states. They are also more concerned in managing the *waqf* affairs. In another provision, addressing the authority of non-Muslims in the affairs of *waqf,* it is stated that it should not violate Islamic principles and laws as mentioned in Sect. 8. (4) of the Johor *Wakaf* Procedures 1983. No similar provisions can be found in other laws that are supported and enforced in other states or their subsidiary legislations (Mahamood, 2006).

In formulating any *waqf,* the Majlis (SIRC) comprising of all the states have to contact the Islamic Legal Consultative Committee or the State *Fatwa* Committee regarding any issues that need to be settled and any questions related to Shariah law. The *Wakaf* Committee of Johor was appointed under S.25 of the Administration of Islamic Law Enactment, 1978. According to the Johor *Wakaf* Procedure in Section 9 (1) which was sanctioned in 1983, this *Wakaf* Committee was given the power to make investments and *istibdal* of certain *waqf* assets, with the authorisation of the Johor Islamic Religious Council or MAIJ (Majlis Agama Islam Johor).

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[40] This provision is stated in Section 12 in Johor Waqf Procedure 1983 (Keadah-Kaedah Wakaf 1983)

Any fatwa ordered by the *Mufti* or the *Fatwa* Committee upon an official application will be considered and mentioned in a government document and as a result, would be required to follow the laws in the concerned matter. However, the document can only be used for official purposes. For instance, it can be used as evidence if requested in court (Buang and Khambali cited in Mahammod, 2011).

4.5.2 The Administration of *Waqf* in Johor

Waqf administration in Malaysia is given to State of Islamic Religious Council as abovementioned and this is also in the case Johor. However, another body Johor Corporation (hereafter known as Jcorp), also operates in matters of *waqf* property besides MAIJ.

The Johor Islamic Religious Council administers a *waqf* in Johor. MAIJ was formed in 1313 AH/1895 CE. The Yang Dipertuan Johor Islamic Religious Department was responsible for *waqf* issues until MAIJ took over. This happened when the Administration of Johor Islamic Religious Enactment decreed it so. MAIJ consists of two branches: administration and finance, and z*akat,* b*aitulmal* and w*aqf*. The latter is further divided into three branches, which are investment and development, *zakat* and *waqf* and *baitulmal*. An Administration Officer runs the affairs of finance and *zakat* while the others are handled by an Islamic Affairs Officer. *Waqf*, however, is handled by a separate unit, consisting of one officer and two assistants. Sayin *et al.* (2010) research shows that Johor is the state that has the least manpower for *waqf* of states in Malaysia. Hj Mohd Salleh and Muhammad (2008) stipulates that the biggest issue faced by a majority of the SIRC when it comes to development of *waqf* is human resource problems like a shortage of personnel, incompetence, and too high a workload. MAIJ is an exception to this, as the unit is dedicated solely for *waqf* and has no other excessive duties making them more focused on their tasks. The MAIJ administration structure is shown in Table 4.2.

Figure 4.1: The Structure of MAIJ
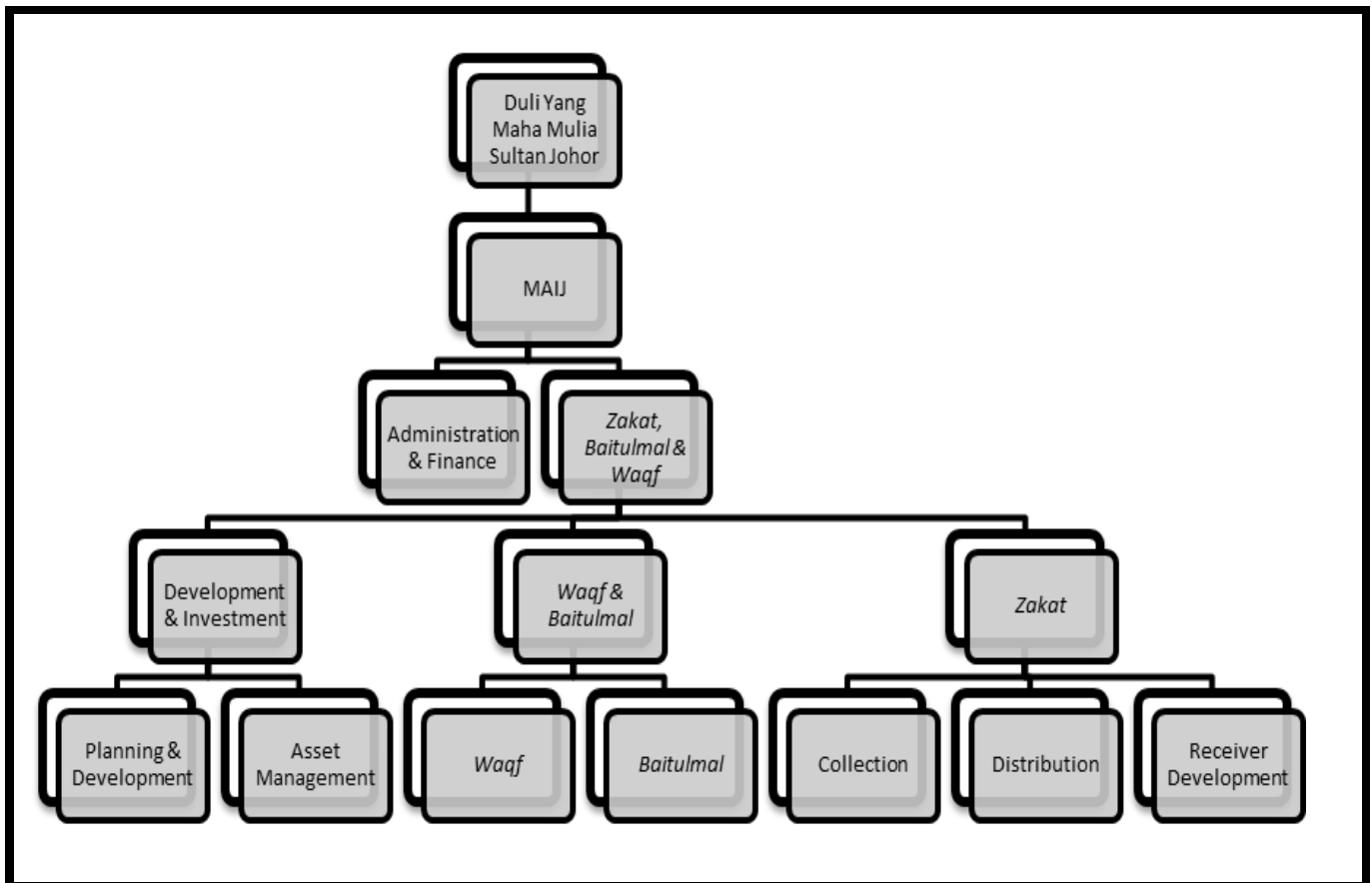
Source: Author's own

The responsibilities and tasks assigned to MAIJ include the management and organisation of *waqf* funds and *waqf* assets. Being the sole trustee, *waqf* assets are donated by a majority of Muslims to fulfill specific purposes. It distributes *waqf* assets according to the founder deeds as well as maintaining and developing *waqf* assets and managing Johor *waqf* investments.

The Council is appointed as a sole trustee to oversee the *waqf* property and to produce positive outcomes either as specified by the founder or not. It is important to declare all necessary clauses to avoid any problems and issues in the future, regarding inheritance affairs, ownership or the loss of the *waqf* properties or the failure of fulfilling the original purpose of the *waqf* assets (Mahamood, 2006). The council can also plan and structure a development programme regarding a *waqf* property in order to gain more revenue and profits in the future (Sayin *et al.*, 2010).

There are different acts that Muslims can perform to fulfil their duty of voluntary charity *(Ibadah)*. In the past, Muslims established *waqf* when they had proper and suitable property to donate such as

lands, buildings or even vehicles. Nonetheless, with the passage of time, the meaning and understanding of *waqf* has become wider and broader in scope and the majority of Muslims have contributed to *waqf* although not many of them posses their own land, buildings or other immovable property. Contemporary religious scholars have extended great help to Muslims to contribute to *waqf* in different ways to the benefit of Muslims and non-Muslims.

The aim of *waqf* share Schemes is to motivate the public to buy share units as offered by SIRC and the certificates are then given as *waqf* in the name of Allah S.W.T. This system was founded on the basis of Section 17 *Waqf* Enactement (Selangor) 1999. The main aim of this technique was to enhance the importance and welfare of Muslims. Collection from this scheme is put into a Cash *Waqf* Group Fund, which also receives income from *waqf* properties. A special Cash *Waqf* Group Fund was formed to collect all the funds and the income generated from *waqf* assets. The system offers assistance to anyone who is a Muslim. In the past, *waqf* was carried out by individuals but the Selangor share *Waqf* is focused as a group *waqf*. Besides this, it also allows members of the public who do not own any permanent assets to create *waqf* (Mohamed Isa *et al.*, 2011; Shakrani *et al.,* 2003).

Although, *waqf* shares have been introduced by MAIJ, the bulk of *waqf* assets in Johor are comprised of lands and buildings. According Sayin et.al (2010) *waqf* assets as managed and controlled by SIRC (State of Islamic Religious Council) revolve around land, buildings and investments only. However, other *waqf* instruments are not very well known and appreciated in the country. *Waqf* shares are similar to cash *waqf*. The *waqif* purchases the shares using the cash. These shares are issued by the SIRCs for a particular purpose of *waqf* development. For example, if a SIRC plans to construct a building on *waqf* land with the building costing RM10 million, the SIRC would issue 1 million *waqf* shares at the prices of RM10.00 each. Any Muslim can purchase the shares and they are required to give the shares as *waqf* in perpetuity. The SIRC stands as the only trustee who is responsible for constructing and maintaining the *waqf* building which should be used in order to benefit Muslim society. Subsequently, the share in the form of cash will be transformed into a fixed asset in the form of building (JAWHAR, 2007). *Waqf* shares are considered as the best way to contribute to *waqf* (Hj Mohd Salleh and Muhammad, 2008).

The first *waqf* shares project initiated by MAIJ was a six storey building which cost RM$4 million in Jalan Skudai in 1995. Until 2005, the profits from this project accounted to more than RM$1.2 million. This success encouraged MAIJ to take another step and offer other projects in which *waqf* shares

would be launched such as Pertubuhan Peladang Negeri in Johor and buying a block of buildings in Cairo, Egypt, as accommodation for Johor's student in Cairo (Gadot, 2006). In fact, MAIJ is identified as the first sole trustee in Malaysia that established joint-ventures in the fields of agriculture and farming with other official government agencies to develop and improve the *waqf* properties (Mohamed Isa *et al.,* 2011).

Table 4.1: Existing Projects under MAIJ

Type of Projects	Projects's Name	Cost (RM)
Economic	i) Six Floor Building at Jalan Skudai ii) Palm Estate iii) Shop House in Nusa Jaya	4 million 1.5 million
Education	i) 2 blocks Student accommodation in Cairo ii) 121 Religious Schools	6 million 86 million
Socio-Economic	i) Accommodation for the protection of abused women	10 million
Health	i) Dialysis Centre	

Source: Hj Mohd Salleh and Muhammad (2008) and Saham Wakaf Johor brochure.

It is of interest to note here that MAIJ has *waqf* land in Telok Belangah in Singapore which is under its administration and management. The mosque that was built on the *waqf* land was originally a community centre for local people (Johor, 2012). The Temenggong Daeng Ibrahim mosque located is at 30 Teluk Blangah Road approximately 90 km from Johor. There is, however, an issue regarding this matter. According to MUIS (Majlis Ugama Islam Singapura) all *waqf* are vested to them and shall be registered with MUIS. The provision is very clear that all *waqf* situated within the boundaries of Singapore are under MUIS, including Temenggong Daeng Ibrahim mosque. However, this *waqf* is managed by MAIJ to this day. According to Johor's *waqf* director, originally Teluk Belangah was under Johor's authority. When Singapore declared its separation from Malaysia, they created a boundary that included Teluk Belangah. Therefore, based on agreement between both states the assets are managed by Johor.

Many projects are managed by MAIJ for *waqf* development in Johor. And some of them are planned for the future, such as Johor's *waqf* investment in new building projects, palm tree fields joint venture

and the building of an oil station (Sayin, 2010a). Their efforts to maximize *waqf* development are clearly shown by their activities not only domestically but also abroad.

Table 4.2: *Waqf* **Real Estate in Johor.**

District	Mosque	Surau (mini mosque)	Religious School	Cemetery	General	Total	Building
Johor Bahru	109	240	129	40	38	556	10
Muar	75	244	74	77	37	509	1
Batu Pahat	85	185	91	88	50	499	-
Kluang	34	61	43	31	14	183	3
Segamat	56	51	38	63	14	222	4
Kota Tinggi	36	33	40	39	12	160	2
Pontian	52	95	58	51	12	268	-
Mersing	15	10	23	14	16	80	20
Total	462	919	498	405	193	2477	

Source: Sayin *et al.,* (2010)

The Table above shows the *waqf* assets in real estate form that consist of mosques, religious schools, cemeteries and general purpose buildings. It clearly indicates that mosques and *surau* which is a place for Muslims to perform worship, constitute the largest number of *awqaf*.

In order to motivate people to involve themselves in pious activities and to support their commitment, a person who purchases a *waqf* share will be eligible for tax exemption according to Section 44(6) ACP 1967 of Malaysian tax law. It is considered as part of government activities for the benefit of the ummah (Johor, 2012). In fact, all *waqf* assets in Johor are exempt from all taxation including property and land tax. They are also exempt from registration fees for the transfer of ownership or the surveying of land.This privilege is only given in Johor and differentiaties it from other states in Malaysia (Sayin, 2010b).

The data of the total of *waqf* fund in Johor is unknown due to lack information and cooperation from the related body. The researcher tried many times to gain this important data but unfortunately there was no feedback or response. Even while the thesis was being submitted, the researcher kept on trying, but still got no response. Thus, it is difficult to identify the size of the *waqf* assets in Johor in order to compare its size with Singapore.

Johor Corporation

Johor Corporation was officially founded by the Johor Government in 1968. It acts as the main public industry and development agency. It previously operated as the Johor Economic Development Corporation. However, from the start, the main aim established by Jcorp was to become part of government plans to restructure society to overcome unequal distribution of wealth between the indigenous and non-indeginous. It has played a vital role in the economic development of Johor. It is based on an Islamic vision to formulate an Islamic Corporate Organisation based on knowledge and business practices which will helps in the improvement of Malay society. In fact, Jcorp was the first business entity to be known as a *waqf* corporation and gives new inspiration for *waqf* management and administration especially for other states in Malaysia (Mohd Ariffin, 2010b).

Jcorp established the first *waqf* in1991, when organisation donated the An-Nur Plaza Kotaraya mosque on *waqf* land. It was the first mosque ever-built in a shopping centre. It was a successful project. This encouraged Jcorp to make further progress and donate generously. However, in 2005, when they made a '*waqf* investment' in Tiram travel Sdn Bhd they gradually became to be well known for their use of *awqaf* (Mohd Ariffin, 2010b). Also, in 2006, Jcorp commenced the concept of "Corporate *Waqf*"[41] which involved the transfer of 12.35 million unit shares owned by Jcorp Kulim (M) Bhd, 18.60 million unit shares in KPJ (Johor Medical Group) Healthcare Bhd and 4.32 million unit shares in Johor Land Bhd to Kumpulan *Waqaf* An-Nur Berhad (hereafter known as KWANB) as trustee[42] (*Jcorp Annual Report*, 2007). This was the first example of a corporate *waqf* that supported and was actively involved in donations to an amount of RM200 million, and it indicates the net asset value of Jcorp shareholdings in Kulim (M) berhad, KPJ Healthcare Berhad and Johor Land Berhad.

Endowment management is supervised by another special entity of Jcorp, the Kumpulan *Waqaf* An-Nur Berhad. KWANB is an organisation which is limited by guarantee and does not have shares

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[41] Corporate entity based on commercial and at the same applied *waqf* concept.
[42] KWANB as an intermediary institution which manages corporate *waqf* that belongs to Jcorp.

issued. It is incorporated to manage the assets and shares of companies of Jcorp which have been endowed in accordance with the principles of Shariah. This group also acts and performs as the *Maukuf Alaihi* (beneficiaries) of shares and other kinds of securities of commercial organisations. On 25th October 2000, the company first started its operations as *Pengurusan Klinik Waqaf An-nur Berhad* (*Waqf* An-Nur Clinic Management). At first, it was planned to manage and administer the clinic and dialysis centres under Jcorp which was set to be managed by KPJ Healthcare Berhad which had also been endowed. The company's name was later changed on 19 July 2005 to reflect its functions and roles in this special category.

According to the company's Memorandum and Articles of association, KWANB stands as a separate entity which is identified by the Johor Islamic Religious Affairs Council as the recipients, managers and supervisors of donations as well as acting as the *Maukuf Alaihi* of shares and with other forms of securities of commercial companies including, most specifically those of Jcorp, of Muslims in general and of other companies (*KWANB Annual Report*, 2007).

In addition, they also offer free services in providing basic health care within an outside of the state and provide administrative, management and financial advisory services to other relevant organisations based on the principles of Shariah. Furthermore, 'they discharge the Islamic corporate social responsibility of Jcorp group, particularly those programmes to maximize the social role through their projects and programmes and undertake programmes to develop the human capital of Jcorp Group including the effort to advance knowledge, professional and managerial expertise and business experience of Jcorp Group staff, their families and of Muslims generally' (*KWANB Annual Report*, 2007).

Jcorp plays a significant role in developing and managing *waqf* properties in Malaysia, especially in the corporate sector. Their contribution and efforts are recognised by different parties. It is one of the most prominent institutions in managing *waqf* assets (Mohd Hanefah *et al.,* 2011). *Waqf* activities of Jcorp are associated with other activities through KWANB such as a medical-based institution. It was the first *waqf* hospital established by Jcorp in 2006. However from 2007, the development of *Waqaf* An-Nur Hospital and clinics facilitated not only the residents of Johor, but also benefited the residents of Kuching, Sarawak in collaboration with *Baitulmal* Sarawak (*Jcorp Annual Report*, 2007). The *waqf* An-Nur clinic was established from the *Ghuraba el- Muslimin* hospital in Turkey which was constructed during the Ottoman Empire (Mohd Ariffin, 2010b). It is worth mentioning that some of

the resources for *waqaf* An-Nur clinic operations have originated from the Jcorp staffs contribution through monthly deductions made from their salary (Ali Hashim, 2001).

A unique project planned by Jcorp for the welfare and wellbeing of the society is through its Corporate Shares Waqaf Corporation. This idea is a key institutional scheme towards making a success of its corporate strategy and mission of "Business *Jihad*" [43]. This statement is verified by the Jcorp Annual Report of 2007, through its corporate *waqf*. Jcorp assured to dedicate 25% of its annual dividend payout to shares transferred into *waqf*. The table below indicates the distribution of corporate *waqf* among the three bodies.

Table 4.3   :   Distribution of Profit Dividends of Jcorp Projects

Associations	Profit Percentage (%)
Jcorp	70
KWANB	25
MAIJ	5

Source: Mohd Ariffin (2010c)

The above table shows that 70% of the generated income was given back to Jcorp for reinvestment to achieve maximum income on *waqf* assets. As a result, it can maximize contribution to become productive and beneficial for society. It can also be said that, KWANB as a trustee allows Jcorp to perform all its activities as an agent for *waqf* development (Mohd Ariffin, 2010c). In addition, 25% of the profits are given to KWANB to successfully organise and manage its activities and operations for Muslims and non-Muslims and for the welfare and well-being of society. Also, the foundation of KWANB reflects the efforts made by Jcorp as business *jihad* (Mohd Hanefah *et al.*, 2011). An additional 5% was donated to MAIJ as the only and the sole trustee officially appointed by the country. By doing that, Jcorp not only supports *waqf* development but encourages both bodies join together in increasing *waqf* assets (Mohd Ariffin, 2010c).

As for *da'wah*[44] activities to propagate and offer Islam, Jcorp along with Jabatan Kemajuan Islam Malaysia (JAKIM) extends different programs such as educational programmes based on Islamic principles to create awareness and education among Malaysian communities. Different techniques are

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[43] Business jihad mean the Jihad of Peace and Prosperity through Enterprise (Johor Corporation Annual Report, 2008).
[44] Missionary activity

being used to make people donate to this cause such as via phone calls and by texting SMS (Short Messaging Service). The generated amount was distributed to the needy and other deserving people (Mohd Hanefah *et al*., 2011).

The primary objective of this foundation is to increase and create awareness among the masses. It is also important to mention that Mara University of Technology (UITM) is the first university of its kind which is aimed at managing *zakat* in Malaysia. Jcorp has successfully managed its position as the first non-governmental organisation in dealing with and managing *waqf* assets.

There is an issue regarding KWANB acting as Manager and administrator of the trust, it seems contradictory to the Administration of Johor Islamic Religious Enactment 2003, Sec.89, in terms of being the sole trustee**.** This comes about because to be the singular trustee of the assets of *waqf* means that in every state a single Majlis has been elected to oversee the assets and their development and this is done according to their own legislation. There can, therefore be no other trustee and no delegation of the responsibilities of the trustee and even having private trustees working for it is illegal. The exceptions to this rule are instances in the past, before the enforcement of Islamic Law.

'If any person or group is considering an endowment to the *waqf* or wants to establish any such charity according to Shariah or even wants to invest or develop any *waqf* assets or *mauquf,* they need to gain permission for it from the Majlis of the state'. This is stated in Administration of the Religion of Islam (State of Selangor) Enactment (No. 1 of 2003). However, the Johor Enactment does not have any such provison.

Mohd Ariffin (2010) states that a Memorandum of Understanding signed by MAIJ and Jcorp avoids controversy by resolving these issues. It has been argued that this case could take reference from the understanding formed between the *sadaqah, zakat*, and *waqf* department UITM and the Selangor Islamic Religious Council. According to this instance, the Islamic Religious Council had the authority to gather and distribute *zakat* like *waqf*. In order to increase the awareness of the student body, staff, and their families, UITM formed an agreement to manage and administer *zakat* among all its faculty and student body in all of its branches in Malaysia, thus making UTIM the first university in Malaysia with the power to oversee a *zakat* fund. By this example, if the argument is accepted then Jcorp is the first NGO to manage *waqf* assets in Malaysia.

4.6 The Origins and Development of *Waqf* in Singapore

The legal regime of *waqf* was not even in the Malay State (1880-1957). In the Straits Settlements (comprising Singapore, Penang and Malacca) a *waqf* was considered as a charity in terms of English law. The majority of *awqaf* which were perfectly acceptable under Shariah terms, were rejected on the grounds of not complying with the technical rules for charitable trusts. However, the endowments to help the poor and the needy were always allowed, although endowments for religious purposes such as the construction of mosques, publishing books and building schools for religious education were not (Abdul Qadir, 2004).

The existence of *waqf* in Singapore can be traced back to 1826 during the period of British colonisation of the country then known as the Straits Settlements. Singapore is similar to Malaysia, in terms of *waqf* assets, most are for mosques and religious purposes. The first mosque Omar kampong Melaka dating to 1826 was the first *waqf* created in Singapore by Mr. Syed Omar Al-Junied, a philanthropist and a trader from Indonesia, who probably originated from Yemen in 1820 (Ibrahim, 1965).

Previously, *awqaf* in Singapore were created by wealthy Arabs such as Sayyid Omar al-Sagoff (1850-1927) who created the *madrasah* (Arabic school) al-Sagoff in March 1913 ("Neracha" cited in Othman, 2006). He also constructed religious schools known by the name of *al-Juned* and these schools still exist today (Othman, 2006). He was also known for giving cash and support for maintenance and providing highly qualified teachers from Arabia. Another good example of a noble and pious person is of Sayyid Mohamad al-Sagoff. He was not only a successful businessman but also a celebrity who was well known in Singapore and Johor. He was also a kind humanitarian who contributed to a number of beneficiations for the interest and well-being of Muslims in Singapore. His efforts included the founding of the al-Sagoff *waqf* fund, the Muslimin Trust Fund association, the al-Sagoff Outdoor Dispensary and the Muslim Boys Orphanage (Al-Sagoff, 1963).

Sayyid Mohamad was not only successful in running the al-Sogaff family business in Singapore, he also had influence in Johor, and was even a close friend to Sultan Abu Bakar (King of Johor). The Johor government's centre of administration shifted from Teluk Belanga in Singapore to Johor Bharu in 1858. Although, there were a few Arab families in Singapore, the al-Saqoff family stayed in Johor (Rozali, 2012).

It is worth noting that al-Sagoff is one of the private *mutawalli* that still exists. The ancestor of the first trustee of *waqf* SMA Al-Sagoff stated in his will that the next generation of trustees, the family would be appointed through a deed of application of trustees through the court (Abdul Karim, 2010).

Records show that in Straits Settlements, Arabs had their highest population in Singapore, in the area known as the Middle Road in a quarter surrounded by Arab, Baghdad, Basrah and Jeddah Streets. The fast pace of economic growth experienced by the Malay States and especially Singapore under the British administration attracted Arab businesses to try their luck there. Existing records indicate that majority of the early Arab population was focused in Singapore (Morley, 1949).

In the early twentieth century, their role and responsibilities centred on the propagation of religion among the Malay residents. They used their influence and wealth in the establishment of mosques, along with which came religious activities such as giving Quran reading instruction, delivering sermons and lectures, leading Muslims in congregational prayers and sitting on mosque committees. The Arabs made the mosque a religious place as well as a learning centre for Muslims (Shaeik Ahmad, cited in Othman, 2006).

The Arabs efforts emerged in the 20th century via the establishment of religious schools through endowments. The income received by these schools was used in paying the expenses and providing the salaries for the teachers (Tibawi, 1962).

The rich Arab and Indian philanthropists together helped the Muslim community by establishing the institution of *waqf*. Those people were merchants who came for trading and later adopted permanent residence in Singapore. They acquired lands and the properties as well as constructed mosques and rented out buildings in order to make funds to maintain mosques and make endowments for the welfare of society and the fulfilment religious purposes. Moreover, they also provided a revenue stream to ensure that these mosques had income for their maintenance and religious activities (Abdul Karim, 2007).

The majority *awqaf* were established during the early times of Muslim migration in the late 19th and early 20th centuries. The historical data for 1949 shows that about 65% of the land in Singapore was occupied by the Chinese and the Arabs and a major portion of land owned by the Arabs was endowed for religious purposes (Brown, 2008). However, according to Majlis Ugama Islam Singapura (2012),

there is no evidences of the formulation of new *awqaf* since the 1970s for many reasons, such as high value of land, lack of awareness, promotion of institutionalised *waqf* funds and being uncomfortable with government management (Abdul Karim, 2010).

4.6.1   The Provision of *Waqf* in Singapore

Prior to the emergence of the Administration of Muslim Law Act on 1st July 1968, all donations and charities were regulated under the Muslim and Hindu Endowments Ordinance (Chapter 27) which came into enforcement on 8th September 1905.

According to Section 58 of the Administration of Muslim Law Act (later known as AMLA) which emerged in 1968, all *awqaf* were transferred to MUIS. Yet, the majority of *waqf* were still controlled and governed by private trustees. Poor management and improper handling of *waqf* properties caused a lot of problems which led to the assets being sold by the trustees without the knowledge of MUIS. To resolve these problems AMLA was amended in 1995 to include the registration of *waqf* institutions. It became mandatory in Singapore to register all the *awqaf.* Different amendments have been made to develop and strengthen the system. AMLA provides a broader definition on *waqf* properties, and limits the area of *waqf* regulation and management. All other administration issues are covered under the internal regulations and management of *waqf* (Abdul Karim, 2010).

The Majlis Ugama Islam Singapura (hereafter known as MUIS), also known as the Islamic Religious Council of Singapore, was established as a statutory body in 1968 when the Administration of Muslim Law Act (AMLA) came into effect (Majlis Ugama Islam Singapura, 2012).

Since AMLA clearly stated that all *waqf* vare to be vested to MUIS, the public do not have any choice to appoint a *nazir* other than MUIS. However, they still have the opportunity to choose the trustee on condition they seek approval from MUIS, which is contrary to the practice in Johor. If they prefer other organisations can manage their *waqf,* but this is only permissible under NPOs. As stated by NGO Regulation Network (2006) the largest area of charity in Singapore is for the advancement of religion at 53%. It has been accounted that there were 1,747 registered charities in Singapore as on 31 December 2004 under different forms such as Charities, Voluntary Welfare Organisations (VWOs) and Institutions of a Public Character (IPCs). Although in Singapore, it is not necessary to register an NPO, it is difficult to develop a meaningful and beneficial role without registration. For example,

without a registered organisation it becomes difficult for the members to raise funds from the public, to claim tax exemptionor to follow contractual agreements (JANUS Corporate Solutions, 2008).

In Singapore, the extraordinary management of religious groups as protected in the Muslim and Hindu Endowments Board Ordinance of 1905 was revised in 1966. Legislation introduced in 1968 created MUIS which handles government affairs in relation to the Islamic matters. MUIS is responsible for overseeing the social and religious matters of Muslims in the country. It acts according to the Administration of Muslim Law Act. The core responsibilities include building mosques, *madrasahs* and *waqf* properties, arranging family development programmes, tithing *zakat*, issuing halal certificates, providing the annual sacred pilgrimage to Mecca and supporting financial aid or bursaries to destitute Muslims including public and private *waqf*. The concept of centralisation of *waqf* administration is to make sure that MUIS controlled and administered *awqaf* to prevent these properties from mismanagement for example, corrupt usage, sale or transfers (*MUIS Annual Report*, 2006).

Under AMLA, any individual can be positioned to manage the *waqf,* dependent on MUIS approval. However, MUIS supports the internal guidelines and ISO[45] processes for the selection of the manager to check for bankruptcy and criminal records along with educational background and age (Abdul Karim, 2010).

The majority of Singapore Muslims are Shafi'i (Brown, 2008 and Musta, 2005). Section 33 (1)(2) of AMLA 1966 authorises it to be followed in *fatwa*; 'the Majlis and the Legal Committee in issuing any ruling shall ordinarily follow the tenets of the Shafi'i school of law If the *Fatwa* Committee agrees that the mentioned *qaul muktamad* of this school of law will not cause disruption in the interest of public (Singapore Attorney General's Chambers, 2011).

MUIS prefers endowment assets to remain forever. Temporary endowments are not accepted if the land includes a mosque or a graveyard. Transfers are carefully negotiated as the major portion of *waqf* land in Singapore consists of mosques and graveyards. Nevertheless, the concept of perpetuity of *waqf* was often open to reinterpretation by *ijtihad* or personal reasoning. This was translated into social need or *maslahah* (Brown, 2008). Such *waqf* land cannot be sold according to Shafi'i, but in certain

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[45] ISO is international Organisation for Standardization

circumstances, the *fatwa* committee chooses Hanafi's view to exchange the asset to retain the asset and spread the pious purpose (Musta, 2005).

Shariah courts in Singapore only have power relating to marriage and divorce. Other than that issues will be heard in civil court. However, when civil courts encounter queries that relate to Muslim law, they are not obliged to seek an opinion from the MUIS. They can only do that subject to request and then the opinions are not binding (Abbas, 2012).

The majority of new mosques in MUIS were constructed on a 99-year lease. The land authority has assigned any construction on the land to a fixed lease period of 99 years. According to the *fatwa* of Majlis, " for a 'mosque' to be declared a mosque it must reflect the recognisable features of a *waqf,* meaning the mosque must be situated on land where there has permanency". Therefore, leasehold land has been assigned to religious purposes[46] (Abdul Karim, 2010).

There are many limitations on the development of *waqf* assets, such as the fact that they cannot be excluded or mortgaged. However the property can be swapped for something of higher or equal value. Selling of such a property is only admissible in certain cases, which include funding for charity and to increase net income for the appropriate maintenance of assets. With the exception of exchanging assets for ones of greater value, Singapore does not allow for the sale or exchange of *waqf* assets. This is seen in the case of *waqf* of the grandchildren of Syed Mohamed Alsagoff. In 1918 he challenged the perpetuity principle and he wanted to sell some assets in order to have income to maintain the estate. The court, however, did not allow the sale, and reaffirmed the principle of perpetuity. In 1926, a portion of the trust property was allowed to be sold off under the Settled Estate Act of 1877(Brown, 2008).

4.6.2   The Administration of *Waqf* in Singapore

All *waqf* is vested under MUIS. MUIS is a statutory board which is governed under the Ministry of Community Development Youth and Sports. The senior minister is the Minister in charge of Muslims Affairs. The *waqf* administration is run under the Strategic Unit of *Zakat* and *Waqf* in MUIS. Various issues related to the purchase and development of *waqf* assets are first considered at the directorate level and then they are advanced for the second round of decision-making process at the MUIS council

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[46] This is based on the fatwa of dharurah, and the fact that the fatwa opines that a 99 years lease can last a generation which is considered quite a long period of time.

level. Shariah issues are heard in the *Fatwa* Committee. Any investment, purchases or financial obligations which exceeds $5,000,000 requires the Minister's approval and agreement.

As a single trustee, MUIS is responsible for increasing the potential of the *waqf* properties for the good of the beneficiaries. It has been estimated that in 2009 there were about 100 *waqf* under the keen supervision of MUIS management. To this date MUIS has developed about 90% of all *waqf*. An important project which has been undertaken is the *Waqf* Bencoolen Mosque. Significantly, MUIS has successfully enhanced the *waqf* annual income which provides for the beneficiaries and Muslim society (MUIS brochure).

The first development and progress of *waqf* properties was undertaken by MUIS in 1991 along with the restructuring of *waqf* Jabbar. In the year 1968, it was estimated that there were a total of 6 *awqaf* registered under the supervision of MUIS. The registration of *waqf* has empowered MUIS to maintain a complete database of all *waqf* properties, revenues, expenses and disbursement information. This information is important to maintain effective *waqf* management (Abdul Karim, 2011).

Table 4.4: Some development of *waqf* properties in Singapore

Type of Asset	Location
Residential Properties	Duku Road, Teluk Indah
Service apartments	Somerset Bencoolen
Commercial properties	Dunlope Street, Kandahar Street, Pagoda Street, South Bridge Road, Telok Ayer Street, Temple Street, Changi Road, North Bridge Road, Upper Dickson Road and Joo Chiat Road
Waqf mosque	Hj Mohd salleh Mosques, Khalid Mosque, Khadijah Mosque, Hj Kassim Mosque and bencoolen Mosque
Religious school	*Madrasah* Al-Maarif Al-Islamiah at Lorong 39 Geylang

 Source: MUIS brochure

Under AMLA, MUIS is to advise the President of Singapore on all matters relating to Islam in Singapore. MUIS comes under the Ministry of Community Development, Youth and Sports. It consists of six departments: religious development, religious education, buildings, assets, mosque and social development and organisational development. Every department is further divided into many

branches while *waqf* and *zakat* are under the department of assets with finance, *halal*[47] certificates and *hajj*[48] services (Majlis Ugama Islam Singapura, 2012). A clear picture of the MUIS administration structure is shown in figure 4.2.

Figure 4.2: The Structure of MUIS
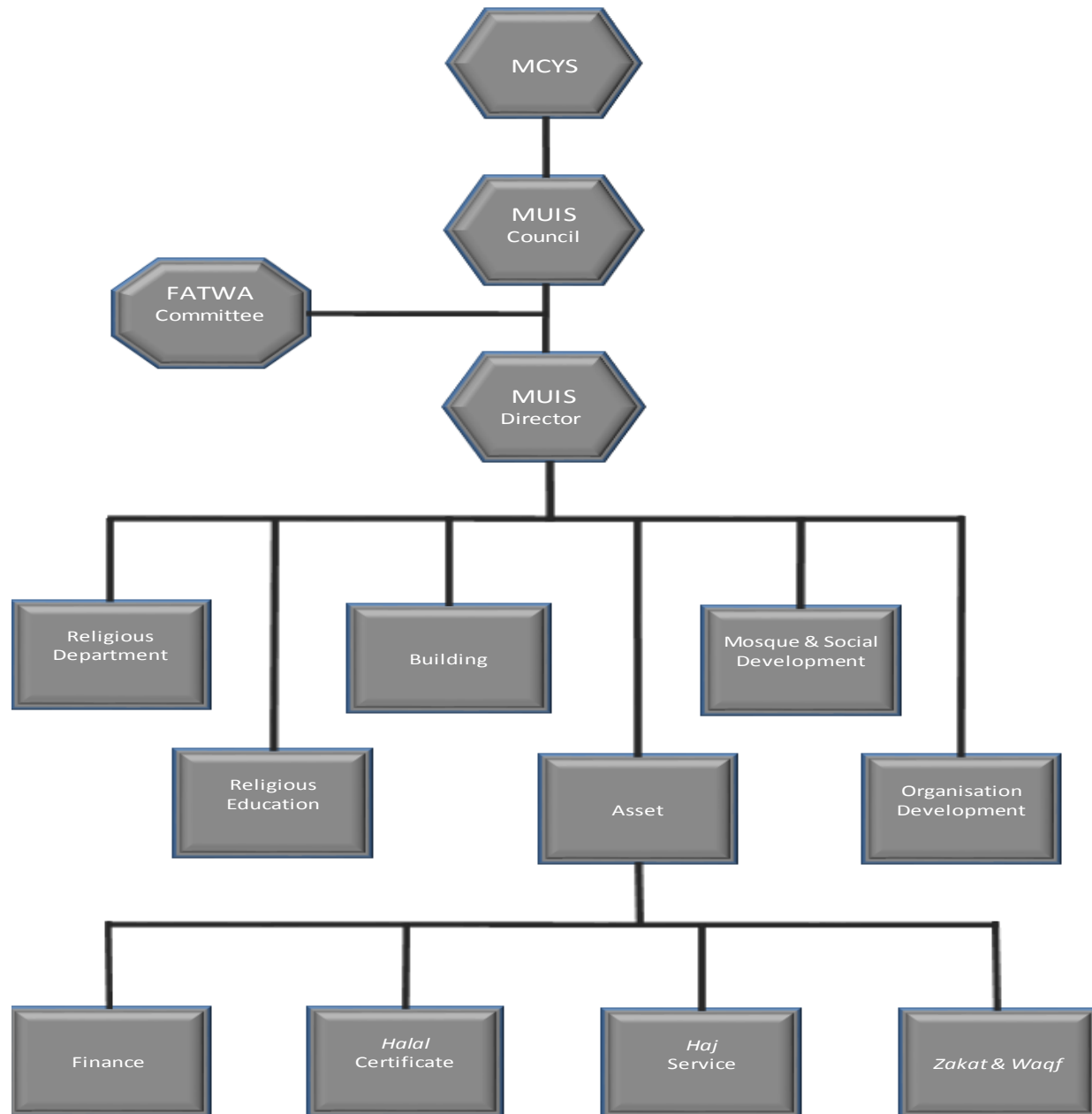
Source: Author's own

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[47] Which is allowed, permitted or permissible (Wehr, 1980)
[48] The official Muslim pilgrimage to Mecca (Wehr,1980)

Different countries have different legal regulations on the appointment of *mutawalli*. Singapore is less strict in this matter. The *mutawalli* in Singapore operate in different contexts, these are;

i) A trust company the British Malayan Trustee [49](BMT was incorporated in 1924 in Singapore and is the oldest trust company which is listed on the stock exchange in Singapore). It manages 3 of the *awqaf* belonging to the Angullia family. Two *awqaf* were surrendered to MUIS as there was no more property to be managed.

ii) Private trustees or *mutawallis*, there are 24 trustees managing their own ancestors' *awqaf.*

iii) Private limited company, Warees Investments Pte Ltd is a wholly owned subsidiary of MUIS, which manages and develops *waqf* (Abdul Karim, 2010).

Typically, management is required to register and to evaluate the *waqf* properties including the worth of fixed assets such as land or buildings. This is done in order to prevent any threat of mismanagement or corruption (*MUIS Annual Report,* 2006).

MUIS holds the power to select or remove the trustees of the *waqf* including the *mutawalli*. Although for the decision to be made then approval from the Minister for Religious Affairs must be gained. MUIS is strict in order to maintain efficient and effective *waqf* management. MUIS became the sole trustee of all mosques in order to maintain them and provide the masses with knowledge on the religious issues.

MUIS has created a separate financial division *baitulmal* (*waqf* treasury) to control the different funds. It clearly distinguishes between the commercial and religious purposes of the *waqf* assets. Funds which are used for the maintenance of mosques and *madrasahs* are controlled by the Mendaki Fund. Financial allocation for property development is managed under two separate divisions; *Baitulmal* and *Wakaf* and Trust Funds. Both the private and the public trustees work together in order to maintain annual accounts of the funds collected (*MUIS Annual report, Sept* 2002).

It is important to mention that Singapore holds a unique position when it comes to cash *waqf* for the Mosque Building Fund. Each Muslim employer is obligated to donate a fixed amount on a monthly basis. According to AMLA in Section 78 (1) of Part V mosques and religious school, 'Every employer

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[49] www.bmtrust.com

of a Muslim employee shall pay to the Mosque Building and Mendaki Fund monthly in respect of each Muslim employee's contributions.' And in Section 78(3) 'Any employer who fails to pay the contributions within such time as may be prescribed shall be guilty of an offence and shall be liable to conviction and a fine not exceeding $500'(Chambers, 2011). The amount contributed by employees varies according to income as shown in Table 4.5.

Table 4.5: Contribution table for the Mosque Building and Mendaki Fund[50]

Monthly Gross Income	MBF
Less than $1,000	$2.00
$1,001 - $2,000	$3.50
$2,001-$3,000	$5.00
$3,001-$4,000	$12.50
$4,001 and above	$16.00

Contribution rate: effective 02/01/2011.

There are 175,000 Muslims employees who donated indirectly to this fund as the amount is deducted from their salaries through the CPF (Central Provident Fund). This acts as a collecting agent for the donation made. It has been estimated that MUIS receives an estimated SGD$6 million annually. This fund has also helped MUIS to remodel 22 mosques with a collected amount of SGD$130 million. The amount from the fund is used in constructing mosques and providing benefits to society (Abdul Karim, 2007). However, since it is a fund, there is an issue as to whether to consider it as *waqf* or not. Though, since there is no statement of *wakaf* (*alsighah)* either *soreh* (a clear pronouncement with specific meaning) or *kinayah* (a pronouncement that brings many purposes) and there is no public choice, it may be considered a charity.

It is worth mentioning that the Mosque Building Fund (MBF) is utilised only for acquiring the land and the building of a new mosque. However the operational costs of such a mosque is fulfilled by other public donations which are held in the Mendaki Fund (Ariff, 1991a).

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[50] MENDAKI (Majlis Pendidikan Anak-Anak Islam or Council of Education for Muslims Children).MENDAKI was the outcome of the joint efforts of the Malay community and political leaders to improve the educational status of Muslim children. MENDAKI set about to gain the support of religious-oriented organisations in order to underscore MENDAKI's commitment to upgrading not only the secular but also the religious education of the Malay community (Zoohri, Wan Hussin (1987) Socio-Economic Problems of the Malays in Singapore, Sojourn; Journal of Social Issues in Southeast Asia, Vol 2,No. 2 (August 1987) Available at http://www.jstor.org/stable/41056728

MUIS has started a subsidiary company known as *Wakaf* Real Estate of Singapore (hereafter known WAREES). This is focused on managing all *baitulmal* and *waqf* properties. In Singapore, the net value of the *waqf* properties is increasing day by day thus, they are considered as the biggest pool of funds. It is a small country with Muslims as a minority. Therefore, MUIS has significantly supported *waqf* management with knowledge and expertise. Recently about 200 *waqf* properties with a current worth of about SGD250 million, was constructed which ultimately generated an annual rent of about SGD6 million to SGD7 million. Singapore has a very efficient system of managing *waqf* and MUIS has planned to become an international participant in the field of managing *waqf* at all levels (Harun et al., 2012). With the establishment of WAREES, the functions of MUIS and WAREES have become more clear and transparent. MUIS has played a major role as a keen administrator where as WAREES has appeared as a commercial figure. MUIS focuses more on operational functions such as auditing, supervision, record maintenance appointing employees and many more whilst WAREES concentrates on how to develop and increase profits (Ramli and Sulaiman, 2006).

In the other words, MUIS is acting as *nazir* while WAREES is a *mutawalli*. Both bodies have rights over *waqf* property within a specific scope. As a *nazir*, MUIS's role and function is to supervise and control any *waqf* activities performed by *mutawalli*. WAREES as *mutawalli* plays the managerial role and invests the *waqf* asset according to their expertise. However, any activities relating to those assets must be approved from the *nazir* as the higher authority and that includes the selling and purchasing of assets.

WAREES was created on 26 September 2001. It started its operations in January 2002. The governing bodies include the board of directors, Manager and Operations Manager. The core business functions are real estate, project management, lease management, marketing and real estate investment. In the field of project management, WAREES is in charge of all projects carried out by MUIS including design, contract and implementation. In assets management, WAREES also holds power over all MUIS properties. WAREES has effectively managed and constructed 27 mosques, also some 25 projects for commercial buildings and schools. It is also involved in mosque re-modification and maintenance, and exchange of *waqf* lands that are considered useless for construction. *Istibdal* is mutually approved by Majlis *Fatwa* Singapura (Singapore *Fatwa* Council). One of WAREES's major projects was the issuance of a SGD25 million worth of *musyrakah* bonds to purchase buildings in Beach Road in order to exchange 20 pieces of *waqf* land which were located in insignificant areas

(Ramli and Sulaiman, 2006). In 2006 their income increased by 11 percent. As Brown (2008) has affirmed the modern supervision, efficient approach and transparency in the system is vital to the growth of an organisation in the voluntary sector for safeguarding the rights and religious traditions of minorities within the state.

For its future plans, 'Warees Land and Warees Investments, together with Singapore state investment groups, are targeting endowed properties in Asia, the Middle East and the UK for rehabilitation of these assets and their direct transfer to commercial use, all for the overall public good' (*WAREES Investments, Annual Report*, 2005).

Singapore has allowed tax exemption on *waqf* since 2004; it is exempt under Sec.13 (1) (e) of the Income Tax Act. However, other taxes such as property, goods and services and income tax are imposed on overseas beneficiaries. The beneficiaries need to declare *waqf* as a source of income and thus they are taxed on the basis of their accumulative personal income (Abdul Karim, 2010).

MUIS carries out an annual distribution to maintain transparency and accountability for the beneficiaries. It is a practice to maintain and safeguard the *waqf* accounts and is usually done after the audit of the accounts. However this is done on the basis of income paid in the previous year. There are two categories of beneficiaries; firstly those nominated by the founder and this allows no modifications unless there are no beneficiaries left. Secondly, when the beneficiaries are not stated a committee is established to decide where the amount should go or be dedicated to (Abdul Karim, 2010). The decision making on the allocation for the funds is based on the following principles[51].

1) 'To follow religiously or closely the allocation and beneficiaries as stipulated in the *waqf* deed.

2) Where the beneficiaries no longer exist, a cy-pres doctrine[52] is created and a *fatwa* is obtained to vary the intention but of still maintain as closely as possible the original intention of the founder. For example, if the allocation is to provide for the poor in a particular mosque, if the mosque no longer exists, then allocation may be made to the poor in a nearby mosque.

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[51] These guidelines are internal policy from the Zakat and Wakaf Strategic Unit in MUIS. The guidelines may vary in the next year based on feedback and recommendations for changes if any by the *Waqf* Disbursement Committee.
[52] Cy-pres doctrine is a legal doctrine. The term can be translated from the old Norman French to English to mean "as near as possible". Available at www.thefreedictionary.com.

3) Priority of needs where an allocation is to be given in general to a mosque or a charity, then the first principle to look at is the needs in the society. The *waqf,* being part of the whole economic and social system in the community, should not ignore the general needs of society. If the need is to provide Islamic education then deliberate allocation will be made to align the output with the community's overall strategic plans to tackle this issue. However, where family members of a founder have indicated their preference for the custom (*urf*) of charity carried out by the founder, which does not contradict with the overall intention, then such *urf* will be respected and disbursement will be based on the urf of the founder.

4) Seniority, this is related to *waqf khas* in which, after applying principles 1,2 and 3 above, if there are several poor relatives, the senior relative will receive the benefit first' (Abdul Karim, 2010)

As mentioned earlier *waqf* funds are managed by MUIS. They are distributed both within the state and outside the state to countries such as Hadramaut and Saudi Arabia, India and Indonesia. Figure 4.3 shows the breakdown of *waqf* foreign disbursement.

Figure 4.3: *Waqf* Foreign Disbursement in 2012
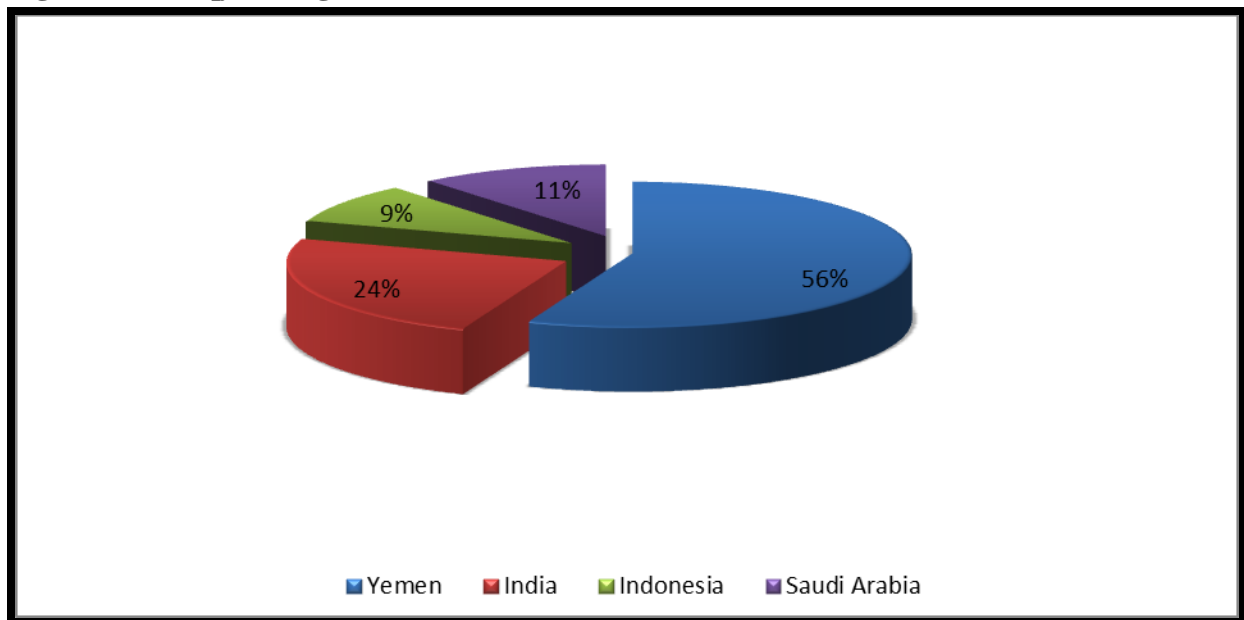
Source: MUIS

The total foreign disbursement in 2012 was SGD418, 270 including founders from Yemen SGD234,547(56%), India SGD100,500 (24%), Indonesia SGD39,000 (9%) and Saudi Arabia SGD44,223 (11%).

Local beneficiaries include moqsues, institutions, *madrasah,* the poor and needy and descendants of the founder. Total local disbursement is SGD2,28,940, mosques SGD1,536,780 (57%), *madrasah* SGD310,750 (12%), (15%), charities SGD113,750 (4%), poor, burial, rice SGD182,280(7%), Indian Muslim SGD90,000(3%) and others SGD50,380 (2%). The figure 4.4 presents local distribution of *waqf* funds in 2012.

Figure 4.4: *Waqf* Local Disbursement in 2012
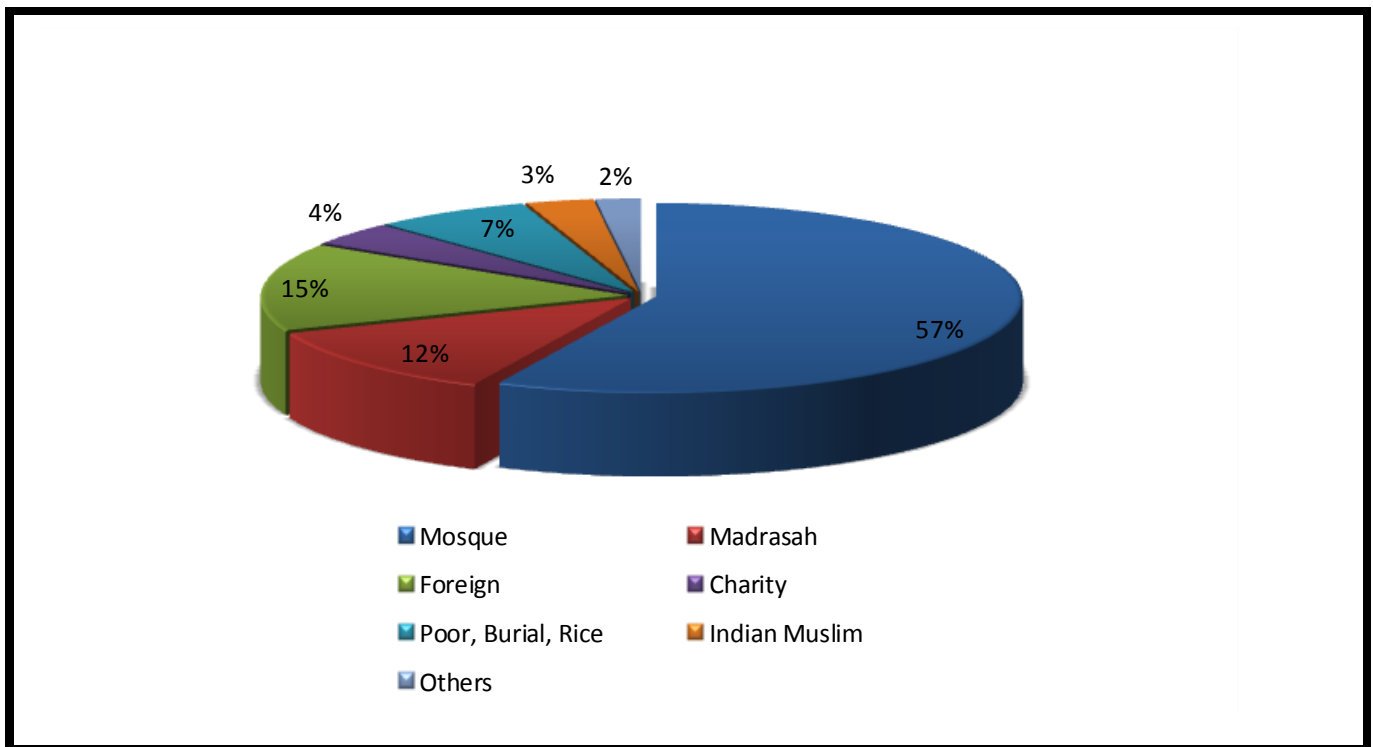
Source: MUIS

The major purpose of *waqf* is for building and maintaining mosques. *Madrasah* are another example which have widespread popularity in Muslim countries and are followed by support for needy people. It has been estimated that there are 70 mosques in Singapore out of which 13 were established through the *waqf* system. This helps fulfill the religious and the social needs of Muslims and also provides a platform for non-Muslims to learn about Islam. Other than mosques, there are 6 full-time *madrasah* of which 4 were created through the instruments of *waqf*. Another prime social aim is to maintain equal distribution of wealth and resources through charity to support people for food, medicines, education, marriages and other social activities (Abdul Karim, 2010).

Some of the major developments of *waqf* properties in Singapore are residential properties at Duku Road, Telok Indah, Service apartments at Somerset Bencoolen, commercial properties at Dunlop Street and The chancery Residence (Majlis Ugama Islam Singapura, 2012).

According to Abdul Karim (2010), *waqf* institutions have done remarkably well in relation to contributions for enhancing the religious sphere for Muslims, although those institutions are unable to provide finance for the whole economic and social sphere of Muslim society.

Initially, the trustees of *waqf* properties stuck to traditional approaches in order to maintain and invest the properties under their supervision. These traditional approaches include the leasing of buildings, commercial properties and land to earn rental income, farming of agricultural lands and sale of their produce, as well as replacement of *waqf* assets. These approaches were insufficient and ineffective for gaining maximum control, management and investment of *awqâf* funds, and the traditional methods had to be upgraded and new modes developed. These consist of various formats based on *mushârakah*[53]*, mudârabah*[54]*, ijârah*[55]*, istisnâ*[56]*, murâbahah,* [57] *(*profit margin agreed by both parties) and different combinations of these modes as well as securitisation of assets. These systems were incorporated in different fields such as for financing trade, agriculture, imports and exports, housing, manufacturing, and husbandry by modern Islamic financial institutions (Sadique, 2010). Modern and updated financing mechanisms helped create more funds for *waqf* in Singapore such as *sukuk musyarakah*[58]. It was practised by MUIS, when they generated about SGD25 million *musyarakah* bond for the purchase of a building using the *musyarakah* and *ijarah* principles. Some of the *waqf* developments are through bonds, for example luxurios residential (Mohamed Isa *et al.,* 2011).

The total assets of *waqf* funds were worth SGD 474 million in December 2009, and they consisted of properties, cash and cash equivalents. Although, *awqaf* generate SGD 13 million annually, they are

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[53] *Musharakah:* A partnership contract between two parties who both contribute capital towards the financing of a project. Both parties share profits on a pre-agreed ratio, but losses are shared on the basis of equity participation. Both parties or just one of them may carry out management of the project. This is a very flexible partnership arrangement where the sharing of the profits and management can be negotiated and pre-agreed by all parties (Shamugamet al., 2008).

[54] *Mudarabah* : co-partnership where at least two parties are involved in a commercial transaction in which one party provides capital, while the other offers skill in carrying out the business successfully in view of sharing the subsequent profits or loss accordingly.

[55] *Ijarah* : lease

[56] *Istisna'*: This is a kind of sale where a commodity is transacted before it comes into existence. Usually used for transactions which are in progress.

[57] *Murabahah*: A contract of sale between the bank and its client for the sale of goods at a price which includes a profit margin agreed by both parties. As a financing technique, it involves the purchase of goods by the bank as requested by the client. The goods are sold to the client with a mark-up. Repayment, usually in instalments is specified in the contract (Shanmugam et al., 2008).

[58] Certificate of partnership investment.

still unable to fulfil community needs as whole. For instance in the case of madrasah al-Junied *waqf* income is insufficient to support the activities of the madrasah, hence it has to make efforts to raise funds to maintain the institution (Abdul Karim, 2010).

4.7   The Impact of *Waqf* in Various Fields in Johor and Singapore

The income generated from *waqf* serves as steady revenue and a profits source for the Muslim community which can be used as a financing tool for activities of the Muslim community. It can also help in overcoming the differences between the poor and the rich. In addition, the main objective of establishing a *waqf* is the creation of a channel for the benefit of the people and providing opportunities to develop and progress as a successful community. These actions are based on religious guidelines such as the *fard-al-kifayah* (communal obligation). Funds collected from *awqaf* are used for different purposes such as the development and welfare of the Muslim community. The use of these funds is based on religious guidelines and the spirit of cooperation, for example the building and maintenance of mosques, *madrasah,* provision of burial grounds   and contributions to the poor and needy, the provision of education, health and social services and the financing of socio-religious activities of the Muslim community. The collected funds are used for the social and the religious well being of the people (Majlis Agama Islam Johor, 2012). As Brown (2008) states *waqf* stands as the legal financier of people who need religious education.

Both regions showed some specific targets and uses of *waqf* which depend heavily on their environment, situation and demand. Since Singapore and Johor have different environments, the *waqf* uses are not the same, but the basic and main purposes of *waqf* are still applied.

In Malaysia, Jcorp stands as the single corporate entity for the development and management of *waqf.* Whereas in Singapore, WAREES represent a similar kind of entity with the same objective. Both organisations are involved in different kinds of joint ventures based on *Musyarakah* concepts like the development of food outlets by WAREES and the development of An-Nur Clinic by Jcorp (Mohd Hanefah *et al*., 2011). According to Leng and Barraclough (2007), the most famous private hospital is the state company Kumpulan Perubatan (Johor) (KPJ) Healthcare, owned by the Johor state economic development Corporation (known as Jcorp), the investment wing of the Johor government. Also the government of Johor has become Malaysia's leading holder of private hospitals.

Both organisations have implemented and applied the concept of cash *waqf* in their functions especially in their projects. A major source of funding for both organisations is corporate shares, Jcorp receive their share holdings and WAREES receives partnership funding from MUIS. However, Jcorp's

major funding comes from corporate shares but WAREES has a more comprehensive system; the funds are generated from the monthly salaries of the employees.

These two approaches are different in their concept and may work for the people in these two countries. The needs and demands from Malaysia are more concentrated towards medical facilities, compared to business corporations which are considered more critical in Singapore. Muslims are a small faction in Singapore. According to Dhamani (2008) the majority of Malay Muslims come from low educated and poor families and recent generations have enjoyed fewer opportunities and benefits. As a result, their overall performance in schools is below average and they get low income jobs. Thus Muslim groups in Singapore find it hard to cope with the expenses and difficult circumstances. Therefore, the institution of *waqf* is one of the ways to free Malay-Muslims from poverty and eliminate social problems particularly in a minority Muslim country (Ali Hashim, 2001).

Jcorp has also effectively contributed towards the development of its human capital. It empowers the needy and deserving entrepreneurs by giving them funds from *waqf* cash. Its prime objective is to make them productive and beneficial for society and their families. However, WAREES has not ventured into this development project as their activity focuses more on investment in commercial property and not human development (Mohd Hanefah *et al.,* 2011).

The difference in the legal systems has an impact on the development of *waqf* sectors in the different countries. As *waqf* is a voluntary charity and its size depends on public contributions, the cultural orientation of the people and economic situation, such as income levels, will determine the size and income generated from *waqf* assets in different countries. Thus, the incentives to create *waqf* in countries where Muslims are in a minority compared to Muslim majority countries would be different. As Abdul Karim (2010) emphasised, *awqaf* institutions are a really important financial resource tool to help fulfil the community's social and religious needs as it aligned with the community's aspirations, especially for Singapore. Without *awqaf*, it is impossible to fulfil the social, religious and economic needs of the society. In Singapore, the institution of *waqf* has contributed significantly to the Muslim community, although it is unable to fully finance the Muslim community's economic and social requirements.

As a minority in a secular state, the Muslims in Singapore have to accept the fact that they have to live in that state and owe loyalty to it (Doi, 1987). In fact, when Muslims are in a minority they will have to make more efforts to fulfil their religious requirements since the government would not fully

support their needs, particularly to provide religious facilities. Moreover, the government is expected to be less concerned about specific religious needs of minority communities compared to the majority. Thus, there may be a need for more aggressive development towards the *waqf* institution as it is one of the main sources to provide social and religious facilities that can preserve Islamic identity (Masud, 1989). The situation may be different in a Muslim majority country as the laws and regulations may not only recognize *waqf* as a developmental institution but also be supportive of it.

4.8   Conclusion

Waqf has a great potential as an economic tool for Muslims and it needs to be managed strategically to ensure maximum benefits. The proper administration and management of *awqaf* benefits Muslims as a whole. With good administration, more people will want to contribute their wealth as their main *ibadah.* Johor and Singapore demonstrate *waqf* development in specific areas according to their local environment and demand. Although both regions are somewhat similar in terms of *waqf* management the challenge is greater for Singapore Muslims as they are a minority there. Therefore, to enhance the Muslim economy is their focus as it will improve the life style to cope with the high cost of living. Whereas Johor has more advantages as a Muslim country, any need or help can be found from other sources and it does not fully depend on institution of *waqf* to improve human life. Moreover, the advantage of *waqf* management in Johor is that it is free from all taxation including property and land taxes. Whereas in Singapore, some forms of taxation are imposed on the *awqaf* such as property tax, goods and services tax and income tax on overseas beneficiaries.

Furthermore, as the two regions share history and are located close together they are exposed to similar challenges. Strong foundations emerged from Arabia in the early history of Singapore, resulting in a minority of Muslims in a secular country Singapore still compares well with others states and has not been left behind in terms of *waqf* development. Therefore, this is proof that successful *waqf* development need not depend on the size or proportion of a Muslim population in a state, but it does depend on efficiency, creativity and effectiveness of *waqf* management.

Chapter 5
Research Methodology

5.1 Introduction

The research questions of the thesis will be addressed by undertaking an empirical study. The empirical study involves a survey based on a combination of qualitative and quantitative methods. Research methodology plays an important role to determine the process and quality of research. This chapter will present the methodology and methods that are utilised in order to answer the research questions. Prior to that, it is essential to provide research aims and objectives as they provide the framework needed to build the research questions. As Burn (2000) asserts for different research questions, different research designs are needed and a good research question is the crucial factor in good research.

5.2 Research Aim, Objectives and Questions

This research aims to explore the impact of the legal regimes and *fiqh* on *waqf* and to examine the operations, management and stakeholders' perceptions of *waqf* in Johor state in Malaysia and in Singapore. Based on the findings developed from this study, the research expects to come up with policy recommendations to improve the social impact of *waqf*. The main objectives of the study are:

1. To ascertain the legal issues/ fiqh issues related to *waqf* and its application during contemporary times.

2. To identify the legal regimes of *waqf* in a Muslim majority state (Johor, Malaysia) and a Muslim minority country (Singapore).

3. To explore the understanding and public perception on *waqf* in both states.

4. To clarify the development aspects of contemporary *waqf* by comparing the status and outcomes of *waqf* in Malaysia (Johor) and Singapore.

5. To explore the methods used in implementing good management of *waqf* assets.

6. To highlight the policies that can enhance the role of *waqf* in social and religious development.

To achieve the objectives the questions this research intends to answer are:

1. Do contemporary laws governing *waqf* comply with Sharia principles?

2. How do national laws affect contemporary *waqf* and its application?

3. What are the different laws governing *waqf* in Johor and Singapore?

4. What are the public perceptions on the status and uses of *waqf* in Johor and Singapore?

5. To what extent are Muslims in these two states exposed to and understand the concept of *waqf?*

6. What is the current status of *waqf* in Johor and Singapore?

7. What are the outcomes and output of *waqf* and how do these affect development in both states?

8. What are the approaches of *waqf* management applied by both states?

9. What are the major constraints facing the donors (public) and the management that impede the development of *waqf?*

10. What policies can be implemented to improve the role and significance of *waqf* in socio-economic development?

5.3 Research Methodology

A systemised investigation to search for solutions to a problem is known as research (Burn, 2000; Rugg and Petre, 2007, Collis, Jill and Hussey, 2003,Clough and Nutbrown, 2007). It is also an information collection process (Hall and Hall, 2004) to increase knowledge or expand on the understanding of theory. Thus the systematic discovery of any event is research.

Goddard and Melville (2001) and O'Leary (2010) state that it is not just a method of accumulating information but it also gives solutions to queries and often creates more questions in the process. The hallmark of good research is that it has a system of planning and organisation and has a particular goal. Broadly defined, the goal of research is to find answers and gain new information (Marczyk *et al.*, 2005).

In addition, Clough and Nutbrown (2007) define research as the method of explaining the stepwise investigation of an event or place of activity. It can also at times be analysed scientifically through comparison of the data collected in order to identify trends or patterns and similarities and differences.

The Oxford English Dictionary (1989) defines 'investigation as an opportunity to study a hypothesis that needs more clarity and understanding, and find the results discovered by study through investigation and in-depth analysis'(Simpson and Weiner, 1989:692).

It is important to note the stress O'Leary (2010) places on the importance of research questions. He states that they act as defining parameters to an investigation, which give direction, set limits and also become a reference point for an assessment of the work.

The best way to accumulate solid evidence on the topics in question is to apply the stepwise gathering of appropriate data in order to test hypotheses. Research is thus the best ways of gathering such information on the effects of different external factors. This allows a clear picture of the impact of these changes. In order to understand a topics and find real and valid evidence, only a systematic, quantitative approach to generating and testing ideas is adequate Thus, research is one way of collecting accurate, sound and reliable information about the effectiveness of intervention (Burn, 2000).

Collin and Hussey (2003) refer to the overall approach to the research process by the single term of methodology. This is the reference to the correct way of tackling a research problem and finding the most accurate answers, and the structure of method consists of hypothesis, design, data collection, sampling and analysis. Thus, a complete research process is referred to as methodology. It begins from the theory and goes to data collection and analysis. Silverman (1994) states that methodologies, like theories, are not true or false, just more or less helpful. Methods are only the ways by which any information is collected and or analysed.

The terms indicate that methods are just the tools or ingredients of research, whereas methodology gives reasons for the usage of a particular research recipe (Clough and Nutbrown, 2007). Hence methodologies are essential to the research, as they not only provide roadmaps but also give reasons for the development of knowledge (O'Leany, 2010).

A research philosophy is a belief about the way in which data about phenomena should be gathered, analysed and used. According to the Western tradition of science there were two kinds of research philosophy known as positivism and interpretivism (Galliers, 1991 cited from Davison, 1998).

Postivism is 'working with an observable social reality (Remenyi *et al.*, 1998 cited from Saunder *et al.,* 2007) and had a particularly successful association with the physical and natural sciences (Davinson, 1998, p.2-3). While interpretivism contends that only through the subjective interpretation of an intervention in reality can that reality be fully understood (Davinson, 1998, p.2-3).

Since this research is based on primary data, in the form of questionnaire and interview responses, to measure participants' perceptions, opinions and understanding, this research philosophy is likely to be

interpretive. Saunders *et al.,* (2007, p. 106) emphasise that interpretivisim is an epistemology that advocates that it is necessary for the researcher to understand differences between humans in our role as social actors, which is to be distinguished between conducting research among people rather than objects such as computers. Therefore, it demands the social scientist to understand the subjective meaning of social action (Bryman, 2008). In the other words since the major issue of the research is to explore a particular phenomenon the current analysis is framed as qualitative research.

5.4 Research Process

Research design is the strategy used to obtain answers to the queries posed for research (Burn, 2000). Oliver (2004) defines design as the wisdom behind the method of research. Research design refers to all the matters involving the structuring of the research project, starting from identifying the problem to the solution being published as results (Punch, 1999). Pell *et al.,* (1982) added that it also attempts to fulfil the aim of the research, to give the results required of the study and to get the most accurate results (Vogt, 1993). A similar outlook describes research design and is defined by De Vaus (2001) as the tool that makes sure that the result provided gives an answer to the question in the clearest terms.

Among all the definitions, the clearest comes from Burns and Bush (2010). They defined research design as a set of predefined conditions that would give all the methods a specified path for the gathering and analysis of the data obtained. "Research design is a set of advance decisions that make up the master plan specifying the methods and procedures for collecting and analysing the needed information".

Whichever research method is chosen, there are some stages that have to be followed, as they are the basis for all scientific investigations. These stages are briefly presented next.

Stage 1: Identification of a research topic

The identification comes from personal observations on the matter. For example, on the issue of *waqf,* it has been considered solely a religious avenue and it has failed to fulfil the purpose it was intended for. It has not helped the social needs of the Muslim community in any of the ways it was intended to. The institution has been ignored in some countries; however, it is being actively revived in some. An example of two such states: Singapore, which is secular, with a Muslim minority; and Johor, a Muslim majority state of Malaysia. These neighbouring states have a strait dividing them and the manner in

which they took on the task of developing the institution of *waqf* can be a catalyst towards the enhancement of it in Brunei Darussalam.

Stage 2: Identification of the research problem

While constructing research questions, literature reviews are extremely helpful, as they assist in developing a sound basis of knowledge (Collis and Hussey, 2003). An analysis was taken on the theory and literature review of *waqf* management, specifically on legal issues, stakeholder perceptions, and the income, status and outcomes of *waqf*. Moreover, an investigation on the features of *waqf* and its use for social and religious development in both states (Johor and Singapore) was made. The available literature on *waqf* institutions was studied and lead to developing research questions and pointing out major issues. To answer these queries, the researcher has to identify the correct method of collecting accurate data. As Burn (2000) proposes that each research question requires its own specific design and the most crucial aspect to good research are appropriate questions.

The first query relates to contemporary laws governing *waqf*. For this, qualitative and literary methods have been adopted, as the general public are not well versed in matters of contemporary law.

The second question asks how national laws affect contemporary *waqf* and its application. A similar qualitative practice is used, as the query still pertains to law.

Answers regarding different laws of governance in Johor and Singapore have been detailed using published papers and articles, as stated in chapter 4.

The query on the mindset of the public with regards to output of *waqf* uses quantitative data as this is most appropriate. Kumar (1999) stresses quantitative approaches are better suited to measuring the size of differentiations like the number of people with a specific belief. Question four also uses the same method to get the most appropriate answer. However in the next question, related to stakeholder perceptions of *waqf*, quantitative and qualitative, and literary methods are applied to answer the question.

Again a combination of qualitative, quantitative and literary methods has been utilised to explain research questions no. 6, 7, 9 and 10. Since questions 8 is related to management, it is best to adopt qualitative and secondary data. Table 5.1 shows all this in a clear manner.

Table 5.1: The Methods applied in answering the research questions

No	Research Questions	Method Applied
1	Do contemporary laws governing *waqf* comply with Sharia principles?	Qualitative and literature
2	How do national laws affect contemporary *waqf* and its application?	Qualitative and literature
3	What are the different laws governing w*aqf* in Johor and Singapore?	Qualitative and literature
4	What are the public perceptions on the status and uses of *waqf* in Johor and Singapore?	Quantitative and literature
5	To what extent are Muslims in these two states exposed to and understand the concept of *waqf?*	Quantitative, qualitative and literature
6	What is the current status of *waqf* in Johor and Singapore?	Quantitative, qualitative and literature
7	What are the outcomes and output of *waqf* and how do these affect development in both states?	Quantitative, qualitative and literature
8	What are the approaches of *waqf* management applied by both states?	Qualitative and literature
9	What are the major constraints facing the donors (public) and the management that impede the development of *waqf?*	Quantitative,qualitative and literature
10	What policies can be implemented to improve the role and significance of *waqf* in socio-economic development?	Qualitative, quantitative and literature

Stage 3: Determining how to conduct research

As mentioned above, several approaches were utilised to highlight issues raised from the research questions. The relevant bodies from both states were contacted in order to gain the further information. The fieldwork that was carried out involved interviews and questionnaires in order to understand perceptions and experiences towards the institution of *waqf*.

Stage 4: Collecting the research data

Before the process of collecting information and data was started, appropriate research methods for collecting data were chosen, in order to gain significant results. Public data was gained through structured questionnaires, whereas interviews with professionals and academics concerned with the field were conducted as semi-structured interviews.

Stage 5: Analysing and interpreting the research data

At this stage, all data and information that were collected in previous stage were analysed and evaluated. This process went through three phases, starting with preparing the data for analysis, followed by analysing them then interpreting the information.

Stage 6: Writing the report

This stage has the results and interpretations of the data that were collected and draws conclusions from them.

Table 5.2: The type of questions and information gathered

Type of Question	Questions Numbers
Demographic	1-9
Knowledge	11-13
Establishment	14-22
Management	23-31
Beneficiaries/outcomes	32-33

5.5 Research Approach, Strategy and Purpose

Different researchers use different approaches and methods of collecting data, but none of the approaches denies or specifies any particular method according to Bell (2005).

5.5.1 Research according to Approach

There are two specific approaches to conducting research and they shall be helpful in providing direction for designing all phases of a research study (Creswell, 1994). These are the qualitative and quantitative methods. We can see in the names that qualitative pertains to a quality which is non numerical form, whereas quantitative is data collected in numerical form (Collis and Hussey, 2007).

Data in which the variables are not in numerical form is known as qualitative data. It uses text, pictures, and audio (Donnelly and Trochim, 2007). According to Richards (2005) it tends to erratic descriptions and is dependent upon the narrator's own interpretations (Laike, 2000). This is because it involves emotions, attitudes, beliefs, and the exposure of a specific group of people (Kumar, 1999). Bell (2005) supports this idea when he says that it shows more concern with understanding individuals' perception of the world. Hence this method asks for ideas rather than solid constructs, giving contextual answers instead of mathematically measurable data (Anderson and Poole, 2001).

Burn (2000) added that qualitative investigation has more to do with the experience of interpretation by an individual and thus has more emphasis on the subjective. The methodologist takes these ideas and converts them into a measurable entity to understand the reactions of participants to various factors.

In contrast quantitative data is a numerical statement of some information. Quantitative variables use numbers to calculate variables (Donnelly and Trochim, 2007). It mostly deals with measuring and calculating aspects of social life (Laike, 2000). This kind of information allows researchers to come to a conclusion about the general response of people via a sample's response as part of a population (Creswell, 1994).

The quantitative researcher studies the data to find in it relations and patterns. Such a categorisation of people or things leads to mathematically formed data and qualitative researchers tend to avoid it, as it implies that data is a 'pile of stuff ready to be sorted' (Richards, 2005:36).

Moreover, as Bell (2005) states quantitative researchers deal with the accumulation of facts and compare and contrast them to get statistical results. The techniques used allow them to get numerically verifiable results so they can then state generalised conclusions. Richards (2005) maintains that both kinds of data are not worlds apart, but study the same world in different ways.

Broadly speaking, qualitative information is recorded in the form of photos, words, or symbols and is studied by utilising themes. Quantitative data utilises numbers and is analysed through statistical methods (O'Leary, 2010).

Different types of research can be categorised by the method used to collect data. Some researchers go for the quantitative approach, which deals with unbiased analysis of events is objective in nature and concentrates on measuring phenomena. The quantitative approach deals with the calculation and collection of empirical data, it then applies statistical testing to it. Some prefer qualitative data collection, considering it to be better at giving a richer picture of society, as it deals with subjective responses and involves exploring perceptions in order to gain an understanding of social and human activities (Collis and Hussey, 2003).

According to Collis and Hussey (2003) and Anderson and Poole (2001), it is feasible to use both these methods together, as they provide a clearer picture for researchers. Questionnaires give a better quantitative picture, whereas comprehensive interviews provide in-depth understanding in qualitative terms. Kumar (1999) supports this statement that better research can be done when quantitative factors are combined with qualitative ideals, as both together can give a better oversight on the various factors of an event. As it was a part of this research to find out the public opinion of *waqf,* combined methods were utilised as both approaches are appropriate for this study.

To discover the public's opinion on the practice of *waqf*, quantitative methods are suitable to use, as they can cover a large sample, whereas for in-depth study on the issue, qualitative research gives deeper insight and provide support to the quantitative results. Kumar (1999) emphasises that the design by which data is studied in qualitative research is more appropriate, as it can quantify and formulate results from any aspect of social life like views, beliefs, or understanding, and thus they give a broader outlook to the study. However, if the target is to study numbers and differences of opinion and belief, then quantitative methods are more appropriate.

5.5.2. Research Strategy

Research strategy can be broadly classified as deductive or inductive. Deductive research strategy proceeds from a theory and hypothesis and uses data to test the hypothesis. Inductive strategies collect data and develop a theory as a result of data analysis (Saunder *et al.*, 2003). In the other words, deductive research collects data on the basis of a hypothesis or theory to prove or disprove the said hypothesis. Inductive research forms a theory on the basis of the data collected and analysed.

Inductive or induction moves from the particular to the general, from a set of specific observations to the discovery of a pattern that represents some degree of order among all that given events. While deductive reasoning or deduction moves from the general to the specific (Babbie, 2004;Collis and Hussey, 2003).

Deductive reasoning can organise what people already know and can point out new relationships, but it is no sufficient as a source of new knowledge. Despite, its limitation, deductive reasoning is useful in research because it provides a way to link theory and observation. Deductions from theory can help build hypothesis, which are a vital part of scientific inquiry. While in inductive reasoning, the researcher reaches a conclusion by observing examples and generalising from examples to the whole class or category (Ary *et al*., 2010).

Bryman and Bell (2003) assert that deductive strategy shows the simplest outlook of the relation between theory and research. In an inductive point of view the theory is a result of research or investigation, thus it can be said that induction gives generalised views through specific observations. This research uses elements of both deductive and inductive approaches. The deductive approach is considered as the literature review provides some background material relating to the impact of legal systems and the socio-economic environment of *waqf* and these are tested in the cases of Johor and Singapore. On the other hand, as there is no literature on the knowledge and perceptions of the public towards *waqf* in these states, the research uses an inductive approach to search for patterns and relationships.

5.5.3. Research Design

A clear vision of the purpose of research is crucial and should be identified before deciding what research design will be adopted (Denscombe, 2010). Research should be done in light of its need and purpose, whether it is exploratory, descriptive, analytical, predictive and case study. Kumar (2011), states that the goals of research design are four in number: description, exploration, explanation and correlation. Sauders *et al.,* (2003) and Denscombe (2010) classify research purposes into three types: exploration, explanation and description.

Exploration is the investigation into new avenues, searching for new concepts and hypotheses (Denscombe, 2010). Descriptive studies seek to systematically describe or compile information on events and issues (Kumar, 2011). Simply put, descriptive study gives a comprehensive overview of an event or problem in order to have a better understanding of it (Denscombe, 2010). Explanation

attempts to put a clear picture forward of how and why two aspects of a phenomenon are related (Saunders *et al*., 2003). Correlation, as the name suggests, focuses on finding out or establishing the relationship or tie between two or more aspects of a singular situation (Kumar, 2011).

On the basis of the research questions, descriptive and exploratory research methods will be utilised in this study. This research will attempt to discover public perceptions on using *waqf* and their understanding of *waqf* concepts in different environments and situations. Zikmund (2003) points out that exploratory research is carried out for three correlated purposes: to understand a situation, find substitutes, and to explore new ideas. It is thus used to collect specific data, that is to classify the status of *waqf* in Johor and Singapore, therefore the descriptive method was utilised.

There are two basic approaches in terms of time horizon in collecting survey data from large sample. The first of these is the cross-sectional approach and the second is longitudinal study. For this research the single attempt or cross-sectional study was used due to time constraints. Collis and Hussey (2003) state that in the view of shortages of time and resources, cross-sectional studies are the best option.

Sekaran and Bougie (2010) emphasised that it is a researcher's first priority to make the best decisions in research methods based on the matter at hand, the objectives and the time and budget constraints. Due to the time and money factors, the research design might be less than ideal but must make the best of the given circumstances.

Sekaran and Bougie (2010) include case studies as part of the research purpose category. Bryman and Bell (2003) define case studies as the research design that gives a comprehensive and in-depth analysis of a singular case. However, the term is sometimes used to include the study of just two or three cases for comparative purposes. Sekaran and Bougie (2010) also add that this kind of research is quite useful when it comes to finding answers for current problems based on past problem-solving experiences. They are also effective when it comes to learning about certain circumstances and helping to form more theories for empirical testing.

5.6 Research Methods for Data Collection

Oliver (2004) states that there are many varied ways for gathering data and so the best method becomes an important consideration. Hence the survey used for this research compiled several methods to get the most appropriate answers on the matter. Collis and Hussey (2003) assert the benefits of taking both quantitative and qualitative approaches, with questionnaires providing quantitative data and interviews providing qualitative insights. Additionally Morse and Niehaus (2009)

state that carefully conducted mixed-method designs are more effective than one that only has a singular method. This is because the additional factors increase the validity of the project by expanding our understanding from another perspective.

This postulates that mixed approaches utilise the best of multiple circumstances and ideas. The weaknesses of one approach are compensated by the strong points of the other. For example using both inductive and deductive reasoning shall give more depth and a broader view, thus adding theory to mere numbers and vice versa. Both subjective and empirical data make for stronger research (O'Leany, 2010).

Broadly viewed combined methods are supportive of each other. The view of the researcher gets focused on the quantitative, and the qualitative aspect gets the viewpoints of the participant across. Qualitative aspects may also help in developing correlations between the variables of data sets on the quantitative side (Flick, 2011).

As mentioned above, combined methods of information collection give a better and more accurate picture of the research underway. A questionnaire distributed among the public in Singapore and Johor was combined with interviews of expert bodies, thus giving more credibility to the research.

5.6.1 Research Method Instruments

The selection of the right methodology for research plays an important role in the quality and accuracy of research. In the following paragraph the methods selected in this research to achieve the goal of research will be discussed.

5.6.1.1 Data Collection Tools

There are two sources of data. The data that is collected by using new sources is called primary data. Examples are data collected through surveys, which are collected in an uncontrolled situation by using questions or observations. Experimental data is another example and is collected in a controlled environment by conducting experiments. Secondary data can be defined as data that already exists and it is collected by other people, like published data, books, journals, documents, and films (Collis and Hussey, 2003).

Primary data

Churchill (2001) breaks primary data into six types. Opinion and knowledge are included in them. In this study the use of primary data is very important as it gives insight to the opinions of the public on

the issue of *waqf*. We can take here the example of a product, if someone has positive thoughts or opinions about it then he will probably buy that product. Therefore, marketing experts use this technique to learn about the opinions of people towards different products categories, brands, and features related to products (Churchill, 2001). The use of primary data is very useful in a case where data has to be collected from large groups, and it also minimizes the risk of inaccuracy in results. Data can also be controlled, which allows reliability in statistical inference (Calhoun, 2002).

Different methods can be used to collect primary data; observations and surveys depend on the purpose of the study, availability of sources, and the researcher's skills. "Survey" is defined by the dictionary of social science (Calhoun, 2002) as research done on the basis of questions including questionnaire and interviews. On the other hand, interviews are commonly used to gather conformation from people.

Secondary data

Secondary data is data that already exists, whereas data achieved from a new study is primary data (Crimp, 1990). The purpose of literature research is to find secondary data and information that is related to the topic of study (Collis and Hussey, 2003). In this research secondary data will also be used to form an opinion about the Islamic Religious Council structure and organisation of both states. The data is collected from the published annual reports from particular bodies, online articles, journals, websites, and conferences to get recent information about waqf in both states.

5.6.1.2 Level of Measurement

Measurement is the process of marking variables with numbers that represent the properties of subjects (Proctor, 2005). The numbers that we get from performing measurements represent the labels for discrete categories like sex, race, and also represent the measurement continuum for continuous variable like time, length, or scores on an attitude scale.

Measurement is performed using a device or method called an instrument (Spector, 1981). There are different kinds of measurement scales. It is important to know the right method to use because the way a trait is measured affects the analysis of the data that are collected (Proctor, 2005).

There are four primary scales of measurement: nominal, ordinal, interval and ratio. Nominal scale labels figures and numbers, only representing labels for identification and classification of objects such as gender, religion, and marital status (Malhotra and Birks, 2007;Chisnall, 1992).

An ordinal scale is a ranking scale that assigns numbers to the characteristics possessed by objects. By using this scale it is possible to see which object has more of a certain characteristic compared to other objects. Examples of ranking scales are quality ranking and ranking of teams (Malhotra and Brisk, 2007; Zikmund, 2003).

In an interval scale the numbers are used to rank objects, that is a numerically equal distance on the scale represents equal distance in the characteristic measured. A temperature scale is an example of this type of scale. A Ratio scale is the highest of all scales. Ratio scales help the researcher to classify the objects, rank or order the objects, and compare intervals or differences. This is also meaningful in computing ratios of scale values. Height, weight, age, and money are common typesof ratio scale (Malhotra and Birks, 2007; Burns and Bush, 2010).

In this study the researcher has used three scales of measurement: nominal, ordinal, and ratio. To measure attitudes, ordinal and nominal scales are popular and commonly used. It is worth noting here, that perception or knowledge is a component of attitude, as stated by Zikmund (2003). The Likert scale, which is a scale in ordinal measurement, is most commonly used to measure attitudes because it is easy to use. To discover the attitudes towards *waqf* management and output, the scale is used to show the attitudes of respondents, starting from strongly disagree to strongly agree, and strongly dissatisfied and strongly dissatisfied (questions 23, 24, 25, 27, 29-32). In some cases, a rating scale is used to identify *waqf* managers' preferences and objectives of *waqf* by ranking with 1 as the first preference and 2 as the second and so on in the same sequence (question 28 & 33). Other questions used the yes, no, or no opinion scale questions 10-14, and in question 18 the choice scale is used. A nominal scale is used to represent the background of respondents like gender, marital status, occupation, religion and monthly income. A Ratio scale is probably the most suitable scale to measure age, monthly income, and number of children.

Table 5.3: Type of Scale measurement used in the Questionnaire

Measurement	Scale	Questions Number
Nominal		1, 3, 4, 7, 8 & 9
Ordinal	Likert	23,24,25,27,29-32
	Rating	28 & 33
Ratio		2, 5, 6
Interval	-	-

Survey Research Method

According to Collis and Hussey (2003), questionnaires are widely used by researchers to collect data. In this research the structured questionnaire is used to learn the opinions of people and the factors influencing their behaviours towards *waqf*. Hall and Hall (2004) state that if a sample is taken from a large population then a structured questionnaire is the most appropriate method to collect data from respondents.

Collis and Hussey (2003) defined the questionnaire as a list of questions that are structured carefully, each included after consideration so that it can gain valuable information from the sample. The purpose of the designing questionnaire is to know how a selected group of respondents feels, thinks, and acts. A questionnaire is a good way to find out how widespread something is.

There are advantages and disadvantages to using this method, but still the advantages outweigh the disadvantages as mentioned below.

Advantages of questionnaires:

- The most visible advantage of the survey method in data collection is that by using a survey information can be collected from a large number of people with ease and with less cost and effort (Marczyk *et al.,* 2005; Flick, 2011).

- According to Collis and Hussey (2003), errors in recording the responses of participants are likely to be minimal

- The respondents are free to respond at their convenience and in their own time. Bryman and Bell (2003) said that self-completion questionnaires are more comfortable for the participants, as they can fill them in of their own will when they feel free and in their own time.

- Questionnaires are more reliable, as they provide the privacy and confidentiality to the respondents and can elicit information that is not possible to gain in the case of an interview due to confidentiality issues (Collis and Hussey, 2003,; Burn, 2000).

- Another positive point of the survey method is that it provides the researcher with the opportunity to gather information that cannot be achieved through just observing the 'attitudes' of people. A survey is a method by which a researcher can get to know the attitudes of people in regards to different issues (Collis and Hussey, 2003).

Disadvantages of questionnaires include the following:
- It is asserted by Collis and Hussey (2003) that the survey can get to know people's attitude, but a weak point of survey is that it is unable to measure the actual behaviour of people and can provide misleading information.
- Sampling problem: Another problem is related to samples, such as the questionnaires given to people not being returned.
- In a survey it is hard to get sufficient responses from the population. The intensity of response in a survey is less than in an interview. But by using certain strategies the response rate can be increased to 90-100 percent by designing the questionnaire with care and sending out follow-up mailings.
- There is a possibility of the respondents misunderstanding the questions. It is really difficult to design a questionnaire in which questions are clear in meaning to every respondent (Burns, 2000).

To fulfil the aim of this study, the researcher used survey methods using drop and pick questionnaires and also a web-based survey. The drop and collect survey is a self-administrated method where the trained field assistant approaches respondents and explains the objective of the survey, delivers the questionnaire and collects the completed questionnaires either on the spot or at a later date. This is an effective method to get high responses among respondents, compared to other methods as Ibeh *et al.(*2004) emphasised this method plays a huge role in obtaining very high response rates. Web-based

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or online surveys are other methods that can help researchers in gaining access to respondents. This is often used for very hard to reach respondents especially those staying in a large geographic region (Van Selm and Jankowski, 2006).

Interview

Kumar (2011) defines an interview as the interaction between two or more persons and it can be direct or indirect by keeping in mind the very purpose of the interview. The important difference between the questionnaire and the interview is that in an interview the interviewer asks the questions and records himself, but in a questionnaire the respondents have to fill in the questionnaire themselves.

Apart of this survey is to find the challenges and restrictions in the way of managing *waqf* and in improvement of the *waqf* institution. In this regard an interview with managers of a*wqaf* is a good method for discovering the relevant information. Here the advantages of interviews will be:

- There is flexibility in interviewing, such as the questions being repeated and explained if they are not understood by the respondents. The interviewer has the luxury of being able to ask additional questions in case the information provided is incomplete or not related to the matter. In an interview, questions can be explained to the participants and in-depth information is collected (Kumar, 1999).

- Response rate is high, as people are more willing to speak than to write responses to questions.

- It is more feasible when a lot of data is needed on a complicated topic.

- Burgess (1983) and (Scott, 1997) emphasised the benefit of the interview method by saying that it can allow the researcher to learn about past events better than questionnaires.

- In an interview the interviewer can ask more complicated questions and also follow up. An interview provides more confidence to the interviewee so it builds up confidence in them which result in more detailed responses (Collis and Hussey, 2003).

Like questionnaire methods, interviews also have strengths and weaknesses but still the strengths are greater. There are several problems associated with conducting interviews such as:

- Interviews require more time and money than questionnaires (Burn, 2000; Kumar,1999).
- Fewer respondents are interviewed due to time and money issues. Scheduling can also lead to problems (Burns, 2000).

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Each method has its strengths and shortcomings and the method selected will be based on the type of information needed (Bell, 2005).

In some cases of the interviews conducted for this research, the interviewees preferred to discuss the issue with their colleagues before answering a question, for example about the latest regulation or hukm in Islam. In addition, they were not allowed by their respective department to reply to some questions. Although, the explanation was given, they still refused to give feedback. In other situations it took the interviewees a long time before agreeing to give an interview as they had to go through a rigorous procedure in order to gain approval to be interviewed. From the information given, the interviewees had experience that many researchers have investigated similar topics, for certain purposes such as to identify management weakness in order to place blame on them instead of proposing new ideas for *waqf* development. According to Collis and Hussey (2003) understanding that 'the interview may also affect the interviewee's responses because of some reason and determining which 'hat' the interviewees are wearing and whether they are giving their own opinion or making a policy statement are very important'.

5.6.1.3. Survey and Interview Format

Question formats consist of open-ended and close-ended. In open-ended questions the respondents have the opportunity to reply in their own words and share their viewpoints. There are also closed questions, in which the respondents have to reply from the given choices. In a survey where questionnaires are used, respondents are unwilling to reply to open-ended questions. But closed questions are replied to easily in less time and are easy to analyse (Collis and Hussey, 2003). Bryman and Bell (2003) stated that closed questions can be easily coded, are simple to process for computer analysis and are easy for respondents to answer. Another approach used in this survey is ranking a list of items. However, this type of question was always left out or entered incorrectly and not according to ranking. According to Collis and Hussey (2003), such questions yield disappointing responses, respondents are not used to filling such questions, therefore they leave them blank. In this research, closed questions are selected for surveys. In addition, for this research multiple-choice and rating scale formats such as the Likert scale were utilised.

For interviews in this study, a semi-structured format is used. Rugg and Petre (2007) described semi-structured interviews as having some predetermined questions and also room for follow-ups to topics that arise. May (2001) explained the semi-structured interview as having questions that are specific, but the researcher can ask other questions related to the discussion and with the aim of standardisation.

A semi-structured interview allows the respondents to answer as they like, as opposed to a structured one, but the semi-structured interview still has a structure to focus on.

Survey administration

Hall and Hall (2004) described five different kinds of methods for administering questionnaires. These methods are postal, personal interview, telephone interview, email or internet survey, and third-party administration. Almost every method has weakness and advantages. The example of an internet survey can be used, which is beneficial, as its cost is low and it can produce a faster response, but it can also give rise to low response rate. This research adopted survey administrations in order to gain more response in a limited time. Religious schools, colleges, universities, Islamic offices and departments and mosques are targeted for this purpose.

The largest problem linked with questionnaires is, especially those distributed by post, is the problem of non-response. There are two main types of non-responses to questionnaires: all questionnaires are not returned, or all questions have not been answered. Non-response can create difficulty in a questionnaire survey because research design is based on the reality that the research result has to be derived from the data collected from a sample of the population (Collis and Hussey, 2003).

In this research, to avoid any such problems, both types of methods are used: mailed and collective administration as mentioned earlier. The places where these questionnaires were distributed were religious schools, university, mosques, religious offices, and offices that are involved with management of *waqf,* like Jcop. At the early stage of this process, low responses were received and this is usually happened as the respondents did not get any rewards for the feedback. Therefore the researchers had to change the strategy to get a higher response rate by providing incentives to the respondents to encourage participation in the study. Rugg and Peter (2007) stated that very good responses are likely when incentives are offered, but there is a probability of dishonest replies as well. This fact is supported by Wilson (2004) and Kent (1999) who claim that providing incentives to the respondents can boost the response rate and motivate and attract people to participate in the process. It is also seen that various kinds of incentives are used, like payment, entering names of respondents into a prize draw or small prize offers that are commonly used in commercial surveys and by voluntary and community organisations (Hall and Hall, 1999).

With respect to the mailed questionnaires there are different technologies used today for electronic surveys, but the most commonly used types are email surveys and web-based surveys. Both of these

use the same technology, but in an email survey you directly send the questionnaire to the respondent, whereas in a web-based survey you have to direct the respondents to the website. This difference in both types has an important effect on how the respondents react to the survey and the level of responses (Donnelly and Trochim, 2007). The most important advantage of online surveys is the feasibility of their use. According to Flick (2011), online questionnaires are easy to construct and deliver and also easy to handle by the respondents, but the main problem is that it is not easy to get feedback and response from them.

Interview design

The first step in conducting the interviews was for the researcher to identify the potential respondents who were involved in the *waqf* institution, either directly or indirectly. After identification, they were approached by letter and email and asked for their cooperation to be interviewed. As Ackyord and Hughes (1981) emphasise it is not always easy to get the consent of the respondents to conduct an interview. Appointments taken over the phone are easy to refuse or break and this causes problems as the main objective of the interview is to get relevant responses from the respondents. Further appointments were made once they were willing to give the information required.

Conducting an interview is not as easy as completing a questionnaire, as it has to follow a lengthy process. An organiser needs to make appointments with the respondents, and then the interviewer has to meet them at a specified time and location and interact with them whether face to face, or by sending the questions through the mail. In the past, interviews, surveys, and observation were done on location. But this research has its limitations and also there are some practical problems, like respondents not being easy to access if they live far away. Today the most widely used method by researchers is online through emails (Flick, 2011). In this research the researcher lives in another country, so it would take at least three hours to reach either country by plane.

For the purpose of this study, an open-ended semi-structured format is utilised in the interview survey. Not every question was asked to all interviewees. Only certain questions were asked based on their involvement or expertise, for example questions on legal matters were addressed only to lawyers or policy makers. This is to make sure that the appropriate questions were answered by the right people.

The researcher decided to target a minimum of twenty five prospective interviewees including academics, lawyers, policy makers, administrators and trustees of *awqaf*. However, only fifteen of them were willing to be interviewed, as some of them gave an excuse that they had to discuss their

opinion with their colleagues before giving an answer. Some of the interviewees cancelled appointments at the last minute even after several attempts were made to confirm the appointment. Of the fifteen interviewees only two agreed to be interviewed face-to-face while the remaining ones were willing to respond by email.

In the interviewing process the most crucial thing is to make the appointment. The researcher has to seek approval from the institution which the interviewee represents and this usually takes a long time. In other circumstances, negative responses were received, especially when dealing with private trustees. As there is the issue of time and money involved in the research, most of the interviews were conducted through emails or written interviews. It was, however, possible to conduct face-to-face interviews with the directors of MUIS and MAIJ. As mentioned earlier a weakness of mailed interviews is a low rate of response, and this also happened in this survey. In some cases the researcher had to follow up more than three times to get feedback from the respondents.

As indicated, the researcher only got the chance to directly interview two people, who were the *waqf* directors in both states. Two interviews were conducted with durations of 50 to 90 minutes. Both interviews were conducted separately and in the office of the interviewee, and it was decided to follow up through email. In face-to-face interviewing the researcher recorded the conversation on a tape recorder and digital audio device and also took notes. The information and data obtained was transcribed manually to identify the themes among the interviewees. In order to ensure the quality of analysing the data, important steps were taken including transcribing, editing and interpretation. In the transcribing process, tape-recorded interviews were useful to collect all the information. As it is impossible to write down all of the conversation, using a tape recorder makes it easier to record the information accurately by listening to the conversation several times.

After transcribing the information, the data was edited. Since most of the interviewees answered in the Malay language in the conversation the transcriptions had to be translated.

There is computer software available for analysis of qualitative data. Initially, the researcher plan to adopt Nvivo software, however the software was not compatible with another computer programme. Thus, the analysis of the information collected from the interview survey was conducted manually.

To interpret the data, thematic coding analysis was utilized which consists of data coding, categorising and theme identification (Dencombe, 2003). The first step is 'breaking the data down into units/codes for analysis' (Dencombe, 2003, p.272) or systematically labelling text with specific words. Through

this process, particular ideas from the data that are related to the analysis are revealed. Once that is completed it is easy to place the coded data into categories. The relationship between the codes and categories is really important in order to identify the themes, which is the last task of this qualitative analysis. The findings from the interview analysis are presented in Chapter 8.

5.7 Sampling

A sample is defined by Oliver (2004; Collis and Hussey, 2003,Vogt, 1993, Blumberg *et al*., 2005), as part of a subject derived from a large group, expecting that researching this small portion will provide the information that will represent the larger group. Yates (2004) and Chisnall (1992) state that sampling is the means by which researchers try to control the different factors influencing the research and its objectives. Therefore sampling is the way to make research feasible, affordable, and when done with care, also credible.

As Punch maintains (1999) sampling is involved in all research, even in qualitative research. The reason is that no research, whether qualitative or quantitative, can include everything. In quantitative research, sampling means the sampling of people. The objective behind sampling in quantitative research is for the researcher to study the characteristics of the sample and the end result is then drawn and a statement is made of the population on the basis of the sample selected.

In sampling, the main objective is to choose a sample from a population by using a suitable technique to represent the population, and also to not be biased in anyway. It is observed that the smaller the sample, the less accurate the results. But it is also true that representativeness is more important than sample size. Generally it is believed that the greater the size of the sample, the more accurate will be the results due to fewer errors, but it does not mean that a large sample cannot lead to inaccurate results or completely eliminate the chances of bias in the method of selection according to Burns (2000; Chisnall,1992). Roscoe (1975 cited in Sekaran and Bougie, 2010;Sekaran, 2000) suggested that a sample size greater than 30 and less than 500 is most suitable for research. But according to Kent (1999) a sample size of at least 100 is needed for the calculation of simple percentages for each variable.

It seems to be impossible to collect data from the entire population, even when the population is very small. That is the reason that in large populations the researcher selects a sample or a section from the population. The reason behind this is that the sample is representative of the entire population, and the data collected from sample reflects the population (Oliver, 2004). In this study the target population is

all the potential *waqf* creators in both states. The researcher has to narrow down the target to Johor Bahru, which is the capital city of Johor, as it is almost impossible to attain data from the entire state of Johor, which has the second highest population in Malaysia.

Sekaran and Roger (2010) asserted that in research design, sample design and sample size are two of the main elements, as they define the reason of why a particular method of sampling is used by the researchers. Two kinds of sampling technique can be used, which are probability sampling and non-probability sampling. Probability sampling is the representative or cross section of people or events of the entire population under study. Non-probability sampling is done without this concern of whether a sample is representative of the whole population. There are many kinds of probability sampling, like random sampling, systematic sampling, stratified sampling, quota sampling, cluster sampling, and multi-stage sampling. On the other hand non-probability sampling includes purposive sampling, snowball sampling, theoretical sampling, and convenience sampling (Denscombe, 2003; Bryman and Bell, 2003).

It is very important to select the most relevant and suitable sampling technique, as Zikmund (2003) pointed out, different factors must be analysed so that sampling will be realistic and manageable. The mostly common factors in this regard are cost, time, availability of resources, and cooperation and due attention must be given to them. Collis and Hussey (2003) and Proctor (2005) supported this point of view that cost is one of the most important factors when deciding on the method of distributing questionnaires; the size and location of sample are also important.

In the beginning of the study the design of this research focused on probability sampling so that biases can be avoided. Due to time and cost in the process to get a list or sampling, the strategy had to be changed. Zikmund (2003) said that lack of a suitable list of a population may reject systematic sampling. In addition, it is also mentioned in chapter 4 that all *waqf* should be registered with the religious council, though this is only for large assets like land and building. Small items are not eligible for registration and it is almost impossible to identify a particular person in a large population. On this basis non-probability sampling is the most suitable method to use in this study. Burns and Bush (2003,p. 392) argued that when non-probability sampling is used then sample size has nothing to do with accuracy, so a cost-benefit analysis must be done. In spite of all this, an adequate sample size is needed so that the researcher can gain a better understanding of the results of the research.

Kumar (2011) states that a non-probability sampling design will be used in such cases when the number of elements in a population is not known or is difficult to identify. In this research the

researcher selected the method of convenience sampling, which is most suitable for this study. Convenience sampling is a sampling technique that will obtain respondents easily. Researchers use convenience sampling so that they can get a large number of questionnaires to be filled completely and economically. According to Zikmund (2003), convenience sampling is best for exploratory research where additional research is needed with probability sample. But there are still many ways to cause bias in the selection, like respondent self-selection (Malhotra and Birks, 2007).

Sekaran and Roger (2010) argued that sampling is important not only in quantitative research but also in qualitative research. The sampling in qualitative research is started by describing the target population. Qualitative research uses non-probability sampling as a sampling technique because there is no need for statistical inference. The purposive sampling method is mostly used in qualitative research because in purposive sampling the subjects are selected on the foundation of expertise in the subject that is under investigation. It is also argued that the subjects should represent the diversity of the population must be chosen.

In quantitative research the main task is to discover the diversity of the population; sample size, and sampling strategy do play an important role in the selection of a sample. Diversity can be explored on the basis of information achieved from a single individual (Kumar, 1999). However, this statement contradicts O'Leary (2010) who argued that in quantitative data analysis the strategies do not depend on large numbers. Statistical analysis requires at least 30 respondents. Although large samples are likely produce fewer errors, but this is associated with more money and more time.

The target population for this research was in Johor state and Singapore. Because of the low budget and short timeframe the focus of the sampling is in the Johor Bahru area as a capital city of Johor. This is because it seems quite difficult to achieve a sample from all the districts in Johor in a restricted time when compared with, Singapore which is a small state.

The objective of a descriptive survey is to make a guess about the nature of already-existing conditions and characteristics of a population. In descriptive surveys the sample must be representative of the population because if not, then there is a chance of inaccuracy in the statistics (Burn, 2000).

Figure 5.1: The process of research
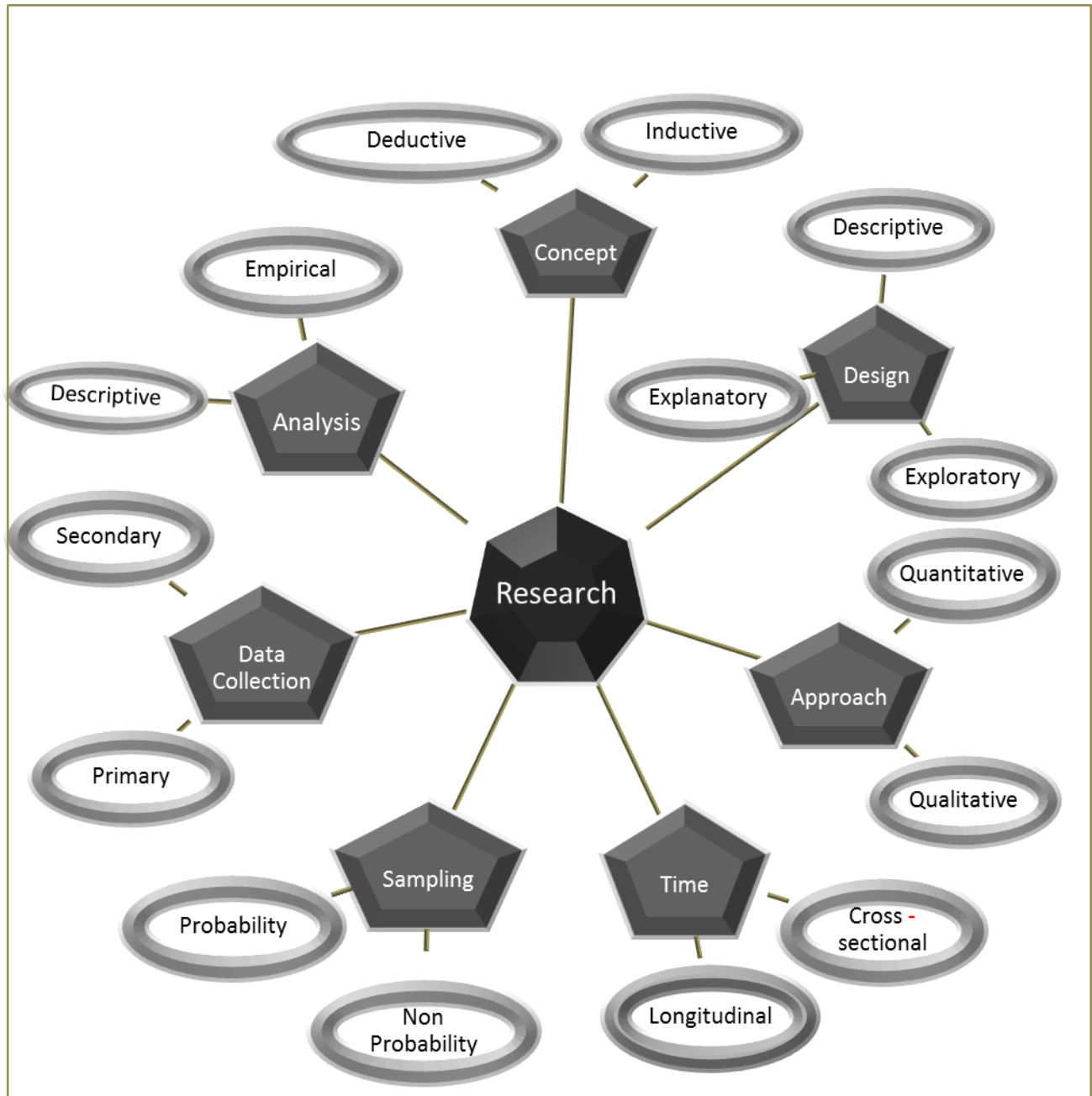
Source: Author's own

5.8 The Process of Collecting Data

After being approved by the department for two months to carry out the fieldworks, the data collection started in late August 2012. Technical problems in the process of this study caused delays in research and affected the progress of the study. The fieldwork was completed in almost five months. In the beginning the responses were not smooth, as the feedback was not encouraging. Therefore the researcher tried to find other alternatives to motivate respondents to participate. As the budget was limited, small incentives were used to solve this problem. This increased the response rate.

Limitations with regard to cost and time compelled the researcher to spend only two weeks in both states, during which time face-to-face interview were conducted and data were gathered in the form of completed questionnaires. Before arrival, the researcher made appointments with the persons to be interviewed. There were cancellations from many people due to health reasons or busy schedules, so the interviewer only got the chance to interview the directors from MAIJ and MUIS. Most people agreed to be interviewed through mail or email.

In this study the researcher needed to translate the questionnaire into Malay because not all respondents were familiar with English. The researcher made changes to the ranking question part in Malay during the process of data collection. The reason for this was that almost all participants gave wrong answers to the questions, such as putting 1, 2, or 2 instead of 1, 2, or 3, or putting 1 for all. However, the same situation still occurred after making changes, even though nothing happened like this in the English questionnaires. It demonstrated that either the participants were not familiar with the term of 'ranking' or preferred not to put the selection in order. To put something in the last place could become a bit of a concern especially when it comes to religious issues.

Response Rate

In the selection process for the method of data collection the traits and characteristics of the population play an important role. Every population may vary in its characteristics so the data collection method depends on it; people in a particular population might be not comfortable to express their opinions in one questionnaire type, so variations can be made accordingly. In addition, education is also an important element in this regard, as less-educated people may respond differently than more educated people (Kumar, 2011).

Generally, the response could be considered as not very encouraging. A total of 994 questionnaires were distributed manually and through online surveys, and only 384 were received, of which 39 were

incomplete. After screening, it was found that only 336 questionnaires were valid, of which 162 respondents were from Johor and 174 from Singapore. The rate of response was 14.7% from online respondents who completed the survey, 285 questionnaires were distributed by means of online survey and only 65 were received, of which 23 were non-responses. The researcher used the online survey monkey program to achieve more responses from both states. The link for the website provided to the respondents in Johor is https://www.surveymonkey.com/595GFWH and in Singapore the respondents could fill out the questionnaire on the website: https://www.surveymonkey.com/s/FWJDMQN. Using this technique is feasible in terms of time and money, but the results can be unsatisfactory in the face of low responses, as has already been mentioned by Wilson (2006). This study also proves that distributing questionnaires manually yields more responses than online surveys.

Reliability & Validity:

Validity and reliability are essential, as using a suitable design of data collection allows the researcher to select a sample that reflects the entire population (Creswell, 1994). According to Collis and Hussey(2003; Gaur and Gaur, 2006), reliability is one of the most important elements to the credibility of findings. If research findings can be repeated, then it proves their reliability, meaning the result must be the same if the same research is performed again (Vogt, 1993).

The best way to measure reliability is through the test–retest method. This is done by measuring twice, if the measurement yields the same result again then it means it is reliable. Cohen's Kappa coefficient for categorical data and Cronbach's alpha for internal reliability of a set of questions (scales) are the two of the most widely used techniques for measuring reliability (Gaur and Gaur, 2006; Pallant, 2010).

Validity can be described as the accuracy and reliability of the methods used in the process of research (Kumar, 2011). 'It is a term to describe a measurement instrument or test that measures what it is supposed to measure' (Vogt, 1993:241). The purpose of judging validity is to find the accuracy in the relationship between what is measured and the trait that is measured (Gaur and Gaur, 2006).

Table 5.4: Reliability Statistics (Cronbach's Alpha Coefficient)

Cronbach's Alpha	N of items[59]
0.963	59

According to De Vellis (2003 cited in Pallant, 2010), the satisfaction with Life Scale has good internal consistency, with a Cronbach alpha coefficient reported above 0.7. In the current study, the Cronbach alpha coefficient was 0.963. Thus, the scale adopted in this research sample considers a result as reliable if it shows higher values which indicates greater reliability according to Pallant (2010).

5.9 Techniques of Data Analysis

According to Marczyk *et al.* (2005), in any research that uses data collection methods, logging the information received so that it can be analysed is required. According to him there are three ways to analyse the data:

1) Prepare the data to analyse: The data received from surveys are in raw form, so the data must be prepared before analysis by using statistical methods (Kumar *et al.*, 2002). The first step in this process is to check the acceptable questionnaire. After that, the questionnaires are edited to increase accuracy and precision. Missing values were also classified as unsatisfactory responses. This is based on consideration that the sample size was sufficiently large and the proportion of unsatisfactory respondents was small (Malhotra and Birks, 2007).

2) Data Analysis: In the process of data analysis there are three steps: coding, data entry and tabulation, and statistical analysis. Denscombe (2003) defined coding as the process of transformation of raw data to an easily analysed form in quantitative research. Coding is the process in which the data is coded into a form so that it can be analysed. Code is defined by Malhotra and Birks (2007) and Wilson (2006) as numerical data in a field that represents the answers of respondents to a question. The data is generated through online surveys and interviews, it is analysed through the computer, where the data is already saved. When the data is saved in the computer it is analysed for any inconsistencies in the data or any responses that are unexplained. This process is called data cleaning (Kumar *et al.*, 2002; Wilson, 2006). Once the data is stored and is found to be without error, then the researcher selects the most suitable

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[59] Number of variables (ranked) scales.

approach, which is tabulation and statistical analysis, once the data is stored in the computer and is free of errors.

3) Tabulation is the next step in this process, in which the data is laid out in summary tables; statistical analysis is then performed to analyse the data, and later patterns are identified for interpretation (Wilson, 2006). According to Kumar *et al.* (2002), the main use of tabulation is to determine the empirical distribution or frequency distribution of the variables in question and to calculate the descriptive statistics and means or percentages. In this research SPSS statistical software is used for data analysis (Pallant, 2010).

4) Interpreting the data; in the fourth step data is interpreted, the research hypothesis is tested, and valid inferences are drawn.

Data analysis and the interpretation are linked with each other and depend on the aims of the survey conducted. Data analysis is the organisation of data so that it is clear and understandable. Data analysis may also include statistical findings like averages, percentages, distribution, and measures of dispersion, which are found in the survey. Data is examined to see the relationships between variables and interpretation (Chisnall, 1992).

5.10 Statistical Methods

In this research the statistical methods used to explore the differences and the relationships are:

a) Descriptive analysis consists of converting the data into a form that is understandable and easy to interpret, arrange, order, and manage so that it can be generated descriptively. Statistical measures like mean, mode, standard deviation, and range are examples of descriptive analyses used to define variables in a data matrix (Burns and Bush, 2010)

b) Cross-tabulation is the process of managing data into groups, categories, or sections so that two sets of variables can be compared and used for observation (Zikmund, 2003).

c) 'Logistic regression allows you to test models to predict categorical outcomes with two or more categories' (Pallant, 2007: 168). Regression analysis is about predicting the future based on the data collected from the past. A regression analysis determines the mathematical equation to be used to figure out what will happen, within a certain range of probabilities. It analyses one variable, the dependent variable, taking into consideration the effect on it by one

or more factors, the independent variables. The analysis determines that some independent variables have more effect than others, so their weights must be taken into account when they are the basis of prediction. Regression analysis therefore is the process of looking for predictors and determining how well they predict (Griffith, 2007).

d) Mann-Whitney test is a nonparametric method which is commonly used (Norusis, 1994). It is 'converts the scores on the continuous variable to ranks, across the two groups' (Pallant, 2007:220).

e) Kruskal Wallis test is a 'nonparametric alternative to one-way analysis of variance' (Norusis, 1994:349; Pallant, 2007:226). It similar to the Mann-Whitney test, but it can compare more than two groups. It converts the scores into ranks between more groups, then a comparison be made by looking at the mean rank for each group (Pallant, 2007).

5.11 Limitations & Difficulties

Like other researchers, encountering problems is a normal issue during the process of collecting data. In this study, the researcher had to face such difficulties which were a big challenge in order to gain the required information and data.

1) Data Collection Process: The researcher faced three problems: cost, time, and cooperation. The researcher is not local person to the places being researched, thus quite a high budget was required and this was self-funded. Since the budget is limited, the researcher has to limit the scope of the sample to the Johor Bahru area rather than the entire state of Johor. Getting approval from the relevant authorities taking a long time was the second difficulty that researcher had to face, especially from a large organisations. In fact, the researcher tried many ways in order to get their feedback such as email and personal contact. There were many issues, such as lack of cooperation in research, and this happened in interviews with private trustees. They agreed to give an interview, but after several cancelations they ultimately declined to participate in the interview

2) Sample Design: Probability sampling was initially used in this research in order to avoid any bias and inaccuracies in the research that could influence the results. But as there was a lack of resources, non-probability sampling was selected. To gain the list of *waqf* creators from the authorities proved to be very difficult, as a complex and long procedure had to be completed.

In addition, the existing list was available only for big assets like land and buildings, *waqf* creators for small items, however, were not registered. It was not possible to get the list of all the *waqf* creators without references. Due to these reasons, convenience sampling was an appropriate sampling method and therefore adopted by this study. Although convenience sampling is not a good sampling method to represent a population, in exploratory research it can be used to generate ideas and hypotheses as mentioned by Malhotra and Birks (2007).

3) Hiring of research assistants: To accomplish the research in the time allowed, the researcher hired the assistance from students as a part-time assistant researchers. These students were well aware of the environment and circumstances of the area of research. The students were provided with a short explanation of the issue and the research so that they could get a general idea of the research being performed. But due to their studies, family matters, and other problems, they were unable to collect data in a timely manner. The response rate was low, so the researcher changed the strategy and provided some incentives to increase the response rate. Bryman and Bell (2003) also support this idea of provision of incentives as a means to increase the response rate. This has been proven and experienced by many researchers; the situation before incentives and after incentives is quite different. Incentives like small gifts can motivate people to fill in the form.

5.12 Conclusion

This chapter sets out the methodology and methods utilised in order to answer the research questions. Choosing an appropriate instrument for each research method contributes to enhance the credibility and quality of research. Since part of the objectives of this research is to investigate the public perceptions towards *waqf* development combined methods have been utilised as both approaches are appropriate for this study. The target population target is in Johor and Singapore. However, due to budget and limited time the sampling focuses on Johor Bahru area, since Johor is the second largest state in Malaysia after Kuala Lumpur. It is therefore, impossible to get sampling from all districts in Johor state in a limited time, in comparison Singapore is only a small state. Non-probability sampling has been adopted in order to gain the data required as it is not easy to use probability sampling due to the circumstances discussed above. Although the data will not be representative of any definable population they can be used in exploratory research for generating ideas, insights and hypotheses (Malhotra and Birks, 2007).

Due to some difficulties when conducting this research; such methods had to change from the original plan. Initially, responses were not very encouraging, so other alternatives were adopted in order to obtain more respondents by providing small incentives. Unsurprisingly, the rate of response increased steadily. The main challenge in conducting this research was to set up interviews with the particular authorities as this process went through long procedures and took a long time. Before statistical methods were employed, the data went through the process of analysis for the purpose of organising and clarifying them so that they became more comprehensible. Limitations and difficulties are mentioned in the last part of this chapter to provide a clearer picture of why obtaining data for purposes of this research was not an easy task.

Chapter 6

Analysis of Perceptions on *Waqf* Knowledge and Distribution

6.1 Introduction

The main purpose of using data display techniques is to make the findings easy and clear to understand, and to provide extensive and comprehensive information in a sufficient and effective way (Kumar, 2011). This chapter presents the information of respondents collected in the field survey. The questionnaire consists of 33 major questions which are divided into 5 sections. Beginning with the demographic section which includes 9 questions, it is followed by the knowledge section that consists of 4 questions. The establishment section comes afterwards with 9 questions. The same numbers of questions are also present in the management section. The last section is about the beneficiaries or outcomes and includes 2 questions. The questionnaire has an open question at the end in order to put any comments or suggestions concerning *waqf*.

6.2 Respondents' Background (Demographic)

In this section, data on the background of the respondents in the sample are described. The variables include gender, age, marital status, religion, education level, monthly income, number of children, sector of employment and occupation.

As Table 6.1 shows, out of 336 respondents that completed the questionnaires, 64.3% were female and 35.7 % were male. Of the Singaporeans 63.2% were female and 36.8% were male. While Johor also had a similar percentage of 65.4% who were female and 34.6% who were male. The proportion of females is on the higher side, the figure reflects to some extent the population of Singapore where females outnumber males according to the Singapore Department of Statistics in 2012 (2013). Contrary to this, Johor Bahru, has more male than female citizens, according to the Malaysian Department of Statistics in 2010 (2011). However, according to Audience Dialogue (2006), in practice, most surveys end up with more representation from females. This is maybe because females are more sensitive to this situation and may prefer to cooperate compared to their counterparts.

Table 6.1: Respondent's Gender

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Gender						
Valid	Female	216	64.3	64.3		
	Male	120	35.7	35.7	1.36	0.480
	Total	336	100.0	100.0		
Gender (Johor)						
Valid	Female	106	65.4	65.4		
	Male	56	34.6	4.6	1.35	0.477
	Total	162	100.0	100.0		
Gender (Singapore)						
Valid	Female	110	63.2	63.2		
	Male	64	36.8	36.8	1.37	0.484
	Total	174	100.0	100.0		

Table 6.2 shows that the largest percentage of the respondents came from the sample aged between 18 and 30 years old with 44%, followed by the group of 17 years old or below (23.8%).While the group aged in between 31 and 45 came in the third place with 21.4%, the two remaining groups were relatively small constituting only 9.2% for the age group 46-59 and 1.2% for 60-80 years old. The figures indicate that the majority of people in the sample were in the young persons' category which may be explained by the fact that the largest population by age in Johor is between 20-30 years old, according to the Malaysian Department of Statistics in 2010. In contrast with Singapore, the largest percentage (40.2%) of respondents were obtained from group age 17 and below, this is the second largest population by age according to Singapore Department of Statistics in 2012 (2013).

Table 6.2: Respondents by Age Group

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Age						
Valid	0-17	80	23.8	23.8		
	18-30	148	44.0	44.0		
	31-45	72	21.4	21.4	5.16	54.388
	46-59	31	9.2	9.2		
	60-80	4	1.2	1.2		

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
	Total	335				
Missing	No Response	1				
Total		336				
Age (Johor)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	0-17	10	6.2	6.2		
	18-30	95	58.6	58.6		
	31-45	37	22.8	22.8	2.43	0.818
	46-59	18	11.1	11.1		
	60-80	2	1.2	1.2		
	Total	162	100.0	100.0		
Age (Singapore)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	0-17	70	40.2	40.2		
	18-30	53	30.5	30.5		
	31-45	35	20.1	20.1	7.71	75.590
	46-59	13	7.5	7.5		
	60-80	2	1.1	1.1		
	Total	173	99.4	99.4		
Missing	No Response	1	0.6	0.6		
Total		174	100.0	100.0		

Table 6.3 shows that all respondents provided an answer for the marital status category. The largest percentage declared they were single at 60.4%, followed by married with 37.8%. While 0.6% revealed their status as divorced and 1.2% were widowed. It is worth noting here that mostly the process of data collection was conducted in particular places such as universities, colleges or religious secondary schools, so it is not surprising to find that the single category dominates over the other statuses. A total of 65.5% of the Singaporean respondents were single, while 33.3% were married and sharing the same percentage of 0.6% were divorced and widow. In Johor 54.9% of respondents were single, while 42.6% declared they were married. A total of 0.6% and 1.9% respectively, admitted that they were divorced or widowed.

Table 6.3: Respondents Marital Status

Marital Status						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Single	203	60.4	60.4		
	Married	127	37.8	37.8		
	Divorced	2	0.6	0.6	1.43	0.573
	Widow	4	1.2	1.2		
	Total	336	100.0	100.0		
Marital Status (Johor)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Single	89	54.9	54.9		
	Married	69	42.6	42.6		
	Divorced	1	0.6	0.6	1.49	0.613
	Widow	3	1.9	1.9		
	Total	162	100.0	100.0		
Marital Status (Singapore)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Single	114	65.5	65.5		
	Married	58	33.3	33.3		
	Divorced	1	0.6	0.6	1.36	0.528
	Widow	1	0.6	0.6		
	Total	174	100.0	100.0		

Out of the total 336 respondents, 99.1% were willing to expose their educational background, as indicated in Table 6.4. The highest percentage for the level of qualification was a college diploma or in pre-university education with 40.2%, this was followed by 30.4% of respondents who had a bachelor's degree. While 7.7% had a master's degree and 1.8% had a PhD degree. Only 1.2 % had a professional qualification. Significantly, 23% of respondents had primary or secondary level education, which may be considered as a high percentage. Both states have the highest percentage for diploma qualification while Singapore had a greater proportion respondent with primary or secondary school as their highest level of qualification.

Table 6.4: Respondents by Educational Level

Highest Education Level		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Primary	2	0.6	0.6		
	Secondary	57	17	17.1		
	Diploma	135	40.2	40.5		
	Under Graduate	102	30.4	30.6		
	Master	26	7.7	7.8		
	Doctor	6	1.8	1.8	3.40	1.044
	Professional	4	1.2	1.2		
	Others	1	0.3	0.3		
	Total	333	99.1	100.0		
Missing	No Response	3	0.9			
Total		336	100.0	32		

Highest Education Level (Johor)		Frequency	Per cent	Valid Percent	Mean Value	Standard Deviation
Valid	Secondary	24	14.8	14.8		
	Diploma	63	38.9	38.9		
	Under Graduate	51	31.5	31.5		
	Master	16	9.9	9.9	3.52	1.059
	Doctor	6	3.7	3.7		
	Professional	2	1.2	1.2		
	Total	162	100.0	100.0		

Highest Education Level (Singapore)		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Primary	2	1.1	1.2		
	Secondary	33	19	19.3		
	Diploma	72	41.4	42.1		
	Under Graduate	51	29.3	29.8		
	Master	10	5.7	5.8	3.27	1.018
	Professional	2	1.1	1.2		
	Others	1	0.6	0.6		
	Total	171	98.3	100.0		
Missing	No Response	3	1.7			
Total		174	100.0			

Table 6.5 shows the income of the respondents. The average monthly income for Singapore is SGD $1,600 (USD 1,273.66) according to the Singapore Department of Statistics in 2012 (2013). While in Johor, the average income was around MYR 3,000 (USD 971.12) in 2007, according to the Malaysian

Department of Statistics 2010. Since the majority of respondents were students it was unsurprising that the highest percentage of Johorean respondents (67.3%) and of Singaporean respondents (73.8%) had no income. While 10.1% of Johorean respondents earned in a range between MYR 1,501-3,000 per month (USD 485.93-971.12) and the same percentage was recorded for Singapore residents with an income of SGD 3,001-5,000 (USD1, 389.82-5,367.52) per month.

Table 6.5: Respondents Monthly Income

Monthly Income (Malaysia Ringgit)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	No Income	226	67.3	67.3		
	Below 1,000	8	2.4	2.4		
	1,001 - 1,500	16	4.8	4.8		
	1,501 - 3,000	34	10.1	10.1		
	3,000 - 5,000	27	8	8	7.05	76.894
	5,001 - 10,000	18	5.4	5.4		
	10,001 - 20,000	5	1.5	1.5		
Missing	No Response	2	0.6	0.6		
Total		336	100.0	100.0		
Monthly Income (Singapore Dollar)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	No Income	248	73.8	73.8		
	Below 1,000	6	1.8	1.8		
	1,001 - 1,500	5	1.5	1.5		
	1,501 - 3,000	32	9.5	9.5		
	3,000 - 5,000	34	10.1	10.1	0.91	1.619
	5,001 - 10,000	9	2.7	2.7		
	10,001 - 20,000	2	0.6	0.6		
	Total	336	100.0	100.0		

For the number of children category, Table 6.6 reveals that 5.4% of respondents gave no response to this question. For those with children, having three children represented the largest proportion with 7.4% followed by two children at 6.5% and 5.1% for one child, there are similar percentages of 2.7 % and 1.8% for having 4 and 5 children. The maximum number of children is 10 with of 0.3% of respondents, while 0.6% had 6 children. However, 69.9% is the largest percentage and that is for respondents with no children. The majority of Johor respondents with children, 8.6% had two children

and a minority had 6 children with 1.2%. Meanwhile, the majority of Singaporeans with children, 10.3% had 3 children and 0.6% recorded the maximum of 10 children.

Table 6.6: Respondents' Children

No. of Children						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	No Child	235	69.9	74.1		
	1	17	5.1	5.4		
	2	22	6.5	6.9		
	3	25	7.4	7.9		
	4	9	2.7	2.8		
	5	6	1.8	1.9	0.71	1.421
	6	2	0.6	0.6		
	10	1	0.3	0.3		
	Total	317	94.3	100.0		
Missing	No Response	19	5.7			
Total		336	100.0			

No. of Children (Johor)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	No Child	106	65.4	72.6		
	1	9	5.6	6.2		
	2	14	8.6	9.6		
	3	7	4.3	4.8		
	4	4	2.5	2.7		
	5	4	2.5	2.7	0.73	1.407
	6	2	1.2	1.4		
	Total	146	90.1	100.0		
Missing	No Response	16	9.9			
Total		162	100.0	100.0		

No. of Children (Singapore)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	No Child	129	74.1	75.4		
	1	8	4.6	4.7		
	2	8	4.6	4.7		
	3	18	10.3	10.5		
	4	5	2.9	2.9		
	5	2	1.1	1.2	0.69	1.436
	10	1	0.6	0.6		
	Total	171	98.3	100.00		

Missing	No Response	3	1.7			
Total		174	100.0			

In terms of job sector, Table 6.7 shows that government and the private sector had very similar percentages with 26.2% for government and 27.7% for private employment. While unemployed is the highest percentage with 33.3% in this category. The self-employed sector had the smallest proportion of respondents with 3.6%. However, 8.9% out of respondents were unwilling to expose their job status. In Johor the highest percentage of respondents is government employee with 34.6%, while in Singapore 32.2% and 18.4% of respondents were employed in the private and government sectors, respectively.

Table 6.7: Respondents' Employment Sector

Employment Sector		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Government	88	26.2	28.9		
	Private	93	27.7	30.5		
	Self Employed	12	3.6	3.9		
	Unemployed	112	33.3	36.7	2.49	1.252
	Total	305	90.8	100.0		
Missing	No Response	31	9.2			
Total		336	100.0			
Employment Sector (Johor)		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Government	56	34.6	37.8		
	Private	37	22.8	25		
	Self Employed	6	3.7	4.1		
	Unemployed	49	30.2	33.1	2.32	1.284
	Total	148	91.4	100.0		
Missing	No Response	14	8.6			
Total		162	100.0	100.0		
Employment Sector (Singapore)		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Government	32	18.4	20.4		
	Private	56	32.2	35.7		
	Self Employed	6	3.4	3.8		
	Unemployed	63	36.2	40.1	2.64	1.204
	Total	157	90.2			

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Missing	No Response	17	9.8			
Total		174	100.0	100.0		

Table 6.8 reveals the religion of the respondents. The majority of the respondents are Muslim (96.4%) and Buddhism was representative of 1.2% of the sample. A small percentage (2.1%) of respondents were unwilling to declare their religion. According to the Malaysian Department of Statistics, in 2010 (2011), Islam was the most widely professed religion in Malaysia with a proportion of 61.3%. As a multi-racial nation, other religions in the country were Buddhism (19.8%), Christianity (9.2%) and Hinduism (6.3%). However, a different scenario can be seen in Singapore, where Muslims only consist of 14% of the total population (2013). The largest proportions of Muslims in Singapore are Malays, followed by Indians. Since *waqf* is mainly known among the Muslims community it is unsurprising that most of the respondents were Muslims.

Table 6.8: Respondents' Religion

Religion						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Muslim	324	96.4	98.8		
	Buddhist	4	1.2	1.2		
	Total	328	97.6	100.0	1.02	0.220
Missing	No Response	8	2.4			
Total		336	100.0			
Religion (Johor)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Muslim	153	94.4	98.1		
	Buddhist	3	1.9	1.9	1.04	0.276
	Total	156	96.3	100.0		
Missing	No Response	6	3.7			
Total		162	100.0			
Religion (Singapore)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Muslim	171	98.3	99.4		
	Buddhist	1	0.6	0.6		
	Total	172	98.9	100.0	1.01	0.152
Missing	No Response	2	2.1			
Total		174	100.0			

In the category of occupation, Table 6.9 show that the percentage of teachers or academics is similar to officers and employees in terms of the percentage of respondents involved in this research. The difference is only 0.3% between the total from both states with 16.1% who are teachers or academics and 15.8% who are officers or employees. The biggest group for this category is student (44.9%) and the smallest is retired (0.3%). 8.9% of the respondents were managers or executives, followed by professionals such as lawyers or medical doctors (4.8%), business (1.5%) and other job statuses such as clerk, assistant researcher, private tutor, technical and housewife (5.4%). The highest proportion of respondents in Johor (26.5%) were officers or employees while for Singapore 17.8% were teachers or academics.

Table 6.9: Respondents' Occupation

Occupation						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Manager / Executive	30	8.9	9.1		
	Business	5	1.5	1.5		
	Professional (Lawyer, Medical Doctor)	16	4.8	4.9		
	Teacher / Academician	54	16.1	16.5	5.41	2.035
	Officer / Employee	53	15.8	16.2		
	Retired	1	0.3	0.3		
	Student	151	44.9	446		
	Others	18	5.4	5.5		
	Total	318	97.6	100.0		
Missing	No Response	8	2.4			
Total		336	100.0			
Occupation (Johor)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Manager / Executive	19	11.7	12.3		
	Business	3	1.9	1.9		
	Professional (Lawyer, Medical Doctor)	8	4.9	5.2		
	Teacher / Academician	23	14.2	14.9		
	Officer / Employee	43	26.5	27.9	5.00	2.074
	Student	50	30.9	32.5		
	Others	8	4.9	5.2		
	Total	154	95.1	100.0		
Missing	No Response	8	4.9			
Total		162	100.0			
Occupation (Singapore)						
		Frequency	Per cent	Valid	Mean	Standard

				Per cent	Value	Deviation
Valid	Manager / Executive	11	6.3	6.3		
	Business	2	1.1	1.1		
	Professional (Lawyer, Medical Doctor)	8	4.6	4.6		
	Teacher / Academician	31	17.8	17.8		
	Officer / Employee	10	5.7	5.7	5.78	1.932
	Retired	1	0.6	0.6		
	Student	101	58	58		
	Others	10	5.7	5.7		
	Total	174	100.0	100.0		

From the information obtained, it can be concluded that the majority of respondents were female, aged between 18-30, single, students, an unemployed, Muslim, college or pre university as their highest level of education, and unsurprisingly the majority of them were earning no income.

6.3 Respondents Knowledge on *Waqf*

This section begins with the question on the familiarity of the differences between *waqf* and *sadaqah.* The results in Table 6.10 show that 87.2% of respondents confess there is a difference between the two terms, while 6.0% of them disagreed with the statement. However, 5.4% chose not to answer either yes, or no, and preferred to choose the 'no opinion' option instead. A total of 89.1% of Singaporean respondents knew there was a difference between both terms while 3.4% of respondents did not. 85.2% of Johorean respondents admitted that *waqf* and *sadaqah* are not the same, while 8.6% of them disagreed with that view. These results indicate that the majority of respondents were familiar with those terms, although some of them assumed that *waqf* and *sadaqah* were the same.

Table 6.10: Respondents knowledge on *Waqf*

Question 10: Is There a Difference between *Waqf* and *Sadaqah*?						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	293	87.2	88.5		
	No	20	6	6		
	No Opinion	18	5.4	5.4		
	Total	331	98.5	100.0	0.17	0.500
Missing	No Response	5	1.5			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	138	85.2	87.3		

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
	No	14	8.6	8.9	0.16	0.463
	No Opinion	6	3.7	3.8		
	Total	158	97.5	100.0		
Missing	No Response	4	2.5			
Total		162	100.0			
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	155	89.1	89.6	0.17	0.533
	No	6	3.4	3.5		
	No Opinion	12	6.9	6.9		
	Total	173	99.4	100.0		
Missing	No Response	1	0.6			
Total		174	100.0			

The next question is about temporary *waqf* as it is practised today. Based on the survey results (Table 6.11) the highest percentage of respondents would not allow for creating *waqf* for a limited time (62.8%). 18.2% of the total respondents would allow temporary *waqf* followed by 15.8% of respondents who had no opinion on this matter. This directly show that *waqf* is recognised as a permanent 'trademark' among the public, as the majority of traditional Islamic jurists defined *waqf* as being permanent and not for a limited time.

Table 6.11: Respondents Knowledge on Temporary *Waqf*

Question 11: Can *waqf* be Temporary?						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	61	18.2	18.8	0.98	0.593
	No	221	62.8	64.9		
	No Opinion	53	15.8	16.3		
	Total	325	96.7	100.0		
Missing	No Response	11	3.3			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	33	20.4	21.7	0.91	0.586
	No	99	61.1	65.1		
	No Opinion	20	12.3	13.2		
	Total	152	93.8	100.0		
Missing	No Response	10	6.2			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	28	16.1	16.2	1.03	0.595
	No	112	64.4	64.7		
	No Opinion	33	19	19.1		
	Total	173	99.4	100.0		
Missing	No Response	1	0.6			
Total		174	100.0			

Waqf can be created with several types of asset including land and buildings, cash, shares, services, small goods, and the latest is copyright. In order to determine respondents' knowledge on *waqf* assets, their answer to the relevant questions 12 (a) to (f) are presented in Table 6.12. In this study 94% of respondents knew that real estate is an acceptable form of *waqf* assets. For Johor 92% of respondents agreed that real estate can be used to make a *waqf* and it was 96.3% for Singapore. An insignificant percentage of 2.7% which is 3.4% from Singapore and 1.9% from Johor felt that land and buildings are not permitted to be *waqf* assets.

In terms of *waqf* made with cash, 55.4% of respondents (47.1% of Singapore and 64.2% of Johor) admitted that cash can be dedicated for the purpose of benefit. However, 31.3% of respondents disagreed with 35.6% from Singapore and 26.5% from Johor.

For question 12 (c), the results show that 47.9% of respondents declared that *waqf* can be created by shares. Singapore had 32.2% agree while Johor had approximately double the percentage of Singapore (64.8%). However, the majority of Singaporean respondents (45.4%) were not familiar with this kind of *waqf* when compared to Johor where only 21.6% denied that shares can be a *waqf* asset. In total, 33.9% of respondents thought that *waqf* can only be created in real property as discussed earlier in chapter three.

According to some jurists, *waqf* should only be property and service provision is not considered as part of real property. Therefore, only 24.7% of respondents allowed *waqf* as service provision. 35.8% of Johorean respondents and 14.4% from Singapore thought that services could be a *waqf* asset. Significantly, the majority of them (52.4%) refused this kind of *waqf*. The results support the negative perspective of *waqf* services as an asset, when the majority from Singapore and Johor refused to accept the statement with 59.8% and 44.4% respectively.

History has shown that Muslim societies created *waqf* out of land, building, camels, cows, sheep, books, jewellery, swords and other weapons, agricultural tools, money and other items. Thus, *waqf* in small goods has been practised for a long time. It is not surprising that the majority, 76.2% of respondents accepted this form of *waqf* (Singapore 71.8% and Johor 80.9%). This is the second highest after real estate, in terms of respondents accepting an asset for *awqaf*. There is a significantly minority of respondents who are not familiar with this type of *waqf*, 11.3% of the total sample, 14.9% from Singapore and 17.4% from Johor.

The latest kind of *waqf* is based on intellectual property or copyright. A total of 31% of respondents agreed that copyright can be included under *waqf* assets. The majority came from Johor (46.9%) and Singapore had only 16.1% agree with this form of *waqf*. A total of 28.6% disagreed with this statement, with 32.2% from Singapore and 24.7% from Johor.

To conclude, in general that highest proportion of acceptance was for *waqf* assets in land and buildings (94%), followed by small goods which can consists of many things such as books, air conditioner and clocks (76.2%), *waqf* cash (55.4%) and shares (47.9%). Although, *waqf* in copyright has only been introduced recently many respondents agreed it could be a form of *waqf* asset (31%), the lowest level acceptance was for *waqf* assets of services (24.7%).

Table 6.12: Respondents Knowledge on *Waqf* Assets

Question 12: Can *waqf* be Created With the following?						
real estate (such as land and buildings)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	316	94	94.3		
	No	9	2.7	2.7		
	No Opinion	10	3	3	0.09	0.373
	Total	335	99.7	100.0		
Missing	No Response	1	0.3			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	156	96.3	96.9		
	No	3	1.9	1.9		
	No Opinion	2	1.2	1.2	0.04	0.259
	Total	161	99.4	100.		
Missing	No Response	1	0.6			

Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	160	92	92		
	No	6	3.4	3.4	0.13	0.451
	No Opinion	8	4.6	4.6		
	Total	174	100.0	100.0		

Cash						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	186	55.4	56.2		
	No	105	31.3	31.7		
	No Opinion	40	11.9	12.1	0.56	0.700
	Total	331	98.5	100.0		
Missing	No Response	5	1.5			
Total		336	100.0			

Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	104	64.2	65.8		
	No	43	26.5	27.2		
	No Opinion	11	6.8	7	0.41	0.620
	Total	158	97.5	100.0		
Missing	No Response	4	2.5			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	82	47.1	47.4		
	No	62	35.6	35.8		
	No Opinion	29	16.7	16.8	0.69	0.742
	Total	173	99.4	100.0		
Missing	No Response	1	0.6			
Total		174	100.0			

Shares						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	161	47.9	49.2		
	No	141	33.9	34.9		
	No Opinion	52	15.5	15.9	0.67	0.736
	Total	327	97.3	100.0		
Missing	No Response	9	2.7			

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	105	64.8	67.3		
	No	35	21.6	22.4		
	No Opinion	16	9.9	10.3	0.43	0.673
	Total	156	96.3	100.0		
Missing	No Response	6	3.7			
Total		162	100.0			
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	56	32.2	32.7		
	No	79	45.4	46.2		
	No Opinion	36	20.7	21.1	0.88	0.726
	Total	171	98.3	100.0		
Missing	No Response	3	1.7			
Total		174	100.0			
Services						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	83	24.7	25.5		
	No	176	52.4	54.2		
	No Opinion	66	19.6	20.3	0.95	0.676
	Total	325	96.7	100.0		
Missing	No Response	11	3.3			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	58	35.8	37.7		
	No	72	44.4	46.8		
	No Opinion	24	14.8	14.8	0.78	0.698
	Total	154	95.1	95.1		
Missing	No Response	8	4.9	4.9		
Total		162	100.0	100.0		
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	25	14.4	14.6		
	No	104	59.8	60.8		
	No Opinion	42	24.1	24.6	1.10	0.620

		Total	171	98.3	100.0		
Missing	No Response		3	1.7			
Total			174	100.0			

Small goods assets (books, clock, air conditioner)							
			Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes		256	76.2	77.3		
	No		38	11.3	11.5		
	No Opinion		37	11	11.2	0.34	0.670
	Total		331	98.5	100.0		
Missing	No Response		5	1.5			
Total			336	100.0			

Johor							
			Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes		131	80.9	82.9		
	No		12	7.4	7.6		
	No Opinion		15	9.3	9.5	0.27	0.622
	Total		158	97.5	100.0		
Missing	No Response		4	2.5			
Total			162	100.0			

Singapore							
			Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes		125	71.8	72.3		
	No		26	14.9	15		
	No Opinion		22	12.6	12.7	0.40	0.706
	Total		173	99.4	100.0		
Missing	No Response		1	0.6			
Total			174	100.0			

Copyright							
			Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes		104	31	32.2		
	No		96	28.6	29.7		
	No Opinion		123	36.6	38.1	1.06	0.838
	Total		323	96.1	100.0		
Missing	No Response		13	3.9			
Total			336	100.0			

Johor							
			Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes		76	46.9	50		

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
	No	40	24.7	26.3	0.74	0.820
	No Opinion	36	22.2	23.7		
	Total	152	93.8	100.0		
Missing	No Response	10	6.2			
Total		162	100.0			
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	28	16.1	16.4		
	No	56	32.2	32.7		
	No Opinion	87	50	50.9	1.35	0.746
	Total	171	98.3	100.0		
Missing	No Response	3	1.7			
Total		174	100.0			

As mentioned earlier in Chapter 3, Ibrahim (2008), claims cash *awqaf* are appropriate and a reliable form of *waqf* in terms of being applied for multiple purposes. As today many people do not have real estate, cash *waqf* has become acceptable in order to motivate people to perform *waqf*. The next three questions 13(a-d) look at to what extent this kind of *waqf* has spread among public. Table 6.13 shows that 63.7% of respondents considered it acceptable for cash *waqf* to be used flexibly and for many objectives. 66.7% respondents in Johor agreed with this view while 60.9% did in Singapore. A minority of respondents (13.7%) argued that cash *waqf* cannot be used for multiple purposes, which included 14.2% from Johor and 13.2% of Singapore respondents.

In question 13(b), the majority of respondents of 75.3% agreed that cash *waqf* can be invested through Islamic investment channels and that the revenue generated can be used for pious purposes. The answer was mostly gained from Johor respondents with 88.3% and 63.2% from Singapore. However, a small proportion of respondents (13.7%) thought this method was not permissible, of which the largest proportion was provided by respondents from Singapore with 8.6% and 1.9% from Johor. A similar result occurred for the possibility of the investment and returns from cash *waqf* being used to produce and generate more *waqf* assets. In the case of income from cash *waqf* used for maintenance of other *waqf* assets. A total of 67.3% of the entire sample agreed that cash can be utilised in this way. 80.9% from Johor's samples and 54.6% from Singapore. However, 10.6% of all respondents disagreed with this usage, Singapore 15.5% and Johor 4.9%. The results of the next questions showed a similar pattern. In Johor 74.7% of respondents admitted that income from cash *waqf* can be utilised for maintenance of other *waqf* assets such mosques and schools, while in Singapore 49.4% of respondents

believed the same. In other words, Singapore had a greater percentage who disagreed 16.1% the Johor which had 6.8%.

Generally, the respondents from Johor tended more towards allowing cash *waqf* than those in Singapore. In the other words, people in Singapore were more likely to disagree with the statements.

Table 6.13: Respondents' Knowledge on Cash *Waqf*

Question 13: What is your opinion on the following?						
(a) Cash *waqf* is more flexible						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	214	63.7	65.2	0.55	0.815
	No	46	13.7	14		
	No Opinion	68	20.2	20.7		
	Total	328	97.6	100.0		
Missing	No Response	8	2.4			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	108	66.7	69.7	0.46	0.749
	No	23	14.2	14.8		
	No Opinion	24	14.8	15.5		
	Total	155	95.7	100.0		
Missing	No Response	7	4.3			
Total		162	100.0			
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	106	60.9	61.3	0.64	0.862
	No	23	13.2	13.3		
	No Opinion	44	25.3	25.4		
	Total	173	99.4	100.0		
Missing	No Response	1	0.6			
Total		174	100.0			
(b) Cash *waqf* can be invested through Islamic instruments and revenue generated used for pious purposes						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	253	75.3	76.7	0.41	0.776
	No	18	5.4	5.5		
	No Opinion	59	17.6	17.9		
	Total	330	98.2	100.0		

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Missing	No Response	6	1.8			
Total		336	100.0			
			Johor			

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	143	88.3	91.7	0.15	0.506
	No	3	1.9	1.9		
	No Opinion	10	6.2	6.4		
	Total	156	96.3	100.0		
Missing	No Response	6	3.7			
Total		162	100.0			
			Singapore			

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	110	63.2	63.2	0.65	0.892
	No	15	8.6	8.6		
	No Opinion	19	28.2	28.2		
	Total	174	100.0	100.0		

(c) Investment and returns form of cash *waqf* can create more waqf assets

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	226	67.3	68.5	0.52	0.818
	No	35	10.4	10.6		
	No Opinion	69	20.5	20.9		
	Total	330	98.2	1200.0		
Missing	No Response	6	1.8			
Total		336	100.0			
			Johor			

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	131	80.9	84	0.27	0.646
	No	8	4.9	5.1		
	No Opinion	17	10.5	10.9		
	Total	156	96.3	100.0		
Missing	No Response	6	3.7			
Total		162	100.0			
			Singapore			

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	95	54.6	54.6	0.75	0.888
	No	27	15.5	15.5		
	No Opinion	52	29.9	29.9		
	Total	174	100.0	100.0		

(d) Income from cash waqf can be used for maintenance of other *waqf* assets.						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	207	61.6	62.7	0.63	0.863
	No	39	11.6	11.8		
	No Opinion	84	25	25.5		
	Total	330	98.2	100.0		
Missing	No Response	6	1.8			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	121	74.7	76.6	0.40	0.757
	No	11	6.8	7		
	No Opinion	26	16	16.5		
	Total	158	97.5	100.0		
Missing	No Response	4	2.5			
Total		162	100.0			
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	86	49.4	50	0.84	0.903
	No	28	16.1	16.3		
	No Opinion	58	33.3	33.7		
	Total	172	98.9	100.0		
Missing	No Response	2	1.1			
Total		174	100.0			

6.4 Respondents' Practice on *Waqf* Establishment

This section of questions will determine the factors that encourage the public to create *awqaf* and at the same time reveal the constraints towards creating *waqf* in order to identify the factors which contribute towards *waqf* development. The results of question 14 depicted in Table 6.14 show that 29.5% of respondents from both states have established *waqf* previously. Johor is the largest *waqf* generator with 48.8% compared to Singapore with only a small percentage of 11.5%. Significantly, a majority of the respondents (67.6%) had not established a *waqf* before, Singapore had a huge proportion of 86.8% while for Johor it was 46.9%. Those respondents who choose 'no' in question 14 were required to proceed to question 17.

Table 6.14: Respondent reaction on *waqf* creation

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Question 14: Have you established a *waqf* before?						
Valid	Yes	99	29.5	30.4		
	No	227	67.6	69.6		
	Total	326	97	100.0	0.70	0.461
Missing	No response	10	3.0			
Total		336	100.0			
Johor						
Valid	Yes	79	48.8	51		
	No	76	46.9	49		
	Total	155	95.7	100.0	0.49	0.502
Missing	No Response	7	4.3			
Total		162	100.0			
Singapore						
Valid	Yes	20	11.5	11.7		
	No	151	86.8	88.3		
	Total	171	98.3	100.0	0.88	0.322
Missing	No Responses	3	1.7			
Total		174	100.0			

In question 15, the respondents were asked to choose one or more option in terms of the form of *waqf* that they had made, with choices that consisted of land, buildings/houses, mosques, cash and small items. The researcher then had to categorise the data according to the respondents' choices as reported in Table 6.15. Firstly *waqf* land, only 0.3% of respondents had created a *waqf* all of whom were in Johor as there were none created by the respondents from Singapore. A different result was found for *waqf* made with mosques. The creators of *waqf* mosques could only be found within the Singapore respondents at 1.1% or 0.6% of the total number of respondents. It is important to bear in mind that this does not mean Johor respondents were not interested in forming *waqf* mosques, but they are more likely to contribute to them through other forms such as money or land. The result indicates 9.8% of respondents contribute to *waqf* with money only. Johor has the largest percentage with 16.7% contributing in this form compared to Singapore with 3.4%.The next category is *waqf* of small items such as books, air conditioners and others goods that can produce a benefit. When the percentages of

both states are combined, the total is 10.7% with 16% of the Johorean respondents and 5.7% from Singapore who had made *waqf* of small items. None of Singapore's respondents stated they had established all types of *waqf* while 0.6% from Johor had which made the total percentage 0.3%. In making *waqf* of both money and small items, Singapore had a percentage of 0.6%, while in Johor it was 11.7% giving a total of 6.0%. For mosques and money, 1.2% from Johor had formed both types of *waqf*. Singapore was 0.6% and the total was 0.9%. In Johor 0.3% had created *waqf* of three types: land, mosques and money. The same picture was seen for making two forms of *waqf* of mosques and buildings which was 0.6% of all the respondents.

To conclude, only a minority from both states had previously created a *waqf*. In other words, the majority of them were not aware of *waqf* benefits particularly Singapore's respondents. It is clear that almost all the types of *waqf* had been practised by respondents in both states. However, lands and buildings had not been donated under *waqf* by respondents from Singapore, this means they had never practised those two forms of *waqf* before.

Table 6.15: The types of *waqf* that have been established by respondents

Question 15 : What kind of *waqf* did you establish? (You may tick more than one box)					
	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(a) Land	1	0.3	0.3		
(b) Mosques	2	0.6	0.6		
(c) Money/Cash	33	9.8	10.4		
(d) Small items	36	10.7	11.4		
(e) All items	1	0.3	0.3	6.63	1.447
(f) Money and small item	20	6.0	6.3		
(g) Land, mosques and money	1	0.3	0.3		
(h) Land and buildings	2	0.6	0.6		
(i)Mosques and money	3	0.9	0.9		
Johor					
	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(a) Land	1	0.6	0.7		
(b) Mosques	-	-	-		

	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(c) Money/Cash	27	16.7	18.0		
(d) Small items	26	16.0	17.3		
(e) All item	1	0.6	0.7	6.47	1.849
(f) Money and small item	19	11.7	12.7		
(g) Land, mosques and money	1	0.6	0.7		
(h) Land and buildings	2	1.2	1.3		
(i)Mosques and money	2	1.2	1.3		
Singapore					
	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(a) Land	-	-	-		
(b) Mosques	2	1.1	1.2		
(c) Money/Cash	6	3.4	3.6		
(d) Small items	10	5.7	6.0		
(e) All items	-	-	-	6.77	0.937
(f) Money and small item	1	0.6	0.6		
(g) Land, mosques and money	-	-	-		
(h) Land and buildings	-	-	-		
(i)Mosques and money	1	0.6	0.6		

Responses to question 16 show the number of times respondents had contributed to *waqf* and are reported in Table 6.16. As mentioned above the highest percentage is of those who have never been involved with contributing to *waqf*. Therefore, it is not a surprise when the results also impact on the frequency of *waqf* establishment. The greatest percentage (65.5%) of all respondents had never created any kind of *waqf*. Singapore has a higher percentage of 85.6% compared to Johor with 43.8%. A detailed description on the regularity of *waqf* contributions is set out in Table 6.16.

Table 6.16: Respondents response on *waqf* contribution

Question 16: How often do you contribute to *waqf*? (You may tick more than one box)					
	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(a) Seldom	25	7.4	7.9	1.74	1.342
(b) Sometimes	44	13.1	13.8		
(c) Usually	9	2.7	2.8		
(d) Always	4	1.2	1.3		
(e) Once	16	4.8	4.8		
Johor					
	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(a) Seldom	23	14.2	15.3	2.11	1.334
(b) Sometimes	39	24.1	26.0		
(c) Usually	9	5.6	6.0		
(d) Always	1	0.6	0.7		
(e) Once	7	4.3	4.7		
Singapore					
	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(a) Seldom	2	1.1	1.2	1.41	1.264
(b) Sometimes	5	2.9	3.0		
(c) Usually	-	-	-		
(d) Always	3	1.7	1.8		
(e) Once	9	5.2	5.4		

In order to identify the constraints of creating *waqf* among the public in both states, questions 17 (a-f) were posed to the respondents and reported in Table 6.17. The majority of respondents from both states agreed that *waqf* cannot be created if they do not own land. The largest proportion with this view came from Johor at 74.1% while for the Singapore sample it was 56.3%. In other words, a minority of all respondents disagreed with that statement, 22.2% from Johor and 23.6% from Singapore. A similar situation occured when most of them admitted that real estate is an important element for creating

waqf. This means people believe that without land they are not allowed contribute towards *waqf.* A total percentage of 60.1% of all respondents (Singapore 48.9% and Johor 72.2%) held that opinion and 28% of all respondents (Singapore 33.3% and Johor 22.2%) did not. Having limited income is one of the problems in creating a *waqf* and more than half of all respondents (56.5%) agreed. This results show that Johor (61.1%) has a larger percentage than Singapore (52.3%). While a minority of them (33.3%) think that a lack of money is not a barrier to becoming involved in *waqf* with 35.6% of respondents from Singapore and 30.9% from Johor holding this view. A small proportion of respondents do not know that the asset they have can be used for *waqf.* Some people have money but do not believe that it can be used for *waqf* purposes with 23.8% in total, 36.4% from Johor and 12.1% from Singapore. In contrast for the negative answers, Singapore holds more than half (56.3%) and there is a smaller proportion from Johor (17.9%).

Unsurprisingly, the results show that there are some people who are still unfamiliar with the variety of *waqf* usages, since *waqf* is better known for religious purposes particularly mosques. As Hassan and Shahid (2010) emphasise *waqf* revenues are most frequently spent on mosques. 30.7% of respondents said that they did not know *waqf* could be used for purposes other than mosques. In this case, people from Johor are more unaware with 40.7% answering yes to this question and 21.3% in Singapore. However, more than half disagreed with that view with 52.8% in total, 55.7% from Singapore and 48.8% from Johor. In terms of other reasons that may contribute to difficulties in creating *waqf*, the results show similar percentages for both positive and negative answers between 8.3% and 8.6%. However, the majority who answered positively did not mention what other sources may create problems in involving *waqf* creation.

In general, the majority of all respondents agreed that the main problem in creating *waqf* is not having real estate and having a limited income to contribute to *waqf.* Significantly, there was a group from both states not aware of or unfamiliar with the various types of *waqf* as they considered *waqf* to be appropriate only for mosques and this tends to become a barrier for those people in creating *waqf* especially when they do not own such property.

Table 6.17: The constraints of *waqf* creation

Question 17: In your opinion, what are the constraints to creating *waqf*? (a) I do not have land						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	218	64.9	66.5		
	No	77	22.9	23.5		

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
	No Opinion	33	9.8	10.1	0.44	0.670
	Total	328	97.6	100.0		
Missing	No response	8	2.4			
Total		336	100.0			

Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	120	74.1	75		
	No	36	22.2	22.5		
	No Opinion	4	2.5	2.5	0.28	0.501
	Total	160	98.8	100.0		
Missing	No Response	2	1.2			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	98	56.3	58.3		
	No	41	23.6	24.4		
	No Opinion	29	16.7	17.3	0.67	0.748
	Total	168	96.6	100.0		
Missing	No Responses	6	3.4			
Total		174	100.0			

(b) I do not have property/real estate						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	202	60.1	61.2		
	No	94	28	28.5		
	No Opinion	34	10.1	10.3	0.49	0.676
	Total	330	98.2	100.0		
Missing	No response	6	1.8			
Total		336	100.0			

Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	117	72.2	74.1		
	No	36	22.2	22.8		
	No Opinion	5	3.1	3.2	0.29	0.521
	Total	158	97.5	100.0		
Missing	No Response	4	2.5			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	85	48.9	49.4	0.67	0.748
	No	58	33.3	33.7		
	No Opinion	29	16.7	16.9		
	Total	172	98.9	100.0		
Missing	No Responses	2	1.1			
Total		174	100.0			

(c) I do not have much money						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	190	56.5	57.6	0.51	0.649
	No	112	33.3	33.9		
	No Opinion	28	8.3	8.5		
	Total	330	98.2	100.0		
Missing	No response	6	1.8			
Total		336	100.0			

Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	99	61.1	63.1	0.42	0.590
	No	50	30.9	31.8		
	No Opinion	8	4.9	5.1		
	Total	157	96.6	100.0		
Missing	No Response	5	3.4			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	91	52.3	52.6	0.59	0.690
	No	62	35.6	35.8		
	No Opinion	20	11.5	11.6		
	Total	173	99.4	100.0		
Missing	No Responses	1	0.6			
Total		174	100.0			

(d)I do have money but do not know money can used to create *waqf*						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	80	23.8	32.3	0.84	0.682
	No	127	37.8	51.2		
	No Opinion	41	12.2	16.5		
	Total	248	73.8	100.0		
Missing	No response	88	26.2			
Total		336	100.0			

Johor						

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	59	36.4	61.5		
	No	29	17.9	30.2		
	No Opinion	8	4.9	8.3	0.47	0.648
	Total	96	59.3	100.0		
Missing	No Response	66	40.7			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	21	12.1	13.8		
	No	98	56.3	64.5		
		33	19	21.7	1.08	0.593
	Total	152	87.4	100.0		
Missing	No Responses	22	12.6			
Total		174	100.0			

(e) I do not know if *waqf* can be used for anything except mosques						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	103	30.7	31.3		
	No	176	52.4	53.5		
	No Opinion	50	14.9	15.2	0.84	0.664
	Total	329	97.9	100.0		
Missing	No response	7	2.1			
Total		336	100.0			

Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	66	40.7	42.3		
	No	79	48.8	50.6		
	No Opinion	11	6.8	7.1	0.65	0.610
	Total	156	96.3	100.0		
Missing	No Response	6	3.7			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	37	21.3	21.4		
	No	97	55.7	56.1		
	No Opinion	39	22.4	22.5	1.01	0.665
	Total	173	99.4	100.0		
Missing	No Responses	1	0.6			

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Total		174	100.0			
(f) Others reason						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	28	8.3	16.7	1.49	0.766
	No	29	8.6	17.3		
	No Opinion	111	33	66.1		
	Total	168	50	100.0		
Missing	No response	168	50			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	15	9.3	22.7	1.39	0.839
	No	10	6.2	15.2		
	No Opinion	41	25.3	62.1		
	Total	66	40.7	100.0		
Missing	No Response	96	59.3			
Total		162	100.0			
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	13	7.5	12.7	1.56	0.712
	No	19	10.9	18.6		
	No Opinion	70	40.2	68.6		
	Total	102	58.6	100.0		
Missing	No Responses	72	4104			
Total		174	100.0			

In the next question, respondents were asked to provide an appropriate answer by choosing which mechanism of permanent donation would be best for their purpose. Since the respondents could choose more than one options, the researcher had to categorise the answers into individual and group selections as shown in Table 6.18. In the individual categories, the most popular was *waqf* as the best way to contribute permanent donations with 67.3% in total and 71% and 63.8% in Johor and Singapore respectively. Foundations were the second most popular choice with 12.9% of all respondents. The respondents from Singapore were more likely to consider donating to a foundation with 12.9% while in Johor it was 10.5% of respondents. Only a small proportion of respondents preferred trusts with 6.5% who mostly came from the Singaporean sample at 8.6% while 4.3% came from the Johorean sample. Based on these results, the least popular choice was non-governmental

organisations as it was the last choice of the individual categories with 4.2% of the total 4.6% from Singapore and only 3.7% from Johor. Albeit, some respondents (0.9% all from Singapore) indicated other as their alternative without stating clearly what that would be. An insignificant percentage of 0.6% was obtained from respondents unfamiliar with the different mechanisms.

In the group categories, *Waqf* and Foundation was the highest percentage with 0.9%. Followed by *Waqf*, Trust, Foundation and Non-governmental Organisation with 0.6% where both states shared the same percentages. The last three groups had the same percentage of 0.3% and were mostly chosen by Singapore respondents.

In short, *waqf* is a popular mechanism for permanent donation distribution among respondents in both states. This indicates that people believe that by giving via *waqf* and dedicating the donation for religious purposes it can make them closer to Allah Almighty as *waqf* is mostly considered to be related with religious purposes.

Table 6.18: Respondents' choice on making permanent donation

Question 18 :	If you wanted to make a permanent donation, would you want do it as				
	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(a) *Waqf*	226	67.3	71.3		
(b) Trust	22	6.5	6.9		
(c) Foundation	41	12.2	12.9		
(d) Non-governmental Organisation	14	4.2	4.4		
(e) Others	3	0.9	0.9		
(f) Unknown	2	0.6	0.6	1.78	1.741
(g)*Waqf*, Foundation and NGO	1	0.3	0.3		
(h)All	2	0.6	0.6		
(i)*Waqf*, Foundation and Trust	1	0.3	0.3		
(j)*Waqf* and Trust	1	0.3	0.3		
(k)*Waqf* and NGO	1	0.3	0.3		
(l)*Waqf* and Foundation	3	0.9	0.9		
Johor					
	Frequency	Per cent	Valid Per cent	Mean Value	Standard

	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(a) *Waqf*	115	71.0	76.2	1.76	1.982
(b) Trust	7	4.3	4.6		
(c) Foundation	17	10.5	11.3		
(d) Non-governmental Organisation	6	3.7	4.0		
(e) *Waqf,* Foundation and NGO	1	0.6	0.7		
(f) All	1	0.6	0.7		
(g) *Waqf* and NGO	1	0.6	0.7		
(h) *Waqf* and Foundation	3	1.9	2.0		
Singapore					
	Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
(a) *Waqf*	111	63.8	66.9	1.80	1.494
(b) Trust	15	8.6	9.0		
(c) Foundation	24	13.8	14.5		
(d) Non-governmental Organisation	8	4.6	4.8		
(e) Others	3	1.7	1.8		
(f) Unknown	2	1.1	1.2		
(g) All	1	0.6	0.6		
(h) *Waqf,* Foundation and Trust	1	0.6	0.6		
(i) *Waqf* and Trust	1	0.6	0.6		

Responses to question 19 (a) in which the respondents were asked about their opinions on whether *waqf* should be compulsory for all Muslims are reported in Table 6.19. Less than half (29.2%) stated that they agreed with this provision. Singapore had the greatest response with 36.2% and for Johor it was 21.6%. Significantly, more than half of the respondents (56.3%) were unwilling to adopt this idea. The largest proportion disagreeing (67.3%) was from the Muslim state of Johor respondents while it was 46 % in the secular state of Singapore. The next question was still around *waqf* donations and which method is most appropriate to encourage people to create *waqf.* A total of 45.8% of the respondents would agree to *waqf* donations made through monthly deductions from their salary. Johor had the most contributors towards this opinion with 59.9% and Singapore had 32.8% who would

agree. Only 35.4% gave a negative response with 39.7% from Singapore and 30.9% from Johor. The other method that may be considered as an appropriate way to support *waqf* is appointing a trustworthy person to collect monthly *waqf* donations. The results indicate that 34.2% of the entire samples were willing to accept this method with 42.6% from Johor and 26.4% from Singapore. The total unwilling to receive this service is much bigger at 43.8% with similar results for both states (Johor 44.4% and Singapore 43.1%).

Overall, based on the results mentioned earlier a greater proportion of Johor respondents, than Singapore respondents, disagreed with *waqf* to be made compulsory for all Muslims. However, a different situation occurred on the method of *waqf* donation by deduction from monthly salaries as a higher percentage from the Singaporean sample disagreed with this. It is worth noting here that Singapore has already practised monthly pay deductions for religious purposes as mentioned in chapter 4. This may affect their opinion as they are more aware of the effects of compulsory donations. In terms of someone collecting *waqf* donations monthly, both states tended to dislike it.

Table 6.19: Respondents' reactions on *waqf* donation and its process.

Question 19: *Waqf* Donation						
(a) Do you think *waqf* donations should be compulsory for all Muslims?						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	98	29.2	29.3		
	No	189	56.3	56.4		
	No Opinion	48	14.3	14.3	0.85	0.644
	Total	335	99.7	100.0		
Missing	No Response	1	0.3			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	35	21.6	21.7		
	No	109	67.3	67.7		
	No Opinion	17	10.5	10.6	0.89	0.559
	Total	161	99.4	100.0		
Missing	No Response	1	0.6			
Total		162	100.0			
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	63	36.2	36.2		
	No	80	46.0	46.0	0.82	0.714

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
	No Opinion	31	17.8	17.8		
	Total	174	100.0	100.0		

(b) Would you agree to donate monthly by deductions from your salary for *waqf*?						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	154	45.8	46.0		
	No	119	35.4	35.5		
	No Opinion	62	18.5	18.5	0.87	0.737
	Total	335	99.7	100.0		
Missing	No response	1	0.3			
Total		336	100.0			

Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	97	59.9	60.2		
	No	50	30.9	31.1		
	No Opinion	14	8.6	8.7	0.48	0.653
	Total	161	99.4	100.0		
Missing	No Response	1	0.660.2			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	57	32.8	32.8		
	No	69	39.7	39.7		
	No Opinion	48	27.6	27.6	0.95	0.777
	Total	174	100.0	100.0		

(c) Would you agree to pay cash that someone can collect monthly?						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	115	34.2	34.5		
	No	147	43.8	44.1		
	No Opinion	71	21.1	21.3	0.73	0.756
	Total	333	99.1	100.0		
Missing	No response	3	0.9			
Total		336	100.0			

Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	69	42.6	43.4		
	No	72	44.4	45.3		
	No Opinion	18	11.1	11.3	0.68	0.669
	Total	159	98.1	100.0		

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Missing	No Response	3	1.9			
Total		162	100.0			
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	46	26.4	26.4		
	No	75	43.1	43.1		
	No Opinion	53	30.5	30.5	1.04	0.755
	Total	174	100.0	100.0		

The previous question related to Muslims who create *waqf* while the next question is about *waqf* creation from non-Muslims (Questions 20 a-c). The respondents were asked to state their familiarity on *waqf* from non-Muslims from 3 aspects: non-Muslims capability of creating *waqf*, its effect on *waqf* development and its effect on legal issue. The outcomes from question 20(a) reported in Table 6.20 reveals that only a small proportion allowed non-Muslims to create a *waqf*. This was mostly obtained from the Johor respondents with 40.1% while the Singapore percentage only reached 13.8% of respondents. Almost half (49.4%) of respondents did not approve of *waqf* from non-Muslims. In this case, Singapore had a greater proportion (60.3%) of respondents who disagreed, compared to Johor (37.7%). In question 20 (b), the same pattern occurred for positive and negative responses as for the previous question. A total of 37.2% felt that non-Muslims could contribute to increase *waqf* funds if they are given an opportunity to do so, Johor 40.1% and Singapore 34.5%. While 40.2% of respondent believed that non-Muslims' contributions would not help in improving *waqf* assets, with 43.7% and 36.4% from Singapore and Johor respectively. The last question is related to legal issues in terms of approving *waqf* creation from non-Muslims. The results indicate that 33.9% of respondents believed that it may cause legal problem. Those in Johor tended to agree with this statement with 42.6% while in Singapore it was only 25.9% of respondents. Only a small proportion disagreed with that statement (29.8%) and the majority were from Singapore (34.5%) and the minority were from Johor (24.7%). It is worth nothing here, that 'no opinion' was the most popular response with 35.4% which indicates that not all people were familiar with state law.

Generally speaking, a majority of respondents believed that *waqf* creation from non-Muslims is not permitted, thus it is considered not to contribute to improving *waqf* assets. Additionally, many of them thought that non-Muslim a*wqaf* would contribute to legal problems. The different regulations of the states may affect people's perspective. It clearly shows that negative responses were mostly obtained from Singapore's respondents as AMLA regulation do not allow non-Muslim a*wqaf* which is contrary

to Johor's provision. Therefore, a majority of Johor's respondents believed non-Muslims could practise *waqf,* although it can contribute to legal problems as mentioned earlier in chapter Four.

Table 6.20 : Respondents' responses on non-Muslims' *waqf* establishment

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Question 20 : Non-Muslim *Waqf* (a) Do you think *waqf* can be established by non-Muslims?						
Valid	Yes	89	26.5	26.7	0.97	0.708
	No	166	49.4	49.8		
	No Opinion	78	23.2	23.4		
	Total	333	99.1	100.0		
Missing	No response	3	0.9			
Total		336	100.0			
Johor						
Valid	Yes	65	40.1	40.9	0.80	0.761
	No	61	37.7	38.4		
	No Opinion	33	20.4	20.8		
	Total	159	98.1	100.0		
Missing	No Response	3	1.9			
Total		162	100.0			
Singapore						
Valid	Yes	24	13.8	13.8	1.12	0.620
	No	105	60.3	60.3		
	No Opinion	45	25.9	25.9		
	Total	174	100.0	100.0		
(b) Do you think non-Muslims should be allowed create *waqf*, if it can contribute more to *waqf* funds?						
Valid	Yes	125	37.2	37.5	0.84	0.756
	No	135	40.2	40.5		
	No Opinion	73	21.7	21.9		
	Total	333	99.1	100.0		
Missing	No response	3	0.9			
Total		336	100.0			
Johor						
Valid	Yes	65	40.1	40.9		

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
	No	59	36.4	37.1	0.81	0.773
	No Opinion	35	21.6	22.0		
	Total	159	98.1	100.0		
Missing	No Response	3	1.9			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	60	34.5	34.5		
	No	76	43.7	43.7		
	No Opinion	38	21.8	21.8	0.87	0.742
	Total	174	100.0	100.0		

(c) If non-Muslims were allowed to create *waqf,* would it cause any legal problems?						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	114	33.9	34.2		
	No	100	29.8	30.0		
	No Opinion	119	35.4	35.7	1.02	0.838
	Total	333	99.1	100.0		
Missing	No response	3	0.9			
Total		336	100.0			

Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	69	42.6	43.4		
	No	40	24.7	25.2		
	No Opinion	50	30.9	31.4	0.88	0.860
	Total	159	98.1	100.0		
Missing	No Response	3	1.9			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	45	25.9	25.9		
	No	60	34.5	34.5		
	No Opinion	69	39.7	39.7	1.14	0.800
	Total	174	100.0	100.0		

Questions 21(a-h) were asked in order to determine what objectives are most preferred by *waqf* creators in both states. The respondents were asked to state their opinion on the various aims of *waqf* which consisted of mosques, cemeteries, religious schools, education, family members, medical services, serving the needy or poor and other objectives. As Table 6.21 shows generally, the most

popular objective for making a permanent *waqf* was religious schools with 91.4% of respondents from both states. The second choice was mosques with 90.2% this was followed by serving the needy or poor people with 84.8%, then education with 76.5%, medical services 70.8%, family members 62.5% and cemeteries with 53.3%. The least popular option was 'other objectives' with 14.9%. An almost identical pattern was shown for the individual states. Starting with Singapore, mosques were in first position with 88.5%. Followed by religious schools with 87.9%, and then serving the needy with 79.9%. Education 64.9%, medical services 60.9%, family members 56.9%, cemeteries 24.7% and lastly other objectives of 13.2%.

Religious schools were the most popular purpose in making a permanent *waqf* in Johor with 95.1%, mosque came next with 92%, followed by serving the needy with 90.1%, education 88.9%, medical services 81.5%, cemeteries 84%, family member's 68.5% and other objectives 16.7%. It is worth nothing here, that from the negative answers it was revealed that a significant amount (45.4%) of Singapore's respondents decided not to make cemeteries as an objective in making permanent *waqf*.

Overall, the findings indicated that both states decided the three top ranking choice in kind of objectives formaking a *waqf* were mosques, religious schools and serving the needy. Cemeteries were the last choice selected for *waqf* purposes. This is the same pattern as mentioned earlier by Hassan & Shahid (2010) in chapter 3. As he stated that *waqf* revenues are usually dedicated for mosques, and then followed by education, while the needy are the third greatest beneficiary of *waqf*. Although he refers to education, it does not make a big difference as religious schools are a part of education.

Table 6.21: Respondents' responses on purposes of making permanent *waqf*.

Question 21: If you want to make a permanent *waqf*, what kind of objectives would you prefer?							
	Yes	No	No Opinion	Missing	Total	Mean Value	Standard Deviation
(a) Mosques	303 (90.2%)	18 (5.4%)	9 (2.7%)	6 (1.8%)	336 (100%)	0.11	0.390
(b) Cemeteries	179 (53.3%)	92 (27.4%)	52 (15.5%)	13 (3.9%)	336 (100%)	0.61	0.750
(c) Religious schools	307 (91.4%)	11 (3.3%)	12 (3.6%)	6 (1.8%)	336 (100%)	0.11	0.410
(d) Education	257 (76.5%)	47 (14.0%)	22 (6.5%)	10 (3.0%)	336 (100%)	0.28	0.581
(e) Family members	210 (62.5%)	75 (22.3%)	35 (10.4%)	16 (4.8%)	336 (100%)	0.45	0.684
(f) Medical services	238 (70.8%)	75 (22.3%)	35 (10.4%)	16 (4.8%)	336 (100%)	0.37	0.672

	Yes	No	No Opinion	Missing	Total	Mean Value	Standard Deviation
(g) Serving the needy/poor people	285 (84.8%)	21 (6.3%)	23 (6.8%)	7 (2.1%)	336 (100%)	0.20	0.550
(h) Others	50 (14.9%)	24 (7.1%)	114 (33.9%)	148 (44.0%)	336 (100%)	1.34	0.872

Johor							
	Yes	No	No Opinion	Missing	Total	Mean Value	Standard Deviation
(a) Mosques	149 (92.0%)	5 (3.1%)	3 (1.9%)	5 (3.1%)	162 (100.0%)	0.07	0.323
(b) Cemeteries	136 (84.0%)	13 (8.0%)	7 (4.3%)	6 (3.7%)	162 (100.0%)	0.17	0.484
(c) Religious schools	154 (95.1%)	1 (0.6%)	2 (1.2%)	5 (3.1%)	162 (100.0%)	0.03	0.238
(d) Education	144 (88.9%)	8 (4.9%)	4 (2.5%)	6 (3.7%)	162 (100.0%)	0.10	0.380
(e) Family members	111 (68.5%)	28 (17.3%)	13 (8.0%)	10 (6.2%)	162 (100.0%)	0.36	0.635
(f) Medical services	132 (81.5%)	16 (9.9%)	5 (3.1%)	9 (5.6%)	162 (100.0%)	0.17	0.456
(g) Serving the needy/poor people	146 (90.1%)	6 (3.7%)	6 (3.7%)	4 (2.5%)	162 (100.0%)	0.11	0.422
(h) Others	27 (16.7%)	7 (4.3%)	22 (13.6%)	106 (65.4%)	162 (100.0%)	0.91	0.940

Singapore							
	Yes	No	No Opinion	Missing	Total	Mean Value	Standard Deviation
(a) Mosques	154 (88.5%)	13 (7.5%)	6 (3.4%)	1 (0.6%)	174 (100.0%)	0.14	0.441
(b) Cemeteries	43 (24.7%)	79 (45.4%)	45 (25.9%)	7 (4.0%)	174 (100.0%)	1.01	0.728
(c) Religious schools	153 (87.9%)	10 (5.7%)	10 (5.7%)	1 (0.6%)	174 (100.0%)	0.17	0.510
(d) Education	113 (64.9%)	39 (22.4%)	18 (10.3%)	4 (2.3%)	174 (100.0%)	0.44	0.679
(e) Family members	99 (56.9%)	47 (27.0%)	22 (12.6%)	6 (3.4%)	174 (100.0%)	0.54	0.716
(f) Medical services	106 (60.9%)	32 (18.4%)	30 (17.2%)	6 (3.4%)	174 (100.0%)	0.55	0.780
(g) Serveing the needy/poor people	139 (79.9%)	15 (8.6%)	17 (9.8%)	3 (1.7%)	174 (100.0%)	0.29	0.637

(h) Others	23 (13.2%)	17 (9.8%)	92 (52.9%)	42 (24.1%)	174 (100.0%)	1.52	0.776

In questions 22 (a-e) the respondents were asked 'if you wanted to give to charity, what would you prefer?' and they then had to choose from a set of options. At the same time this helped to identify to what extent people were aware of the difference between *waqf* and *sadaqah*. Table 6.22 reveals that the majority of respondents said that small items such as *Qurans* and books are an appropriate item since not all people could afford to give high value items. In this case, most people were confused between the terms. An explanation of the difference between *waqf* and *sadaqah* was given in chapter 3. The highest percentages of respondents (71.7%) preferred to practise *sadaqah* rather than *waqf* because they did not have assets, Johor 76.5% and Singapore 67.2%. The same situation occurred for the same question on big assets. Most agreed to establish *waqf* if they had property to give. Johor still maintained the high position with 66% while Singapore was not far behind with 65.5%. One of the problems for developing *awqaf* is land with no potential land being given for charitable purposes. The results indicate that 32.7% of respondents were willing to offer that kind of land to be a *waqf* asset. The Singaporean respondents were more concerned about *waqf* assets that could provide some benefit. Hence, only a minority of them 24.6% allowed low potential land to be given as charity compared to Johor where 39.5% agreed with the statement. However, the majority of respondents 37.2% said they would not donate land without potential as *waqf*. A *waqf* must provide a useful output for the beneficiaries and this type of asset would not provide any benefit at all. The last question is if they would make a cash *waqf*, if it could be used in a better way?' Most of the respondents were willing to give a cash *waqf* with 62.5% saying they would as they believed that the relevant bodies would know how to utilise that money better in order to meet current demands and benefit of the community. The Johorean respondents were more likely to accept this method with 77.2% answering positively while in Singapore it was 48.9%.

Broadly speaking, the majority of respondents from both states preferred to make small items as a permanent charity since not everyone can afford real estate which is the most popular *waqf* asset. At the same time, most were more likely perform *sadaqah* then *waqf* if they did not own high value assets. This is despite the fact that *waqf* not only consists of real estate but includes smaller items as well. This indicates that respondents are confused in using the terms although both are similar. Although some of them agreed to contribute land that has no potential for development for charitable purposes most disagreed. The advantages of cash *waqf* were admitted by the majority of respondents

and it was believed that the *waqf* management would be able to determine the best way to utilise the money according to the current requirements and environment.

Table 6.22: Respondents reaction on making charity as *sadaqah* or *waqf*

Question 22: If you wanted to give to charity, what would you prefer? (a) Small items (such as Quran, books etc.)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	314	93.5	94.6		
	No	8	2.4	2.4		
	No Opinion	10	3.0	3.0	0.08	0.371
	Total	332	98.8	100.0		
Missing	No Response	4	1.2			
Total		336	100.0			
(b) *Sadaqah* than *waqf* because I do not have assets.						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	241	717	74.4		
	No	44	13.1	13.6		
	No Opinion	39	11.6	12.0	0.38	0.691
	Total	324	96.4	100.0		
Missing	No Response	2	3.6			
Total		336	100.0			
(c) *Waqf* than *sadaqah* if I have a big asset.(land, house, property)						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	221	65.8	69.9		
	No	46	13.7	14.6		
	No Opinion	49	14.6	15.5	0.46	0.748
	Total	316	94.0	100.0		
Missing	No Response	20	6.0			
		336	100.0			
(d) *Waqf* land that has no potential economic use since it cannot give me any benefit						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	110	32.7	34.9		
	No	125	37.2	39.7		
	No Opinion	80	23.8	25.4	0.90	0.772
	Total	315	93.8	100.0		
Missing	No response	21	6.3			
Total		336	100.0			
(e) Cash *waqf* rather than assets because it can used in a better way						
		Frequency	Per cent	Valid	Mean	Standard

				Per cent	Value	Deviation
Valid	Yes	210	62.5	63.8		
	No	35	10.4	10.6		
	No Opinion	84	25.0	25.5	0.62	0.868
	Total	329	97.9	100.0		
Missing	No Response	7	2.1			
Total		336	100.0			

6.5 Experience and Reaction of Respondents towards *Waqf* Management

This section describe respondents' experiences of *waqf* management including processes and procedures for creating and amending *waqf* deeds and the level of satisfaction with particular *waqf* management based on specified criteria.

Classical Islamic jurists agreed that *waqf* deeds cannot be changed as mentioned earlier in chapter 3. In order to determine the level of the respondents' knowledge on this issue, the following questions were set. Questions 23 (a-d) focus on *waqf* asset changes made by *waqf* management, while questions 24 (a-b) enquire about changes to the output and questions 25(a-b) are related to the beneficiaries.

This section starts with question 23, regarding changes to the *waqf* deed's assets made by *waqf* management in certain circumstances and the results are presented in Table 6.23.

In question 23(a) the respondents were asked to state their level of agreement on whether *waqf* management can change *waqf* deeds in the case of the asset no longer being able to provide benefit, such as land located in an inaccessible location like a swamp area or forest. There were 42.9% and 7.4% of respondents who stated that they agreed or strongly agreed in changing the *waqf* deeds for that reason. Meanwhile, the highest percentage (42.9%) of the respondents indicated that they were neutral, 8.3% disagreed and 6.3% strongly disagreed with the statement.

From the results below, 26.4% and 2.3% respectively, of respondents from Singapore indicated they agreed or strongly agreed that changes could be made by *waqf* management in this instance. In contrast, 9.8% and 9.2% respectively, indicated they disagreed or strongly disagreed. It is worth noting here that 52.3% of respondents which is the highest percentage were neutral. A similar pattern emerged from the Johorean respondents as 43.8% agreed and 13% strongly agreed while 6.8% disagreed and 3.1% strongly disagreed with the statement and over 30% of the sample were neutral.

Next, in question 23(b), the scenario was if the *waqf* management can change the *waqf* deed's asset because it is too small to be developed. The results were a bit different from the previous questions as shown in the data in Table 6.23. From among all of the respondents 32.7% stated that they agreed that changes can made by *waqf* management in terms of small assets which are hard to develop, 11.9% of the respondents disagreed with the statement. Again a significant percentage (42.9%) of respondents were neutral on this issue.

In Johor 32.7% agreed with the changes, while a smaller proportion of 9.3% disagreed. However, most respondents (39.5%) were neutral. The same situation arose in the Singaporean sample with the same percentage in agreement.

Question 23 (c) asks about changing the original asset to another one if it does not provide any benefit such as an old mosque. The results show that 29.8% of respondents agreed with this statement and 8.3% strongly agreed. However, this is contrary to the majority of earlier Islamic jurists' opinions that it is prohibited to change or sell the asset in any situation, only Hanbali allowed it if the asset could not produce a benefit anymore (Ibn Qudamah, undated:228). Over 15% disagreed and 2.7% strongly disagreed with this statement. Once again in the highest percentage in both states was for neutral.

In Singapore 16.7% and 3.4%, respectively, stated that they agreed or strongly agreed and 13.8% and 2.3% respectively, declared that they disagreed or strongly disagreed. In Johor 32.1% of respondents agreed and 13.6% strongly agreed with the statement. Of the remaining respondents 16.7% and 3.1% respectively, stated that they disagreed or strongly disagreed.

The last part of question 23 was about *waqf* asset changes for state developments such as changes to cemetery land for building a highway. The survey results show the same pattern as with the previous part of question 23. The majority of respondents preferred to choose neutral in this matter. About 21.4% and 4.8% respectively, of respondents stated they agreed or strongly disagreed. While 18.2% and 12.2% respectively, stated they either disagreed or strongly disagreed to changes made for that purpose. In Singapore 20.7% agreed and 1.1% strongly agreed with changes being made for public projects. Meanwhile 14.4% and 9.2% respectively, of the sample from Singapore claimed that they disagreed or strongly disagreed. It is also worth noting that there was a significant percentage (54.6%) of respondents, who were neutral on changes in this matter.

In summary, the majority of respondents chose neutral for all of the changes made by *waqf* management to *waqf* assets in the given circumstances. However, over 30% of respondents agreed that

changes are allowed if the asset is too small or in an inaccessible location. Fewer than 30% agreed with changes to old mosques or cemetery land for state development. This indirectly shows that mosques and cemeteries are a sensitive issue which may affect people's perspective. As mentioned above, the majority of classical jurists prohibited removing old mosques since it is inherently a symbol of *ibadah* (worship). Through creating these types of endowment, the founders could feel spiritually that they were nearer to Allah. Therefore, changing this asset would not fulfil the *waqf* deed's requirements, whilst a cemetery is a place to respect the dead and removing it will be spoil the fragile bodies.

Table 6.23: Respondent reaction on changing *waqf* deed's on asset

Question 23: Under what circumstance do you think a *waqf* deed's stipulation on assets can be changed by *waqf* management?							
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) They can change it because it is located in an inaccessible location (swamp, forest)	21 (6.3%)	28 (8.3%)	144 (42.9%)	117 (34.8%)	25 (7.4%)	3.29	0.949
(b) They can change it because the area is too small to be developed	15 (4.5%)	40 (11.9%)	144 (42.9%)	110 (32.7%)	26 (7.7%)	3.27	0.930
(c) They can change it because the asset cannot be used anymore(old mosque)	9 (2.7%)	51 (15.2%)	147 (43.8%)	100 (29.8%)	28 (8.3%)	3.26	0.910
(d) They can change it because it is needed for state development (e.g. cemetery land for building a highway)	41 (12.2%)	61 (18.2%)	143 (42.6%)	72 (21.4%)	16 (4.8%)	2.88	1.036
Johor							
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) They can change it because it is located in an inaccessible location (swamp, forest)	5 (3.1%)	11 (6.8%)	53 (32.7%)	71 (43.8%)	21 (13%)	3.57	0.913
(b) They can change it because the area is too small to be developed	7 (4.3%)	15 (9.3%)	64 (39.5%)	53 (32.7%)	22 (13.6%)	3.42	0.985
(c) They can change it because the asset cannot be used anymore(old mosque)	5 (3.1%)	27 (16.7%)	55 (34%)	52 (32.1%)	22 (13.6%)	3.37	1.017
(d) They can change it because it is needed for state development (e.g. cemetery land for building a highway)	25 (15.4%)	36 (22.2%)	48 (29.6%)	36 (22.2%)	14 (8.6%)	2.86	1.193
Singapore							
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) They can change it because it is located in an inaccessible location (swamp, forest)	16 (9.2%)	17 (9.8%)	91	46	4 (2.3%)	3.03	0.909

			(52.3%)	(26.4%)			
(b) They can change it because the area is too small to be developed	8 (4.6%)	25 (14.4%)	80 (46%)	57 (32.8%)	4 (2.3%)	3.14	0.856
(c) They can change it because the asset cannot be used anymore(old mosque)	4 (2.3%)	24 (13.8%)	92 (52.9%)	48 (27.6%)	6 (3.4%)	3.16	0.788
(d) They can change it because it is needed for state development (e.g. cemetery land for building a highway)	16 (9.2%)	25 (14.4%)	95 (54.6%)	36 (20.7%)	2 (1.1%)	2.90	0.871

Similar to the previous question, in question 24 the respondents were asked to state their level of agreement related to whether the output may be changed by *waqf* management in two conditions which are presented in sub-question (a) and (b). The responses are reported in Table 6.24. A total of 35.1% and 7.4% respectively, of respondents declared that they agreed or strongly agreed, if the *waqf* management changed the original output because the area no longer needs the specific output such as if a *waqf* creator builds a mosque when many mosques already exist in that area. In contrast, about 5.4% disagreed and 3.9% strongly disagreed with this decision. The remaining 48.2% of respondents stated that they would be neutral in this situation. In Singapore the highest percentage (64.9%) of respondents stated that they were neutral. 26.4% agreed and 3.4% strongly agreed. In contrast, fewer than 3% of the respondents strongly disagreed. Johor was a bit different to Singapore especially in the neutral responses. Less than half of the Johor sample stated they were neutral in this matter. A total of 44.4% agreed and 11.7% strongly agreed to change the output if the original output is no longer required. Approximately, 8.6% and 4.9% respectively, of respondents stated they disagreed or strongly disagreed with these changes to *waqf* deeds.

In the last sub-question (question 24(b)), the majority of respondents declared that they were neutral in the case of changes made by *waqf* management in order to bettermeet the current requirement of the public. From among all the respondents 36% agreed and 13% strongly agreed with this type of change, 3.6% disagreed and 2.1% strongly disagreed. In Singapore 60.9% of respondents chose neutral in this case, below 30% of respondents from Singapore stated they agreed or strongly agreed. In contrast, both disagreed and strongly disagreed shared the same percentage of 2.9%. This was different with to Johor sample where the highest percentage is 43.2% who agreed, followed by neutral 27.2% then strongly agreed with 23.5%. A small proportion of Johorean respondents stated that they either disagreed or strongly disagreed in any changes made to the output in this instance.

In summary, the majority of respondents agreed to changes made by *waqf* management to *waqf* output, if the specific out does not provide benefit such as building a mosque in the an area where many mosques already exist. Therefore, changing it to another output may generate more benefit and use for the public. *Waqf* managers play an important role to identify the gaps or needs that should be fulfilled through *awqaf.*

Table 6.24: Respondent reaction on changing a *waqf* deed's output

Question 24: Under what circumstances do you think a *waqf* deed's stipulation on output can be changed by *waqf* management?							
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) They can change it because that area does not need that specific output (in the case of a founder who wants to build a mosque where there are many mosques in the area)	13 (3.9%)	18 (5.4%)	162 (48.2%)	118 (35.1%)	25 (7.4%)	3.37	0.850
(b) They can change it because they know better the needs that need to be fulfilled	7 (2.1%)	12 (3.6%)	150 (44.6%)	127 (36%)	45 (13.4%)	3.55	0.846
Johor							
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) They can change it because that area does not need that specific output (in the case of a founder who wants to build a mosque where there are many mosques in the area)	8 (4.9%)	14 (8.6%)	49 (30.2%)	72 (44.4%)	19 (11.7%)	3.49	0.980
(b) They can change it because they know better the needs that need to be fulfilled	2 (1.2%)	7 (4.3%)	44 (27.2%)	70 (43.2%)	38 (23.5%)	3.84	0.880
Singapore							
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) They can change it because that area does not need that specific output (in the case of a founder who wants to build a mosque where there are many mosques in the area)	5 (2.9%)	4 (2.3%)	113 (64.9%)	46 (26.4%)	6 (3.4%)	3.25	0.692
(b) They can change it because they know better the needs that need to be fulfilled	5 (2.9%)	5 (2.9%)	106 (60.9%)	51 (29.3%)	7 (4%)	3.29	0.720

Question 25 consists of two sub-questions (a) and (b) involving changes made by *waqf* management related to the beneficiaries. The results reported in Table 6.25 were quite similar to the previous questions on changes to *waqf* deeds. A total of 27.7% and 6.3% respectively, answered that they

agreed of strongly agreed, that *waqf* beneficiaries can be replaced by other beneficiaries if they do not exist anymore. Meanwhile, 12.5% and 4.5% respectively, answered that they disagreed or strongly disagreed. It is worth noting, a significant percentage of 48.5% of all respondents answered 'neutral' on this issue. Singapore generated a higher percentage (58.6%) towards the neutral level. The results show a big gap between agree and strongly agree degree as 22.4% and 1.1% respectively, stated they agreed or strongly agreed, and 14.9% and 2.9% respectively, stated that they disagreed or strongly disagreed with this statement. Johor had a similar pattern to Singapore in this matter. A clearer picture of this pattern can be viewed in Table 6.25.

For question 25 (b), the respondents were asked to state their level of agreement on changing *waqf* beneficiaries if it is difficult to find them for example if they live outside of the country. 31% and 5% respectively, of respondents stated that they agreed or strongly agreed with this decision and 12.2% and 4.2% respectively, disagreed or strongly disagreed. The majority of Johor respondents agreed at 35.2% and 10.5% strongly agreed. A Small proportion of 11.7% disagreed and 4.3% strongly disagreed. In Singapore 27% and 0.6% respectively, of respondents agreed or strongly agreed, whilst 12.6% disagreed and 4% strongly disagreed. More than half of Singapore's respondents preferred to choose neutral over the other options.

Overall, based on the results above, the majority of respondents from both states agreed that changes could be made in *waqf* deeds to beneficiaries if the beneficiaries no longer exist or are hard to find. Significantly, in these two cases, most respondents and more than half of Singapore's respondents chose neutral.

Table 6.25: Respondent reaction on changing a *waqf* deed's beneficiaries

Question 25: Under what circumstances do you think a *waqf* deed's stipulation on beneficiaries can be changed by *waqf* management?							
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) They can change it because the beneficiaries do not exist anymore	15 (4.5%)	42 (12.5%)	163 (48.5%)	93 (27.7%)	21 (6.3%)	3.19	0.896
(b) They can change it if the beneficiaries are very hard to find (outside country)	14 (4.2%)	41 (12.2%)	157 (46.7%)	104 (31%)	18 (5.4%)	3.21	0.880
Johor							
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) They can change it because the beneficiaries do not exist anymore	10 (6.2%)	16 (9.9%)	61 (37.7%)	54 (33.3%)	19 (11.7%)	3.35	1.023
(b) They can change it if the beneficiaries are very hard to find (outside country)	7 (4.3%)	19 (11.7%)	60 (37%)	57 (35.2%)	17 (10.5%)	3.36	0.974
Singapore							
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) They can change it because the beneficiaries do not exist anymore	5 (2.9%)	26 (14.9%)	102 (58.6%)	39 (22.4%)	2 (1.1%)	3.04	0.732
(b) They can change it if the beneficiaries are very hard to find (outside country)	7 (4%)	22 (12.6%)	97 (55.7%)	47 (27%)	1 (0.6%)	3.07	0.760

As mentioned earlier in chapter 4, *waqf* in both states is managed by the State Islamic Religious Council. Since this part discussion is on *waqf* management, it is crucial to provide any information that relates to *waqf* management. For that purpose, questions 26(a), (b), (c), (d) and (e) were posed to the respondents. The results from the questions are presented in Table 6.26.

The first part of question asked whether *awqaf* need to be registered with SIRC, 66.4% answered 'yes' while 14.3% of respondents were not aware of this regulation and 18.2% gave no opinion. A majority of 76.5% of respondents from Johor and 56.9% from Singapore admitted that they were familiar with this matter. Meanwhile, Singapore and Johor had similar percentages of over 14% who confessed that they were unfamiliar with this regulation. For the 'no opinion' answer, Singapore had 28.2%, in contrast to Johor which had less than 10%.

Continuing from the above question, the respondents were further asked if they were aware that it is against the law if any new *waqf* creation is not registered with SIRC. Significantly,the majority of respondents (40.5%) thought it was not compulsory to register a new *waqf* with SIRC and less than 30% stated it was against the law to ignore this procedure. In Johor positive and negative answers were both received by 40.1% of respondents. Singapore had similar percentages of 40.8% and 40.2% respectively, answering 'no' and 'no opinion' and less than 20% of respondents from Singapore stated that they knew the consequences of not registering a new *waqf* creation with SIRC.

Next, in question 26 (c), the scenario was about SIRC managing *waqf* through complicated procedures. The results were a bit different to the previous questions. 29.8% of the respondents indicated that they agreed with the statement, while, 30.1% stated that anyone who wants to create a new *waq*f can do so through an easy and simple procedures provided by SIRC. In Singapore 37% of

respondents indicated that they agreed that this matter is complicated and a significant percentage (42.2%) said that they had no opinion. A majority of 40.6% of Johor respondents denied the statement while less than 23% approved of it.

In order to encourage the public to create more *awqaf,* a *waqf* can be created through the SIRC website as one of the facilities which they provide. In question 26(d) the respondents were asked whether they were familiar with this service or not. A majority of respondents of 39.4% stated that they were familiar with this and 21.9% admitted that they were not. Of the Singapore respondents 23% were familiar with this service and 24.7% were not. In contrast, there was quite a significant percentage (40.8%) who answered that they had no opinion with regard to this statement. In contrast with Singapore, a majority of 57.4% of Johor respondents stated they were familiar with the service and only a small proportion of 13.9% indicated that they did not know about this.

Regarding the previous question that a newly created *waqf* should be registered with SIRC, and failing to do so may be against the law; question 26(e) asks if the regulation also applies to small goods or assets that are regularly given to particular places or organisations such mosques and schools. A majority of 38.4% of respondents answered 'no' and 33.6% of respondents answered 'yes'. There was a slightly different pattern between the two states in responding to this issue. 34.5% of respondents from Singapore thought this regulation does apply while 27.6% thought it did not, and 37.9% stated that they had 'no opinion' on this matter. In contrast, a majority of Johor respondents of 50.9% disagreed with the statement and 33.3% agreed.

Based on the above results, a majority of respondents stated that they were familiar with the regulations that any new *waqf* creation should be registered with SIRC. However, most of them were not aware that failing to register with the authority is illegal. In terms of complicated procedures provided by SIRC in managing *waqf*, the majority of respondents chose 'no opinion' on this issue. When it came to creating *awqaf* through the SIRC website, most respondents admitted to knowing about this service. In terms of registering newly created *awqaf,* a high percentage of respondents disagreed that the small goods were also included in the provision.

Table 6.26: Respondents' perspective on *waqf* procedures managed by SIRC.

Question 26: What are your views on the following (related to State Islamic Religious Council (SIRC) (a) Any new *waqf* creation should be registered with SIRC						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	223	66.4	67		
	No	48	14.3	14.45		
	No Opinion	61	18.5	18.6	0.52	0.790
	Total	333	99.1	100.0		
Missing	No response	3	0.9			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	124	76.5	78		
	No	23	14.2	14.5		
	No Opinion	12	7.4	7.5	0.30	0.601
	Total	159	98.1	100.0		
Missing	No Response	3	1.9			
Total		162	100.0			
Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	99	56.9	56.9		
	No	25	14.4	14.4		
	No Opinion	50	28.7	28.7	0.72	0.884
	Total	174	100.0	100.0		
(b) Any new *waqf* not registered with SIRC is against the law.						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	98	29.2	29.3		
	No	136	40.5	40.7		
	No Opinion	100	29.8	29.9	1.01	0.771
	Total	334	99.4	100.0		
Missing	No response	2	0.6			
Total		336	100.0			
Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	65	40.1	40.6		
	No	65	40.1	40.6		
	No Opinion	30	18.5	18.8	0.78	0.741
	Total	160	98.8	100.0		

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Missing	No Response	2	1.2			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	33	19	19		
	No	71	40.8	40.8		
	No Opinion	70	40.2	40.2	1.21	0.742
	Total	174	100.0	100.0		

(c) SIRC manages *waqf* through complicated procedure/process						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	100	29.8	30		
	No	101	30.1	30.3		
	No Opinion	132	39.3	39.6	1.10	0.830
	Total	333	99.1	100.0		
Missing	No response	3	0.9			
Total		336	100.0			

Johor						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	36	22.2	22.5		
	No	65	40.1	40.6		
	No Opinion	59	36.4	36.9	1.14	0.759
	Total	160	98.8	100.0		
Missing	No Response	2	1.2			
Total		162	100.0			

Singapore						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	64	36.8	37		
	No	36	20.7	20.8		
	No Opinion	73	42	42.2	1.05	0.891
	Total	173	99.4	100.0		
Missing	No Responses	1	0.6			
Total		174	100.0			

(d)*Waqf* can be created through the SIRC website.						
		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	106	31.5	39.4		
	No	59	17.6	21.9		
	No Opinion	104	31	38.7	0.99	0.885
	Total	269	80.1	100.0		

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Missing	No response	67	19.9			
Total		336	100.0			

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		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	66	40.7	57.4		
	No	16	9.9	13.9		
	No Opinion	33	20.4	28.7	0.71	0.886
	Total	115	71	100.0		
Missing	No Response	47	29			
Total		162	100.0			

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		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	40	23	26		
	No	43	24.7	27.9		
	No Opinion	71	40.8	46.1	1.20	0.827
	Total	154	88.5	100.0		
Missing	No Responses	20	11.5			
Total		174	100.0			

<table><tr><td colspan="7" align="center">(e) Waqf given to a mosque as small goods/assets should be registered with SIRC</td></tr></table>

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	113	33.6	33.9		
	No	129	38.4	38.7		
	No Opinion	91	27.1	27.3		
	Total	333	99.1	100.0	0.93	0.781
Missing	No Response	3	0.9			
Total		336	100.0			

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		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	53	32.7	33.3		
	No	81	50	50.9		
	No Opinion	25	15.4	15.7	0.82	0.680
	Total	159	98.1	100.0		
Missing	No Response	3	1.9			
Total		162	100.0			

<table><tr><td colspan="7" align="center">Singapore</td></tr></table>

		Frequency	Per cent	Valid Per cent	Mean Value	Standard Deviation
Valid	Yes	60	34.5	34.5		
	No	48	27.6	27.6		

No Opinion	66	37.9	37.9	1.03	0.853
Total	174	100.0	100.0		

In questions 27(a-c), the respondents were asked to provide their opinion on a statement relating to *waq*f management by government, private entities or family members and non-governmental organisations. The survey results in Table 6.27 show that 12.2% and 7.7% respectively, stated that they were satisfied or extremely satisfied with the government management of *waqf* property. Meanwhile, 12.8% and 13.7% respectively, stated that they were dissatisfied or extremely dissatisfied with the service provided by government. It is worth noting, there was a significant percentage (52.7%) of respondents who were neutral on this matter. A total of 15.4% and 10.5% respectively, of Johor respondents stated they were happy or very happy with government performance in managing *waqf*. In contrast, 11.7% and 12.3% respectively, of respondents were unhappy or very unhappy with the management. A different pattern occurred with the Singaporean respondents. A total of 9.2% respondents stated that they were happy and 5.2% were very happy with government management on *waqf*. In contrast, 13.8% and 14.9% respectively, stated they were dissatisfied or extremely dissatisfied.

A majority of respondents were unwilling to state their opinion on this issue, however, a high proportion of those who gave an opinion were extremely dissatisfied. This outcome was mostly gained from Singapore's respondents. This indicates that secular state regulation may affect the public's perception of managing *waqf* property even if it was managed by the Muslim community.

In part (b) of question 27, the respondents were asked about private entity's or family member's management of *waqf*. The outcome shows that 17.9% and 6.0% of respondents stated that they were dissatisfied or extremely dissatisfied with that management. Similarly, about 17% and 5.4% of respondents stated they were satisfied or extremely satisfied with private entities'or family members' management of *waqf*. There were a high percentage of respondents (52.7%), who were neutral on this matter. In table 6.26 below it can be seen that a total of 16.7% and 7.4% of Johor's respondents stated that they were satisfied or extremely satisfied with family members or private entities. It is worth to note that a significant number over 40% of those surveyed were neutral. A similar situation happened in Singapore when the respondents were asked the same question. The results show that 17.2% and 3.4% respectively, of the Singapore respondents stated that they were satisfied or extremely satisfied and 15.5% and 6.3% respectively, stated that they were dissatisfied or extremely dissatisfied and the remaining 56.9% of the Singapore respondents were neutral.

In short, most of the respondents preferred to choose 'neutral' on *waqf* managed privately or by family members. While, similar percentages can be seen between the levels of satisfied and dissatisfied as well as extremely satisfied and extremely dissatisfied.

Question 27(c) refers to management by NGOs, where 20.5% and 10.4% respectively, of those surveyed indicated that they were satisfied or extremely satisfied with non-governmental organisations' management of *waqf,* 6.8% were dissatisfied and 6.5% were extremely dissatisfied. The highest percentages (54.2%) of respondents were neutral on this issue, and this is similar to other questions. In Johor 27.8% and 14.2% respectively, of respondents stated they were satisfied or extremely satisfied with non-governmental management on developing *waqf* property. In contrast, 6.8% were dissatisfied and 3.7% were extremely dissatisfied. Neutral maintained the highest percentage with 45.1% of respondents from Johor. A somewhat different situation occurred with the Singaporean respondents. A total of 13.8% and 0.6% respectively, stated that they were satisfied or extremely satisfied with non-governmental organisations' management of *waqf.* In Singapore, 6.3% and 9.8% respectively, declared that they were dissatisfied or extremely dissatisfied with the service. Significantly, over 60% of respondents were neutral in this matter.

Based on the outcomes discussed above it can be seen that the majority of respondents from both states were neutral on which entities managed *waqf* including government bodies, private or family members and non-governmental organisation. However, the majority of respondents who were not neutral were most satisfied with non-governmental organisations and least satisfied with government management.

Table 6.27: Respondents' responses on *waqf* management by particular bodies.

Question 27: How satisfied are you with *waqf* management by the following entities?							
	Extremely Dissatisfied	Dissatisfied	Neutral	Satisfied	Extremely Satisfied	Mean Value	Standard Deviation
(a) *Waqf* managed by government bodies	46 (13.7%)	43 (12.8%)	177 (52.7%)	41 (12.2%)	26 (7.7%)	2.87	1.051
(b) *Waqf* managed by private or family members	20 (6 %)	60 (17.9%)	177 (52.7%)	57 (17%)	18 (5.4%)	2.98	0.901
(c) *Waqf* managed by Non-Governmental Organisations such as KWANB under Johor Corporation	23 (6.8%)	22 (6.5%)	182 (54.2%)	69 (20.5%)	35 (10.4%)	3.00	0.966

Johor							
	Extremely Dissatisfied	Dissatisfied	Neutral	Satisfied	Extremely Satisfied	Mean Value	Standard Deviation
(a) *Waqf* managed by government bodies	20 (12.3%)	19 (11.7%)	79 (48.8%)	25 (15.4%)	17 (10.5%)	3.00	1.099
(b) Waqf managed by private or family members	9 (5.6%)	33 (20.4%)	78 (48.1%)	27 (16.7%)	12 (7.4%)	3.00	0.955
(c) *Waqf* managed by Non-Governmental Organisations such as KWANB under Johor Corporation	6 (3.7%)	11 (6.8%)	73 (45.1%)	45 (27.8%)	23 (14.2%)	3.43	0.953
Singapore							
	Extremely Dissatisfied	Dissatisfied	Neutral	Satisfied	Extremely Satisfied	Mean Value	Standard Deviation
(a) *Waqf* managed by government bodies	26 (14.9%)	24 (13.8%)	98 (56.3%)	16 (9.2%)	9 (5.2%)	2.76	0.994
(b) Waqf managed by private or family members	11 (6.3%)	27 (15.5%)	99 (56.9%)	30 (17.2%)	6 (3.4%)	2.96	0.852
(c) *Waqf* managed by Non-Governmental Organisations such as KWANB under Johor Corporation	17 (9.8%)	11 (6.3%)	109 (62.6%)	24 (13.8%)	12 (6.9%)	3.00	0.937

In question 28, respondents were asked to provide their most preferred and least preferred entities for managing *awqaf*. For that purpose, three entities are stated for respondents to choose from government, private entities or family members and non-governmental organisations. The results in Table 6.28 show that the most popular entity for *waqf* management chosen by the respondents was private or family members at 20.2%, which has the greatest percentage contributed by Singapore respondents at 30.5%. This is followed by government entities at 17.9% and is mostly highly represented by Johor respondents at 22.8%. The least popular choice among the respondents was non-governmental organisation at 13.1%. However, these results are contrary to the results from the previous question where the respondents preferred non-governmental organisation management of *waqf*.

Table 6.28: *Waqf* manager ranking by respondents

Question 28:	Can you please rank the entity you would prefer from the following for *waqf* management				
	Most Preferred	Preferred	Least Preferred	Mean Value	Standard Deviation
(a)Government	60 (17.9%)	39 (11.6%)	75 (22%)	2.09	0.879
(b)Private or family members	68 (20.2%)	64 (19%)	40 (11.9%)	1.85	0.793
(c)Non-governmental organisation	44 (13.1%)	70 (20.8%)	59 (17.6%)	2.10	0.780
Johor					
	Most Preferred	Preferred	Least Preferred	Mean Value	Standard Deviation
(a)Government	37 (22.8%)	20 (12.3%)	22 (13.6%)	1.81	0.848
(b)Private or family members	15 (9.3%)	28 (17.3%)	34 (21%)	2.27	0.784
(c)Non-governmental organisation	25 (15.4%)	30 (18.5%)	23 (14.2%)	2.00	0.816
Singapore					
	Most Preferred	Preferred	Least Preferred	Mean Value	Standard Deviation
(a)Government	23 (13.2%)	19 (10.9%)	53 (30.5%)	2.32	0.841
(b)Private or family members	53 (30.5%)	36 (20.7%)	6 (3.4%)	1.51	0.617
(c)Non-governmental organisation	19 (10.9%)	40 (23%)	36 (20.7%)	2.18	0.743

In order to determine the factors contributing to the popularity of particular bodies for *waqf* management, respondents were asked to indicate the level of their satisfaction with the provided criteria. Every sub-question from (a) to (j) was asked for each for form of management.

Firstly, questions 29 (a-j) referred to government management, the results in Table 6.29 show that the highest percentage more than 30% of respondents stated that when the government managed *waqf* assets, here is potential for increasing the state economy. From the whole sample 24.4% and 6.8%, respectively, of the respondents were satisfied or extremely satisfied and Johor had the greatest contribution towards this criterion of over 30%. The second highest percentage was about 29.1% and 6.5% respectively, of respondents who felt satisfied or extremely satisfied with the government performance in managing *waqf* assets for fulfilling social needs. This was followed by the good management criterion where 20.2% were satisfied and 6% were extremely satisfied. A similar percentage of 25.3% of respondents stated that they were happy with the tax exemption of *waqf*

management. Less than 25% of respondents felt the government is productive in *waqf* development. While about 10.2% of respondents thought other reasons contribute towards satisfaction on government management. However, over 20% of respondents stated that they were unhappy with the government performance because of inefficiency and complicated procedures for managing *awqaf* and about 17.9% and 8% respectively, of respondents were dissatisfied or extremely dissatisfied with government bodies as they are unreliable for managing *waqf* assets. It is worth to note that, there was a significant percentage of over 25% of responses which were neutral for all criteria.

Secondly, in questions 30(a-j), the respondents were asked the same questions but towards private entities or family members. The findings indicate that 20.2% and 7.4% respectively, stated that they were satisfied or extremely satisfied with the private performance because they were comfortable in this role. Similar percentages of 22.7% and 22.4% were obtained from respondents who were satisfied or extremely satisfied with private or family member's management of *waqf* since it is reliable and can fulfil social needs. A total of 15.2% were satisfied and 5.7% were extremely satisfied with the good *waqf* management performance of private entities or family members. Similar percentages of 19.7% and 19.1% respectively, were gained from all respondents indicating that they were satisfied or extremely satisfied with the productivity and efficiency that private entities and family members provided. However, when it came to the issues of tax exemption and simple procedures, over 18% of respondents were unhappy with this matter. In addition, about 13.7% and 5.1% of respondents respectively felt dissatisfied or extremely dissatisfied with private and family member's management of *waqf* asset to contribute to economic improvement. A similar pattern to the previous question occurs as there was a significant percentage of 29% who were neutral on this issue.

Lastly, the same questions were asked once again for non-governmental organisations. The most popular criteria for non-governmental organisations in *waqf* management are reliability, comfort and fulfilment of social needs, all of which had more than 30% of respondents who were satisfied or extremely satisfied. These were followed by, good management and improving the state economy both with a percentage of 29.7% of respondents. Efficiency and simple procedures of non-governmental organisation management had the next highest percentage with 29.4% of respondents. There was slightly less satisfaction with the productivity of NGO management with 20.8% and 7.4% respectively, who stated they were satisfied or extremely satisfied with this matter. While tax exemption facilities took the last place with the smallest percentages of 15.5% and 6.8% respectively, of respondents who were satisfied or extremely satisfied. Significantly, about 34% of respondents remained neutral on this issue. The general description of this issue is presented in Table 6.29.

In short, among the three entities that have authority in *waqf* management, non-governmental organisations tend to provide more satisfaction in service and performance. Based on the ten criteria presented, the majority of respondents stated that they were satisfied or extremely satisfied with the following nine criteria: efficiency, reliability, good management, simple procedures, productivity, tax exemption, comfort, fulfilling social needs and ability to increase the state economy. Government bodies were slightly less popular with only seven criteria that satisfied the majority of respondents. In the other words, inefficiency, unreliability and difficult procedures are the aspects that make respondents dissatisfied with government performance in managing *waqf*. Whereas only six of ten criteria were satisfactory to most of respondents for private entities or family members managing *waqf,* and there was a view that they tend to lack good performance in *waqf* management.

Table 6.29: Respondents' satisfaction with different entities' management of *waqf*

Question 29 :	Can you please indicate your satisfaction with government managing *waqf* assets for each of the following:						
	Extremely Dissatisfied	Dissatisfied	Neutral	Satisfied	Extremely Satisfied	Mean Value	Standard Deviation
(a) Efficiency	26　(7.7%)	64　(19%)	171 (50.9%)	47　(14%)	22　(6.5%)	2.92	0.957
(b) Reliability	28　(8.3%)	60　(17.9%)	163 (48.5%)	59 (17.6%)	23　(6.8%)	2.97	0.986
(c) Good management	21　(6.3%)	47　(14%)	176 (52.4%)	67 (19.9%)	21　(6.3%)	3.06	0.921
(d) Productivity	23　(6.8%)	53　(15.8%)	173 (51.5%)	62 (18.5%)	19　(5.7%)	3.00	0.927
(e) Simple procedures	26　(6.3%)	53　(15.8%)	172 (51.2%)	52 (15.5%)	33 (9.8%)	2.90	0.932
(f) Tax exemption	21　(6.3%)	53　(15.8%)	172 (51.2%)	52 (15.5%)	33　(9.8%)	3.07	0.984
(g) Comfort	22　(6.5%)	35　(10.4%)	195 (58%)	56 (16.7%)	17　(5.1%)	3.03	0.872
(h) Fulfilling social needs	22　(6.5%)	40　(11.9%)	172 (51.2%)	77 (22.9%)	22　(6.5%)	3.11	0.933
(i) Can improve the state economy	24　(7.1%)	37　(11%)	165 (49.1%)	81 (24.1%)	23　(6.8%)	3.13	0.956
(j) Others	16　(4.8%)	14　(4.2%)	122 (36.3%)	23 (6.8%)	12　(3.6%)	3.01	0.895
Question 30 :	Can you please indicate your satisfaction with private entities or family members in managing *waqf* assets for each of the following:						

	Extremely Dissatisfied	Dissatisfied	Neutral	Satisfied	Extremely Satisfied	Mean Value	Standard Deviation
(a) Efficiency	17 (5.1%)	46 (13.7%)	202 (60.1%)	48 (14.3%)	18 (5.4%)	3.01	0.842
(b) Reliability	16 (4.8%)	54 (16.1%)	187 (55.7%)	55 (16.4%)	20 (6%)	3.03	0.874
(c) Good management	18 (5.4%)	52 (15.5%)	190 (56.5%)	51 (15.2%)	19 (5.7%)	3.00	0.873
(d) Productivity	14 (4.2%)	50 (14.9%)	203 (60.4%)	45 (13.4%)	19 (5.7%)	3.02	0.829
(e) Simple procedures	14 (4.2%)	47 (14%)	166 (49.4%)	71 (21.1%)	28 (8.3%)	3.29	2.491
(f) Tax exemption	24 (7.1%)	56 (16.7%)	182 (54.2%)	45 (13.4%)	19 (5.7%)	2.94	0.914
(g) Comfort	14 (4.2%)	49 (14.6%)	175 (52.1%)	68 (20.2%)	25 (7.4%)	3.12	0.901
(h) Fulfilling social needs	15 (4.5%)	46 (13.7%)	193 (57.4%)	55 (16.4%)	21 (6.3%)	3.06	0.861
(i) Can improve the state economy	13 (3.9%)	55 (16.4%)	198 (58.9%)	46 (13.7%)	17 (5.1%)	3.00	0.821
(j) Others	19 (5.7%)	22 (6.5%)	124 (36.9%)	15 (4.5%)	10 (3.0%)	2.87	0.890

Question 31 : Can you please indicate your satisfaction with non-governmental organisations in managing *waqf* assets for each of the following:						

	Extremely Dissatisfied	Dissatisfied	Neutral	Satisfied	Extremely Satisfied	Mean Value	Standard Deviation
(a) Efficiency	19 (5.7%)	40 (11.9%)	175 (52.1%)	74 (22%)	25 (7.4%)	3.14	0.924
(b) Reliability	14 (4.2%)	49 (14.6%)	159 (47.3%)	84 (25.0%)	25 (7.4%)	3.17	0.920
(c) Good management	15 (4.5%)	48 (14.3%)	169 (50.3%)	74 (22.0%)	26 (7.7%)	3.14	0.918
(d) Productivity	15 (4.5%)	55 (16.4%)	167 (49.7%)	70 (20.8%)	25 (7.4%)	3.11	0.922
(e) Simple procedures	15 (4.5%)	51 (15.2%)	168 (50.0%)	76 (22.6%)	23 (6.8%)	3.12	0.908
(f) Tax exemption	16 (4.8%)	53 (15.8%)	188 (56.0%)	52 (15.5%)	23 (6.8%)	3.04	0.887
(g) Comfort	17 (5.1%)	45 (13.4%)	167	80 (23.8%)	24 (7.1%)	3.15	0.921

				(49.7%)				
(h) Fulfilling social needs	17	(5.1%)	47	(14.0%)	160 (47.6%)	83 (24.7%)	26 (7.7%)	3.16	0.940
(i) Can improve the state economy	17	(5.1%)	47	(14.0%)	166 (49.4%)	72 (21.4%)	28 (8.3%)	3.14	0.943
(j) Others	19	(5.7%)	34	(10.1%)	119 (35.4%)	32 (9.5%)	18 (5.4%)	2.98	0.984

6.6 Respondents Opinion on *Waqf* Beneficiaries and Outcomes

This section discusses the opinions of the respondents on the uses of *waqf* revenue for particular outcomes and beneficiaries. Questions 32 (a-r) were posed to the respondents with the objective of identifying the respondents' choice of which form of output is most suited to the purpose of *waqf* from their perspective. The results are reported in Table 6.30.

First, in question 32 (a), the respondents were asked their opinion on *waqf* revenue that can be used for upgrading a mosque and its maintenance. The results show that 34.8% and 31.8% respectively, stated that they agreed or strongly agreed with this aim, while 5.7% and 2.7%, respectively, stated that they disagreed or strongly disagreed with it. About a quarter of the respondents were neutral. Johor had a higher percentage with 38.3% and 43.8% respectively, of respondents who agreed or strongly agreed. While Singapore had greater proportion (35.6%) who stated that they were neutral.

In question 32 (b), the respondents were asked the same question but for the purpose of religious schools. A similar outcome was recorded as for question 21(c) when the respondents were asked about *waqf* objectives according to their preferences. A total of 40.2% of respondents agreed and 38.4% strongly agreed with the statement, while 18.2% stated they were neutral. A small percentage below 2.4% stated that they strongly disagreed. Of the Singapore respondents 42.5% agreed and 29.9% strongly agreed, while about a quarter of Singapore respondents were neutral. Less than 3% of the respondents either disagreed or strongly disagreed. A total of 37.7% and 47.5% respectively, of respondents from Johor agreed and strongly agreed and only 1.2% strongly disagreed with *waqf* revenue being used for the purpose of religious schools.

In question 32(c), the respondents were asked whether they would agree if the *waqf* revenue was utilised for cemeteries. Again, the same pattern was seen as in the previous questions. The results show that 37.3% and 29.8% of respondents agreed and strongly agreed with this purpose, while 'disagree' and 'strongly disagree' shared the same percentage of 2.4%. Again, about a quarter of

respondents from both states were neutral. Although, this is in contrast to the result of question 21 (b) where it was one of the least popular objectives among the respondents, once more it is more popular in Johor with 39.5% who agreed and 43.2% who agreed strongly and an insignificant percentage of 1.2% were neutral. In Singapore, a significant percentage of 39.1% were neutral and 35.1% and 17.2% respectively, of respondents agreed or strongly agreed.

For question 32(d), the respondents were asked to state their level of agreement if the *waqf* revenue was utilised to finance *dakwah* activities. The pattern was similar as for previous questions. A Total of 32% and 25.6%, respectively, of the respondents stated they agreed or strongly agreed while a significant percentage of 36% were neutral, 3.3% disagreed and 1.2% strongly disagreed with the statement. A significant percentage of 50.6% of Singaporean respondents were neutral and Johor again had a higher proportion that agreed or agreed strongly with 34.5% and 40.1% respectively.

In question 32 (e), the results show that 35.7% and 39.8% of respondents declared that they agreed or strongly agreed to *waqf* revenue being adopted for education or scholarships. It is worth noting that, a significant percentage of 29.8% of respondents were neutral. Meanwhile, less than 2% of respondents disagreed or strongly disagreed with this purpose. Again, Johor was more positive towards this purpose withover 40% who agreed or strongly agreed and a smaller proportion of less than 2.5% that disagreed or strongly disagreed. A majority of Singapore respondents of 31.6% and 18.4%, respectively, stated that they agreed or strongly agreed and a significant percentage of 44.8% chose neutral.

Waqf revenue may not only be used for religious purposes but for various other aims. Through its long history *waqf* has successfully functioned for human development. Research centres are one of the purposes mentioned by many researchers as discussed earlier in chapter 3. Question 30 (f) was posed to the respondents in order to reveal their perspective on this issue. The majority of respondents 34.2% and 25.9% respectively, stated that they agreed or strongly agreed, while less than 2.4% of respondents disagreed or strongly disagreed with this purpose. Significant percentages (33.3%) of respondents were neutral in this matter which is similar to the previous questions. In Singapore 46% of respondents stated that they were neutral compared to Johor. A total of 39.5% of respondents from Johor agreed and 35.2% strongly agreed, compared to Singapore where 29.3% agreed and 17.2% strongly agreed with this idea.

Next, in question 32(g), the respondents were asked whether they agreed or disagreed for *waqf* revenue to be utilised for building student accommodation. A total of 36.6% from both states agreed

and 25.9% disagreed with this approach, By contrast, less than 1.5% of respondents strongly disagreed with this. It is worth noting that significant percentages (33.3%) were neutral. Again, Singapore recorded the highest percentage in this category with 43.1% of respondents, while 22.8 % in Johor chose neutral. A total of 38.3% of respondents from Johor agreed and 36.4% strongly agreed while 35.1% and 16.1% respectively, from the Singaporean sample agreed and strongly agreed.

There are many hospital buildings and treatments centres that have been built and paid for by the institution of *waqf*. The next three question are 32 (h- j) and they relate to health services include treatment for people with low income and people who are disabled. Providing treatment people on a low income is one of the services provided by *waqf* management of the Johor Corporation as mentioned earlier in chapter four. A similar pattern as with previous questions occurred for this outcome. A majority of respondents 41.1% and 23.8% respectively, stated that they agreed or strongly agreed with this matter and a small percentage of 2.1% was recorded for both disagree and strongly disagree. The remaining percentage of 30.1% stated that they were neutral on this issue. Johor had 41.4% of respondents indicate that they agreed and 34.6% who strongly agreed. While, less than 3.1% of Johor respondents felt disagree and strongly disagree. In Singapore's case, the highest percentage (41.4%) of respondents stated that they were neutral, this was followed by agree with 40.8% and strongly agree with 13.8% and below 3% of respondents disagreed with this approach.

Question 32 (i), was similar to the previous question, but was aimed towards different beneficiaries. The respondents were asked to indicate their level of agreement on using *waqf* revenue to provide treatment for disabled people. A total of 38.4% and 24.7% respectively, of respondents indicated that they agreed or strongly agreed with this purpose while below 2% disagreed or strongly disagreed. About a third of respondents (33%) were neutral on this issue. Again, Johor had the highest percentage that agreed at 40.7% and agreed strongly at 35.8% while Singapore had 44.8% who were neutral.

The last question that related to health services provided by *waqf* revenue is on providing community health programmes. The results show that 32.7% and 21.7% respectively, indicated that they agreed or strongly agreed with this purpose, while, the same percentage of 1.8% of respondents disagreed or strongly disagreed. It is worth noting that a significant percentage of 41.7% of respondents showed that they were neutral.

For question 32 (k), the respondents were asked their opinion on utilising *waqf* revenue for agricultural purposes. The majority of respondents (44.6%) were neutral in this situation, while 32.1% and 16.7%

respectively, stated that they agreed or strongly agreed, and less than 4% of respondents disagreed or strongly disagreed with it.

In question 32(l), the respondents were asked whether they would agree if *waqf* revenue was utilised to provide financial services. A similar pattern was gained from the results in previous questions as the majority of respondents (38.7%) were neutral. A total of 34.2% and 19.3% respectively, stated that they agreed or strongly agreed. Less than 4% said that they disagreed or strongly disagreed. Again, Johor had a higher percentage that agreed or strongly agreed with 40.1% and 25.9% respectively, while Singapore had the highest percentage with 51.1% who were neutral.

In the following question 32(m), the beneficiaries targeted were orphanages. Based on the results, a majority of respondents 32.4% and 40.5% respectively stated that they agreed or strongly agreed with this statement, while 1.8% and 3%, respectively, of respondents said they disagreed or strongly disagreed with this. The same pattern occurred in question 32(n) when the respondents were asked whether they agreed that *waqf* revenues could be utilised for helping single mothers or widows, in question 32 (o) for the needy or humanitarian purposes and 32 (p) for helping in a disaster. The majority of respondents agreed or strongly agreed with all these purposes, Johor was again higher for agree or strongly while Singapore remained higher on the neutral level. The results are set out in Table 6.30.

The last two questions are 32 (q) and (r) where respondents could state any other field in which *waqf* revenue can be used. A majority of respondents (19.6%) were neutral on this scenario. This directly indicates that there are other fields where *waqf* revenue can be used for community benefit, which have not been stated above.

In short, the most popular *waqf* beneficiaries or outcomes among respondents in both states are religious schools and this is the same as the most popular objective for making a permanent *waqf* in question 21. The second most popular is orphanages, followed by cemeteries and needy or poor people. This is in contrast with the question 21 where the last choice of making permanent *waqf* was for cemeteries. However, in this question the least popular option chosen by respondents was for agricultural purposes. Generally, the majority of Singapore respondents tended to choose neutral in all circumstances whereas Johor were likely to agree or strongly agree with most situations. This indicates that most of the Singaporean respondents were unfamiliar with the uses of *waqf* that can cater for various types of need.

Table 6.30: Respondents reaction on *waqf* beneficiaries or outcomes by States

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
Question 32 : *Waqf* can be used for which of the following: Johor							
(a) Upgrade mosque and it maintenance	2 (1.2%)	6 (3.7%)	18 (11.1%)	62 (38.3%)	71 (43.8%)	4.22	0.883
(b) Religious school	2 (1.2%)	-	21 (13.0%)	61 (37.7%)	77 (47.5%)	4.31	0.792
(c) Cemetery	2 (1.2%)	-	24 (14.8%)	64 (39.5%)	70 (43.2%)	4.25	0.801
(d) Finance *dakwah* activities	1 (0.6%)	3 (1.9%)	33 (20.4%)	56 (34.6%)	65 (40.1%)	4.15	0.858
(e) Education /scholarship fund	1 (0.6%)	4 (2.5%)	22 (13.6%)	65 (40.1%)	68 (42.0%)	4.22	0.822
(f) Research centre	1 (0.6%)	2 (1.2%)	32 (19.8%)	64 (39.5%)	57 (35.2%)	4.12	0.819
(g) Student accommodation	1 (0.6%)	-	37 (22.8%)	62 (38.3%)	59 (36.4%)	4.12	0.806
(h) Provide treatment for people with a low income	2 (1.2%)	5 (3.1%)	29 (17.9%)	67 (41.4%)	56 (34.6%)	4.19	1.735
(i) Provide treatment for disabled	1 (0.6%)	3 (1.9%)	33 (20.4%)	66 (40.7%)	58 (35.8%)	4.10	0.831
(j) Provide health programmes	2 (1.2%)	4 (2.5%)	44 (27.2%)	59 (36.4%)	51 (31.5%)	3.96	0.900
(k) Agricultural	1 (0.6%)	5 (3.1%)	48 (29.6%)	63 (38.9%)	43 (26.5%)	3.89	0.861
(l) Provide financial services	4 (2.5%)	8 (4.9%)	41 (25.3%)	65 (40.1%)	42 (25.9%)	3.83	0.960
(m) Orphanages	4 (2.5%)	2 (1.2%)	22 (13.6%)	55 (34.0%)	78 (99.4%)	4.25	0.915
(n) Single mother/widow	4 (2.5%)	4 (2.5%)	27 (16.7%)	65 (40.1%)	60 (37.0%)	4.08	0.931
(o) Needy /poor people	4 (2.5%)	1 (0.6%)	23 (14.2%)	63 (38.9%)	67 (41.4%)	4.19	0.890

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	Strongly Disagree		Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(p) Disaster/Relief	3	(1.9%)	3 (1.9%)	23 (14.2%)	69 (42.6%)	62 (38.3%)	4.15	0.870
(q) Other	4	(2.5%)	3 (1.9%)	27 (16.7%)	27 (16.7%)	22 (13.6%)	3.72	1.051
(r) Other	4	(2.5%)	2 (1.2%)	22 (13.6%)	22 (13.6%)	19 (11.7%)	3.72	1.083

Singapore								
	Strongly Disagree		Disagree	Neutral	Agree	Strongly Agree	Mean Value	Standard Deviation
(a) Upgrade mosque and it maintenance	7	(4.0%)	13 (7.5%)	62 (35.6%)	55 (31.65)	36 (20.7%)	3.58	1.029
(b) Religious school	6	(3.4%)	1 (0.6%)	40 (23.0%)	74 (42.5%)	52 (29.9%)	3.95	0.933
(c) Cemetery	6	(3.4%)	8 (4.6%)	68 (39.1%)	61 (35.15)	30 (17.2%)	3.58	0.946
(d) Finance *dakwah* activities	3	(1.7%)	8 (4.6%)	88 (50.6%)	52 (29.9%)	21 (12.1%)	3.47	0.833
(e) Education /scholarship fund	6	(3.4%)	1 (0.6%)	78 (44.8%)	55 (31.6%)	32 (18.4%)	3.62	0.913
(f) Research centre	6	(3.4%)	6 (3.4%)	80 (46.0%)	51 (29.3%)	30 (17.2%)	3.54	0.937
(g) Student accommodation	4	(2.3%)	4 (2.3%)	75 (43.1%)	61 (35.1%)	28 (16.1%)	3.61	0.868
(h) Provide treatment for people with a low income	5	(2.9%)	2 (1.1%)	72 (41.4%)	71 (40.8%)	24 (13.8%)	3.61	0.844
(i) Provide treatment for disabled	5	(2.9%)	1 (0.6%)	78 (44.8%)	63 (36.2%)	25 (14.4%)	3.59	0.850
(j) Provide health programmes	4	(2.3%)	2 (1.1%)	96 (55.2%)	49 (28.2%)	22 (12.6%)	3.48	0.818
(k) Agricultural	5	(2.9%)	7 (4.0%)	102 (58.6%)	45 (25.9%)	13 (7.5%)	3.31	0.791
(l) Provide financial services	6	(3.4%)	4 (2.3%)	89 (51.1%)	50 (28.7%)	23 (13.2%)	3.47	0.881
(m) Orphanage	5	(3.4%)	4 (2.3%)	51 (29.3%)	54 (31.0%)	58 (33.3%)	3.89	1.014
(n) Single mother/widow	6	(3.4%)	3 (1.7%)	78 (44.8%)	64 (36.8%)	23 (13.2%)	3.55	0.871
(o) Needy /poor people	6		4	65	45	53	3.78	1.022

	(3.4%)	(2.3%)	(37.4%)	(25.9%)	(30.5%)	
(p) Disaster/Relief	6 (3.4%)	3 (1.7%)	70 (40.2%)	44 (25.3%)	49 (28.2%)	3.74	1.006
(q) Other	7 (4.0%)	4 (2.3%)	45 (25.9%)	26 (14.9%)	9 (5.2%)	3.29	0.981
(r) Other	8 (4.6%)	4 (2.3%)	44 (25.3%)	17 (9.8%)	12 (6.9%)	3.25	1.068

Finally, the response to the last question 33 (a –d) are reported in Table 6.31. The respondents were asked to provide rankings between four aspects in order to determine which aspect would most encourage people to create *awqaf*. The results show that religious purposes including mosques, cemeteries and religious schools are in the first ranking with 35.1% of respondents who mostly came from the Singapore sample. While in second place with 8% was family members as *waqf* beneficiaries and again Singapore had more respondents give this answer. Public welfare such as research, medical care and education was in the third place with 1.5% of respondents from both states choosing this option, and Johor had the highest percentage. The least preferred choice among the respondents was other objectives with only 0.6% selecting this.

Table 6.31: Respondents' reaction to the field of *waqf* objective

Question 33: If you want to make *waqf,* please rank the order of your preferences related to the objectives below: (1 for most preferred and 4 for leas tee preferred)						
	Most Preferred	Preferred	Less Preferred	Least tee Preferred	Mean Value	Standard Deviation
(a)Religious (mosque, cemetery and religious school)	86 (25.6%)	24 (7.1%)	-	1 (0.3%)	1.24	0.490
(b)Family members (house/land)	19 (5.7%)	56 (16.7%)	34 (10.1%)	2 (0.6%)	2.17	0.725
(c)Public welfare (research, medical, education)	5 (1.5%)	30 (8.9%)	73 (21.7%)	3 (0.9%)	2.67	0.608
(d)Others	1 (0.3%)	2 (0.6%)	3 (0.9%)	105 (3.1%)	4.66	7.957
Johor						
	Most Preferred	Preferred	Least Preferred	Leas tee Preferred	Mean Value	Standard Deviation
(a)Religious (mosque, cemetery and religious school)	25 (15.4%)	9 (5.6%)	-	-	1.26	0.448
(b)Family members (house/land)	5 (3.1%)	15 (9.3%)	14 (8.6%)	-	2.26	0.710
(c)Public welfare (research, medical, education)	4 (2.5%)	10 (6.2%)	19 (11.7%)	1 (0.6%)	2.50	0.749
(d)Others	-	-	1 (0.6%)	33 (20.4%)	3.97	0.171

Singapore						
	Most Preferred	Preferred	Least Preferred	Leas tee Preferred	Mean Value	Standard Deviation
(a)Religious (mosque, cemetery and religious school)	61 (35.1%)	15 (8.6%)	-	1 (0.6%)	1.23	0.510
(b)Family members (house/land)	14 (8.0%)	41 (23.6%)	20 (11.5%)	2 (1.1%)	2.13	0.732
(c)Public welfare (research, medical, education)	1 (0.6%)	20 (11.5%)	54 (31.0%)	2 (1.1%)	2.74	0.523
(d)Others	1 (0.6%)	2 (1.1%)	2 (1.15)	72 (41.4%)	4.96	9.537

6.7 Conclusion

This chapter has provided information on respondents from both states based on the data collected from the questionnaires. This chapter is divided into five subtopics according to the questionnaire sections. The first section is about the respondents' demographics which consist of gender, age, marital status, education level, monthly income, number of children, job and religion. From the information obtained, it can be concluded that the majority of respondents were female, aged between 18-30, single, students, unemployed, Muslim, had college or pre-university as their highest education level, and unsurprisingly the majority of them earned no income. In the second section, respondents' knowledge relating to the latest kind of *waqf* including temporary *waqf* was presented. A majority of traditional Islamic jurists defined *waqf* benefit as permanent and not for alimited time, thus, unsurprisingly, most of the respondents would not allow temporary *waqf* as it has only been made permissible by the latest Islamic jurists. Respondents' practise of *waqf* establishment was covered in the third section of this chapter. Generally, the results of some of these questions differ between both states due to the legal effects that influence respondents' perspectives as well as the different environments. Still religious purposes are the main objective chosen by most of the respondents. In terms of the fourth section of management, the majority of respondents stated that their first preference is for a non-governmental organization. However, when the respondents were asked about their level of satisfaction among the three entities, the results showed that people were extremely dissatisfied with non-governmental organisations. Moreover, when the respondents were asked to indicate their satisfaction with certain criteria, the result shows that among the three bodies that have the authority of *waqf* management, non-governmental organisations tended to provide more satisfaction in both service provision and performance. Based on the ten criteria presented, a majority of respondents stated they were satisfied or extremely satisfied with nine of the criteria such as efficiency, reliability, good management, simple procedures, productivity, tax exemption, comfort, ability to fulfil social needs

and ability to increase the state economy. This is indicated a contrasting result to the previous question. In the last section of this chapter the respondents' opinions on using *waqf* for particular beneficiaries or outcomes was presented. In summary, respondents from both states strongly believed that *waqf* is primarily for religious purposes although at the same time they agreed that *waqf* can also be used for other purposes as long as there is a benefit and use for the community.

CHAPTER 7

Exploring Knowledge and Perceptions on *Waqf:* Inferential Analysis

7.1 Introduction

Whereas *waqf* has traditionally been an important instrument for social development, its use has been limited during contemporary times. There is a contention that one of the reasons of the decline of the institution of *waqf* is a lack of knowledge and understanding. This chapter explores and analyses the perceptions and attitudes towards the concept of *waqf*. This chapter consists of three sections. The first section presents results on awareness and knowledge of the concept of *waqf* including kinds of *waqf* and the flexibility of *waqf* cash. The second section discusses issues related to *waqf* creation which consists of *waqf* establishment, its practice and constraints that the public face in developing *waqf*, as they are the main source for generating more assets for *waqf*. The fourth section reports on *waqf* management. Views on an *istibdal in waqf* deeds such as a change in assets, outcomes or beneficiares are also presented in the *waqf* management section which and ends with the criteria of satisfaction for three entities in managing a*wqaf* that were chosen by the respondents.

7.2 Awareness and Knowledge

This part is divided into two subtopics first, the concept of *waq*f which consists of *sadaqah* vss *waqf*, permanent vss temporary and religious vss general. The second part relates to *waqf* assets including kinds of *waqf* and the flexibility of *waqf* cash. The aim is to identify the respondents' knowledge on contemporary issues that relate to *waqf* and to study the respondents' profiles in order to answer research question 4 and 5, which are related to public perceptions on the status and uses of *waqf* and to examine to what extent Muslims are exposed to the concept of *waqf*.

The following analysis will use tools such as the Mann-Whitney and Kruskal-Wallis tests to determine whether there are any significant differences in demographic profiles, such as state of origin, education level, and age.

7.2.1 *Waqf* Concept

Sadaqah vs. waqf

As mentioned in chapter 3, there is a difference between *sadaqah* and a *waqf*. Although *waqf* is known as a form of charity as well, it is continuous as the deeds remain forever even if the *waqf* creator passes away. The main objective is to identify the subgroups' respondents' perceptions on this issue in order

to determine which subgroup has a better knowledge of these terms. Based on this, the concept of a *waqf* will be clearer and easier to understand. Thus, public will no bet confused between both terms and *waqf* will be known for its own unique characteristic. More than 85% of respondents stated that they knew the difference between *waqf* and *sadaqah*. For this aim, the researcher adopted the Mann-Whitney U-test to examine for the 'respondent's state of origin' and the 'difference between *sadaqah* and *waqf*' and the Kruskal-Wallis-tests for 'age' and 'education'. A summary of the outcomes is presented in Table 7.1.

The result from the Mann-Whitney U-test in the first subgroup of 'respondent's origin' shows that there is no statistically significant difference between Johor (mean ranking=167.53) and Singapore (mean ranking= 164.60) in terms of their knowledge of distinguishing between both forms. The significance value of 0.615 is higher than the significant confidence level of 0.05.

The second subgroup is 'education level'. And for this group, the Kruskal-Wallis-test was applied to see if there is any statistically significant difference between education level and knowledge of the *waqf* and *sadaqah* forms. The outcome shows that there is no significant difference in awareness level across eight different levels of educations. This can be seen from the p-value of .349 which is higher than critical p-value of 0.05. The 'Professional background' education level had the highest level of awareness of the difference (mean = 183.63).

The third subgroup is 'age level'. Again for this group, the Kruskal-Walllis-test was used. The result shows that there is a statistically significant difference across five different age groups in different levels of knowledge between both terms. This can be seen from the p-value of 0.041, which is below the critical p-value of 0.05. The age group below 30 recorded highest (mean= 176.68). In the other words, respondents aged below 30 are more familiar with the concept of *waqf* and *sadaqah* compared to older age groups.

In summary, there were statistically significant differences among various age groups, in contrast with the origin and education categories. Based on that, differences in region and level of education do not have an impact that may contribute to better awareness in identifying the difference between both terms when it they are compared to age group. The summary of the result depicted in Table 7.1.

Table 7.1: Mann-Whitney U and Kruskal-Wallis Test: Respondents' Familiarity with the difference between *waqf* and s*adaqah*

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	158	167.53	**z =-503**	0.615
	Singapore	173	164.60		
	Total N	331			
	EDUCATION:		K-W Test:		
QUESTION 10:	Primary/secondary	60	171.38		
Familiarity with	Diploma	131	160.31		
the difference	Undergraduate	99	168.38	χ^2: 5.578	.349
between *waqf*	Masters	27	150.72		
and *sadaqah*	Doctor	6	145.00		
	Professional	4	183.63		
	Total N	327			
	AGE				
	Below 30	79	176.68		
	31-45	146	156.09	χ^2: 8.272	.041
	46-59	71	165.37		
	over 60	30	160.45		
	Total N	326			

Permanent vs. Temporary

Waqf is defined by classical jurists as a permanent donation while the latest decision made by the International Council of Fiqh Academy which was held on April 2009 in Sharjah, United Arab Emirates, announced that *waqf* can be temporary or limited in time. Based on this fact, it is expected that respondents for all age groups have less awareness and different regions will not influence the level of awareness, in contrast with those who have a better formal education. The summary of this statement presented in Table 7.2.

Table 7.2: Mann-Whitney U and Kruskal-Wallis Test: Respondents familiarity with temporary waqf

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	152	154.84	**z =1.735**	0.083
	Singapore	173	170.17		
	Total N	325			
	EDUCATION:		K-W Test:		
QUESTION 11:	Primary/secondary	57	156.03		

Temporary *Waqf*	Diploma	133	166.77		
	Undergraduate	95	154.22	χ^2: 3.493	0.624
	Masters	26	155.02		
	Doctor	6	188.17		
	Professional	4	199.00		
	Total N	321			
	AGE		K-W Test:		
	Below 30	80	181.88		
	31-45	141	158.20	χ^2:9.271	.026
	46-59	69	146.62		
	over 60	30	146.23		
	Total N	320			

The above table indicates that, statistically, there was no significant difference between the two groups in the state of origin and education categories as the p-values of 0.083 and 0.624 respectively, are higher than the critical value of 0.05. While in the age category the results suggest that there is a significant difference as the p-value of .026 is lower than critical p-value of 0.05. The results also reflect that those age groups below 30 (mean= 181.88) have better awareness compared to the others.

Waqf Outcome: Religious vs. General

As stated in previous chapter, the religious purpose receives the highest percentage of respondents' choice as a *waqf* objective. In order to identify if there is an association between region and this issue, a chi-square test for independence is adopted. Based on Table 7.3-7.10, the results indicate that there is no significant association between region and *waqf* usage for mosques and cemeteries, (χ^2: 3.871, df=2, p=0.144) as the p-value is higher than the critical limit p-value of 0.05.

A Chi-square test for independence indicates a significant association between region and objectives other than mosques and cemeteries. It provides strong evidence against the null hypothesis that the variables are independent or not associated in the population from where the data sample was drawn. The significant relationship between region and *waqf* for religious school purposes is indicated by the chi-square test (χ^2: 11.953, df= 2, p=.003). A similar pattern also occurred between region and *waqf* for educational use (χ^2: 32.554, df= 2, p=.000). Based on a cross-tabulation test, it does appear that there is a difference in respondents' origin and whether or not there should be *waqf* contributions for the purpose of family (χ^2: 7.031, df= 2, p=.030). *Waqf* usage for medical services, also shows a significant difference in region as well (χ^2: 25.385, df= 2) with a p-value of .000 less than 0.05. To help the needy and poor as a *waqf* objective indicates a significant difference through the chi-square

test result ($\chi^{2:}$ 8.790, df= 2, p=.012). Also other objectives show the same pattern which is a p-value score lower than critical limit 0.05($\chi^{2:}$ 20.017, df= 2, p=.000). The summary of the outcomes can be seen in Table 7.3-7.10.

Table 7.3: *Waqf* **Usage for Mosques**

	Yes	No	No Opinion	Total	Chi-Square
Johor	149	5	3	157	χ^2 : 3.871
	(94.9%)	(3.2%)	(1.9%)	(100.0%)	
Singapore	154	13	6	173	df= 2
	(89.0%)	(7.5%)	(3.5%)	(100.0%)	
Total	303	18	9	330	p>.144
	(91.8%)	(5.5%)	(2.7%)	(100.0%)	

Table 7.4: *Waqf* **Usage for Cemeteries**

	Yes	No	No Opinion	Total	Chi-Square
Johor	136	13	7	156	χ^2 : 3.871
	(87.2%)	(8.3%)	(4.5%)	(100.0%)	
Singapore	43	79	45	167	df= 2
	(25.7%)	(47.3%)	(26.9%)	(100.0%)	
Total	179	92	52	323	p>.144
	(55.4%)	(28.5%)	(16.1%)	(100.0%)	

Table 7.5: *Waqf* **Usage for Religious Schools**

	Yes	No	No Opinion	Total	Chi-Square
Johor	154	1	2	157	χ^2 : 11.953
	(98.1%)	(0.6%)	(1.3%)	(100.0%)	
Singapore	153	10	10	173	df= 2
	(88.4%)	(5.8%)	(25.8%)	(100.0%)	
Total	307	11	12	330	p<.003
	(93.0%)	(3.3%)	(3.6%)	(100.0%)	

Table 7.6: *Waqf* Usage for Education

	Yes	No	No Opinion	Total	Chi-Square
Johor	144	8	4	156	χ^2 : 32.554
	(92.3%)	(5.1%)	(2.6%)	(100.0%)	
Singapore	113	39	18	170	df= 2
	(66.5%)	(22.9%)	(10.6%)	(100.0%)	
Total	257	47	22	326	*p*<.000
	(78.8%)	(14.4%)	(6.7%)	(100.0%)	

Table 7.7: *Waqf* Usage for Family Members

	Yes	No	No Opinion	Total	Chi-Square
Johor	111	28	13	152	χ^2 : 7.031
	(73.0%)	(18.4%)	(8.6%)	(100.0%)	
Singapore	99	47	22	168	df= 2
	(58.9%)	(28.0%)	(13.1%)	(100.0%)	
Total	210	75	35	320	*p*<.030
	(65.5%)	(23.4%)	(10.9%)	(100.0%)	

Table 7.8: *Waqf* Usage for Medical Services

	Yes	No	No Opinion	Total	Chi-Square
Johor	132	16	5	153	χ^2 : 25.385
	(86.3%)	(10.5%)	(3.3%)	(100.0%)	
Singapore	106	32	30	168	df= 2
	(63.1%)	(19.0%)	(17.9%)	(100.0%)	
Total	238	48	35	321	*p*<.000
	(74.1%)	(15.0%)	(10.9%)	(100.0%)	

Table 7.9: *Waqf* **Usage for Needy or Poor People**

	Yes	No	No Opinion	Total	Chi-Square
Johor	146	6	6	158	χ^2: 8.790
	(92.4.%)	(3.8%)	(3.8%)	(100.0%)	
Singapore	139	15	17	171	df= 2
	(81.3%)	(8.8%)	(9.9%)	(100.0%)	
Total	285	21	23	329	*p*<.012
	(86.6%)	(6.4%)	(7.0%)	(100.0%)	

Table 7.10: *Waqf* **Usage for Other Objectives**

	Yes	No	No Opinion	Total	Chi-Square
Johor	27	7	22	56	χ^2 : 20.017
	(48.2%)	(12.5%)	(39.3%)	(100.0%)	
Singapore	23	17	92	132	df= 2
	(17.4%)	(12.9%)	(69.7%)	(100.0%)	
Total	50	24	114	188	*p*<.000
	(26.6%)	(12.8%)	(60.6%)	(100.0%)	

Based on these results, it can be concluded that there is no significant different between the respondents in Johor and Singapore in using *waqf* outcomes for mosques and cemeteries. However, respondents from the two states had a different perspective on general purposes such as education (including religious schools), family members, medical services and other objectives. Generally, more respondents from Singapore tended to believe that *waqf* cannot be used these activities compared to those from Johor.

7.2.2. *Waqf* **Assets**

Waqf assets are a crucial element for *waqf* establishment. As Siddqi (1991) has mentioned all type of properties including anything that can yield income or that can produce benefits to mankind can be endowed as *waqf*. Therefore, any contemporary instrument that can generate benefits is included those terms. Again, Mann-Whitney and Kruskal-Wallis tests were adopted to determine whether there was a

significant difference across subgroup on this issue. The summaries of results of whether a *waqf* can be created with specific items are reported in Table 7.11.

Question 12 (a) – *Waqf in the form of real estate such as building and land*. The Mann-Whitney U-test shows that there is a significant difference in terms of the form of *waqf* between both states especially in real estate. Singapore (mean=172.01) has a greater mean score compared to Johor (mean=163.66). This can be seen from the p-value of 0.049, which is lower than the critical p-value of 0.05. It means Singaporean respondents are more likely to be familiar with real estate *waqf* compared to Johorean respondents. A similar situation happened in the K-W test in terms of the age category which has a p-value of 0.612 which is higher than critical p-value of 0.05. For the education category, primary or secondary school the best knowledge of *waqf* real estate (mean=188.08) compared to other levels, as proved in the p-value of 0.000, which is lower than critical limit p-value of 0.05.

Question 12 (b) – *Waqf in cash form*. Again, the U-test results suggest that there is a significant difference in terms of knowledge on *waqf* cash. The evidence shows, a p-value of 0.000, which is lower than critical p-value of 0.05. Again, Singapore (mean= 182.19) has a higher mean score than Johor (mean=148.28). A same situation happened in the K-W test in terms of age category which has p-value of 0.042 which is lower than critical value. While there were no significant differences in education according to the K-W test, the p-value of 0.088 is greater than critical p-value of 0.05.

Question 12 (c) – *Waqf in the form of shares.* Based on U-test and K-W test results, there appears to be significant differences in three categories of demographic profile namely origin, education and age group. In terms of knowledge on *waqf* shares between Johor and Singapore, the U-tests indicate significant differences between Johor (mean= 134.46) and Singapore (mean= 190.94), as proven in the p-value of 0.000, which is lower than the critical limit of 0.05. For the education and age group categories the K-W test was adopted which is the appropriate method for non-parametric tests. The same result occurs with a significant difference for those with a professional career (mean= 223.63) showing the greatest knowledge compared to other education levels. This can be seen from the p-value of 0.028 which is lower than critical p-value of 0.05. Whilst the age level below 30 (mean=172.07) is the highest and again the p-value of 0.032 is lower than 0.05 and this indicates that there is significant difference in the knowledge of *waqf* in the form of shares.

Question 12 (d) – *Waqf in the form of usufruct (services)*. This form of *waqf* has only become known recently. Thus it is predicted that less respondents will be familiar with this form especially those in higher age groups or with a lower level of education. The U-test result shows that there was a

significant difference between Johor (mean=141.58) and Singapore (mean=182.29), as evidenced in the p-value of 0.000 which is significantly lower than critical p-value of 0.05. The same situation occurred in education level with a p-value of 0.02 which is significantly lower than the critical limit p-value of 0.05. There is no significant difference for age group when using K-W test, as the result indicates a p-value of 0.113, which is higher than critical limit p-value of 0.05.

Question 12 (e) – *Waqf in the form of small goods assets.* Although this kind of *waqf* has been practised for a long time some of the respondents may still not be familiar with it. Based on the U-test, there was a significant difference between Johor and Singapore as the p-value of 0.028 is lowers than 0.05. The mean-value score shows Johor (mean= 157.18) has less familiarity of *waqf* small goods compared to Singapore (mean=174.05). The Kruskal-Wallis test reveals that there is significant difference in familiarity among the eight different levels of education as the p-value of 0.000 is higher than 0.05. Similiar results were gained from the age group category with a p-value of .045. Based on mean-value score, respondents who are over 60 (mean=211.25), are more familiar with this kind of *waqf.*

Question 12 (f) – *Waqf in copyright form.* The Mann-Whitney U test reveals that there was a significant difference in knowledge of *waqf* in the form of copyright between both states. The p-value of 0.000 which is lower than critical p-value is evidence of a significant difference. Singapore (mean=191.84) is more familiar with copyright *waqf* compared to Johor (mean=128.43).While the Kruskal-Wallis test for the categories education level and age group shows the opposite. The K-W test suggests that there is no significant difference in the knowledge of copyright *waqf* among the eight levels of education and five different age groups. This can be seen from the p-value of 0.55 and 0.185 respectively, which are higher than the critical p-values of 0.05.

Table 7.11: Mann-Whitney U and Kruskal –Wallis Test: Respondents' knowledge on the *waqf* asset

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	161	163.66	z =-1.966	0.049
	Singapore	174	172.01		
	Total N	335			
	EDUCATION:		K-W Test:		
QUESTION 12 (a):	Primary/secondary	59	188.08		
***Waqf* in the form of**	Diploma	133	163.19		
real estate such as	Undergraduate	103	160.13	χ^2: 25.673	.000

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buildings and land	Masters	26	157.00		
	Doctor	6	157.00		
	Professional	4	157.00		
	Total N	331			
	AGE		K-W Test:		
	Below 30	218	169.22		
	31-45	76	162.89	χ^2: 1.813	.612
	46-59	36	167.78		
	over 60	4	158.50		
	Total N	334			

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	158	148.28	z =-3.626	0.000
	Singapore	173	182.19		
	Total N	331			
	EDUCATION:		K-W Test:		
QUESTION 12 (b):	Primary/secondary	59	162.78		
Waqf **in cash form**	Diploma	132	176.55		
	Undergraduate	100	158.24	χ^2: 9.581	.088
	Masters	26	147.38		
	Doctor	6	92.00		
	Professional	4	128.00		
	Total N	327			
	AGE		K-W Test:		
	Below 30	218	173.49		
	31-45	73	156.21	χ^2: 8.186	.042
	46-59	35	132.97		
	over 60	4	184.25		
	Total N	330			

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	156	134.46	z =-5.908	0.000
	Singapore	171	190.94		
	Total N	327			
	EDUCATION:		K-W Test:		
QUESTION 12 (c):	Primary/secondary	58	168.88		
Waqf **in the form**	Diploma	130	168.23		
of shares	Undergraduate	100	160.71	χ^2: 12.551	.028
	Masters	25	128.50		
	Doctor	6	80.50		
	Professional	4	223.63		
	Total N	323			

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	AGE		K-W Test:		
	Below 30	215	172.07		
	31-45	73	154.46	χ^2: 8.785	.032
	46-59	34	127.91		
	over 60	4	170.38		
	Total N	326			
Variable	**Subgroup**	**N**	**Mean Rank**	**z, χ^2**	**Asymp.Sig (p)**
	ORIGIN		U-Test:		
	Johor	154	141.58	z =-4.316	0.000
	Singapore	171	182.29		
	Total N	325			
	EDUCATION:		K-W Test:		
QUESTION 12 (d):	Primary/secondary	57	177.79		
Waqf **in the form**	Diploma	130	167.07		
of usufruct (services)	Undergraduate	100	153.84	χ^2: 19.332	.002
	Masters	25	117.76		
	Doctor	5	92.40		
	Professional	4	259.50		
	Total N	321			
	AGE		K-W Test:		
	Below 30	216	168.26		
	31-45	72	155.74	χ^2: 5.966	.113
	46-59	32	133.95		
	over 60	4	201.63		
	Total N	324			
Variable	**Subgroup**	**N**	**Mean Rank**	**z, χ^2**	**Asymp.Sig (p)**
	ORIGIN		U-Test:		
	Johor	158	157.18	z =-2.192	0.028
	Singapore	173	174.05		
	Total N	331			
	EDUCATION:		K-W Test:		
QUESTION 12 (e):	Primary/secondary	58	213.10		
Waqf **in the form**	Diploma	133	154.68		
of small goods assets	Undergraduate	100	159.41	χ^2: 41.405	.000
	Masters	26	127.00		
	Doctor	6	127.00		
	Professional	4	172.63		
	Total N	327			
	AGE		K-W Test:		
	Below 30	215	171.78		
	31-45	75	153.50	χ^2: 8.033	.045
	46-59	36	147.92		

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	over 60	4	211.25		
	Total N	330			
QUESTION 12 (f): *Waqf* **in copyright**	**ORIGIN**		U-Test:		
	Johor	152	128.43	z =-6.473	0.000
	Singapore	171	191.84		
	Total N	323			
	EDUCATION:		K-W Test:		
	Primary/secondary	58	163.85		
	Diploma	128	158.30		
	Undergraduate	98	167.75	χ^2: 10.802	.055
	Masters	26	136.77		
	Doctor	5	70.70		
	Professional	4	231.25		
	Total N	319			
	AGE		K-W Test:		
	Below 30	215	163.97		
	31-45	69	167.62	χ^2: 4.823	.185
	46-59	34	131.09		
	over 60	4	182.00		
	Total N	322			

Based on the above results, it can be concluded that different people in both regions who contribute to *waqf* are familiar with all kinds of *waqf*. While differences in age group and level of education also indicate better knowledge on certain *waqf* forms. Different environments, age groups and better education, through formal teaching and providing up to date information by certain institutions, can produce better understanding of contemporary *waqf*. Due to the different environments, region is the largest contributor to the level of knowledge on *waqf* forms. It is worth noting here that Singaporean respondents are more familiar with all the kind of *waqf* when compared to Johorean respondents.

As mentioned earlier in chapter 3, cash *waqf* is more appropriate nowadays due to its flexibility. It provides a good opportunity and motivates people to create a*wqaf* especially for those who do not have any assets or property. Therefore, not owning real estate is not a good excuse to avoid *waqf* creation.

For the following questions, the Mann-Whitney U-test was utilised to analyse the difference between two groups namely Johor and Singapore, while the K-W test was adopted to analyse across the groups

for age and education level. The aim of these tests was to identify which group has a better knowledge of cash *waqf,* as this kind of *waqf* is appropriate to apply nowadays.

Origin: Based on the Table 7.12, the Mann-Whitney test result reflects that there is no significant difference in term of knowledge on the flexibility of *waqf* cash between the Johor and Singapore respondents. This is proven by the p-value of 0.060 which is greater than the critical p-value of 0.05. In contrast with the figures stated in Tables 7.13, 7.14 and 7.15, the findings show there are significant differences in terms of knowledge of cash *waq*f where investment is through Islamic instruments and the revenue produced is used for pious purposes. There is also a significant difference of knowledge on *waqf* cash investments that can be used to create more *waqf* assets as well as knowledge about cash *waqf* that is used for maintenance of other *waqf* assets. The same p-value of 0.000 for those questions of 0.00 is significantly higher than critical limit p-value of 0.05. The results also indicate that the Singapore respondents have a better mean value compared to the Johor.

Education: For the education category, the results presented in Tables 7.12, 7.13, 7.14 and 7.15 are consistent. As stated in the results, statistically, there is no significant difference across the education levels in terms of knowledge of the advantages of cash *waqf* and its purpose. The Kruskal-Wallis test results for questions 13 (a), (b), (c) and (d) are 0.094, 0.692, 0.384 and 0.273, respectively, and are higher than critical p-value of 0.05.

Age: In terms of age, again the results from the four questions are consistent. It is revealed that there is a significant difference in the level of knowledge on *waqf* cash. The p-values for questions 13 (a), (b), (c) and (d) are 0.001, 0.001, 0.000 and 0.002 respectively are significantly lower than critical limit p-value of 0.05. The age group below 30 has the highest mean value and has better knowledge of the flexibility of cash *waqf* compared to other groups.. The summaries of the Mann-Whitney and Kruskal-Wallis tests are depicted in Table 7.12, 7.13, 7.14 and 7.15.

Table 7.12: Mann-Whitney U and Kruskal-Wallis Test: Respondents' knowledge on the flexibility of *waqf* cash

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	155	155.75	**z =1.877**	0.060
	Singapore	173	172.34		
	Total N	328			
	EDUCATION:		K-W Test:		
QUESTION 13 (a):	Primary/secondary	58	175.90		

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
Knowledge **on the flexibility** **of *waqf* cash**	Diploma	131	167.73	χ^2: 9.404	.094
	Undergraduate	98	156.27		
	Masters	27	137.83		
	Doctor	6	107.00		
	Professional	4	199.50		
	Total N	324			
	AGE		K-W Test:		
	Below 30	80	191.58		
	31-45	144	156.20	χ^2: 16.003	.001
	46-59	69	144.41		
	over 60	30	151.43		
	Total N	323			

Table 7.13: Mann-Whitney U and Kruskal-Wallis Test: Respondents' knowledge on cash *waqf* investment through Islamic instruments and the revenue produced used for pious purposes.

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	156	140.76	**z =6.050**	0.000
	Singapore	174	187.68		
	Total N	330			
	EDUCATION:		K-W Test:		
QUESTION 13 (b):	Primary/secondary	58	168.54		
Knowledge	Diploma	131	157.85		
On cash *waqf*	Undergraduate	100	170.94	χ^2: 3.054	.692
investment	Masters	27	155.07		
through Islamic	Doctor	6	148.42		
instrument and	Professional	4	169.00		
the revenue	Total N	326			
produced used	**AGE**		K-W Test:		
for pious purposes	Below 30	80	190.36		
	31-45	145	153.17	χ^2: 16.976	.001
	46-59	70	153.21		
	over 60	30	160.40		
	Total N	325			

Table 7.14: Mann-Whitney U and Kruskal-Wallis Test: Respondents' knowledge on *waqf* cash investments that can create more waqf assets

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	156	140.08	**z** =5.605	0.000
	Singapore	174	188.29		
	Total N	330			
	EDUCATION:		K-W Test:		
QUESTION 13 (c):	Primary/secondary	59	158.03		
Knowledge on the	Diploma	131	172.03		
***waqf* cash**	Undergraduate	99	162.09	χ^2: 5.270	.384
investments that	Masters	27	151.24		
can create	Doctor	6	113.00		
more *waqf* assets	Professional	4	158.13		
	Total N	326			
	AGE		K-W Test:		
	Below 30	80	209.19		
	31-45	144	154.58	χ^2:41.290	.000
	46-59	70	140.59		
	over 60	31	133.52		
	Total N	325			

Table 7.15: Mann-Whitney U and Kruskal -Wallis Test: Respondents' knowledge on the cash *waqf* used for *waqf* asset maintenance.

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	158	142.92	**z = -4.805**	0.000
	Singapore	172	186.24		
	Total N	330			
	EDUCATION:		K-W Test:		
QUESTION 13 (d):	Primary/secondary	60	169.46		
Knowledge on	Diploma	130	162.58		
the cash *waqf*	Undergraduate	99	164.43		
used for	Masters	27	148.69	χ^2:6.362	.273
***waqf* asset**	Doctor	6	123.92		
maintenance	Professional	4	240.38		
	Total N	326			
	AGE		K-W Test:		
	Below 30	79	193.65		
	31-45	145	156.15	χ^2 :14.842	.002
	46-59	71	150.01		

	over 60	31	151.95		
	Total N	326			

7.3 Determinants of *Waqf* Creation: A Logistic Regression Analysis

The second section of this chapter is related to *waqf* creation which consists of *waqf* establishment, its practice and the constraints facing it.

In this section, logistic regression was used in order to identify whether certain variables namely: sex, region, age, education, number of children, sector of employment and monthly income may be considered as factors that contribute to *waqf* creation. As Pallant (2007: 168) stated 'logistic regression allows you to test models to predict categorical outcomes with two or more categories'. For that purpose, logistic regression was utilised as Pallant (2007) and Field (2009) asserted that 'predictor variables predicts or explain categorical dependent variables'. Logistic regression is used to predict discrete outcomes based on variables which may be discrete, continuous, or mixed. Thus, when the dependent variable may have two or more discrete outcomes, logistic regression is a commonly used technique (Gaur, and Gaur, 2006). Table 7.17 presents a summary of the results. Regression analysis is about predicting the future based on the data collected from the past. A regression analysis determines the mathematical equation to be used to figure out what will happen, within a certain range of probabilities. It analyses one variable, the dependent variable, taking into consideration the effect on it by one or more factors, the independent variables. The analysis determines that some independent variables have more effect than others, so their weights must be taken into account when they are the basis of prediction. Regression analysis therefore is the process of looking for predictors and determining how well they predict (Griffith, 2007).

Logistic regression provides an indication of the adequacy of a model (set of predicator variables) by assessing 'goodness of fit'. The function of 'goodness of fit' is to indicate the relative importance of each predictor variable or the interaction among predictor variables (Pallant, 2007) and generally tests how well the model performs (Gaur & Gaur, 2006). In logistic regression analysis the first focus is on interpretation of output. In order to assess the model's 'goodness of fit', highly significant values require a mean of less than 0.05. By using The Omnibus Tests of Model Coefficients (Pallant, 2007). If the outcome shows that the value is .000, which is significantly lower than 0.05, it means the model performs well and meets the goodness of fit measure. The summary of goodness of fit is presented in Table 7.16. The other test to consider for the most reliable test of model fit is the Hosmer-Lemeshow Goodness of Fit Test (Pallant, 2007) as this is a totally different interpretation from the previous test. In contrast with Omnibus test, significant values are greater than 0.05 and any value less than that is consider a poor fit. In the same table, it is indicated that the value is 0.709, which is larger than 0.05, therefore indicating support for the model.

Table 7.16: Goodness of Fit

Method	Chi-Square	df	Sig
Omnibus Tests	104.524	16	.000
Hosmer and Lemeshow Test	5.450	8	.709
Log likelihood	238.209		

The variables in the equation table provide information about the contribution or importance of each predictor variable (Pallant, 2007). The test is known as the Wald test. There are three columns that are very important to which to pay attention and the results are reported in this table. Firstly, Sig. variables generate the significance of the predictive ability of model. Table 7.17 shows that age group and region have a similar significant value of lower than 0.05 whereas qualifications, marriage status, sector of employment, number of children and income in SGD and MYR have values greater than 0.05 and therefore are statistically not significant. It can be concluded that only two predictors adopted in this model are significant for establishing *waqf.*

Secondly, it is crucial to evaluate whether the B-value is positive or negative (Pallant, 2007, Field, 2005). Knowing the sign indicates the direction of the relationship between dependent and independent variables. Broadly speaking, if the result shows a positive value this means both variables have a positive relationship and vice versa. In this analysis the age group and region categories are both predictors which show positive values. Lastly, the most important information for the variables in the equation table is provided in the Exp (B) column. These values are the odds ratios for each independent variable (Pallant, 2007) and are an indicator of the change in odds resulting from a unit change in the predictor. The results for different significant independent variables in the regression reported in Table 7.17 are discussed below.

Age – a value of 10.571 for age the group 31-45 indicates that the odds of a person establishing *waqf* increase by 10.57 times when compared to the baseline age group of 30 or under. The higher the age of person, the more likely it is he or she will have established a *waqf*. For the group aged above 46 the odds of establishing a *waqf* increase by 2.135 times more than when compared to the respondent's age group of 30 or under.

Region-The odds of creating a *waqf* are 80.451 times higher in Johor than in the baseline region.

Table 7.17: Logistic regression results on respondents likely to create a *waqf* and its associations with demographic predictors

Predictor	B	S.E.	Wald	Sig.	Exp(B)	95% C.I Lower	95% C.I Upper
Sex **Female (1)**	-.135	.343	.155	.694	.874	.446	1.710
Age **18-30** **31-45 (1)** **Above 46 (2)**	2.358 .759	.697 .545	11.460 1.939	.001 .164	10.571 2.135	2.699 .734	41.402 6.210
Marital Status **Single** **Married (1)** **Divorced/ widow (2)**	0.635 -.993	.490 1.316	1.681 .569	0.195 .451	1.888 .371	.722 .028	4.934 4.886
Qualification **Primary/Secondary** **Diploma(1)** **Undergraduate(2)**	-.940 -1.316	.663 .681	2.009 3.731	.156 .053	.391 .268	.107 .071	1.433 1.020

Masters(3)	-.669	.816	.671	.413	.512	.104	2.536
Doctorate/professional(4)	-1.0.0	1.069	.892	.345	.364	.045	2.961
Income MYR							
Below 3,000 (1)	-1.239	.969	1.636	.201	.290	.403	1.934
Above 3,001 (2)	.293	.624	.220	.639	1.340	.394	4.554
Income SGD							
Below 3,000 (1)	.654	1.359	.231	.631	1.922	.134	27.583
Above 3,001 (2)	-1.069	.603	3.142	.076	.344	.105	1.120
No of children	-.203	.150	1.815	.178	.816	.608	1.097
Sector Employment	.258	.293	.779	.377	1.295	.730	2.297
Region							
Johor (1)	4.388	1.073	16.732	.000	80.451	9.829	658.516
Constant	-1.798	1.674	1.153	.283	.166		

The results show that the 'age' and 'region' categories are the most significant predictors that contribute to *waqf* contributions. It indicates a significant result, and the outcome shows positive coefficient values meaning that the probability of having created a *waqf* slightly increased as the age of the people increased. Although the currencies of both states are different with Singapore dollar beings higher than Malaysia Ringgit it seems this does not contribute to establishing a*wqaf.*

It can be concluded, that older people are more likely contribute to creating *waqf*. This may be because of a higher awareness of *waqf* as a preparation and act of worship to Allah before leaving this world and in order to entitle the donor to a continuous reward from Allah the Creator throughout the period of the endowment. The different environments and situations also contribute to this factor as Johor is majority Muslim while in contrast Singapore is a secular state.

7.3.1 Practising *Waqf*:

After analysing the level of knowledge of the respondents on the concept and establishment of *waqf,* this section will focus on the kind of *waqf* that respondents established. Question 15 consists of multiple choices so the researcher had to arrange the groups according to the choices given. The following tables present the outcomes across regions, different levels of education and age groups.

As stated in Table 6.15 in the previous chapter almost all items established by respondents are below 10%. For that reason, the researcher presents further analysis of the respondent's profiles to investigate the source of this issue across various demographic groups. The main discussions focus on the highest percentage only. The summary of the findings stated below in Table 7. 18.

Table 7.18: Cross-tabulation: Kinds of *Waqf* Establishment by region

	Johor	Singapore	Total	Chi-Square
Land	1	0	1	
	(0.7%)	(0.0%)	(0.3%)	
Mosques	0	2	2	χ^2: 69.793
	(0.0%)	(1.2%)	(0.6%)	
Money/cash	27	6	33	
	(18.0%)	(3.6%)	(10.4%)	
Small items	26	10	36	df=9
	(17.3%)	(6.0%)	(11.4%)	
Nothing	71	147	218	
	(47.3%)	(88.0%)	(68.8%)	
All items	1	0	1	p<.000
	(0.7%)	(0.0%)	(0.3%)	
Money and small items	19	1	20	
	(12.7%)	(0.6%)	(6.3%)	
Land, Mosques and money	1	0	1	
	(0.7%)	(0.0%)	(0.3%)	
Land and buildings	2	0	2	
	(1.3%)	(0.0%)	(0.6%)	
Mosques and money	2	1	3	
	(1.3%)	(0.6%)	(0.9%)	
Total	150	167	317	
	(100.0%)	(100.0%)	(100.0%)	

Table 7.19: Cross-tabulation: Kinds of *Waqf* Establishment by Age

	Below 30	31-45	46-59	Over 60	Total	Chi-Square
Land	0	1	0	0	1	
	(0.0%)	(1.4%)	(0.0%)	(0.0%)	(0.3%)	
Mosques	0	1	0	1	2	
	(0.0%)	(1.4%)	(0.0%)	(25.0%)	(0.6%)	
Money/cash	14	9	7	3	33	χ^2:110.298
	(4.4%)	(12.7%)	(21.2%)	75.0%)	(10.4%)	
Small items	25	8	3	0	36	
	(12.0%)	(11.3%)	(9.1%)	(0.0%)	(11.4%)	df= 27
Nothing	162	40	16	0	218	
	(77.5%)	(56.3%)	(48.5%)	(0.0%)	(68.8%)	
All items	0	0	1	0	1	p<.000
	(0.0%)	(0.0%)	(3.0%)	(0.0%)	(0.3%)	
Money and small items	6	8	6	0	20	
	(2.9%)	(11.3%)	(18.2%)	(0.0%)	(6.3%)	
Land, Mosques and money	1	0	0	0	1	
	(0.5%)	(0.0%)	(0.0%)	(0.0%)	(0.3%)	
Land and buildings	1	1	0	0	2	
	(0.3%)	(0.3%)	(0.0%)	(0.0%)	(0.6%)	
Mosques and money	0	3	0	0	3	
	(0.0%)	(4.2%)	(0.0%)	(0.0%)	(0.9%)	
Total	209	71	33	4	317	
	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	

Table 7.20: Cross-tabulation: Kinds of *Waqf* Establishment by Education

	Primary Secondary	Diploma	Under-graduate	Masters	Doctor	Professional	Total	Chi-Square
Land	0	0	1	0	0	0	1	
	(0.0%)	(0.0%)	(0.3%)	(0.0%)	(0.0%)	(0.0%)	(0.3%)	
Mosques	1	0	1	0	0	0	2	χ^2:97.691
	(0.3%)	(0.0%)	(0.3%)	(0.0%)	(0.0%)	(0.0%)	(0.6%)	
Money/ cash	4	8	14	4	2	1	33	
	(7.8%)	(6.2%)	(14.3%)	(15.4%)	(33.3%)	(25.0%)	(10.5%)	df= 45
Small items	0	23	12	1	0	0	36	
	(0.0%)	(18.0%)	(12.2%)	(3.8%)	(0.0%)	(0.0%)	(11.5%)	
Nothing	43	92	61	15	0	3	214	p<.000
	(84.3%)	(71.9%)	(62.2%)	(57.7%)	(0.0%)	(75.0%)	(68.4%)	
All items	0	0	1	0	0	0	1	
	(0.0%)	(0.0%)	(1.0%)	(0.0%)	(0.0%)	(0.0%)	(0.3%)	
Money and small items	1	5	4	6	4	0	20	
	(2.0%)	(3.9%)	(4.1%)	(23.1%)	(66.7%)	(0.0%)	(6.4%)	
Land, Mosques and money	0	0	1	0	0	0	1	
	(0.0%)	(0.0%)	(1.0%)	(0.0%)	(0.0%)	(0.0%)	(0.3%)	
Land and buildings	0	0	2	0	0	0	2	
	(0.0%)	(0.0%)	(2.0%)	(0.0%)	(0.0%)	(0.0%)	(0.6%)	
Mosques and money	2	0	1	0	0	0	3	
	(3.9%)	(0.0%)	(1.0%)	(0.0%)	(0.0%)	(0.0%)	(1.0%)	
Total	51	128	98	26	6	4	313	
	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	

Origin - A Chi-square in Table 7.18 indicates that there is a statistically significant difference in the type of *waqf* that is contributed by respondents across the different regions as stated by the p-value of .000 which is significantly lower than critical limit p-value of 0.05. The difference in the proportion

of Johorean (18.0%) and Singaporean respondents (3.6%) who created *waqf* in money or cash is 14.4%, while 11.3% is the difference in proportion across the regions in small items used to establish *waqf*. It is worth noting here, that the results indicate that the Singapore respondents never contributed *waqf* land whereas Johorean respondents had, whether they contributed land it-self or land with other assets such as a building or mosque.

Age - In terms of age, the results in Table 7.19 suggest that there is a statistically significant difference in *waqf* types across five different age groups as the p-value is .000, and therefore lower than 0.05. Based on these findings, money and small items are the most popular kind of *waqf* chosen by the respondents. The percentages for the age groups: below 30, 31-45, 46-59 and above 60 are 12.0%, 12.7%, 21.2% and 75.0% respectively. The age groups below 45 most preferred small items in *waqf* contributions while age group above 46 were more comfortable with cash *waqf*.

Education - The data in Table 7.20 suggests that there is a statistically significant difference in *waqf* types across eight levels of education. The results also show respondents with a higher education are more likely to increase their *waqf* contribution in money and small items which are the most popular kind of *waqf*. For primary or secondary school, undergraduate and professional background, the highest percentage of *waqf* contributions were given as money 7.8%, 14.3% and 25.0%, respectively. While the diploma level respondents were most likely to participate in *waqf* of small items with a percentage of 18.0%. *Waqf* in cash and small items are favoured among respondents who hold a master's or doctorate degree, 23.1% and 66.7%, respectively.

In summary, the Chi-square test indicated that there are significant differences across regions, various education levels and different age groups and the types of *waqf* established as the p-value is .000, which is lower than critical limit p-value of 0.05. Based on these results it can be concluded that differences in region, education level and age group seem to have an impact on the various types of *waqf* that are created.

In order to analyse the frequency of *waqf* contribution among respondents, cross -tabulation analysis was used, this shows the percentages across five variables. As it is crucial to identify which of those variables are more active in *waqf* contributions. The discussion focuses only on the highest percentage of *waqf* contribution for each of the groups. The results for the cross-tabulation are depicted in Table 7.21.

Region Category - The highest percentage of *waqf* contributions among the Johorean respondents was 26.0% which is 'sometimes contributing to *waqf*, and 'at least more than once'. In contrast with the Singaporean respondents whose highest percentage is only 'once' contributing to a *waqf* (5.4 %.).

Education Category - For all levels of education, the greatest percentage was 'sometimes' created *waqf* except for the diploma level. The highest percentage was found to be 'more than once contributing to a *waqf'* for primary and secondary, undergraduate, masters, doctorate and professional with 7.5%, 16.5%, 23.1%, 50.0% and 25.0% respectively. In contrast with diploma level where 'seldom' creating a *waqf* was the most popular option with 11.7%.

Age Category - For the **a**ge below 30 'seldom' establish *waqf* is the highest frequency with 9.0%. While other age groups (31-45, 46-59 and above 60) are more likely to make *waqf* contributions with the percentages of 24.3%, 18.2% and 75.0% respectively. It is worth noting here that *waqf* is usually made when the person is dead and the family will contribute some of the inheritance as a *waqf* as it will help that person in afterlife. In other words, people aged 60-80 may consider the stage of preparing spiritually so contributing to a *waqf* will provide more benefit in their afterlife.

Income in MYR Category - The rate is specifically for Johorean respondents as they use the Malaysian Ringgit for all transactions. The results show that Johor respondents with higher income 'sometimes' create a*wqaf*. The percentages recorded for income 'below 3,000', '3001- 10,000'and 'above 10,001' groups are 23.6%, 37.5% and 40.0%, respectively. In contrast with respondents with no income the highest percentage is 'seldom' create a *waqf* at 8.7%.

Income in SGD Category - A different pattern occurred in the level of income in Singaporean dollars. A higher percentage of respondents with no income 'sometimes' contribute to a *waqf* 17.1%. While for monthly income that is below 10,000 there is a contribution to a *waqf* of only 'once'. As can be seen in Table 7.21 the highest percentage for income below 3,000 is 17.5%. While the percentage of 4.8 % was shared among 'often', 'always', 'seldom' and 'once' contributing to a *waqf* for respondents with a monthly income of 3,000-10,000.

Table 7.21: Cross-tabulation: Frequently of *waqf* creation

	Variables	Never	Seldom	Sometimes	Usually	Always	Once	Total	Chi-Square
Region	Johor	71 (47.3%)	23 (15.3%)	39 (26.0%)	9 (6.0%)	1 (0.7%)	7 (4.7%)	150 (100.0%)	χ^2: 81.058 df= 5 p< .000
	Singapore	149 (88.7%)	2 (1.2%)	5 (3.0%)	0 (0.0%)	3 (1.8%)	9 (5.4%)	168 (100.0%)	
	Primary/ Secondary	45 (84.9%)	2 (3.8%)	4 (7.5%)	1 (1.9%)	0 (0.0%)	1 (1.9%)	53 (100.0%)	χ^2: 63.047
	Diploma	92 (71.9%)	15 (11.7%)	14 (10.9%)	2 (1.6%)	0 (0.0%)	5 (3.9%)	128 (100.0%)	
	Undergraduate	61 (62.9%)	7 (7.2%)	16 (16.5%)	3 (3.1%)	1 (1.0%)	9 (9.3%)	97 (100.0%)	df=25
	Masters	15 (15.7%)	0 (0.0%)	6 (23.1%)	2 (7.7%)	3 (11.5%)	0 (0.0%)	26 (100.0%)	
	Doctor	0 (0.0%)	1 (16.7%)	3 (50.0%)	1 (16.7%)	0 (0.0%)	1 (16.7%)	6 (100.0%)	p<.000
	Professional	3 (75.0%)	0 (0.0%)	1 (25.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	4 (100.0%)	
Age	Below 30	163 (77.6%)	19 (9.0%)	18 (8.6%)	3 (1.4%)	0 (0.0%)	7 (3.3%)	210 (100.0%)	χ^2: 54.524
	31-45	40 (57.1%)	2 (2.9%)	17 (24.3%)	3 (4.3%)	2 (2.9%)	6 (8.6%)	70 (100.0%)	df=15
	46-59	16 (48.5%)	3 (9.1%)	6 (18.2%)	3 (9.1%)	2 (6.1%)	3 (9.1%)	33 (100.0%)	p<.000
	Above 60	0 (0.0%)	1 (25.0%)	3 (75.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	4 (100.0%)	
Income in MYR	No income	172 (78.9%)	19 (8.7%)	14 (6.4%)	0 (0.0%)	3 (0.9%)	10 (3.1%)	218 (100.0%)	χ^2: 91.113
	Below 3,000	34 (61.8%)	3 (5.5%)	13 (23.6%)	2 (3.6%)	0 (0.0%)	3 (0.9%)	55 (100.0%)	df= 15
	3,001-10,000	13 (32.5%)	3 (7.5%)	15 (37.5%)	5 (12.5%)	1 (2.5%)	3 (7.5%)	40 (100.0%)	p< .000
	Above 10,001	1 (20.0%)	0 (0.0%)	2 (40.0%)	2 (40.0%)	0 (0.0%)	0 (0.0%)	5 (100.0%)	
Income in SGD	No income	154 (65.8%)	23 (9.8%)	40 (17.1%)	9 (3.8%)	1 (0.4%)	7 (3.0%)	234 (100.0%)	χ^2: 37.022
	Below 3,000	30 (75.0%)	0 (0.0%)	2 (5.0%)	0 (0.0%)	1 (2.5%)	7 (17.5%)	40 (100.0%)	df= 15
	3,001-10,000	34 (81.0%)	2 (4.8%)	2 (4.8%)	0 (0.0%)	2 (4.8%)	2 (4.8%)	42 (100.0%)	p< .001
	Above 10.001	2 (100.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	2 (100.0%)	

The above results suggest that there is a statistical significance in the frequency of establishing *waqf* among the four subgroups of region, education level, age group and monthly income in Malaysian Ringgits and Singaporean dollars. This is because the p-values for all subgroups are below .001 (.000, .000, .000, .000, .001) which is significantly lower than critical limit p-value of 0.05. In summary, differences in region, education, age and income do appear to have an impact on the frequency of establishing *waqf*.

7.3.2 Constraints of *Waqf* Contribution

Identifying the constraints is the key to proposing ways to solve the problem faced in establishing *waqf*. Therefore, the constraints that the public face towards this issue should be kept in mind. Obstacles in developing *waqf* are not only faced by management (this is discussed in the next chapter) but the public as well as they are the main source for generating more assets for *waqf*. For that purpose, the researcher adopted cross-tabulation in order to identify the biggest obstacles across the two regions.

Table 7.22: Cross-tabulation: Respondents response on constraints that contribute to *waqf*

Obstacles	Johor	Singapore	Asymp.Sig
No land	120 (75.0%)	98 (58.3%)	χ^2: 21.302 df=2 p=.000
No property	117 (74.1%)	85 (49.4%)	χ^2:26.613 df=2 p=.000
No money	99 (63.1%)	91 (52.6%)	χ^2:6.004 df=2 p=.050
Have money but not aware that money can create a *waqf*	59 (61.5%)	21 (13.8%)	χ^2:61.261 df=2 p=.000
Waqf known only for mosques	66 (42.3%)	37 (21.4%)	χ^2:24.874 df=2 p=.000

Based on findings above it is indicated that not having land is the biggest constraint for both respondents form Johor and Singapore, with 75.0% and 58.3% respectively. This is followed by not owning property or any assets. Due to this, *waqf* is more popular in the form of real asset contributions than anything else. Interestingly, more than 40% of respondents from Johor still believe that *waqf* is especially dedicated for mosques, whereas less than 22% of Singapore's respondents had the same thought. As a result, it becomes an obstacle to developing *waqf* assets because of this lack of knowledge. Moreover, although not having much money is one of the obstacles to creating *waqf* which is 63.1% of Johor respondents and 52.6% of Singapore respondents, but having more money may not solve the problem because of a lack of awareness that money can be used to create a *waqf*. Johor with 61.5% is higher in this issue compared to Singapore which is less than 15%.

It can be concluded that constraints on the creation of *waqf* are because of a limit or lack in two aspects:

(1) Material (land, Property & money)

(2) Knowledge /familiarity (*waqf* assets & outcomes)

Broadly speaking, having a wealthy person is not enough to motivate the creation of a *waqf*. There must also be an increase in the awareness of how to utilise the wealth according to Islamic principles for the benefit of Muslims society or the *ummah*. So, they will know that the wealth is not only for their own purpose but for helping others as well which is considered like 'sharing' or distribution as suggested by Islam.

Table 7.23: Cross-tabulation: Respondents' choice of permanent donation form

	Johor	Singapore	Total	Chi-Square
Waqf	115	111	226	
	(76.2%)	(66.9%)	(71.3%)	
Trust	7	15	22	χ^2: 15.786
	(4.6%)	(19.0%)	(6.9%)	
Foundation	17	24	41	
	(11.3%)	(12.9%)	(12.9%)	df= 11
Non-governmental Organisation	6	8	14	
	(4.0%)	(4.8%)	(4.4%)	p >.149
Other	0	3	3	
	(0.0%)	(1.8%)	(0.9%)	
Unknown	0	2	2	
	(0.0%)	(1.2%)	(0.6%)	
Waqf, foundation & NGO	1	0	1	
	(0.7%)	(0.0%)	(0.3%)	
All Forms	1	1	2	
	(0.7%)	(0.6%)	(0.6%)	
Waqf, Foundation & Trust	0	1	1	
	(0.0%)	(0.5%)	(0.3%)	
Waqf & Trust	0	1	1	

	(0.0%)	(0.6%)	(0.3%)
Waqf & NGO	1	0	1
	(0.7%)	(0.0%)	(0.3%)
Waqf & Foundation	3	0	3
	(2.1%)	(0.0%)	(0.9%)
Total	151	166	317
	(100.0%)	(100.0%)	(100.0%)

The results in Table 7.23 suggest that there is no significance difference in the respondent's choice of permanent donation form between both states. This is because the p-value is .149 which is significantly greater than critical limit p-value of 0.05. Giving to charity in the form of *waqf* recorded the highest percentages for Singapore and Johor as respondents' first choice in making a permanent donation, followed by foundations, trusts and non-governmental organisation. Generally, Johor, when compared to Singapore, tended to not like the trust form as the term is unfamiliar and has no sense of religion. This indicates that people strongly believed that by donating to *waqf* and dedicated it for religious purpose it can make them closer to Allah Almighty.

7.4 *Waqf* Management

In this section the discussion focuses on management, since it plays a crucial role in determining *waqf* development. Therefore, three main points related to *waqf* management are mentioned including *istibdal* or changes to *waqf* deeds, criteria for satisfaction and entity preference among respondents from both regions.

7.4.1. Changes in *Waqf* Deed

As mentioned earlier in chapter 3 a *waqf* must be made according to the *waqf* deeds which include the assets, outcome and beneficiaries. Due to the many problems that are faced by *waqf* management, the changing of *waqf* deeds is allowed in certain conditions and through particular procedures. For this reason, again the Mann-Whitney and Kruskal-Wallis tests were adopted to see if there was any statistical difference between the cause of amendments across different regions, various levels of education and different age groups. The summary of the results is depicted in Table 7.24

Changes of assets

Region- The U-test in Table 7.24 shows that there is a statistically significant difference between Johor and Singapore on changing *waqf* assets because of inaccessible locations such as swamps. The p-value of .000 is significantly lower than the critical limit p-value of 0.05. Johor is more familiar with these terms (mean= 196.02) and has a higher mean score than Singapore (mean=142.07). A similar result is indicated on changing *waqf* assets because the area is too small to develop. This is shown from the p-value of .006 which is less than critical limit of p-value of 0.05. Again, Johor (mean =182.19) seems more aware about these changes when compared to Singapore (mean=154.87). However, when it comes to *waqf* deeds being changed so that the assets cannot be used anymore such as old mosques and for state development, the tests show that there is no significant difference as the p-values of .035 and .637 respectively are significantly greater than critical limit p-value of 0.05.

Education- For *waqf* deed changes being made by *waqf* management because of an inaccessible location, the data suggest that there is no significant difference across various levels of educations. The p-value of 0.366 is significantly higher than critical limit of p-value of 0.05. While same pattern occurred for any changes made by *waqf* management in the three situations of the area being too small to develop, the asset not being able to be used anymore, and for state development. The chi-square suggests that there is no significant difference across various education levels as the p-values of .567, .620 and .519 respectively, are significantly higher than the critical limit p-value of 0.05.

Age - In terms of age, there is a significant difference across four age groups and the amendment of *waqf* deed by *waqf* management, because of an inaccessible location as the p-value of .000 is lower than critical limit p-value of 0.05. The over 60 age group (mean =192.34) has the greatest mean score compared to the other age groups and is followed by ages 31-45 (mean=179.51). However, there is no significant difference on *waqf* deed changes for the reasons of the area being too small to develop, that the asset cannot be used anymore, or that the asset is needed for state development. This is indicated by p-values of .243, .314 and .244 respectively, which are higher than critical limit p-value of 0.05.

Table 7.24: Mann-Whitney U and Kruskal Wallis Tests: Respondents' knowledge on changing *waqf* deed assets by *waqf* management.

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	161	196.02	z=-5.441	.000
	Singapore	174	142.07		

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	Total N	335			
QUESTION 23 (a) **They can change it** **because of an** **inaccessible location**	**EDUCATION:** Primary/secondary Diploma Undergraduate Masters Doctor Professional Total N	60 133 101 27 6 4 331	K-W Test: 160.47 159.22 171.51 172.63 236.67 184.50	χ^2=5.427	.366
	AGE Below 30 31-45 46-59 over 60 Total N	80 147 72 31 330	K-W Test: 121.86 179.51 173.82 192.34	χ^2=26.160	.000
Variable	**Subgroup**	**N**	**Mean Rank**	**z, χ^2**	**Asymp.Sig (p)**
	ORIGIN Johor Singapore Total N	161 174 335	U-Test: 182.19 154.87	z=-2.745	.006
QUESTION 23 (b) **They can change it** **because the area is** **too small to be** **developed**	**EDUCATION:** Primary/secondary Diploma Undergraduate Masters Doctor Professional Total N	59 134 101 27 6 4 331	K-W Test: 167.82 164.61 175.29 140.19 159.83 134.63	χ^2=3.876	.567
	AGE Below 30 31-45 46-59 over 60 Total N	80 147 72 31 330	K-W Test: 165.75 173.36 147.32 169.79	χ^2=4.173	.243
Variable	**Subgroup**	**N**	**Mean Rank**	**z, χ^2**	**Asymp.Sig (p)**
	ORIGIN Johor Singapore Total N	161 174 335	U-Test: 178.90 157.91	z=-2.107	.035
QUESTION 23 (c) **They can change it**	**EDUCATION:** Primary/secondary Diploma	59 134	K-W Test: 175.69 165.37		

because the asset	Undergraduate	101	166.08		
cannot be used	Masters	27	141.07	χ^2=3.519	.620
anymore	Doctor	6	197.92		
	Professional	4	162.50		
	Total N	331			
	AGE		K-W Test:		
	Below 30	80	180.22		
	31-45	147	164.43	χ^2=3.550	.314
	46-59	72	153.61		
	over 60	31	160.23		
	Total N	330			
Variable	**Subgroup**	**N**	**Mean Rank**	**z, χ^2**	**Asymp.Sig (p)**
	ORIGIN		U-Test:		
	Johor	159	164.53	z=-471	.637
	Singapore	174	169.26		
	Total N	333			
	EDUCATION:		K-W Test:		
QUESTION 23 (d)	Primary/secondary	59	154.99		
They can change it	Diploma	133	165.95		
because it is needed	Undergraduate	101	174.22		
for state	Masters	26	140.15	χ^2= 4.216	.519
development	Doctor	6	189.17		
	Professional	4	173.38		
	Total N	329			
	AGE		K-W Test:		
	Below 30	80	177.30		
	31-45	146	153.58		
	46-59	71	170.76	χ^2= 4.168	.244
	over 60	31	168.56		
	Total N	328			

Based on the above results it can be concluded that there is a significant difference, across the two regions and five age groups, of knowledge on changes to *waqf* deeds because of inaccessible locations. If *waqf* management changes *waqf* deeds because the area is too small to develop, only the region category shows a significant difference, in contrast with the education and age categories. However in other situations such as when the asset cannot be used anymore or is needed for state development, the test results show no significant difference across three subgroups. In the other words, both regions are similar for changes made because the asset cannot produce any benefit or changes are made for the purpose of state development.

Changes in Outcomes

The summary of the results related to knowledge about changes in outcomes is reported in Table 7.25.

Question 24 (a) - *Waqf* management can change *waqf* deeds because that area does not need the specific output (for example, in the case of a founder who wants to build a mosque when there are many mosques already in that area). Based on the results, it can be stated that, statistically, there is a significant difference across the different regions and different age group. Johor respondents scored the highest (186.54) mean rank value for the region while Singapore's mean score was less (151.70). By using Mann-Whitney test and Kruskal-Wallis test, the p-value outcomes are .000 and .004 respectively, which are lower than critical limit p-value. However, there is no significant difference in the level of understanding across the various education backgrounds. The K-W tests' p-value outcome for education category is 0.57, and thus is significantly greater than the critical limit p-value of 0.05.

Question 24 (b) - *Waqf* management can change *waqf* deeds because they know better the needs that have to be fulfilled. In the education and group age categories, the result revealed that there is no statistically significant difference in understanding across those groups. The K-W tests' p-value outcome for education is .331 and for age group it is .065 and both are higher than the critical p-value of 0.05. While there is a significant difference between the regions as the p-value of .000, is significantly lower than critical p-value of 0.05. Johorean respondents recorded the highest (200.34) mean rank value, compared to Singapore (138.08). The following table shows the summary of responses on changing *waqf* deeds with regard to output.

Table 7.25: Mann-Whitney and Kruskal-Wallis Test: Respondents' knowledge of changing *waqf* deed output by *waqf* management

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	162	186.54	Z = **-3.575**	.000
	Singapore	174	151.70		
	Total N	336			
	EDUCATION:		K-W Test:		
QUESTION 24 (a)	Primary/secondary	60	151.10		
They can change it	Diploma	134	162.50		
because the area	Undergraduate	101	167.26		
does not need the	Masters	27	194.54	χ^2= 10.734	.057

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
specific output	Doctor	6	249.92		
	Professional	4	197.88		
	Total N	332			
	AGE		K-W Test:		
	Below 30	80	142.11		
	31-45	148	164.09	χ^2=13.393	.004
	46-59	72	180.75		
	over 60	31	202.50		
	Total N	331			
Variable	**Subgroup**	**N**	**Mean Rank**	**z, χ^2**	**Asymp.Sig (p)**
	ORIGIN		U-Test:		
	Johor	161	200.34		
	Singapore	174	138.08	**Z : -6.337**	.000
	Total N	335			
QUESTION 24 (b) **They can change it** **because they know** **better the needs** **that have to be** **fulfilled**	**EDUCATION:**		K-W Test:		
	Primary/secondary	60	164.90		
	Diploma	133	169.31		
	Undergraduate	101	154.59		
	Masters	27	178.13	χ^2=5.751	.331
	Doctor	6	231.67		
	Professional	4	180.13		
	Total N	331			
	AGE		K-W Test:		
	Below 30	80	145.83		
	31-45	147	171.67	χ^2=7.228	.065
	46-59	72	163.91		
	over 60	31	190.73		
	Total N	330			

Changes to Beneficiaries

The results relating to knowledge about changes in beneficiaries are reported in Table 7.26.

Question 25 (a): A Mann-Whitney test shows that there is a statistically significant difference in the reasons of changing *waqf* deeds because there are no more beneficiaries, which exists across the two different regions. This can be seen from the significant p-value of .000 which is lower than critical p-value of 0.05. Johor's respondents scored the highest mean rank value (185.73). While the Kruskal Wallis test reveals that there is no statistically significant difference across six different education levels and four different age groups. Since the mean values are 0.898 and 0.427 which are both significantly greater than critical limit p-value 0.05.

Question 25 (b) - Again a similar pattern occurred as previously, for the reason of changing *waqf* deeds because of hard to find the beneficiaries. The results suggest that there is a significant difference across the regions, since the p-value of 0.02 is lower than critical p-value of 0.05. There was a different situation across six different education levels and four age groups as the p-values of 0.963 and 0.165 are significantly higher than critical p-value of 0.05 which is evidence that there is no significant difference. The findings of this summary are presented in following table.

Table 7.26: Mann-Whitney and Kruskal-Wallis Test: Respondents knowledge on changing a *waqf* deeds' beneficiaries by *waqf* management

Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	160	185.73	**Z : -3.568**	.000
	Singapore	174	150.74		
	Total N	334			
	EDUCATION:		K-W Test:		
QUESTION 25 (a)	Primary/secondary	60	167.63		
They can change it if	Diploma	133	164.98		
there are no more	Undergraduate	100	161.80		
beneficiaries	Masters	27	176.81	$\chi^2= 1.629$	.898
	Doctor	6	188.58		
	Professional	4	132.25		
	Total N	330			
	AGE		K-W Test:		
	Below 30	80	151.56		
	31-45	148	167.63	$\chi^2=2.781$	.427
	46-59	71	169.37		
	over 60	30	177.53		
	Total N	329			
Variable	Subgroup	N	Mean Rank	z, χ^2	Asymp.Sig (p)
	ORIGIN		U-Test:		
	Johor	160	183.55	**Z : -3.133**	.002
	Singapore	174	152.74		
	Total N	334			
	EDUCATION:		K-W Test:		
QUESTION 25 (b)	Primary/secondary	60	172.78		
They can change it	Diploma	133	161.73		
if the beneficiaries	Undergraduate	100	163.91		
are very hard to find	Masters	27	169.81	$\chi^2= .990$	.963
	Doctor	6	168.83		
	Professional	4	187.25		

	Total N	330			
	AGE		K-W Test:		
	Below 30	80	149.74		
		148	163.63		
	31-45	71	177.35	$\chi^2=5.099$	.165
	46-59	30	183.20		
	over 60	329			
	Total N				

7.4.2: Criteria for Satisfaction

The analyses in this section are based on three responses, namely: 'dissatisfied', 'neutral' and 'satisfied' which in order to give a clearer picture is 'dissatisfied' combined with 'extremely dissatisfied' and 'satisfied' with 'extremely satisfied'.

In general, about 50% of the respondents across the regions stated that they are 'neutral', if those three entities managed *waqf* with certain criteria such as efficiency, reliability, good management, productivity, simple procedures, tax exemption, being comfortable, fulfilling social needs, and enhancing the state economy. The results on satisfaction for different regions in terms of efficiency of *waqf* management are reported in Table 7.27. The analyses for the categories are as follows:

Johorean respondents- A combined percentage of almost 30.0% of the respondents from Johor stated that they are 'satisfied' or 'extremely satisfied' with government efficiency in managing *waqf*. The percentage is higher than for private individuals or family members managing *waqf*, where only 25.1% stated their satisfaction. However, when it comes to NGOs, their efficiency on managing *waqf* is the highest among three entities, where almost 45.0% of respondents felt 'satisfied' or 'extremely satisfied'.

Singaporean respondents-The highest percentage of the respondents (17.3%) stated that they were 'satisfied' or 'extremely satisfied' with the efficiency of NGOs in managing *waqf*. Private individuals or family member are seen as less efficient compared to NGOs by 5.1%. Government has the lowest percentage among three entities in managing *waqf* efficiently. The results of the findings are depicted in Table 7.27.

By using Chi-square test, it is also indicated that there are statistically significant differences among the three entities in the level of efficiency of *waqf* management. It is proven from the p-value of each

of the entities: Government (χ^2=18.601, df=4,p=.001), private (χ^2=11.127, df=4, p=.025), and NGO (χ^2=36.290,df=4,p=.000).

When it comes to number ranking with 1 for extremely dissatisfied and 5 for extremely satisfied, generally the above table shows Johor and Singapore are satisfied with the efficiency of NGOs compared to the others entities. To conclude, based on the percentages both regions agreed that the highest satisfaction of efficiency for *waqf* management is with NGOs, and disagreed with the level of satisfaction with the other entities.

Table 7.27: Cross-tabulation: Respondents' response on efficiency satisfaction with *waqf* managements from three entities

	Government efficiency on *waqf* management						
	Extremely dissatisfied	dissatisfied	neutral	satisfied	Extremely satisfied	Mean Value	Asymp. Sig
Johor	10.7%	16.4%	44.7%	21.4%	6.9%	2.97	.001
Singapore	5.3%	22.2%	58.5%	7.6%	6.4%	2.88	
	Private/family member efficiency on *waqf* management						
Johor	5.0%	17.6%	52.2%	18.2%	6.9%	3.04	.025
Singapore	5.2%	10.5%	69.2%	11.0%	4.1%	2.98	
	NGO efficiency on *waqf* management						
Johor	7.5%	13.1%	36.2%	31.9%	11.2%	3.26	.000
Singapore	4.0%	11.0%	67.6%	13.3%	4.0%	3.02	

The results on satisfaction for different regions in terms of reliability of *waqf* management are reported in Table 7.28.

Government- For this entity, the results shows that respondents from Johor perceive a higher level of reliability in *waqf* management (35.0%) compared to Singapore (15.1%).

Private or family member- A similar pattern occurred for this entity as well, which is that the Johor respondents recorded a higher level of reliability than Singapore. As stated 30.0% are 'satisfied' with this criteria, while the Singaporean respondents felt less satisfied with this matter (15.7%).

NGOs- Again Johor's respondents showed higher levels of satisfaction with regard to reliability of NGOs at 43.0% and Singapore slightly increases to 23.7%.

The Chi-square test also suggests that there are statistically significant differences among the three entities with the level of satisfaction on *waqf* management. It is proven by the p-value of each entity; Government (χ^2=23.150, df=4, p=.000), private (χ^2=22.374, df=4, p=.000), NGO (χ^2=22.516, df=4,p=.000)

Based on these results, it seems NGOs are more likely to be reliable with *waqf* management for both regions compared to private individuals or family members and government. While both entities share almost the same percentage when it comes to the reliability aspect. The summary of the results is presented in Table 7.28.

Table 7.28: Respondents' response on satisfaction with reliability of *waqf* managements from three entities

	Government reliability of *waqf* management						
	Extremely dissatisfied	dissatisfied	neutral	satisfied	Extremely satisfied	Mean Value	Asymp. Sig
Johor	9.4%	15.6%	40.0%	27.5%	7.5%	3.08	.000
Singapore	7.5%	20.2%	57.2%	8.7%	6.4%	2.86	
	Private/family member reliability of *waqf* management						
Johor	6.%	20.6%	43.1%	21.2%	8.8%	3.06	.000
Singapore	3.5%	12.2%	68.6%	12.2%	3.5%	3.00	
	NGO reliability of *waqf* management						
Johor	5.7%	16.5%	34.8%	32.9%	10.1%	3.25	.000
Singapore	2.9%	13.3%	60.1%	18.5%	5.2%	3.10	

The results on satisfaction for different regions in terms of *waqf* management are reported in Table 7.29.

Johor- Almost 40.0% of the respondents from Johor stated that they are 'satisfied' or 'extremely satisfied' with the government for good *waqf* management. The percentage is higher than for private individuals or family members for good *waqf* management, where only 26.2% stated their satisfaction. However, when it comes to NGOs, their level of satisfaction for managing *waqf* well is the highest among three entities, where almost 41.0% of respondents admitted to being 'satisfied' or 'extremely satisfied'.

Singapore- The highest percentage of the respondents (20.4%) stated that they were 'satisfied' or 'extremely satisfied' with good management by NGOs. In contrast with government and private individuals or family members, where respondents stated that they were 'dissatisfied' with their management, and they have similar percentages of 19.2% and 19.7% respectively

By using the Chi-square test, it is indicated that there are statistically significant differences between the two entities for the level of satisfaction with good management of *waqf*. It is proven from the p-value of each of the entity; Government (χ^2=23.982,df=4,p=.000) and NGO (χ^2=24.656,df=4,p=.000). While private entities seem to show no significant difference in this criterion (χ^2=7.774, df=4, p=.100).

Again, NGOs are the first choice for both regions in terms of their good management of *waqf*. However, respondents from both regions still differ between whether government or private individuals and family members are considered as good for managing *waqf*. Singaporean respondents were more likely to be 'dissatisfied' with their management of *waqf* because of a lack of capability in this issue.

Table 7.29: Respondents' response on good *waqf* managements from three entities

	Government good for *waqf* management						
	Extremely dissatisfied	dissatisfied	neutral	satisfied	Extremely satisfied	Mean Value	Asymp. Sig
Johor	8.8%	13.1%	41.2%	28.7%	8.1%	3.14	.000
Singapore	4.1%	15.1%	64.0%	12.2%	4.7%	2.98	
	Private/family member good for *waqf* management						
Johor	5.7%	17.1%	50.6%	18.4%	8.2%	3.06	.100
Singapore	5.2%	14.5%	64.0%	12.8%	3.5%	2.95	
	NGO good for *waqf* management						
Johor	5.6%	16.2%	37.5%	28.7%	11.9%	3.25	.000
Singapore	3.5%	12.8%	63.4%	16.3%	4.1%	3.05	

The results on satisfaction for different regions in terms of productivity of *waqf* management are reported in Table 7.30.

Government- For this entity, the results show that respondents from Johor indicated that the highest percentages as 32.9% stated that they were 'satisfied' with the government's productivity in managing *waqf*. This contradicts with Singapore where 20.3% respondents felt 'dissatisfied' with the government.

Private or family member- **A** different pattern occurred for this entity. The Johor respondents recorded the highest percentage with 25.1% who were 'dissatisfied' whereas 14.0% of Singaporean respondents felt 'satisfied' with the productively of private individuals or family members for *waqf* management.

NGOs- More than 40.0% of Johor's respondents chose 'satisfied' with NGOs' productivity and 18.5% of Singapore respondents disagreed with that.

The Chi-square test suggests that there are statistically significant differences between the three entities for the level of satisfaction with productivity of *waqf* management. It is proven from the p-value of each of the entities: Government (χ^2=17.940,df=4,p=.001), private (χ^2=13.988, df=4, p=.007) and NGO (χ^2=28.513,df=4,p=.000).

In summary, NGOs record the highest percentages of satisfaction on managing a*wqaf* productively for Johor, while private or family members have the greatest percentage of satisfaction for Singapore. This is in contrast with Johor where private individuals and family members are seen as the least productive. It is worth noting here, that Singapore seems to dislike government management, especially when it comes to the productivity criteria.

Table 7.30: Respondents' response on productive *waqf* managements from three entities

	Government productive in *waqf* management					Mean Value	Asymp. Sig
	Extremely dissatisfied	dissatisfied	neutral	satisfied	Extremely satisfied		
Johor	8.9%	17.1%	41.1%	24.7%	8.2%	3.06	.001
Singapore	5.2%	15.1%	62.8%	13.4%	3.5%	2.95	
	Private/family member productive in *waqf* management						
Johor	5.0%	20.1%	51.6%	15.1%	8.2%	3.01	.007
Singapore	3.5%	10.5%	70.3%	12.2%	3.5%	3.20	
	NGOs productive in *waqf* management						
Johor	5.7%	18.2%	35.8%	29.6%	10.7%	3.21	.000

| Singapore | 3.5% | 15.0% | 63.6% | 13.3% | 4.6% | 3.01 | |

The results on satisfaction for the two regions in terms of simplicity of *waqf* management are reported in Table 7.31.

Johor- The results show that the highest percentage for government to have simple procedures is 'dissatisfied' at 29.8%. This contrasts, with private individuals or family members and NGOs performance, where the greatest percentage, is 'satisfied' at 37.4% and 38.4% respectively.

Singapore- A similar pattern occurred with the Singapore respondents. Almost 25.0% of them stated that they were 'dissatisfied' with the government's performance in terms of simple procedures. Although they were very satisfied with the simple procedures served by private individuals or family members and NGOs, at 23.9% and 21.8% respectively.

The Chi-square test suggests that there are statistically significant differences between the two entities for the level of satisfaction to have simple procedures. It is proven from the p-value of each of the entities; Government (χ^2=30.302,df=4,p=.000), private (χ^2=24.294, df=4, p=.000) and NGO (χ^2=36.046,df=4,p=.000).

In short, both regions agreed that government procedures for *waqf* management are complicated. They agreed that private individuals or family members and NGOs provide simple procedures they would make it more attractive for the public to make *waqf* contributions. Again, NGOs have higher percentages than private individuals and family members in this matter.

Table 7.31: Respondents' response on simple procedures (uncomplicated) *waqf* managements from three entities

	Government simple procedures for *waqf* management						
	Extremely dissatisfied	dissatisfied	neutral	satisfied	Extremely satisfied	Mean Value	Asymp. Sig
Johor	12.7%	17.1%	45.6%	17.7%	7.0%	2.89	.002
Singapore	3.5%	21.4%	60.1%	10.4%	4.6%	2.91	
	Private/family member simple procedures for *waqf* management						
Johor	4.5%	16.8%	40.6%	23.9%	13.5%	3.52	.004
Singapore	4.1%	12.2%	59.9%	19.8%	4.1%	3.08	

	NGO simple procedures for *waqf* management						
Johor	6.3%	17.0%	38.4%	27.7%	10.7%	3.19	.000
Singapore	2.9%	13.8%	61.5%	18.4%	3.4%	3.06	

The results on satisfaction for different regions in terms of tax exemption for *waqf* management are reported in Table 7.32.

Government - Almost 38.0% of Johor's respondents were 'satisfied' with the tax exemption of *waqf* assets that were managed by the government. However, 23.3% of Singaporean respondents stated that they were 'dissatisfied' with this matter.

Private individuals or family members - Respondents in Johor and Singapore agreed that they were 'dissatisfied' with tax exemption when *waqf* is managed by private individuals or family members 28.8% and 20.6% respectively.

NGOs - The highest percentage of satisfaction for this entity is 34.6% for Johorean respondents, while 17.4% of the Singapore respondents were 'dissatisfied'.

The Chi-square test suggests that there are statistically significant differences between three entities with the tax exemption of *waqf*. It is proven from the p-value of each entity; Government (χ^2=30.302,df=4,p=.000), private (χ^2=24.294,df=4,p=.000), and NGO (χ^2=36.046,df=4, p=.000).

From the findings above, it can be concluded that both regions agreed that tax exemption in *waqf* assets managed by private individuals or family members is dissatisfactory. While, for government and NGOs, Johorean respondents are more likely to be satisfied with those forms of governance than Singaporean respondents. The summary of outcomes can be seen in Table 7.32.

Table 7.32: Respondents' response on tax exemption of waqf assets from three entities

	Tax exemption of *waqf* assets that are managed by government						
	Extremely dissatisfied	dissatisfied	neutral	satisfied	Extremely satisfied	Mean Value	Asymp. Sig
Johor	8.8%	12.6%	40.9%	22.0%	15.7%	3.23	.000
Singapore	4.1%	19.2%	62.2%	9.9%	4.7%	2.92	
	Tax exemption of *waqf* assets that are managed by private/family member						
Johor	10.9%	17.9%	43.6%	17.9%	9.6%	2.97	.000

Singapore	4.1%	16.5%	67.1%	10.0%	2.4%	2.90	
	Tax exemption of *waqf* assets that are managed by NGOs						
Johor	6.3%	18.2%	40.9%	25.2%	9.4%	3.13	.000
Singapore	3.5%	13.9%	71.1%	6.9%	4.6%	2.95	

The results on satisfaction for the two regions in terms of comfort in *waqf* management are reported in Table 7.33.

Johor **-** The respondents from Johor recorded the highest percentage stating that they were satisfied with NGO's comfort in *waqf* management at 38.1%. While for government and private individuals and family members, they have similar percentage stating that they are satisfied, 31.6% and 32.9% respectively.

Singapore **-** The respondents from Singapore felt dissatisfied with the government's comfort in *waqf* management, which is the highest percentage of 15.3%. On the other hand, private individuals or family members and NGOs have about the same percentages as 24.9% and 24.8% respectively, stated their level of satisfaction with comfort of those entities.

The Chi-square test suggests that there are statistically significant differences between two entities with the level of comfort of *waqf* management. It is proven from the p-value of each entity; Government (χ^2=24.864,df=4,p=.000), private (χ^2=17.094df=4, p=.002) and NGO (χ^2=14.209,df=4,p=.007).

Based on these outcomes, it is shown that the highest level of comfort for Johorean respondents among the three entities is for NGOs. While for Singaporean respondents the most comfortable entity in managing *waqf* assets is private individuals or family members. It is worth noting here that Singapore respondents do not see government as being comfortable with managing *waqf*. As Abd Karim (2010) emphasised one of the reasons that public avoid registering *waqf* assets is because the government is not comfortable with providing this service. Table 7.33 provides a summary of the outcomes.

Table 7.33: Respondents' response on comfort in *waqf* management from three entities

	Comfort with government on *waqf* management						
	Extremely dissatisfied	dissatisfied	neutral	satisfied	Extremely satisfied	Mean Value	Asymp. Sig
Johor	9.0%	11.0%	47.1%	25.2%	7.7%	3.12	.000
Singapore	4.7%	10.6%	71.8%	10.0%	2.9%	2.96	
	Comfort with private individuals/family members on *waqf* management						
Johor	4.4%	19.6%	44.3%	19.6%	12.0%	3.15	.002
Singapore	4.0%	10.4%	60.7%	21.4%	3.5%	3.10	
	Comfortt with NGOs on *waqf* management						
Johor	6.9%	15.0%	40.0%	28.1%	10.0%	3.19	.007
Singapore	3.5%	12.1%	59.9%	20.2%	4.6%	3.10	

The results on satisfaction for the two regions in terms of the fulfilment of social needs by *waqf* are reported in Table 7.34.

Government - Johor and Singapore agreed that *waqf* managed by government are unable to fulfil social needs. As they stated that they were dissatisfied with that criterion 37.5% and 22.5% respectively.

Private or family member - Both regions also agreed that *waqf* managed by private individuals or family members could contribute to meet public requirements. Johor has the highest percentage of 29.2%, Singapore was lower with 17.5%.

NGOs - Respondents from Johor recorded the greater percentage of 42.1% of satisfaction with NGOs and 24.1% of Singapore's respondents also agreed on that issue.

The Chi-square test suggests that there are statistically significant different between two entities with the ability to fulfil social needs through *waqf* management. It is proven from the p-value of each entity: Government (χ^2=17.788,df=4,p=.001), private (χ^2=12.574, df=4, p=.014) and NGO (χ^2=20.756,df=4,p=.000).

In short, Johor and Singapore most prefer NGOs in managing *waqf* assets to fulfil and meet social needs and requirements.

Table 7.34: Respondents' response on fulfilling social needs through *waqf* management from three entities

	Waqf managed by government to fulfil social needs					Mean Value	Asymp. Sig
	Extremely dissatisfied	dissatisfied	neutral	satisfied	Extremely satisfied		
Johor	9.4%	12.5%	40.6%	28.1%	9.4%	3.16	.001
Singapore	4.0%	11.6%	61.8%	18.5%	4.0%	3.07	
	Waqf managed by private individuals /family member to fulfil social needs						
Johor	5.1%	17.1%	48.7%	20.3%	8.9%	3.11	.014
Singapore	4.1%	11.0%	67.4%	13.4%	4.1%	3.02	
	Waqf managed by NGOs to fulfil social needs						
Johor	6.3%	16.4%	35.2%	32.7%	9.4%	3.23	.000
Singapore	4.0%	12.1%	59.8%	17.8%	6.3%	3.10	

The results on satisfaction for the two regions in terms of improving the economy by *waqf* are reported in Table 7.35.

Johor - The results show that Johor respondents recorded a higher percentage of respondents stating that they were satisfied with government and NGOs in managing *waqf* to improve the state economy with 42.8% and 41.4% respectively. However, they felt dissatisfied with the *waqf* managed by private individuals or family members as they assumed they cannot contribute to the public economy.

Singapore - Similar to the Johorean respondents, Singapore also stated that they were satisfied with government and NGOs, which have about the same percentages of 21.1% and 20.3% respectively. They also disagreed with the view that private individuals or family members can manage *waqf* to improve the state economy (16.9%).

The Chi-square test suggests that there are statistically significant differences between two entities for their capability to improve the state economy through *waqf* management. It is proven from the p-value of each entitiy: Government (χ^2=28.111,df=4,p=.000), private (χ^2=10.493, df=4, p=.033) and NGO (χ^2=28.763,df=4,p=.000).

In short, both regions agreed with government and NGOs managing *waqf* to effectively help to develop the economy while they disagreed with private individuals or family members managing *waqf*

for the same purpose. Johor and Singapore share the same preferred entity for that purpose, which is government.

Table 7.35: Respondents' response on improving the state economy through *waqf* management from three entities

	Waqf managed by government can improve the state economy						
	Extremely dissatisfied	dissatisfied	neutral	satisfied	Extremely satisfied	Mean Value	Asymp. Sig
Johor	10.1%	11.3%	35.8%	32.7%	10.1%	3.21	.000
Singapore	4.7%	11.1%	63.2%	17.0%	4.1%	3.05	
	Waqf managed by private individuals/family members can improve the state economy						
Johor	5.1%	19.6%	51.3%	17.1%	7.0%	3.01	.033
Singapore	2.9%	14.0%	68.4%	11.1%	3.5%	2.98	
	Waqf managed by NGOs can improve the state economy						
Johor	6.4%	17.2%	35.0%	29.9%	11.5%	3.23	.000
Singapore	4.0%	11.6%	64.2%	14.5%	5.8%	3.06	

From the above analysis, it can be concluded that in general both regions prefer NGOs for managing *waqf* because of their higher satisfaction for almost all criteria. Although in some circumstances both regions choose the government, notably for the purpose of improving the economy for which the government is considered to be fully responsible. In terms of tax exemption, Singapore prefers not to choose any entities when compared to Johor. Furthermore, Singapore is also likely to be more comfortable with private individuals or family members to manage *waqf,* this is due to environmental differences to Johor. On the other hand, government is considered as the least popular option among both Singaporean and Johorean respondents. A summary of the satisfaction levels of *waqf* management in the two regions and different organisational types are reported in Table 7.36-7.38.

Table 7.36: Summary of the highest satisfaction criteria on *waqf* management

Criteria	Johor	Singapore
Efficiency	NGO	NGO
Reliability	NGO	NGO

Good management	NGO	NGO
Productivity	NGO	NGO
Simple Procedures	NGO	NGO
Tax exemption	Government	-
Comfort	NGO	Private/family member
Fulfil social needs	NGO	NGO
Improve economy	Government	Government

Table 7.37: Summary of the highest satisfaction criteria on *waqf* management between three entities in Johor

Criteria	Government	Private/Family	NGO
Efficiency	Neutral	Satisfied	Satisfied
Reliability	Satisfied	Satisfied	Satisfied
Good management	Satisfied	Satisfied	Satisfied
Productivity	Satisfied	Satisfied	Satisfied
Simple Procedures	Neutral	Satisfied	Satisfied
Tax exemption	Satisfied	Neutral	Satisfied
Comfort	Satisfied	Satisfied	Satisfied
Fulfil social needs	Satisfied	Satisfied	Satisfied
Improve economy	Satisfied	Satisfied	Satisfied

Table 7.38: Summary of the highest satisfaction criteria on *waqf* management between three entities in Singapore

Criteria	Government	Private/Family	NGO
Efficiency	Neutral	Neutral	Satisfied
Reliability	Neutral	Satisfied	Satisfied
Good management	Neutral	Neutral	Satisfied
Productivity	Neutral	Satisfied	Satisfied
Simple Procedures	Neutral	Satisfied	Satisfied
Tax exemption	Neutral	Neutral	Neutral

Comfort	Neutral	Satisfied	Satisfied
Fulfil social needs	Satisfied	Satisfied	Satisfied
Improve economy	Satisfied	Neutral	Satisfied

7.4.3 Preferred Entities

As mentioned in chapter 4, initially *waqf* was managed by family or private individuals. Due to many circumstance such as mismanagement and corruption, government started to control and supervise *waqf* assets. However, government sometimes fails to accommodate the management of funds, therefore many researchers suggest that *waqf* assets should be managed by Non-Governmental Organisation due to their popularity and record of successfully handling public funds. For that purpose, cross-tabulation is used to explore public perception on certain entities that are responsible for *waqf* management. The main focus is only on the highest percentages.

Government

The results in Table 7.39 show that there is a statistically significant difference between region and government *waqf* management. The stated p-value of .000 is significantly lower than the critical limit p-value of 0.05. Table 7.35 clearly shows that Johor (48.1%) most preferred government for managing *waqf* in contrast with Singapore where the highest percentage is the least preferred of 55.8%.

Table 7.39: Respondents' preference for government *waqf* management

	Most preferred	preferred	Least preferred	Total	Chi-Square
Johor	38	20	21	79	χ^2 : 16.218
	(48.1%)	(25.3%)	(26.6%)	(100.0%)	
Singapore	23	19	53	95	df= 2
	(24.2%)	(20.0%)	(55.8%)	(100.0%)	
Total	61	39	74	174	*p*<.000
	(35.1%)	(22.4%)	(42.5%)	(100.0%)	

Private individual or family member

The results of the cross-tabulation reported in Table 7.40 indicate that there is a significant difference between region and *waqf* managed by private individuals or family members as the p-value of .000 is

lower than critical limit of 0.05. Singapore respondents most preferred family members to manage *waqf* assets with 55.8% while most Johor respondents, 44.9% least preferred them for *waqf* management.

Table 7.40: Respondents' preference for private or family member *waqf* management

	Most preferred	preferred	Least preferred	Total	Chi-Square
Johor	15	28	35	78	χ^2 : 41.477
	(19.2%)	(35.9%)	(44.9%)	(100.0%)	
Singapore	53	36	6	95	df= 2
	(55.8%)	(37.9%)	(6.3%)	(100.0%)	
Total	68	64	41	173	*p*<.000
	(39.3%)	(37.0%)	(23.7%)	(100.0%)	

Non-Governmental Organisation

The Chi-square test in Table 7.41 indicates that there is no significant difference between Johor and Singapore respondents for *waqf* managed by non-governmental organisations as the p-value is .184 which is higher than critical limit p-value of 0.05.

Table 7.41: Respondents' preference for NGO *waqf* management

	Most preferred	preferred	Least preferred	Total	Chi-Square
Johor	25	31	23	79	χ^2 : 3.381
	(31.6%)	(39.2%)	(29.1%)	(100.0%)	
Singapore	19	40	36	95	df= 2
	(20.0%)	(42.1%)	(37.9%)	(100.0%)	
Total	44	71	59	174	*p*<.184
	(25.3%)	(40.8%)	(33.9%)	(100.0%)	

Based on the above results, it can be concluded that respondents in Johor preferred government more for managing *waqf* and NGOs were their second preference. This is contrast with Singapore, where respondents most preferred family members to manage *waqf* assets. As one Singapore respondent (181) commented local SIRC is linked to government and headed by a non-Muslim, thus he assumed that *waqf* management would not be Islamic.

Table 7.42: Summary of findings on knowledge, opinion and awareness towards the *waqf* concept, assets, establishment and management

Variables	Region	Age	Education	Income MYR	Income SGD
Sadaqah vs. *waqf*	X	Significant	X	-	-
Permanent vs. temporary	X	Significant	X	-	-
Waqf real estate	Significant	Significant	X	-	-
Waqf Cash	Significant	X	Significant	-	-
Waqf Shares	Significant	Significant	Significant	-	-
Waqf service	Significant	Significant	X	-	-
Waqf small goods	Significant	Significant	Significant	-	-
Waqf copyright	Significant	X	X	-	-
Waqf cash flexibility	Significant	Significant	X	-	-
Waqf investment	Significant	Significant	X	-	-
Kind of *waqf*	Significant	Significant	Significant	-	-
Waqf frequency	Significant	Significant	Significant	Significant	Significant
Waqf constraint	Significant	X	X	-	-
Changes of assets Inaccessible location	Significant	Significant	X	-	-
Too small to developed	Significant	X	X	-	-
Asset cannot used	Significant	X	X	-	-
Changes in output Does not serve the purpose	Significant	Significant	X	-	-
Know better public needs	Significant	X	X	-	-
Changes to beneficiaries	Significant	X	X	-	-

From the summary in Table 7.42 above, it can be concluded that besides age group the differences in terms of knowledge and awareness towards the *waqf* concept, assets, establishment and management is different in the two states examined. However, when it comes to types of *waqf* and *waqf* contributions, different levels of education influence these issues. Therefore, different environments and situations have contributed to this scenario, although both states are geographically close.

7.5 Conclusion

Various kinds of inferential statistical tools were adopted to analyse the data namely Mann-Whitney U-test, Kruskal Wallis test, Cross-tabulation and logistic regression. This chapter consists of three sections; awareness and knowledge of the *waqf* concept, *waqf* establishment and *waqf* management. Basically, the results show significant differences between age groups and the level of knowledge on

the *waqf* concept. While in terms of kinds of *waqf*, Singaporean respondents are more familiar with all the types of *waqf* when compared to the Johorean respondents. Logistic regression was adopted in order to identify the predictor of *waqf* establishment between both states. The results reveal that region is the main contributor to this factor as Johor is majority Muslim while in contrast Singapore is a secular state. Age was also shown to be a contributing factor, the findings also reveal that higher the age the more likely a person is to contribute to, or create a *waqf*. This may be because of higher awareness among this group of preparation and worship to Allah before leaving this world in order to entitle them to a continuous reward from Allah the Creator throughout the period of the endowment. There are two obstacles identified by respondents which are a lack of material assets and a lack of knowledge and awareness.

Based on the quantitative analysis, both states have a different knowledge in terms of *istibdal*. In general, Johor has a better understanding of the *istibdal* concept when compared to Singapore. The results show statistically significant differences across the two regions on changing *waqf* assets, outcomes and beneficiaries, whereas different backgrounds in education did not contribute significantly in this matter. Generally, both regions prefer NGOs to manage a*wqaf* because of their higher satisfaction in almost all criteria, compared to the other entities. Although, both regions chose the government for the purpose of improving economy, as it is consider fully to be the responsibility of the government. In terms of tax exemption, Singapore preferred not to choose any entities in comparison to Johor. Furthermore, Singapore is also more likely to be comfortable with private or family members managing *waqf,* this is due to the environment which is different from Johor. On the other hand, government is considered as less popular amongst both Singaporean and Johorean respondents.

It can be concluded that national differences play an important role in identifying the variation in terms of knowledge and awareness towards the *waqf* concept, assets and establishment, and management, in addition to age group, as most of variables show significant results.

CHAPTER 8

Exploring *Waqf* Perceptions: Interview Analysis

8.1 Introduction

This research adopts quantitative and qualitative methods as mentioned in chapter 5. While in chapter 6 and 7, quantitative results, findings and further analysis were discussed. The appropriate way for exploring the variation in perceptions of is through qualitative methods as asserted by Kumar (Kumar, 2011). Therefore, this chapter's objective is to discuss further analysis on the perception of *waqf* by related bodies which are involved directly with *waqf* management.

This chapter presents a qualitative analysis of the perceptions of *waqf* gained from semi-structured interviews. The purpose of this method is to explore in depth matters of contemporary law related with *waqf* including its status and output as well as *waqf* management. From the findings of the qualitative analysis, this chapter explains the extent to which the law may impact *waqf* development and what the status of *waqf* is nowadays in both Johor and Singapore. The problems that are faced by management are also identified in this chapter as are suggestions to minimise the problems in order to increase *waqf* development.

Interviews were conducted with the following bodies *waqf* directors, *mutawalli*s and trustees, lawyers, mufti departments and academics from both states. It is worth noting here that only 15 interviewees gave a response from the 25 people who were approached. As mentioned in previous chapters, at first most of them agreed to be interviewed but they then cancelled at the last minute. The low number of respondents was not only indicated in email correspondence but the same pattern also occurred in other situations such as face to face communication. In the other words, the low rate of response was the same as is usually encountered for research purposes.

8.2 Findings

There were a total of 29 interview questions but not all the questions were asked to all interviewees. Only relevant questions were posed to certain bodies, for example trustees and directors were asked management issues, and lawyers and mufti departments about legal issues. There are four major themes derived from the outcomes of the coding analysis as follows:

1) Contemporary legal issues

2) Administration and management issues

3) Contemporary *waqf* issues

4) Public involvement

It is worth noting here, that analysis and coding has been done manually, not adopting computer software. When trying to work with quantitative software such as NVIVO there was compatibility problem with the computers being used. The same experience has also been encountered by other colleagues who wanted to use the same programme.

8.3 Contemporary law issues

In this category, the interview questions attempted to reveal if the contemporary laws governing *waqf* still comply with Shariah principles or not. Thus, this section analyses the results of contemporary law that relate to *waqf* which are being implemented currently, especially in the two states of Johor and Singapore. Table 8.1 shows the results from the first interview question. The first question has been categorised into six main codes, namely the role of the founder, the function of the *mutawalli*, the importance of registration and the transfer of ownership, tax exemption and non-Muslim involvement in *waqf* contributions.

Table 8.1: Results for Question 1 (Contemporary legal issues)

Question 1: Do you think contemporary law complies with Shariah principles and supports *waqf* development?	
Focus of coding:	
1	Right of the founder in appointing the *nazir/mutawalli* and making the *waqf*
2	Recognising the *mutawalli* as the asset owner and his right of administration
3	Legal support for *waqf* development through registration
4	Transfer of ownership of *waqf* asset
5	Enjoyment of tax exemption as part of legal support
6	Non-Muslim involvement creating legal problems
Theme	The importance of the assistance of law to support and protect *waqf* and not to restrict the creation of a*wqaf*. Any changes in contemporary law should not be against Shariah principles but follow state regulation in order to protect *waqf* as part of Shariah principles and meet current requirements.

Table 8.2: Coding Focus 1 for Question 1 (Contemporary legal issues)

Right of founder in appointing a *nazir/mutawalli* and making the *waqf*	
Interviewee 1	The founder can still appoint a *nazir*. Taking the freedom from the founder is not considered as non-compliant with Shariah.
Interviewee 2	This still complies with Shariah principles; however investing income in a *baitulmal* allows only 1/3 of total assets of the founder to be made into a *waqf*. This truncates the role of founder.
Interviewee 3	Based on some Islamic concepts such as *siyasah syar'iyyah*[60], *tasarruf manutun bi al-maslahah*[61], all administrative dealings are governed by existing laws including the appointment of a Majlis as sole trustee.
Interviewee 4	The founder can still appoint a *mutawalli* as it should comply with Shariah.
Interviewee 5	The founder can still appoint a *mutawalli* but there are criteria and conditions. This can be structured with a new face, so that nowadays companies can contribute towards *waqf* and not only individuals.

According to classical Islamic jurists the founder of a *waqf* has the right to appoint a trustee and could create the *waqf* without limitations. However, this right has been taken away from the founder as the *mutawalli* is already set up by the government and there is limitation in creating *waqf* when it comes to investing in the *baitulmal.*

According to the responses given by all of the interviewees, as can be seen in table 8.2, most of them emphasised that the founder still has a right to appoint a *nazir* or *mutawalli* and this still complies with Shariah (interviewees 2, 3, 4). However, there are certain requirements that have to be fulfilled by the *mutawalli,* as mentioned by interviewee 5. If vesting income in a *baitulmal*, the role of the founder is limited since he cannot make a *waqf* of more than 1/3 of the total assets; this issue was highlighted by interviewee 2.

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[60] Islamic jurists had a different definition on *Siyasah syari'yyah*; some of them define it as managing the interests of people in accordance to Shariah. Others define it as an act of the head of state in order to protect people's interest which is not contradictory with Shariah (Khallaf, Abdul Wahhab (1988) Al-Siyasah al-Shariyyah fi al-Shu'un al-Dusturiyyah wa al-Kharijiyah wa al-maliyah, Dar al-Qalam.

[61] *Tasarruf manutun bi almaslahah*: An act of a head of state in managing public matters must be based on general interest or benefit (Al-Zuhaili, Muhammad Mustafa (2006) Al-Qawaid al-Fiqhiyah wa Tatbiqatiha fi al-Mazahaib al-'Arba'ah, vol 2, Damascus, Dar al-Fikr.

Table 8.3: Coding Focus 2 for Question 1 (Contemporary legal issues)

Recognising the *mutawalli* as the asset owner and his right of administration	
Interviewee 1	Jurists do not recognise the trustee or *nazir* as the owner, only civil law allows it.
Interviewee 2	A *waqf* belongs to Allah and the *mutawalli* only has limited rights of administration.
Interviewee 4	The founder can be the *mutawalli* at the same time and have the right to manage the *waqf* if they have expertise in that area. MAIJ is not able to manage the whole matter such as the huge share of JPJ.
Interviewee 5	There is flexibility for the *mutawalli* to manage the *waqf* but they still have to be under MUIS governance and MUIS just gives them a guideline.

Classical Islamic jurists argued whether the ownership of *waqf* belongs to Allah Almighty, the founder or the beneficiary and never mentioned it as belonging to the *mutawalli,* as happens nowadays. Table 8.3 shows the view of the interviewees on the *mutawalli*'s function. They emphasised that Shariah does not recognise the *mutawalli* as the asset owner, as it belongs to Allah (interviewees 1 and 2). However, civil law declares that it is owned by the *nazir* or *mutawalli*. Although, the ownership is transferred to *mutawalli* the *mutawalli* has limited rights of administration and should be supervised by a regulatory body.

Table 8.4: Coding Focus 3 for Question 1 (Contemporary legal issues)

Law support for *waqf* development through registration	
Interviewee 1	Registration may lead to the loss of a *waqf*, but it does not mean it is not good as it provides indefeasibility of *waqf* property. It protects it *better as long as registration is not made a precondition for waqf* validity. So the laws need to be reformed.
Interviewee 2	Registration is useful and present laws do not help in popularising *waqf* and do not pay much attention to *waqf* development.
Interviewee 3	Law supports *waqf* development in accordance with the provision of federal and state legislation.
Interviewee 4	Registration is compulsory according to the law; however an amendment to improve the provision should be made now to meet the needs of the current situation.
Interviewee 5	With registration there is transparency of the issue and of responsibility and there is a body which is governed through the whole infrastructure. Registration is really important. The law must be there to assist or support

	and to protect *waqf* not to hinder and not to restrict e *waqf* creation.

The importance of law is undeniable in order to provide a guideline and a limit that must be followed especially in *waqf* management. As clearly mentioned before, both states implemented common law which is totally different from Shariah law. Tables 8.4 - 8.6 show the interviewees' opinions on the role of contemporary law to support *waqf* development through registration, transfer of ownership and tax exemption. They strongly believe that processes are very important in order to prevent it from being misused and to develop *waqf* assets.

Table 8.4 indicates that most of the interviewees agreed that the requirement of registration when creating a *waqf* is very useful and important. Although interviewee 2 stated that the law nowadays does not help make *waqf* popular and pays little attention to *waqf* development. Addittionally, interviewees 1 and 4 argued that the law needs to be reformed to meet the demands of the current situation.

Table 8.5: Coding Focus 4 for Question 1 (Contemporary legal issues)

Transfer of ownership of *waqf* assets	
Interviewee 1	If it could lead to the transfer of it to Majlis, or convert it to leasehold from freehold, or leads to the surrender of it to the state, such a form of registration would need to be changed.
Interviewee 2	For the transfer of ownership, detailed rules exist in Islamic law to guide the Qadis to allow the sale of *waqf* property in certain circumstances.
Interviewee 3	Not all matters come within shariah authorities only matters such as transfer of ownership.
Interviewee 4	The asset must be transferred by the owner to MAIJ

The fourth coding focus 4 in Table 8.5 reveals the respondents' views on a transfer of ownership as part of a legal requirement to be change the form of registration. Based on present regulation, ownership of *waqf* should be transferred to the Majlis. The aim of the transfer of ownership is to allow Majlis to undertake any activities, projects or transactions with *waqf* land. However, the founder still has the rights on that asset but any transaction should have approval from the Majlis. In the other words, the founder or *mutawalli* who manages the assets only has limited powers. Transfer of ownership is allowed in Islamic law but only in certain circumstances such as the sale of the land to get better land in appropriate area.

Table 8.6: Coding Focus 5 for Question 1 (Contemporary legal issues)

Enjoyment of tax exemption as part of legal support	
Interviewee 1	Tax exemption is highly recommended as it affects the income of the *waqf* and reduces it.
Interviewee 2	Tax exemption is a difficult issue, depending on the government's policies and public interest, but in the past, *waqf* enjoyed tax exemption.
Interviewee 3	Tax exemption will increase awareness among the public of the contribution of *waqf*.
Interviewee 4	Once the transfer of ownership is done, the land that is declared as *waqf* will be tax exempt.

Table 8.6 indicates the responses of all interviewees on the issues tax exemption for *awqaf*. They strongly agree that tax exemption will generate more *waqf* income and increase public awareness of the contribution made by *waqf*, it is also recognised that historically *waqf* enjoyed tax exemption. Broadly speaking, the law will help *waqf* development directly through tax exemption on everything that is involved in a *waqf* such as *waqf* income. Although, most countries apply some form of tax exemption for a*wqaf* they still face other problems and have to pay more tax than they receive in income.

Table 8.7 shows the reasons of non-Muslims in creating a*wqaf* in accordance with the law. Based on its different environment to Singapore, Johor has no legal restriction on *waqf* being created by non-Muslims. There have been many cases that were delayed as they involved Muslim and non-Muslim parties. In this situation, the case will be heard in a civil court but they can choose a judge with a background in Shariah as they will be more familiar with Islamic transactions. This is in contrast with interviewees 5 and 13 who are from Singapore and who emphasised that there is problem as *waqf* comes under Muslim law and it has to be restricted to the Muslim community only. When non-Muslims create *waqf,* which law should be followed, is it trust or *waqf* as both are governed by different laws? However, the outcomes should be for the benefit of the whole of human kind not just for Muslim society. It clearly indicates that difficulties are caused from non-Muslims being involved in creating *waqf* because of different legal aspects, although they would contribute more *waqf* assets.

Table 8.7: Coding Focus 6 for Question 1 (Contemporary legal issues)

Non-Muslim involvement creating a legal problem	
Interviewee 4	No problem as far as he knew. If there is any dispute between Muslims it should be heard in a shariah court. While between non-Muslims it should be heard in a civil court, but they can still suggest judge that has a Shariah background.
Interviewee 5	I guess because of the peculiarity of Singapore Muslims, we have a secular government so where there are Muslim laws they have to be restricted towards the Muslim community only and it cannot encompass another community. If non-Muslims can create a trust then there is a problem with how to define some of the trusts that have been created by non-Muslims, because they are governed by different law. It is only in Singapore when it comes to other countries I think there should not be a problem.
Interviewee 13	In Singapore, the issue will be decided by the civil court and not Shariah. However in deciding this issue, the civil court may request for the opinion of the Legal Committee of MUIS, which is headed by the Mufti. The civil court will consider the *fatwa* but will not be bound by it.
Interviewee 14	Undeniably there were many cases extended if they involved Muslims and non-Muslims. There should be a particular regulation regarding this matter which is not under MAIJ's responsibility but another body under the government.

8.4 Administration and Management Issues

This section discusses the interviewees' perceptions on *waqf* administration and management. This issue can be categorised into three subs codings namely: perception of the *nazir* and *mutawalli*, NPO or private management, and the challenges faced by management.

As mentioned earlier in chapter four, there is a difference between a *nazir* and a *mutawalli.* In this matter, the interview question attempted to reveal to what extent the respondent was familiar with the difference and how it may affect *waqf* development effectively. Familiarity with the different responsibilities may lead to changes in effectiveness and efficiency or may produce more difficult procedures. Therefore, the perception of this issue was explored to identify if their familiarity with the differences may affect *waqf* development. The coded results are presented in Table 8.8.

Table 8.8: Results for Question 2 (Administration and Management issue)

Question 1: Do you agree that the *Nazir* and *mutawalli* are different?	
Focus of coding:	
1	*Nazir* and *mutawalli* have a different role and responsibility
2	Different role will lead to an increase in effectiveness
3	Different roles may increase bureaucracy
Theme	There may be advantages and disadvantages in having the different roles, although both bodies' function is the upkeep and management of *waqf* property. However, the factor of effective management depends on many factors such autonomy, skill, diligence and trustworthiness.

As mentioned earlier in chapter 3, Boudjellal (2005) asserted that the concept of *Nazara* was introduced as there is a possibility for assets to be corrupted or mismanaged when individuals are given single handed control to manage the *waqf's* affairs. Therefore, the next question is really important to identify if the interviewees are aware of this.

Table 8.9 provides the views of interviewees on the different responsibilities of both the *nazir* and *mutawalli.* It shows that some of the interviewees recognised that there is a difference as a *nazir* is a supervisor while a *mutawalli* is an administrator. While others admitted that both terms are same as both roles are limited to the upkeep and management of *waqf* property and one of them was unfamiliar with the difference since the law only defines certain terms.

Table 8.9: Coding Focus 1 for Question 2 (different role)

Nazir and *mutawalli* have a different role and responsible	
Interviewee 1	A *nazir* may appoint another to manage *waqf* property so there is a difference.
Interviewee 2	No difference between *nazir* and *mutawalli*. Their role is limited to upkeep and management of *waqf* property. Sales, mortgages, exchanges and leases are subject to prior *qadi* approval.
Interviewee 3	A *nazir* is a supervisor and a *mutawalli* is an administrator. In the case of Singapore and Malaysia; laws are created for supervision and monitoring purposes.
Interviewee 4	There is a difference
Interviewee 5	*Nazir* is an administrator and I am not sure. Because AMLA only defined *mutawalli* as used for a *waqf.*

Interviewee 6	There is a difference
Interviewee 7	There is no difference; they act as trustee of the *waqf* and have to execute it effectively as per the deed
Interviewee 8	It is better to have 2 different roles for governance
Interviewees 9,10,11 and 12	No difference

The focus of coding 2 is reported in Table 8.10 which shows the views given that different roles may lead to effective management. The interviewee's opinions suggest that creating different roles may ease the task as the different roles have different responsibilities. So everyone can focus or concentrate in their area rather than giving the whole responsibility to one body. A *waqf* is a big issue that cannot be handled or covered by one party, as asserted by interviewee 4. However, the effectiveness of management depends on many factors not only different roles.

Table 8.10: Coding Focus 2 for Question 2 (Different roles will be more effective)

Different role will be more effective	
Interviewee 1	But the role of the *mutawalli* may or may not be good for the *waqf*. Jcorp may play a better role than majlis but the *mutawalli* in India may not. Effectiveness of management depends on many factors such as autonomy, skill, diligence and trustworthiness.
Interviewee 4	More effective as MAIJ already has many tasks related to *waqf* such as cases and registration. MAIJ can't cover all the matters of a *waqf* as it is a BIG thing.
Interviewees 6,8 and 9	More effective

The following table (8.11) presents interviewees' perception on why the different functions may create difficult procedures. Most of the interviewees admitted that different role may cause complicated procedures and possibly lead to the loss of *waqf* assets. Thus, bureaucracy should be reduced as the *mutawalli* has limited powers. However, difficult procedures are not a big issue for interviewee 4, as to achieve satisfactory results may require more time, especially when it involves the worship of Allah.

Table 8.11: Coding Focused 3 for Question 2 (Different roles may increase bureaucracy)

Different role may increase bureaucracy	
Interviewee 1	There is strict supervision in matters that could lead to loss of *waqf* assets. Jurists often mention judicial supervision. That can be substituted

	by institutions.
Interviewee 4	It is not a big issue, to gain quality should take time especially when it relates to religious matters. To make changes in anything needs more time but the effect is for a long time as well, due to protecting Muslims' rights to their worship of Allah.
Interviewee 5	Trustees assumed that a mutawalli is restricted when it comes to bureaucratic issues. Bureaucracy should be decreased. For example they can only deal in certain amounts without seeking approval from Majlis.
Interviewees 8, 9, 10 and 12	Creates complicated procedures

There were many discussions about who should manage *waqf* assets at present. Most of the researchers strongly suggested that a NPOs should be the administrator due to their efficiency and success in managing trusts. Historically *waqf* in early times were managed by individuals. Because they were mismanaged, government started to take over the management. However, in some countries governments failed to develop *waqf* and the situation became worse because *waqf* assets were abandoned. Possibly, by introducing a new model of management, it will be able to restore the glory of *waqf* successfully, as occurred in the Ottoman Empire, which was mentioned in the previous chapter.

Table 8.12 shows the coded results for how a NPOs or private individuals should managed a *waqf*.

Table 8.12: Result for Question 2 (Administration and Management issues)

Question 2: Should a *waqf* be managed by an NPO or private individuals?	
Focus of coding:	
1	NPO or private should be fully in charge in *waqf* management
2	Segregated the function
Theme	It may be a good idea to entrust other bodies in *waqf* management, but they still must be supervised by a big authority.

Table 8.13 provides the view of the interviewees on the first coding of the second question of administration and management issue: whether a NPOs or private individuals should be fully responsible in *waqf* management. The table shows that all the interviewees agreed that a NPOs should manage a *waqf* as long as there is honesty, trust and skill. Since Majlis are too busy with others tasks, therefore it should hand over to specialists. It is not a good idea to give this task to individuals due to ineffectiveness and inefficiency.

Table 8.13: Coding Focus 1 for question 1 (Fully in charge)

NPO or private should be fully in charge	
Interviewee 1	*Waqf* is an NGO. Basically it is a NPOs too. It does not matter who is in charge of it, if there is altruism, honesty, *amanah*[62], skill, then a *waqf* can succeed. If not, it will fail. Individuals may not be a good idea for the sake of effectiveness and efficiency.
Interviewee 2	It may be a good idea to entrust to private bodies like banks and trust management companies like in the UK. MUIS is so busy with other duties and should hand over *waqf* matters to a specialist body.

The other idea is to segregate the task such as the NPOs as the manager while Majlis act as the administrator or supervisor. As mentioned earlier, making different roles and responsibilities between both bodies may lead to more efficiency and effectiveness as recognised by the interviewees.

Table 8.14: Coding Focus 2 for question 1 (Segregated the function)

Segregated function	
Interviewee 2	To leave the *mutawalli* free will be dangerous and Islamic law never allowed a free hand to the *mutawalli*
Interviewee 3	Agree but there should also be supervision by Majlis.
Interviewee 4	Not agreed in terms of them becoming *nazir* but agreed if they are *mutawalli*. Since MAIJ lack expertise in certain fields so it is better to segregate the function.
Interviewee 5	There is no harm having an institution or individual to manage the *waqf* but still MUIS is a big authority and becomes the regulator of the framework and gives guidelines of what governance terms of the *waqf* investment come under. They just report to MUIS and submit the accounts like under a company act. It is better because they can develop the *waqf*.

Table 8.14 indicates that all the interviewees emphasised that the task should be segregated since Majlis lack expertise in certain fields. Moreover, Majlis are unable to manage the whole matter by themselves. Thus, Majlis will then concentrate on administration and other parties will focus on how to develop and increase *waqf* assets. In the other words, Majlis still have full authority on *waqf* assets and to give full power to a *mutawalli* is very dangerous.

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[62] trustworthy

Table 8.15: Results for Question 2 (Administration and Management issue)

Question 3: What do you think is problematic in the development and management of *waqf* assets?	
Focused coding:	
1	Constraints to development
2	Management problems
3	Public awareness
Theme	Lack of funds and the conditions of assets are the main challenge in *waqf* development. While human development and capacity is the main issue in *waqf* management. It becomes worse because of a lack of public awareness.

Table 8.15 shows a number of reasons that can create problems in *waqf* development and management. According to the interviewees' responses, the reasons can be divided into 3 major themes, these are development, management and public awareness. The purpose of this question is to identify and highlight the constraints, so they can be overcome and improvements can be made for in the future.

Table 8.16: Coding Focus 1 for question 1 (Development)

Constraints to development	
Interviewees 6, 9,11,12 and 13	Lack of funds
Interviewee 8	Condition of assets

Based on the table above, it is revealed that there are 2 kinds of problem in development namely lack of funds and the condition of assets. The condition of assets consists of small assets, situated in areas with little potential, such as in a forest or swamp. In this situation, the asset will be abandoned especially in the case that Majlis will not allow the sale of it.

Table 8.17: Coding Focus 3 for question 1 (Management)

Management problem	
Interviewee 4	There is a problem with a lack of funds and human development but they still can manage it.
Interviewee 5	Man power and capacity of certain things and the issue of taking risks, especially for development when it comes to property. There is a problem in investing like restrictions but I think it is overcome since our fatwa is very

	progressive.
Interviewees 6 and 10	Human capital development

Table 8.17 shows the problems in management that were expressed by interviewees from both states. Human capital development and capacity are the huge challenges that they have to face in order to improve *waqf* development, besides other problems that can be overcome such as restrictions on investment.

Table 8.18: Coding Focus 4 for question 1 (Public awareness)

Public awareness	
Interviewee 4	Public awareness
Interviewee 5	Public awareness is problematic as they still think of *waqf* in the traditional way. They do not want MUIS to administer the *waqf*. They will find that MUIS as part of government intervention. They want *waqf* a bit free.

Table 8.18 provides the third reason of problem in managing and developing *waqf*. Public awareness is a problem (interview 4) as the traditional perception on *waqf* still remains (interview 5). In addition, some people do not want government to handle this religious matter, especially when it is not as Islamic government as there are restrictions.

8.5 Contemporary *waqf* issues

This section presents the result of further analysis on contemporary *waqf* issues or concepts that can be categorised into four themes; temporary *waqf*, *waqf* deeds, *waqf* output and *waqf* assets. For every theme there is a particular coding result from the response of the interviewees. The idea was to discover, from the interviewees, any matter arising on the use of contemporary *waqf* instruments. The results of the analysis on this matter can be seen in Tables 8.19-8.37.

Table 8.19: Result for Question 3 (Contemporary *waqf* issues or concepts)

Question 1: OIC Fiqh academy allowed temporary *waqf* on all assets, what is its effect on *waqf* development?	
Focus of coding:	
1	Generate more *waqf* assets
2	Increase confusion and leads to lost identity
3	Motivates the public

Theme	A temporary *waqf* can increase *waqf* assets and at the same time produce confusion between *waqf* and *sadaqah* which may lead to lost identity or characteristics.

The first theme for contemporary *waqf* issues is a temporary *waqf*. Recently, a temporary *waqf* was allowed by OIC Fiqh Academy[63] on all assets. To what extent this change has led to a positive impact towards *waqf* development or may create negative effect is discussed in the following Tables 8.20-8.22 which present the results of the coding expressed by the interviewees.

Table 8.20: Coding Focus 1 for question 1 (Generate more *waqf* assets)

Generate more *waqf* assets	
Interviewee 1	I am a supporter of temporary *waqf*. If the object is capable of recurrent use and benefit it should be ok. If it is income, I would consider it a cash *waqf*. Need to have more capital and temporary *waqf* is one way to attract it.
Interviewee 2	Temporary *waqf* is allowed under Maliki law and in the past certain Islamic countries like Egypt allowed a temporary family *waqf*. A temporary *waqf* may be acceptable to modern Muslims like *Hiba Harta*[64] in Malaysia.
Interviewee 3	Creates more assets like the case of leasehold titles
Interviewee 4	Creates more assets
Interviewee 5	It can create more avenues for *waqf* but it may be taking from other *sadaqah*
Interviewee 14	It can create more *waqf* assets and develop *waqf* to meet current needs in a better way

The first coding focus in Table 8.20 shows that (interviewees 3, 4, 5 & 14) recognised that a temporary *waqf* can generate more *waqf* assets. Doing that, may develop *waqf* assets in order to cater for current needs in a better way. As previous results show a problem with *waqf* development is a lack of funds. Through a temporary *waqf* or cash *waqf* there can be an increase in capital and a decrease of the problem.

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[63] OIC Fiqh Academy is Organisation of Islamic Conference
[64] *HIba* Harta:Property gift

Table 8.21: Coding Focus 2 for question 1 (Increase in confusion leading to lost identity)

Increase confusion and lead to lost identity	
Interviewee 3	It creates confusion between *waqf* and *sadaqah* to a certain extent; but both forms have different principles.
Interviewee 4	Creates confusion
Interviewee 5	Creates confusion; should put the line of *waqf*. Otherwise it will lose its identity and have no characteristic.
Interviewee 14	A *waqf* is a *sadaqah* but a *waqf* is more specific than a *sadaqah* with its terms and conditions.

Table 8.21 provides the opinions of the interviewees of temporary *waqf* in a negative light (interviewees 3, 4 & 5). Allowing limited time in all *waqf* assets may create confusion among the public since people may be unable to determine what is a *waqf* and what is *sadaqah*, although both forms have different principles. In order to prevent this from happening, there should be a limit or boundary to the extent of the *waqf*. Otherwise *waqf* will have no particular characteristics and this will lead to a loss of identity. As a result, people will assume all *sadaqah* are *waqf*, although all *waqf* are *sadaqah*.

Table 8.22: Coding Focus Number 3 for question 1 (Motivate public)

Motivate public	
Interviewee 14	Encourage public to do more welfare.

Using a temporary *waqf* can motivate the public to participate in *waqf* contributions and indirectly attract people to do more welfare activity, as expressed by interviewee 14 (Table 8.22) although at the same time it can create confusion in terms of characteristics between *sadaqah* and *waqf* as mentioned above.

Table 8.23: Result for Question 3 (Contemporary *waqf* issue or concept)

Question 2: Are a*wqaf* bound by deeds or can they be changed due to changed circumstances?	
Focus of coding:	
1	Bound by deeds
2	Changing w*aqf* assets

3	Output can be changed
4	Replace beneficiaries
Theme	*Awqaf* are bound by deed but in certain circumstances they can be changed to meet current requirements or needs as long as the founder's intention is retained.

The second theme of contemporary *waqf i*ssues is *waqf* deeds. As mentioned in previous chapters usually *waqf* deeds cannot be changed. However, in particular situations some elements of *waqf* deeds can be changed in order to meet current needs. The following tables 8.24-8.27 present the elements that can be changed according to the interviewees.

Table 8.24: Coding Focus 1 for question 2 (Bound by deed)

Bound by deed	
Interviewee 6	*Waqf* is bound by deeds, however through fatwa-cypre doctrine objectives can be altered.
Interviewee 7	Bound by deed
Interviewee 14	*Waqf* is bound by deed but it can be changed in certain circumstances

Based on Table 8.24, it shows that a *waqf* is absolutely bound by deed or intention. However, in certain circumstances or situations the deeds can be changed. The change of the deeds must be made through particular procedures such as seeking advice from Majlis Fatwa and then they will decide if the deed can be changed.

Table 8.25: Coding Focus 3 for question 1 (changing *waqf* assets)

Changing *waqf* assets	
Interviewee 4	*Waqf* assets must be changed to meet a current need although traditionally the majority of jurist do not allow it but certain jurists allow it for goodness such as from a mosque to *tahfiz* (Quran memorisation) centre
Interviewee 9	*Waqf* assets can be changed

Table 8.25 provides the opinions of the interviewees on the changing of a *waqf's* asset. Although most traditional jurists prohibited changing *waqf* assets particular jurists allowed it. Thus, that view becomes a reference for current jurists to allow such as practise issue. For example a *waqf* founder

wants to build a mosque in a certain area. However, there already exist many mosques there. Adding new mosques will create a problem especially if there is a low population around that area. In order to fulfil the deed, a *tahfiz* centre can be built instead of a mosque as an alternative, because people in the surrounding area may need that facility more than a mosque.

Table 8.26: Coding Focus3 for question 1 (Output)

Output can be changed	
Interviewee 5	Only in some circumstances is there a need: when the deed no longer serves the purpose. Then there has to be a change known as cyre doctrine, which is the nearest intention. Such an outcome is a *waqf* for cemetery maintenance when the poor that cannot afford to maintain the cemetery
Interviewee 8	The outputs can vary as long as the intentions do not change.
Interviewee 10 and 13	The output can be changed

According to the response by all the interviewees, as can be seen in Table 8.26, most of them emphasise that *waqf* output can be changed in particular circumstances, such as in the situation where the deed no longer serves the original purpose. In this case the changes is allowed in order to retain founder's intention but in a different way or output.

Table 8.27: Coding Focus 4 for question 1 (replace beneficiaries)

Replacing beneficiaries	
Interviewee 4	If there are no more beneficiaries or they are hard to find such as when they move out of the country, and after having many procedures such as referring to the registration office and majlis fatwa. In this situation a change of beneficiaries is allowed but the intention of founder is still retained only with different beneficiaries.
Interviewee 5	MUIS's problem is finding beneficiaries in Iraq. The beneficiaries cannot be reached. No one is brave enough to go into Iraq. So they have to change the deeds in different way such as to aid stranded Iraqis.
Interviewee 12	Can replace beneficiaries

Since the output on a deed can be changed in certain circumstances, the same pattern occurred in replacing beneficiaries. Table 8.27 shows that all interviews recognised that in certain circumstances, beneficiaries can be changed, although the founder's intention must still be retained. The replacement of beneficiaries may only be made after going through the required procedures and many and once

efforts have been undertaken to find the original beneficiaries. Failure to find them will lead to a change of beneficiaries.

Table 8.28: Results for Question 3 (Contemporary *waqf* issue or concept)

Question 3: Currently what field do *waqf* outcomes focus on and what should they be focused on?	
Focus of coding:	
1	Founder intentions
2	Traditional *waqf*
3	Socioeconomics
4	Education
Theme	*Waqf* outcomes depend on the founder's intentions but still a traditional *waqf*'s main objectives consist of religion and social improvement, education, socioeconomics and other fields that become targeted based on the situation and environment.

As *waqf* are mainly understood in a traditional are the most popular outcome amongst the public is mosques. The focus of coding for question 3 on contemporary *waqf* issues shows the outcomes that are currently popular. This topic can be coded into five areas; founder intentions, religion and social improvement, socioeconomics, education and traditional *waqf*.

Table 8.29: Coding Focus1 for question 3 (Founder intentions)

Founder intentions	
Interviewee 4	Most a*wqaf* depend on the founder's intention.
Interviewee 5	It depends, when a person comes and decides where the outcome should go. We are just administering what the founder decided.

The focus on coding 1 for question 3 reveals that *waqf* outcomes mostly depend on the founder's intention. This demonstrates the strong position in *waqf* management, from both states, that they only manage the asset based on the founder's intentions. Basically, the intentions are more likely be in a traditional form, as presented in Table 8.30.

Table 8.30: Coding Focus 2 for question 3 (Traditional *waqf*)

Traditional *waqf*	
Interviewee 2	Objects of *waqf* may be expanded only in cases of *waqf fi sabil Allah,* where no specific object has been laid down by the founder.
Interviewee 3	Religious and social objectives should be expanded to business and commercial education.
Interviewee 4	Social and religious outcomes are still common for a *waqf.*
Interviewee 5	The distribution goes mostly to the mosque.

Although, it depends on the deeds, religious and social outcomes are still common for a *waqf* as can be seen in Table 8.30. In the other words, religious objectives such as mosques and social objectives such as the needy and poor are popular outcomes and become the founders' target or first priority in *waqf* contributions. Therefore, people still strongly believe in traditional *waqf* (interviewees 4 & 5).

Table 8.31: Coding Focus 3 for question 3 (Socioeconomics)

Socioeconomics	
Interviewee 1	I would say the socioeconomic role but priority may be given to economics to make the *waqf* income generating, so it can be made self- reliant. Because MUIS is different as it does not having strong support from the state while MAIJ does.
Interviewee 4	Any project dedicated to all Muslims and 50% for socioeconomics as life nowadays requires money, giving them capital to start a business can improve their quality of life, and 50% is for helping the needy.

In terms of *waqf am*, the outcome will be dedicated to socioeconomics in order to enhance the quality of life. We currently live in a materialistic era, so everything demands and requires money. Providing a capital for poor people and helping them to start a small business is one of the aspects that can improve their quality of life. However, the different outcomes depend on the requirements and situation. Such as in Singapore, education especially Islamic education becomes their target as their government does not support this facility. Therefore, private schools such as *madrasahs* are self-funding and large amounts are required to cover the expenses. Interviewee 5 expressions on this issue can be seen in Table 8.32.

Table 8.32: Focused coding Number 4 for question 3 (Education)

Education	
Interviewee 5	Education is very important everywhere. The Singapore government does not support religious school. That is why MUIS created the *waqf ilmu* (knowledge) and channels all the money for Islamic education. Not like Malaysia as they support all of the religious schools. The normal religious school is subsidised and private school is not funded by government.

Interviewees were also asked about the kind of *waqf* that most of the public contributed to nowadays. Based on the interview, *waqf* contribution can be categorised into 3 kinds; real estate, small goods and cash. Although there are a lot of different kinds of *waqf* assets those three types are the major *waqf* assets.

Table 8.33: Result for Question 3 (Contemporary *waqf* issue or concept)

Question 4: What kind of *waqf* assets do the public contribute at present?	
Focus of coding:	
1	Real estate
2	Small goods
3	cash
Theme	Real estate, small goods and cash are popular kinds of *waqf* assets nowadays. Although in some places land *waqf* do not exist anymore for various reasons.

History has proven that real estate such as land and buildings is a popular kind of *waqf*. Again, different situations occurred in the different states. In Johor, there is a lot of real estate *waqf* donated by founders, as confirmed by interviewees 4, 12 and 13. However, this is in contrast with Singapore as the land there is very expensive, which is indicative of the higher cost living when compared to Johor, as presented in Table 8.34.

Table 8.34: Coding Focus 1 for question 4 (real estate)

Real estate	
Interviewee 4	Public likely to create *waqf* land
Interviewee 5	There is no land as it is difficult and priceless in Singapore, as one square foot is $3k

| Interviewees 12 and 13 | Real estate such as buildings, houses and mosques |

Although real estate is the most popular kind of *waqf* in particular states, there are still small goods contributed by members of the public. Small goods can consist of items such as books like the holy *Quran*, cars like hearses, or electrical items like computers, that can give benefit to public. However, this type of *waqf* is not required to be registered to Majlis as they just declare that it is a *waqf* to whomever they donate it.

Table 8.35: Coding Focus 2 for question 4 (small goods)

Small goods	
Interviewees 7 and 11	Small goods assets

Table 8.36 shows that all the respondents recognised that *waqf* cash is popular among the contributors, since it is easy to manage and people with all levels of income can afford to contribute, as RM10 is the minimum value for a cash *waqf*.

Table 8.36: Coding Focus 3 for question 4 (cash)

Cash	
Interviewee 4	Cash, public are encouraged to create *waqf* through cash even for smallest value of RM 10. Many people from outside Johor also contribute *waqf* cash such as Brunei, Singapore and Indonesia.
Interviewees 5,6,8,9,10 and 11	Cash *waqf* is preferable

Public involvement is an important strategy needed in order to increase awareness among the public and improve *waqf* assets, and it consists of many different types of activity. The success of *waqf* does not only depend on good management but also involvement of members of the public as they are the creators of *waqf* assets.

8.6 Public involvement

Table 8.37: Results for Question 4 (Public involvement)

Question 4: How to increase awareness among public?	
Focus of coding:	
1	Public education
2	Increase in publicity
Theme	Public education such as public talks is the best way to increase awareness among the public. Spreading publicity through electronic media will help attract people to participate in *waqf* development.

The last major theme for the coding analysis is public involvement. As mentioned earlier in the theme of problems of *waqf* development and management, one of the focuses in the coding was public awareness. Therefore, in order to minimise this problem an increase in public involvement is required. There are two methods that were expressed by the interviewees that may improve public awareness; public education and increased publicity.

Table 8.38: Coding Focus 1 for question 4 (public education)

Public education	
Interviewees 2,3,6 and 7	Public talks and motivation
Interviewee 4	Public talks and motivation: *waqf* management needs to be close to the public.
Interviewee 5	Public education; there is a lot of *waqf* information that has been published through mass media, local newspapers, websites, and the public can participate online, at the counter, and at the mosques.
Interviewee 8	More motivation

From these responses, public education that consists of public talks and attempts to increase motivation should be conducted and spread among the public. *Waqf* management should be close to the public in order to attract and motivate people to make *waqf* contributions. Through this, *waqf* can be developed by increasing the number participants and can avoid other problems such as lack of funds.

Table 8.39: Coding Focus 2 for question 4 (increase publicity)

Increase publicity	
Interviewees 2,3,4 and 8	More publicity
Interviewees 6 and 7	Increase publicity and electronic media
Interviewees 9, 11 and 13	Use electronic media
Interviewees 10 and 12	Increase publicity

It seems that the publicity of *waqf* at present is not very helpful. Thus, increasing publicity through electronic media and other methods may greatly help to improve public awareness. Most of the interviewees expressed their views that more publicity especially in electronic media will motivate and attract the public to become involved in *waqf* development. The way it is publicised is really important, like watching an attractive advertisement on TV as it strongly influences and gives an impact to the viewer.

8.7 Conclusion

This chapter has attempted to explore the views of the interviewees regarding *waqf* in order to seek an answer for research questions which are related to contemporary law, *waqf* status and output, and the challenges that are faced by management in *waqf* development. Although contemporary law does not help with popularising *waqf* it does protect the asset through procedures such as considering the founder's intentions and registration. Tax exemption in all matters related with *waqf* was suggested to increase and motivate philanthropic activities among the public. There are many kinds of *waqf* assets that have been contributed, however the most popular asset is cash. While *waqf* land is also popular in Johor this contrasts with Singapore, this is due to the high value of every inch of land in Singapore. Since Singapore is a secular state and the government does not support any religious activities, Majlis adopted *waqf* output for religious education facilities as it is really important for human development. A different situation occurred in Johor as socioeconomics became their first priority in utilising *waqf* output. It seems that Johor and Singapore encounter the same constraints, from the management's view the biggest problem that they face is a lack of human development. Public awareness also contributes to this problem, according to *waqf* directors from both states. In order to increase public awareness conducting open public education regularly and consistently will expose the public to the benefits of *waqf* and motivate philanthropic activities.

CHAPTER 9

Summary and Contextualisation of Findings

9.1 Introduction

Historically, *waqf* has played a key role in the development of Muslim societies. *Waqf* serve the *ummah* in almost all fields, such as religion, education, medicine and socio-economics. The historical role of *waqf* in Muslim nations is apparent when it is estimated that at the beginning of nineteenth century, three fourths of real estate in the Ottoman Empire had been given away as *waqf* land in some towns, and that one-half of the land in Algeria, and one-third in Tunisia, had been kept separately for noble causes by the pious ones (Henningan, 2004: xvii).

As asserted by Morgan (2001) and Ismail Abdel Mohsin (2009) trusts and foundations in the West have a similar role in achieving religious, familial and philanthropic goals to the role of *waqf* institutions in Muslim countries, with the exception that, while the role of the non-profit sector is growing in developed countries at the present time, the role of *waqf* institutions has been dormant in many Muslim countries.

Waqf is not serving the needs of the ummah due to problems with management, *waqf* laws and awareness of *waqf* it in Muslim society. The status of *waqf* has deteriorated to the extent that in some countries *waqf* assets have been abandoned.

It was considered in the context of NPOs being extremely capable of fulfilling the gap in society left by the failure of government and for-profit organisations. NPOs are highly effective as intermediaries, and are successfully ran by non-Muslims in Malaysia and in developed countries. This is different when compared to the practice of the Muslim community, as they depend on the government entirely to tackle the problems they face. The NPO channel is not exclusive to helping non-Muslims, as in many instances Muslims have benefited from it as well. NPOs have been very successful in overcoming the problems in society which is reduce poverty is a main objective of *waqf*'s role. Based on the quantitative analysis, the results show in general, both regions prefer NGOs to manage a*wqaf* because of their higher satisfaction in almost all criteria, compared to the other entities. On the other hand, government is considered as less popular amongst both Singaporean and Johorean respondents. Although, both regions chose the government for the purpose of improving economy, as it is consider fully to be the responsibility of the government. In terms of tax exemption, Singapore preferred not to choose any entities in comparison to Johor. Furthermore, Singapore is also more likely to be

comfortable with private or family members managing *waqf,* this is due to the environment which is different from Johor.

It can be concluded that different type of society influence identifying the variation in terms of knowledge and awareness towards the *waqf* concept, assets and establishment, and management, in addition to age group, as most of variables show significant results.

Waqf has been practised in Singapore and Johor since the advent of Islam in the Malaysian Peninsular in the 14th century. As mentioned in chapter 4, the influence of Arab traders in the regions is reflected in its name 'Johor' which is taken from Arabic word '*Jawhar'* which means valuable jewel (Johor Bahru Sawadee.com, n.d.). Throughout its long history and due to the impact of colonialism Islamic law, including *waqf* has been influenced by Western law. Thus, the current law has originated from Western countries and precedes the Islamic law. Despite this, Johor and Singapore still provide the best model of the successful development of *waqf*. Therefore, it is interesting to compare the different environments and situations of the two states and how they affect public perceptions towards *waqf*. To the best of the researcher's knowledge, no research exists that undertakes a comparative study of *waqf* for the regions.

9.2 Contextualising the findings

The findings of the research are discussed and contextualised by examining the research questions as outlined in chapters one and five. The research questions can be addressed under three main themes; legal issues, perceptions of stakeholders on *waqf* and *waqf* management and operation.

9.2.1 Legal issues

The three research questions falling under the legal issues are discussed in this section starting with the first question.

Research Question 1: Do contemporary laws governing *waqf* comply with Shariah principles?

According to classical Islamic jurists the founder of a *waqf* has the right to appoint and dismiss a trustee or *mutawalli*. Nowadays, this right has been taken away from the founder as the *mutawalli* is already set up by the government. According to Mahamood (2011) statutes all states in Malaysia declare that the Majlis is the sole trustees of all *awqaf,* whether *'am* or *khas* however, AMLA states all *waqf* were established in MUIS. It seems that Singapore is more open to choosing a *mutawalli* although the asset should be vested to MUIS. A different picture gained from the qualitative results as

the majority interviewees emphasised that the founder should still have the choice to choose the trustee but in most cases the founder agrees with whoever is appointed by the Majlis. The chosen trustee or *mutawalli* must fulfil the requirements and conditions provided by the Majlis. The same situation arises in Singapore.

Section 52 (4) of AMLA states that 'the Majlis shall have power to appoint *mutawallis*, and for such purposes to remove any existing trustees (Singapore Attorney General's Chambers, 2011). It is worth noting here that a trustee and *mutawalli* in Singapore are bound by different regulations. Based on that, it seems the right of the founder has moved to Majlis and since Majlis is considered to be the trustee they can act like the founder. Although Majlis is bound by the founder's intention, but in some circumstances Majlis can also change the deed.

The founder is not allowed to create a *waqf* of more than 1/3 of his property, whether through a will or death-bed gift which contradict Islamic principle as *waqf* contribution has no limit. This means that such a *waqf* is invalid as it is against the enactment. This restriction is not applied in other situations such as creating a *waqf* of more than 1/3 of the property whilst the founder is healthy and in normal conditions. As stated in part IV, section 60 (1), of the AMLA financial provisions, regarding such restrictions on the creation of Muslim charitable trusts 'Whether or not made by way of will or death-bed gift, no *wakaf* or *nazar*[65] made after 1st July 1968 and involving more than one-third of the property of the person making the same shall be valid in respect of the excess beyond such one-third' (Singapore Attorney General's Chambers, 2011). The same stipulation also applied in section 16(1) of Kaedah-Kaedah W*akaf* 1983 in Johor's enactment.

However, Sayin (2010) suggested that this restriction should be applied for all conditions. The aim is to protect the beneficiaries' welfare and avoid any difficulty in the future. 'Leaving property to heirs for their welfare is much better than leaving them for needy' according to Prophet Muhammad (p.b.u.h) (Al-Sanadi, 1998).

Contemporary law recognises that the *nazir* or *mutawalli* is the owner of the *waqf* asset, which is contradictory to the classical jurist's view. However, as interviewee 3 highlighted (Table 8.2, in Chapter 8), all administrative dealings are governed by existing laws including the appointment of Majlis as sole trustees. This is based on Islamic concepts such *siyasah syar'iyyah, tasarruf manutun bi al-maslahah.* This recognition of a *nazir* or *mutawalli* as the owner is for safeguarding purposes in

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[65] Vow, solemn pledge

order to prevent mismanagement by private individuals or family members, as has occurred in the past. Like one case in Malaysia where they built shops and house on *waqf* lands whereas the founder wanted to build a mosque (Milenia Muslim cited in Mohd Ariffin, 2010).

The findings show that contemporary law still complies with Shariah, although in certain circumstance it goes against the founder's intentions especially when vesting income in *Baitulmal* and truncates the role of the founder. However, this condition may be useful now and could be applied not only in death-bed gifts but for all conditions. Limiting *waqf* creation provides descendents especially for those with low level incomes to pursue into a better life in future.

Research Question 2: What are the different laws governing *waqf* in Johor and Singapore?

Generally, Johor is similar to Singapore in *waqf* provision. In Johor the Administration of Islamic Law Enactment, 1978, has had 11 sections enacted which refer to *waqf* including definition, declaration, Majlis as trustee, registration, tax exemption, trust account and trespass on *waqf* property. The punishment of illegal use of *waqf* in Johor was the most restrictive compared to other states in Malaysia, and no punishment is provided by AMLA. While there are only 8 sections in AMLA that mention *waqf,* starting with sections 57-64. It defines *waqf*, the vesting of *waqf*, restrictions on *waqf* creation, income, property and assets, construction of instruments and registration of *waqf.* Thus it provides a broader definition on *waqf* properties but is more limited in the area of *waqf* regulation and management. However, the offence of failing to register *waqf* property is clearly stated in AMLA whereas in the Johor Enactment it is never mentioned.

Johor divides *waqf* into 3 categories, '*am, khas* and *irsyad* while Singapore like other states in Malaysia only defines 2 kinds of *waqf*. Non-Muslims are allowed to create *waqf* in Johor, in contrast with the Islamic law enactment in Singapore. Johor is the only state in Malaysia that allows temporary *waqf* for assets other than mosques and graveyards, the same scenario has been allowed in Singapore.

In Malaysia, any matters arising related to *waqf* will be heard in a Shariah court. However, they still face a problem when it involves non-Muslims, as the case will be heard in civil court. Additionally, in some cases, Shariah court decisions are challenged by the high court and lead to previous decisions being overturned which is known as 'sharing court'. In other situations, the case was pending for a long time before a decision was made.

However, in Singapore, the jurisdiction of the Shariah court is very limited mainly to family matters such as marriage and divorce. Other cases related to Islamic transactions including *waqf* should be

heard in a civil court. AMLA is a very simple law, thus it creates issues such as not being able to dismiss a trustee as that comes under the Trust Act, as well as limiting the power of MUIS. For example, they do not have the power to appoint and dismiss trustees whose appointment is created by the trust deed, as they were able to use the Trustee Act to challenge the appointment in court (Abdul Karim, 2000).

In Singapore, AMLA governs *waqf*. According to AMLA, the founder of a *waqf* must be a Muslim. In contrast with the Johor Administration of Islamic law which states that anyone can be a founder including non-Muslims. The different provision reflects the different environments and situations of the two states. There is an advantage for Johor's provision as it will produce more *waqf* assets and generate more capital to develop *waqf*. However, it creates a problem when it comes to disputes between Muslims and non-Muslims in Islamic transactions. Singapore as a secular country has set up regulation where any religious law has to be restricted towards the respective community and cannot encompass any other community. Creating trusts by non-Muslim will cause a difficulty in defining a *waqf* and it would clash with other laws such as trusts governed by different laws, therefore non-Muslims are prohibited from creating *waqf*. Disputes between non-Muslims and Muslims over *waqf* assets will not happen. It seems like Singapore's policy tends more to let each community develop by themselves without interference from other communities. It means minority Muslims in Singapore have no power to control the economy (Musta, 2005). This statement is supported by Dhamani (2008), when she argued that majority of Malay Muslims come from low educated and poor families. New generations have enjoyed fewer opportunities and benefits. As a result, their overall performances in schools are below average and they get low income jobs. Thus the Muslim groups in Singapore find it hard to cope with expenses and difficult circumstances.

Although Johor allows non-Muslims to create *waqf* in certain circumstances, some opportunities to make *waqf* contributions are only available to Muslims such as Johor *waqf* share[66]. This denies non-Muslims involvement and discourages them from participation in this special scheme.

Based on the qualitative results, it is shown that the different environments and state regulations impact on the reasons for allowing or not allowing non-Muslims to participate in *waqf* contributions.

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[66] 'Only Muslims can join this scheme. Johor *Waqf* Share (SWJ) provides an easy way Muslim to endow their property in cash form because not all Muslim have real estates such as land or buildings'. Avaialable at www.MAIJ.gov.my.

As interviewees 4 & 14 (Table 8.7 in Chapter 8) who are Johorean, say that there is no legal problem in that regard. However, interviewee 14 admitted that there are cases which have been extended due Muslim and non-Muslim disputes, and this has not only occurred in *waqf* cases. However, according to Mahamood (2008) there are a lot of *waqf* cases that have been decided by the civil courts. There is a possibility of problems if non-Muslims create a *waqf* in Singapore as mentioned by interviewee 5 (Table 8.7 in Chapter 8). According to their regulation, any religious law has to be restricted towards that community respectively and cannot encompass any other community. Forming *waqf* by non-Muslims will create difficulties in defining *waqf* and clash with other laws by which trusts are governed.

It can be concluded that the importance of the assistance of the legal system is basically to support and protect *waqf* and at the same time not to restrict the creation of *waqf*. Any change in contemporary law does not necessarily mean it is against Shariah principles, as long as the state regulation upholds Shariah principles in order to protect the *waqf* while catering for the current situation. This attitude is based on the Islamic concept of '*tassaruf manutun bi al-maslahah'*.

Research Question 3: How do national laws affect contemporary *waqf* and its application?

Does current law support *waqf* development through registration and tax exemption? A w*aqf's* registration is really important as it will protect the *waqf'*s assets. As long as registration is not made a precondition for *waqf* validity as mentioned by interviewee 1 (Table 8.4 in Chapter 8), an academic researcher from Johor. Mat Rani and Abd Ghani (2011) emphasise the importance of registration as a significant element in order to prove the ownership of rights over the land. While with regard to tax exemption, it is highly recommended and helpful in order to increase and attract public participation in *waqf* contributions. Nowadays, *waqf* land enjoys some tax exemption but not in all kinds of tax such council tax. Any charge to process relating to a *waqf* should be considered as well, for example in Johor, the processes of surveying land and dividing land into separate lots for *waqf* are tax free. One of the interviewees hold a similar opinion to Abdul Karim (2010) as they asserted that an increase in tax exemption will improve public awareness, and encourage and attract philanthropic activities. The appropriate example to mention here is Majlis agama Islam Melaka's experience. They have suffered with a huge amount of annual tax which is higher than their income (Abdul Latif and Bahrom, 2011).

Johor and Singapore are similar in terms of ownership of *waqf*, although it contrasts with classical jurists' opinions. Traditionally the majority jurists differ as to whether it belongs to the founder, Allah or the beneficiaries as mentioned in chapter 3 whereas they never mentioned it belonging to the

trustee. However, the provision of ownership states that the *waqf* belongs to MAIJ and MUIS in both states. This requirement is for a good reason as the transfer of ownership makes it easy to manage and develop the asset and prevents the *mutawalli* from misusing the asset by selling or mortgaging it. Through registration and transfer of ownership this problem can be minimised or eliminated. The difference of opinion between classical jurists and later ones does not affect the validity of a *waqf*.

Those elements that are governed by law may support *waqf* activities and protect *waqf* assets although some changes should be made, especially tax charges. It is worth noting here that Johor was the first state in Malaysia that applied council and tax exemption including property and land tax. They are also exempt from a registration fee in transferring ownership or for surveying land. (Sayin *et al.,* 2006). However in Singapore, the approval of tax exemption on *waqf* was only gained recently in 2004 (Abdul Karim, 2010).

Based on enactments in both states, all *waqf* property should be registered and handed over to the State Islamic Religious Councils. In the case of a failure to register the asset, the offence will be fined at not in excess of $5,000, imprisonment not exceeding 12 months, or both in Singapore. While Johor's Administration of Islamic Law Enactment, 1978 does not specify a punishment as discussed earlier.

9.2.2 Perceptions of Stakeholders on *Waqf*

Two research questions relating to the perceptions of stakeholders on *waqf* are discussed below.

Research Question 4: What are the public perceptions on the status and uses of *waqf* in Johor and Singapore?

Waqf institutions are voluntary organisations which provide social services and philanthropic giving. Since *waqf* is strongly recommended in Islam, the rationale of this philanthropy is based on religious beliefs. The number of people with philanthropic attitudes has grown in every society and a large number of those people are devoutly religious. Although there may be different religious reasons that motivate people to be charitable Azzi and Ehrenberg (1975) emphasised 'the hope of afterlife consumption as one of key motives for religious behaviour'.

Based on the quantitative results reported in Chapter 6 and 7, it can be concluded that there is no significant difference between respondents from Johor and Singapore on *waqf* outcomes for mosques and cemeteries. However, both states had a different perspective on general purposes such as education including religious school, family members, medical services and other objectives. It

indicates that people still strongly believe that *waqf* is only for mosque and graveyard purposes. While, different levels of knowledge of other kinds of *waqf* reflects that respondents are unaware that a *waqf*'s purpose is not limited to religious matters.

The findings from the quantitative results were supported by the responses given during the interviews as many people still believe that *waqf* is only for religious purposes and this has become a problem for management to develop *waqf* assets, since this perception strongly remains. This is supported by Nagata (2002) that the most popular urban *waqf* donations in Malaysia and Indonesia are in the form of land, for multiple-uses by mosques, schools and graveyards.

Historically the entire system which was run by the Muslim *waqf* founders was dismantled by the colonial administrations and their client governments. This contributed to generate a huge system for management of *waqf* resources in Muslim countries (Raissouni, 2001). As a result, a large proportion of Muslim lands, which were previously used for producing steady income and other beneficial activities have been converted to various different religious and social activities such as mosques, graveyards, orphanages and religious schools. This practice changed the entire use of *waqf* lands as well as greatly influencing the attitudes of the donors and administrators of *waqf* properties. Founders now believe that *waqf* lands should be reserved only for religious and social activities (Mohd Nor and Mohammad, n.d.).

In Singapore, the purpose of the majority of a*wqaf* is for building and maintaining mosques. M*adrasah* is another example which has widespread popularity in Muslim countries. It has been estimated that there are 70 mosques in Singapore out of which 13 were established through *waqf* (Abdul Karim, 2010). According to Sayin *et al.,* (2010) mosques comprise the highest number of *waqf* estates in Johor with 1,381, followed by religious school (496) and graveyards (405) while a*wqaf* for general purpose are below 200 assets. This is supportive of the hypothesis that the public perception still remains that *waqf* should only be dedicated to religious purpose.

Research Question 5: To what extent are Muslims in these two states exposed to and understand the concept of *waqf*?

The main focus on the *waqf* concept is temporary *waqf* and *istibidal*. *Waqf* is defined by classical jurists as a permanent donation. A temporary *waqf* for a limited time is a new view of the concept of *waqf* which was allowed by the International Fiqh Academy in April 2009. It is therefore expected that respondents in all age groups have little awareness of this recent approval. Different regions should

not influence the level of awareness, in contrast to those who have a higher level of formal education. Based on the quantitative findings, for temporary *waqf* issues, there was no difference in the level of knowledge, which means that they were agreed that a *waqf* for limited time is allowed. The table 7.2 (chapter 7) indicates that, statistically, there was no significant difference between the origin and education categories as the p-values of 0.083 and 0.624 are higher than critical value of 0.05. In other words, Johor and Singapore have the same perspective on temporary a*wqaf* but it is accepted by a higher proportion of respondents in Singapore than in Johor. While the age category results suggest that there is significant difference as the p-value of .026 is lower than critical p-value 0.05. The results also reflects that those in the age group of below 30 (mean= 181.88) had better awareness compared to the others.

There are advantages and disadvantages in setting up a *waqf* for a limited time. Establishing a temporary *waqf* may create and produce more *waqf* assets as it will attract and motivate the public to make *waqf* contributions. The benefit can be used by the public for a certain amount of time and the founder still owns the assets and will not need to worry that he will lose the ownership. A founder who is unable to contribute big assets may adopt this method so he can participate in *waqf* development. For instance, hiring out his car for a certain amount of time and then the fees will be given as *waqf*. However, it may lead to confusion among public between *waqf* and *sadaqah* as there is no line or limit to distinguish between both forms. Ultimately, waqf could lose its characteristics and identity as permanent principles are not adopted, as interviewee 5 argued (Table 8.21 in Chapter 8). Abu Zahrah (1971) emphasised that perpetuity is important to differentiate between *sadaqah* and *waqf*. However, Kahf (1999) argued that one characteristic that distinguishes *waqf* from *sadaqah* is repetitiveness. Thus, any form of *sadaqah* that makes repeated payments to service its objective is a *sadaqah jariah* or *waqf*.

Both the states of Johor and Singapore refer to the Maliki School which allowed temporary *waqf* for assets other than mosques and graveyards. It is worth noting here that Johor is the only state in Malaysia that has adopted this kind of *waqf*. Transfers of assets are carefully negotiated as the major portion of land in Singapore consists of mosques and graveyards. Nevertheless, the concept of perpetuity of *waqf* has often been open to reinterpretation by *ijtihad* or personal reasoning based on need or *maslahah* (Brown, 2008:350).

This new concept of *waqf* will help to improve *waqf i*ncome and preserve assets within the founder's intention as stated earlier. As mentioned earlier in chapter 3, changes can be made as long as the

founder's intention is fulfilled and they do not contradict with Shariah (Al-Fauzan, 1423; Al-Thayar et al., 2005). According to al-Sheikh Taqiuddin (cited in Al-Thayar *et al.*, 2005), it is permissible to make amendement to the purpose stated in the founder's deeds in order to meet the new situation if the needs have changed. Therefore in normal circumstances the Majlis have no right to change *waqf* deeds including the founder's intention, the asset and the outcome or beneficiaries but due in certain situations, it might need reformation.

Istibdal is permitted in Johor according to the Fatwa Committee of the National Council for Islamic Religious Affairs Malaysia held on 13th -14th April 1982. Exchange *waqf (waqf ibdal)* is permissible according to the opinion of Imam Abu Hanifah (Portal Rasmi Fatwa Malaysia, n.d.) who refers to when Umar bin Khattab exchanged an old mosque in Kufah into a date market (Jamil, 2007). Singapore also allows *istibdal* in certain situations with the condition that the exchange should be of a similar form with the previous output (Majlis Ugama Islam Singapura, 2012). Surprisingly, 80%[67] of *waqf* assets have undergone an *istibdal* process and almost 90% have been developed in Singapore (Abdul Karim, 2010). This indicates that *istibdal* is one of the solutions needed for *waqf* preservation whilst allowing the founder's intention to be retained and responding to current needs. In practice, both states apply this method in order to retain the founder's intention and expand the benefits of the *waqf,* in the case of where an assets is not serving its purpose or such the beneficiaries do not exist anymore. However, this process has to go through a Legal Committee and relevant bodies such as a court.

Based on the quantitative analysis, both states have different knowledge in terms of *istibdal*. In general, Johor has a better understanding of the *istibdal* concept compared to Singapore. The results show statistically significant differences across the two regions in terms of changing *waqf* assets, outcomes and beneficiaries, whereas different educational background did not contribute a significant result in this matter. The summary of the results is depicted in table 7.22-7.24 in chapter 7.

According to the results, most of interviewees expressed that *istibdal* is allowed whether in changing the output, assets and beneficiaries (see Table 8.25-8.27 in Chapter 8). However, it is only permissible in certain circumstances such as when the deed no longer serves the original purpose or when there are no more beneficiaries. In both states it is agreed that *waqf* deeds can be changed in particular circumstances in order to meet the current situation, although the founder's intentions must be retained. To enhance *waqf* development, *istibdal* is essential in order to prevent assets from being

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[67] According to an internal document of MUIS as at Sept 2009 and extracted from a MUIS *waqf* brochure.

abandoned and managed rigidly. As Kahf (2011) asserts exchanging *waqf* assets is difficult and must go through a long procedure such as seeking approval from the local court. The new property must be of equivalent or higher value to the previous one and still retain the same purpose and outcomes. 'Hence theoretically, perpetuity implies that *awqaf* properties should not decrease' (Kahf, 2011:46).

Moreover*, istibdal* has been found to be an effective method to resolve issues regarding the *waqf* properties. According to the opinion of Imam Ahmad ibn Hanbal, in Hanbali School, *istibdal* has the capacity to create a more dynamic *waqf* institution to promote goodness to the public as well as to attain the original *waqf* purpose which is promoting well-being and providing continuous merits (Mohamed Isa *et al.*, 2011).

An analysis of the background of both states in *waqf* management was carried out in chapter 4. From that analysis it can be concluded that both states have strong Islamic foundations. It is historically proven that there were many *waqf* assets contributed by wealthy people, especially Arabs whose came to Johor and Singapore to do business and settle there, that still exist today. Another very good example of such noble and pious people is Sayyid Mohamad al-Sagoff. He was not only a successful businessman but also a celebrity who was known in Singapore and Johor. He was also a kind humanitarian who contributed to a number of beneficiations for the interest and well-being of Muslims in Singapore. Although, Singapore is a secular state *waqf* management is handled by MUIS and is considered to be the most successful example of *waqf* development among Asian countries. It is important to bear in mind that *waqf* donation in the form of real estate does not exist anymore in Singapore due to limited land and its high value, but that does not prevent Singapore from stepping forward to develop *waqf*.

9.2.3 Management and Operations

Under this theme, four research questions were addressed through the qualitative and quantitative findings, these are discussed below.

Research Question 6: What is the current status of *waqf* in Johor and Singapore?

Many kinds of *waqf* have been established in both states and in the past land and real estate buildings were the most popular *waqf* assets. Based on the result of the analysis, these types of asset are still popular among people in Johor, along with cash and small items. This is in contrast to Singapore, where *waqf* land does not exist anymore since the value of land in Singapore is extremely high. However, cash *waqf* is a popular form and is becoming public's first choice. Sayin (2010) emphasised

that for all data on *waqf* assets only land and buildings are recorded and he strongly believed that many other *waqf* assets have been contributed such as transportation, computers, books and lodges. A Johorean *waqf* manager explained that small goods assets are not required to be registered as their benefits are not used in longer term. Founders that endow small goods have to declare it to the trust body, such as a mosque, without seeking approval from Majlis. However, it is important to the trust body to record all the *waqf* assets to prevent misuse and mismanagement.

Ccash *waqf* and small items are the most popular forms in both states as well as real estate in Johor. However, this has not happened in Singapore due to the high value of land. Nowadays, they are aggressively encouraging the public to participate in donating cash to *waqf,* especially for those who do not own land or buildings. Cash *waqf* is flexible and thus has a great potential for creating more *waqf* assets. MAIJ has successfully bought a six storey building for haemodialysis centre for the needy through a *waqf* share collection in one year after it was initiated (Majlis Agama Islam Johor, 2012).

According to the quantitative results on the different kinds of *waqf* assets, both states have different levels of knowledge. It can be concluded, that Singapore has a better understanding of the kinds of *waqf* assets and cash flexibility but less in practising *waqf* which has frequently led to inactive periods of *waqf* creation. According to the quantitative results, 51% of Johorean respondents contributed to various kinds of *waqf,* while only 11.7% of Singapore respondents did the same (see Table 6.14 in Chapter 6). Most Singaporeans who had contributed to *waqf* had done so only once. Although in Chapter 7, Johor recorded the highest percentage of respondents facing constraints to *waqf* contribution. In other words, Singaporeean respondents lead in *waqf* knowledge but its practice was less popular among them in contrast with Johor. Other factors which should be kept under consideration that may also contribute to this phenomenon are as high living costs and the Muslim minority and economic situation in Singapore.

Research Question 7: What are the outcomes and output of *waqf* and how do these affect development in both states?

Basically *waqf* output are based on the founder's intentions and most of them are dedicated for traditional ways such as mosques, cemeteries and other religious purposes. Based on the quantitative results, as mentioned earlier in chapter 7, it can be concluded that there is no significant different between Johorean and Singaporean respondents in using *waqf* outcomes for mosques and cemeteries as mosques hold highest percentage of 91.8% and are the public's preferred purpose in creating a*wqaf*.

However, both states had a different perspective on general purposes such as education including religious schoola, family members, medical services and other objectives.

Based on the interview analysis, it can be concluded that income from *waqf* assets in *waqf khas* are based on a founder's intentions (Table 8.29 in Chapter 8), whereas decisions on income form general *awqaf* general are made by the Majlis. Thus, the output is different according to the demand and needs of each state. As the interviewees from Johor highlighted, socioeconomics are the main need at present such as providing a start up model for small business especially for those in need and who have potential (see Table 8.31 in Chapter 8). MAIJ focuses more on Islamic education like religious schools and accommodation for students abroad while Jcorp's priorities are medical and socio-economic.[68] In Singapore, the current focus of *waqf* output is education. Since religious education is not supported by the government unlike in Johor. Therefore, they have to provide a huge amount to cover school expenses. The largest beneficiaries in Singapore are mosques which account for 65% of the annual allocation followed by *madrasah* and purposes which relate to religious education. Johor is more likely to produce new facilities for Islamic education such as buildings, while Singapore is more likely to provide support for Islamic education expenses such as *madrasah* and scholarships for further education.

Research Question 8: What are the approaches of *waqf* management applied by both states?

According to AMLA, MUIS is the administrator of all *waqf* assets which are vested under them. This provision provides flexibility for MUIS to appoint other parties to manage the *waqf* assets. This kind of concept known as a *nazara* with MUIS as a supervisor and WAREES as the *mutawalli* is responsible for developing *waqf* assets. Generally, the same concept has been implemented in Johor. There may be advantages and disadvantages in having the different roles, although overall the advantages outweigh the disadvantages based on the qualitative results. In short, the concept of the *nazara* should have a greater positive than negative impact. If the role is different to the supervisor or administrator, then it will lead to effectiveness and efficiency in administration and management as both parties can focus on their area and expertise.

Under MAIJ or MUIS *waqf* is only a small department and as interviewee 4 (Table 8.10 in Chapter 8) emphasised the Majlis already have many tasks so they are unable to cover all matters related to *waqf*. Thus, segregating the tasks can produce more efficiency and effectiveness in managing and developing a *waqf*. However, an issue arose when Jcorp started to manage *waqf* property themselves

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[68] Beside zakat that also contribute in mosque and religious school maintenance.

which belonged to them. This is contrary with the Johor enactment where all *waqf* property must be surrendered to MAIJ. This is an example of how separate roles may create complicated procedures through increased bureaucracy expressed by interviewee 5 (Table 8.11 in Chapter 8). This statement is supported by Ahmed (2004:43) as he mentioned that 'the management of *awqaf* has become a typical public sector agency and being administrated according to the bureaucratic system of the government'. White (2006: 505) expressed his opinion that in most Islamic countries, a strict system of *waqf* administration by the government heavily regulates the creation and operation of *awqaf*.

Regarding the concept of *nazara,* there is question of whether NPOs or private individual should manage *waqf* instead of government. From the quantitative analysis it can be concluded that in general both regions prefer NGOs to manage a*wqaf* because of their higher performance in almost all criteria. Although both regions chose government for the purpose of improving the economy, which is considered to be wholly the responsibility of government. In terms of tax exemption, Singaporeans prefer not to choose any entity when compared to Johor. Furthermore, Singapore is also more comfortable with private or family members being involved with *waqf* management, this is due to the different environment to Johor. On the other hand, government is considered the least popular among both Singaporean and Johorean respondents.

Based on the qualitative results it is show that all interviewees agreed that an NPO should manage the *waqf* as long as there is honesty, trust and skill. Since Majlis are too busy with others tasks and lack expertise in certain fields, therefore it should hand over some responsibilities to specialists. In other words, Majlis still have full authority on *waqf* assets but NPOs could develop the assets. It is not good idea to give this task to individuals due to their ineffectiveness and inefficiency and give full power to mutawalli.

The success of NPOs management has been recorded in much research. Thus, many researchers have suggested that NPOs should manage *waqf* assets, due to government failure to do so effectively or efficiently. As interviewee 2 emphasised, to leave the *mutawalli* fully in charge of *waqf* administration would be dangerous (see Table 8.14 in Chapter 8). However, interviewee 1 argued that effectiveness of management depends on many factors such as autonomy, skill, diligence and trustworthiness. Whoever manages the *waqf'*s assets should provide those elements in order to improve *waqf* development.

Historically, the management and the administration of the *waqf* remained in the hands of private individuals and was not the responsibility of the government. However, the practices were changed

overcome the corruption and the mismanagement. By introducing the concept of a *Nazara*, there is little chance for the assets to be corrupted or mismanaged by the authorities where previous individuals were given sole control and liberty to manage the *waqf* affairs freely (Boudjellal, 2005). Researchers like Siddiqi (1991), Ariff (1991a), Ali Hashim (2001), Kahf (2007), and Abdallah (2010) have proposed the idea that the *waqf* institutions can be managed by an NPOs. This idea proposes the combination of a corporate body and *waqf*, forming an institution called the *Waqf* Corporate. It was considered within the background of the reality that NPOs are immensely capable of fulfilling the gap in a society left by the government and for-profit organisations. They are highly effective as intermediates, and their wide use by non-Muslims in Malaysia and in other countries demonstrates their undoubted success. This is different when compared to the practice of the Muslim community, as it depends on the government entirely to tackle the problems it faces.

Research Question 9: What are the major constraints facing the donors (public) and the management that impede the development of *waqf*?

In managing *waqf*, there are problems or challenges that have to be faced. These problems arise in three main areas namely: development, management and public awareness. Based on the qualitative findings, there are two kinds of problem that have been encountered. When it comes to developing *waqf*, a lack of funds, asset condition, and limited investment capacity are major issues which need to be addressed. However, the problem in which management should be most concerned is public awareness and human capital. The quantitative results also indicate the same findings with over 90% of respondents' preferring to contribute to a *waqf* for religious purposes such as a mosque or religious school (Table 6.21 in Chapter 6). Moreover, cross-tabulation tests suggest that there is no significant difference between both regions in *waqf* mosques and cemeteries compared to other objectives (Table 7.3 & 7.4 in Chapter 7). In the other words, people from both regions still strongly believe in *waqf* in a traditional way. This statement is supported by the qualitative results which highlight that public awareness is problematic in *waqf* development.

Therefore, an increased awareness among the public is really important in order to develop *waqf* institutions as it will minimise poverty and maximise socioeconomic development. Based on Yayasan Waqaf Malaysia's (YWM) experience in the Islamic Economic Development Festival in 2009, the Muslim community in Malaysia has a lack of awareness of *waqf*'s potential as an instrument which can improve socioeconomic standards (Ahmad, 2008).

From the public's point of view, based on the quantitative results, it can be said that material and knowledge are the major constraints to creating *waqf*. Firstly, they believe that a *waqf* can only be created from a big asset, thus if they do not own a house or land it will prevent them from making a *waqf* contribution. Secondly, some people are unaware that money can be used to create a *waqf*, although they might have a lot of money. Unsurprisingly, there is a small group that still believes that a *waqf* is for a mosque only (Table 7.22 in Chapter 7). Research done by Siswantoro and Dewi (2011) identified that the main constraint in introducing cash *waqf* by Muslims in Indonesia is that they strongly believed *waqf* must be in the form fixed assets, could not be in form of money. Therefore, lack of awareness also plays a crucial part in preventing *waqf* development as seen from the quantitative findings and supported by the qualitative results.

Both interviewees 4 & 5 had a senior position in *waqf* management in their respective state and they shared the same opinions on the big challenges which they faced (Table 8.18 in Chapter 8). Lack of awareness amongst the public becomes problematic when it is needed to increase and improve *waqf* assets. Most people strongly believed that *waqf* must to be used in a traditional way for mosques, cemeteries or other religious purposes. In fact, a *waqf* can be dedicated to any purpose as long as there is a benefit provided for others and it does not contradict with Shariah principle. Research done by Sayin *et al*.(2011) on UITM (Mara of University technology) students indicates that most of the students have a low understanding of the *waqf* concept. This indicates that educated people with a formal education have little knowledge of *waqf* and this would be expected to be even worse for those who do not have a high level of formal education.

From the administrator's perspective, most of them agreed that lack of funds is their biggest problem. This statement is mostly expressed by private trustees from Johor who have established *waqf* as trust. Although interviewee 4 said the same thing he said it could be overcome when compared to other problems (Table 8.17 in Chapter 8). While the big challenge in management is human capital development, which is supported by Sayin (1994) in his MA thesis on *waqf* administration systems in Semenanjung Malaysia. As Abdul Karim (2010) stated all innovative strategies will fail if the human resource element is neglected. Moreover, as Ahmed (2007:2) argued one of the major constraints in the *waqf* sector is the discriminatory legal treatment of *awqaf* compared to other non-profit sectors as *waqf* law is more restrictive in its nature. He expressed the need for legal scholars, jurists and lawmakers to create details of an efficient and flexible body of *waqf* law to fulfil the specific needs of the different countries in which the *awqaf* are used.

A *waqf*'s institutional role is to reduce the government's burden in developing and meeting society's needs. It will be easier for government to decrease inflation and minimize poverty once the public are aware of *waqf's* potential (Wan Yon *et al.*, 2008). History has proven that *waqf* cash successfully reduced government spending by providing facilities in areas such as education, healthcare and urbanisation to cater for society's needs in the Ottoman empire in Turkey as mentioned by Murat Cizakca in his article 'A History of Philanthropic Foundations: The Islamic World From The Seventh Century to The Present' (Mohamad, 2007).

Based on the quantitative findings, that the majority of respondents (67.6%) had not previously established *waqf,* there was a huge proportion from Singapore (86.8%) who had never done so, while Johor it was 46.9% (Table 6.21 in Chapter 6). The logistic regression reveals that region is the main predictor which contributes to *waqf* creation. It shows that less awareness among them although they have similar level of knowledge with Johor (Table 7.17 in Chapter 7). As mentioned earlier in chapter 4, all Muslim employees in Singapore are obligated to donate a fixed amount on a monthly basis to a Mosque Building Fund. Thus, they possibly assume that donation is enough of a contribution for religious purpose although it is not considered as *waqf* since there is no clear *waqf* statement and it is not done voluntarily.

The differences between both states from such aspects may impact waqf development. It can be seen from ethnic, social, economic and legal perspectives. Johor has a majority of Muslims and a dominant Malay-Islamic culture within the country whereas in Singapore Malay-Muslims are minority population who live in secular country.

As a minority in a secular state, the Muslims in Singapore have to accept the fact that they have to live in that state and owe loyalty to it (Doi, 2007). In fact, when Muslims are in a minority they will have to make more efforts to fulfil their religious requirements since the government would not fully support their needs, particularly to provide religious facilities. Moreover, the government is expected to be less concerned about specific religious needs of minority communities compared to the majority. Thus, there may be a need for more aggressive development towards the *waqf* institution as it is one of the main sources to provide social and religious facilities that can preserve Islamic identity (Masud, 2007). The situation may be different in a Muslim majority country as the laws and regulations may not only recognize *waqf* as a developmental institution but also be supportive of it.

From the economic point of view, according to World Data Atlas (n.d.), it was recorded in 2012 that Singapore's per capita income reached US$54,007. In addition, the World Development Indicator

(2012) shows that Singapore comes under the high income economy category list whereas Malaysia is classified as an upper middle income economy. However, According to Dhamani (2008) the majority of Malay Muslims come from low educated and poor families and recent generations have enjoyed fewer opportunities and benefits. As a result, their overall performance in schools is below average and they get low income jobs. Thus Muslim groups in Singapore find it hard to cope with the expense and difficult circumstances. Therefore, the institution of *waqf* is one of the ways to free Malay-Muslims from poverty and eliminate social problems particularly as Singapore is a minority Muslim country (Ali Hashim, 2001).

The difference in the legal systems has an impact on the development of *waqf* sectors in the different countries. As *waqf* is a voluntary charity and its size depends on public contributions, the cultural orientation of the people and economic situation, such as income levels, will determine the size and income generated from *waqf* assets in different countries. Thus, the incentives to create *waqf* in countries where Muslims are in minority compared to Muslim majority countries would be different. Abdul Karim (2010) emphasised that *awqaf* institutions are a really important financial resource tool to fulfil the community's social and religious needs as it aligned with the community's aspirations, especially for Singapore. Without *awqaf*, it is impossible to fulfil the social, religious and economic needs of the society. In Singapore, the institution of *waqf* has contributed significantly to the Muslim community although it is unable to fully finance the Muslim community's economic and social requirements.

9.3 Conclusion

The analysis based on the qualitative and quantitative findings, adopted in previous chapters was discussed in this chapter in order to respond to the research question stated in the first chapter. Based on comprehensive discussion, three major themes were derived; legal issues, perceptions, management and operation. An overview of the themes is shown in Figure 9.1. It can be concluded that contemporary law still complies with Shariah, although in certain circumstance it goes against the founder's intentions especially when vesting income in *Baitulmal.* The importance of the assistance of the legal system is to support and protect *waqf* through processes such as registration, however some changes should be made especially in regard to tax charges. Any changes in contemporary law are not necessarily against Shariah principles such as the founder's right to appoint a *mutawalli,* as long as the state regulation upholds Shariah principles, in order to protect the *waqf* while catering for the current situation. This position is based on the Islamic concept of '*tassaruf manutun bi al-maslahah'.*

Generally, Johor is similar to Singapore in *waqf* provision with legislation referring to a definition of *waqf,* the vesting of *waqf*, registration and accounting requirements. However, the offence of failing to register *waqf* property is clearly stated in AMLA but in the Johor Enactment it is never mentioned. In Malaysia, any matters which arise relating to *waqf* will be heard in a Shariah court. However, in Singapore, the jurisdiction of Shariah court is limited mainly to family matters such as marriage and divorce. Other cases related to Islamic transaction including *waqf* are heard in a civil court. Thus, they have not encountered the problems derived from 'sharing court' which has been applied in Johor.

Both quantitative and qualitative data from both states support the theory that many people still believe that *waqf* is only for religious purposes. When it comes to the concept of temporary a*wqaf people* in both states had a similar level of knowledge.*Waqf* management in Singapore and Johor have adopted this concept on certain occasions. However, the Johorean respondents showed a greater awareness of *istibdal.*

Waqf output are based on a founder's intentions and most of them are dedicated in traditional ways such as to mosques, cemeteries and other religious purposes however, decisions regard income from *waqf* assets in *waqf* general is made by the Majlis. Johor is most likely to fund socioeconomic projects or produce new facilities for Islamic education such as buildings, while Singapore is more likely to provide support for Islamic education expenses such as for *madrasah* or scholarships for further education. Both states implemented the concept of *nazara* although there are advantages and disadvantages in having the different roles the advantages outweigh the disadvantages, based on the qualitative results. In managing *waqf*, there are problems or challenges that have to be faced. The problems that can be detected are of three kinds, development, management and public awareness. However, lack of awareness amongst the public becomes problematic when it is needed to increase and improve *waqf* assets. Thus, increased awareness among the public is very important in order to develop *waqf* institutions as it will increase the establishment of new a*wqaf* that can help minimise poverty and maximise socioeconomic development.

Figure 9.1: Major Themes of contextualisation
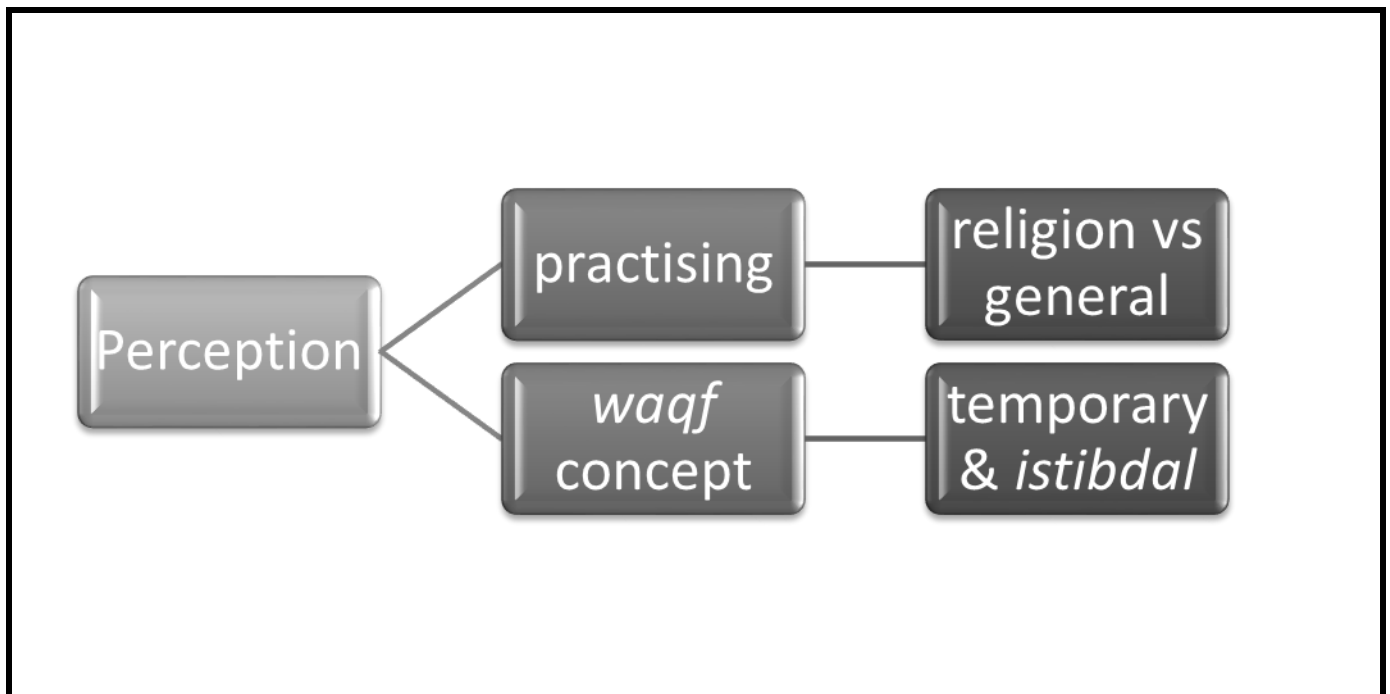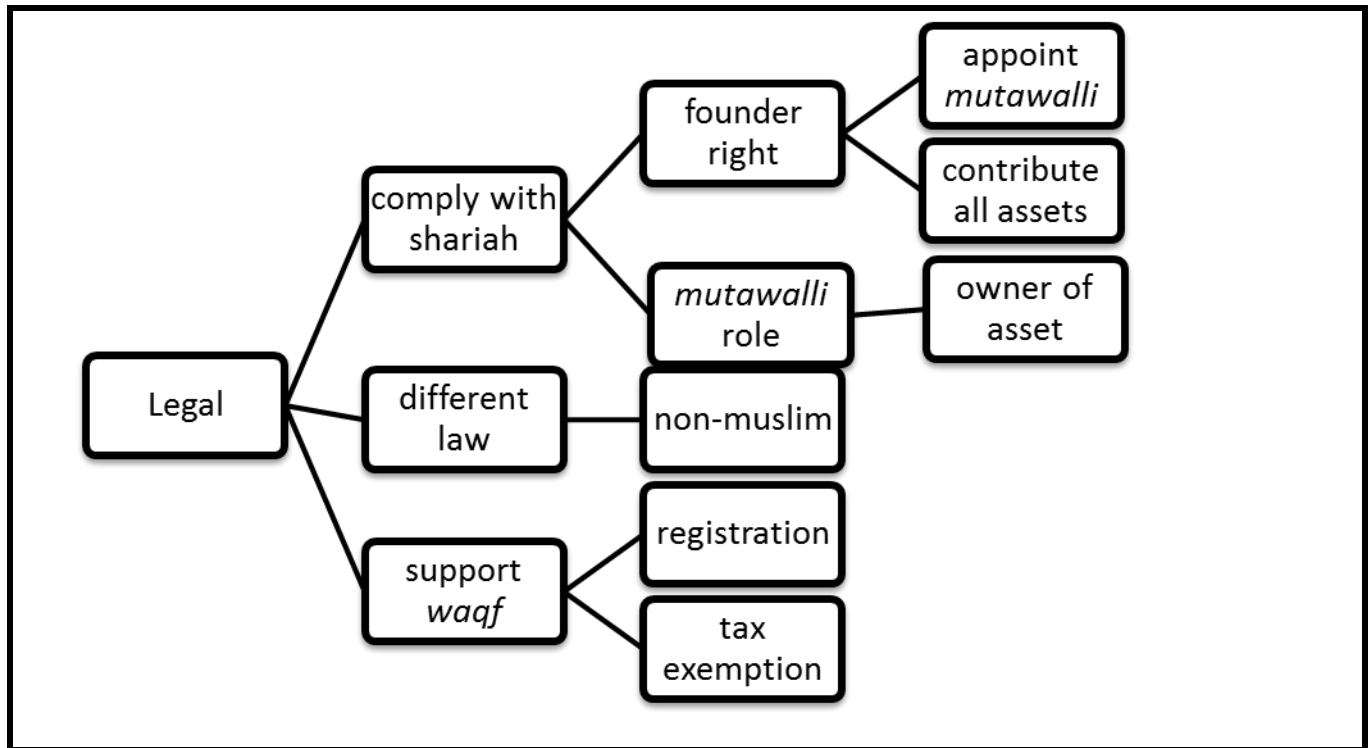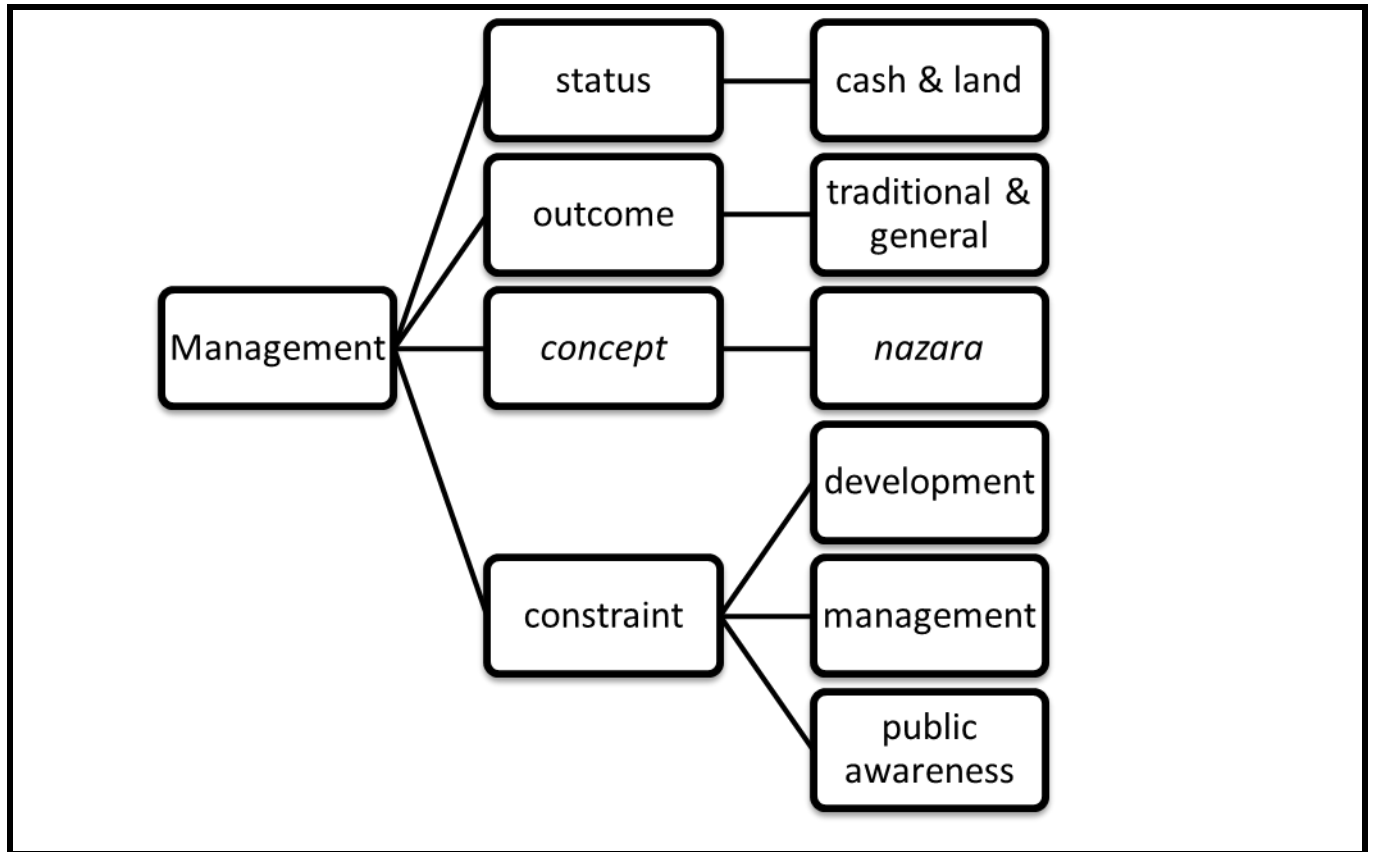
CHAPTER 10

Conclusion and Recommendations

10. 1 Introduction

This study was carried out with the purpose of comparing the various issues related to *waqf* in the states of Johor, Malaysia and Singapore in certain fields such as law, assets, and outcomes in *waqf* management and stakeholder perceptions in practising *waqf*. In order to reach this goal, the concepts relating to *waqf* were presented in the initial chapters and then both quantitative and qualitative methods were carried out to study the issues. The information and data for the research was collected by carrying out questionnaire based surveys and interviews. This chapter begins with a summary of the results and then makes certain policy recommendations with respect to *waqf* management and development of *waqf* institutions. After identifiying the limitations of this study, the chapter concludes by providing suggestions for futher research.

10.2 Summary of the research

Historically *waqf* played a key role in the development of Muslim societies. *Waqf* served the ummah in almost all fields, such as religion, education, medicine and socio-economics. However, currently *waqf* has become dormant and less popular in Muslim countries. *Waqf* does not serve the needs of the ummah due to problems in the area of management, *waqf* laws and awareness about it in Muslim society. The status of *waqf* has deteriorated to the extent that in some countries *awqaf* have been neglected or abandoned. Through the impact of colonialism Islamic laws including those related *waqf* has been influenced by western law. Thus, in some cases the current laws have originated from the western legal system and they take precedence if there is a conflict with Islamic law. Despite this, Johor and Singapore still provide the best models for the successful development of *waqf*. Therefore, it is interesting to compare the different environments and situations between these states in order to identify the challenges faced by *waqf* institution in both states.

Three main themes were derived from the research questions and these were legal issues, stakeholder perceptions, management and operation of *waqf*. Generally, contemporary laws governing *waqf* comply with Shariah principles. The importance of legal system is that it can help to sustain and protect *waqf*. Appropriate laws would require registration of *waqf* to support its activities and protect the assets from mismanagement. However, some changes in law may be required such as to tax laws. A change in contemporary law does not necessarily mean it is against Shariah principles, as long as the state regulation upholds Shariah principles in order to protect the *waqf* and caters for the present

situation it should be acceptable. This attitude is based on the Islamic concept of '*tassaruf manutun bi al-maslahah*'. In Singapore, AMLA governs *waqf* while in Johor the Johor Administration of Islamic law administers *waqf*. Johor is similar to Singapore in its waqf provision when it comes to the definition of *waqf*, the vesting of *waqf,* registration and accounting requirements although some other provisions mentioned in Singapore's provision but not in Johor's.

Both the quantitative and qualitative data support the contention that the general public in Singapore and Johor strongly believe that *waqf* is only for religious purposes, such as mosques and graveyards. The data obtained from both states also confirm this scenario. From the administrator's perspective, most respondents agreed that lack of funds is the biggest problem, although they could still overcome it. The main problem for the management is public awareness, followed by human capital development. People from both regions still strongly think about *waqf* in a traditional way. However, from the public's point of view lack of material assets and lack of knowledge or awareness are the key constraints on creating *waqf*.

The *waqf* output is different according to the demands and needs of each state. Johor is more likely to produce new facilities for Islamic educational institutions such as buildings besides or provide socioeconomic services. Singapore prefers to provide support for Islamic education expenses such for *madrasah* or scholarships, in addition to spending on religious matters and helping the needy. In terms of input to a*wqaf,* cash *waqf* and small items are the most popular forms in both states as well as real estate in Johor. However, real estate is not now a popular form of *waqf* in Singapore due to the limited amount of land and its high value.

Both states implemented the concept of *nazara.* Although there are advantages and disadvantages in having the different management roles but advantages outweigh the disadvantages as seen in the qualitative results. In managing *waqf,* there are problems or challenges faced in both states. The problems that can be detected are of three kinds, namely: development, management and public awareness. However, lack of awareness amongst the general public becomes problematic when it is needed to increase and improve *waqf* assets. Thus, increased awareness among the public is really important in order to develop *waqf* institutions as it will increase the establishment of new *waqf* that can help minimise poverty and maximise socioeconomic development.

10.3 Recommendations

Based on the empirical analysis presented in this thesis, this chapter's purpose is to highlight certain policy recommendations with respect to improving *waqf* development and increasing public awareness.

1) Legislation: Since both states are not 'Islamic countries' it is very difficult to implement Islamic law. Although Johor allows non-Muslims to create *waqf*, which is consistent with the classical jurists opinion, there are still problems (legal conflict) when it comes to disputes between non-Muslims and Muslims. Due to the fact that civil law is above Shariah law this scenario will remain and continue if action is not taken. However, in the case of Singapore the reason to not allow non-Muslims to create *waqf* is due to state law whereby any religious law is restricted towards the respective community and excludes other communities. Furthermore, creating trusts by non-Muslims will make it difficult to define *waqf* and clash with other laws such as trusts which are governed by different laws.

   a. *Waqf* registration should not only be required for larger assets, but also for small items as it will prevent misuse and mismanagement. This responsibility should be under bodies such as mosques and religious schools that accept small gifts. Moreover, it would be helpful for further research to identify the creation of *waqf* from small items in order to explore to what extent this attitude has spread widely among public.

   b. In order to attract public contributions to these philanthropic activities, tax exemptions should be extended widely, so that people have further incentive to contribute to *waqf*.

2) Public involvement: The research found that public awareness is a big challenge and a major constraint to *waqf* development according to *waqf* managers from both states. As there is less publicity of *waqf* when compared to *sadaqah* or charity, there is less understanding and awareness among the general public. Providing the public with up to date information on contemporary *waqf* will motivate them to participate and distribute

assets and the problem of the lack of funds can be eliminated, for this reason the following recommendations are proposed.

a. Public education such as public talks and motivational speeches is the best way to increase awareness among the public.

b. By regularly publicising *waqf* through electronic media people will become more aware of it and could be motivated to participate in *waqf* development.

c. Providing an easy channel to approach *waqf* is required such as explaining how to set out the intention via forms, brochures and websites.

d. Providing details of *waqf* assets investment and distribution could also prove to be useful. The transparent reporting of accounts and all statements must be published for the public. This will give a clearer picture on how a*wqaf* are managed and helpsteadily improve public trust in the capability of Majlis in handling *waqf* management.

e. The public should be more exposed to the advantages of creating *waqf* for general purposes through cash donations. This form of *waqf* is easier to manage and can be used more widely and is not limited to certain specific aims.

f. The public have to change their attitude towards *awqaf* and be aware of the importance of creating them. It is particularly important to motivate and encourage the public to increase their knowledge especially in the contemporary *waqf* issues. Moreover, Siswantoro and Dewi (2011) recommend that there should be intensive public awareness programs on the advantage of *waqf* for Muslims' wealth which includes advertisements, articles in the mass media, and a declaration of a *waqf* year. Other than this the administrator's credibility to manage *waqf* assets must be promoted by providing detailed and transparent reports.

3) Education: This study agrees with As Sayin *et.al* (2011) who recommended increasing awareness on *waqf* through targeting three parties: educational institutions, religious

institutions and the general public. The recommendations relating to the general public are made under sub-heading 3.

  a. Educational institutions from the primary to university level, should provide a clear understanding of the *waqf* concept.

  b. Religious institutions should provide clear information on contemporary *waqf* to the public. Majlis as supervisors should increase their effort to improve assets as their role is not limited to supervision only.

4) *Waqf* contributions

a. *Waqf* assets should be contributed in various kinds such as *waqf* copyright and usufruct, which are the latest versions of *waqf* in the contemporary era. In fact, nowadays intellectual property right may generate huge level wealth (White, 2006).

b. Temporary *waqf* is useful as it produces more *waqf* assets. However, in order to retain its character and to avoid confusion with *sadaqah* guidance should be given as to the amount time required for a contribution to be considered as *waqf*. This is to avoid confusion among the public so that they do not assume every *sadaqah* is a *waqf,* although every *waqf* is *sadaqah.* The important thing is that the public should be more exposed to the characteristics of *waqf* in order to eliminate confusion as outlined by Kahf (1999).

5) The roles of *nazara* and *mutawalli:* The *nazara* concept is applied in both states as the role is that of supervisor and differs from that of administrator. This separation will lead to effectiveness and efficiency in administration and management as both parties can focus on their area and expertise. Moreover, there is less chance for the assets to be corrupted or mismanaged by the authorities. However, there is a potential issue of bureaucracy becoming more complicated. Bureaucracy should therefore, be decreased by providing clear regulations and reducing limits on transactions, thus they may be a bit freer and avoid complicated procedures that take long time to complete. However, various kinds of *waqf* assets would still take different time periods to get approval. For example in the survey, one *waqf* officer advised to donate *waqf* cash directly to mosques instead of giving it to the *waqf* department. He explained that it is faster and easier when compared to the government as it has long procedures and processes.

10.4 Limitations of the research

The major constraint of this research was the sampling issue which in turn generate other limitations in conducting this research.

The best sample for this study would have been of *waqf* creators, and the only records to show this are the registration records with Majlis. Small *waqf* goods are not required to be registered with Majlis so there is no data recorded for *waqf* created with small items. Due to limited resources and long procedures of the authorities for gaining access to record, the research had to limit the sample to the general public as it would include creators of *waqf* from small goods. Furthermore, it was difficult to use probability sampling in this research to avoid any bias and inaccuracies that could influence the results. But as there was a lack of resources, non-probability sampling had to be selected.

Due to time and budget constraints this study was limited to sample within Johor Baharu and only certain places in Singapore. The results would have more credibility if there was more time to increase the sample size and cover in all districts in Johor and Singapore.

While the study provides some results on various issues related to *waqf* in the state of Johor and Singapore, the results cannot be generalised for other countries that have different legal and regulatory environments for *waqf.* Even within Malaysia, there are variations in managing a*wqaf* in the different states. Thus, conclusions drawn from the study need to be used carefully when applied to other countries.

10.5 Suggestions for future research

This thesis identifies a few issues in *waqf* management that may need further research. For example, a comparative study on *waqf* management with management of other similar forms such as trust handled by NGOs especially in Muslim countries could be carried out. In the states studied in the thesis when an asset is declared as *waqf* it will be bound by state law and held under government management. However, if a *waqf* is declared as trust it will be bound by a trust law which has more freedom for trustees to manage it. It would be interesting to see how the laws affect the operations and management of different types of organisational formats.

Future research should be extended to the stakeholders' perception and experience on *waqf* management by entities other than government under the trust format, especially in Muslim countries in order to examine their performance. In-depth research should also be undertaken to explore the

matters that influence Singaporean respondents' unwillingness to create *waqf,* although the level of their understanding is higher when compared to Johor.

10.6 Epilogue

This study set out to compare issues related to *waqf* development in the states of Johor and Singapore by focusing on *waqf* law and stakeholder perceptions on *waqf* management and operation. The research questions were addressed by carrying out an empirical study thereby fulfilling the overall aim and objectives of the thesis. The results and the policy recommendations discussed above, hopefully, will provide some insights to *waqf* stakeholders and help to enhance and strengthen *waqf* development. This small contribution not only fulfilled the research requirement but hopefully will also help to make my beloved small country Brunei Darussalam more aware and concerned with this important institution.

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Appendice

QUESTIONNAIRE

A Survey on Waqf Development in Johor, Malaysia & Singapore

Dear Participant,

I am a Ph.D. researcher at School of Government and International Affairs, Durham University- UK. Currently I am conducting a research on 'Waqf Development in Johor, Malaysia and Singapore at the Durham Centre for Islamic Economics and Finance at Durham University, UK.

The research requires the collection of primary data through questionnaire survey. Therefore, I am asking for your assistance, as a selected respondent, in providing information and your views on waqf development and management practices as requested in the questionnaire.

The main aim of this questionnaire is to collect the views and perception of the participants regarding waqf development and management practices in your country. The information you provide will assist us to understand the knowledge and use of waqf in our society. Therefore, choosing the answers that correctly reflect your own views and experience is very important as it will impact the results of the study. For questions that seek your opinions, please choose the best answer if no obvious answer is available. Your cooperation in answering all the questions is extremely important and very deeply appreciated.

Please note that all data and information you provide will be kept confidential and will be used and analysed for academic purposes only. Finally, if you are interested a summary of my research results will be made available upon request.

Thank you very much in advance for your co-operation

Hjh Mas Nooraini Hj Mohiddin
School of Government and International Affairs
Durham University, United Kingdom.
E-mail: Masnooraini.Haji-Mohiddin@durham.ac.uk

For Researcher Use Only:

Distribution: Branch Code: __/__/__/__

Distribution No:___/___/___

Date: ___/___/2012   Respondent Number: __/__/__/__

SECTION A:

1. Gender
   - ☐ Female
   - ☐ Male

2.. Age (in years)
   - ☐ Below 18
   - ☐ 18-30
   - ☐ 31-45
   - ☐ 46-59
   - ☐ Over 60

3. Marital status
   - ☐ Single
   - ☐ Married
   - ☐ Widowed
   - ☐ Divorced

4. Highest education level
   - ☐ Primary school
   - ☐ Secondary school
   - ☐ Diploma/Matriculation/ALevel
   - ☐ Bachelor
   - ☐ Master
   - ☐ Doctorate
   - ☐ Professional Qualification
   - ☐ Others:_____
        (please specify)

5. Monthly income
   - ☐ No income
   - ☐ Below RM 1,000
   - ☐ RM1,001-RM1,500
   - ☐ RM 1,501-RM3,000
   - ☐ RM 3,001-RM 5,000
   - ☐ RM 5,001-RM10,000
   - ☐ RM10,001-RM 20,000
   - ☐ Above RM 20,000

6. Number of children/dependents:_____(Please specify)

7. Which sector are you employed in?
   - ☐ Government/Public sector
   - ☐ Private sector
   - ☐ Self-employment
   - ☐ Unemployed

8. Religion
   - ☐ Islam
   - ☐ Christianity
   - ☐ Buddhism
   - ☐ Hinduism
   - ☐ Other :_____
        (please specify)

9. Occupation
   - ☐ Manager or Executive
   - ☐ Business
   - ☐ Professional; (lawyer, medical doctor, etc)
   - ☐ School teacher or academic
   - ☐ Officer/employee
   - ☐ Retired
   - ☐ Student
   - ☐ Others:_____
        (please specify)

SECTION B:

10.   Is there a difference between waqf and sadaqah?
       ☐Yes   ☐No   ☐No Opinion

11.   Can waqf be temporary?
       ☐Yes   ☐No   ☐No Opinion

12.   Can waqf be created with the following:

	Yes	No	No Opinion
(a) real estate (such as land and building)	☐	☐	☐
(b) cash	☐	☐	☐
(c) shares	☐	☐	☐
(d) services	☐	☐	☐
(e) Small goods assets (such as books, clock, air conditioner etc.)	☐	☐	☐
(f) Copyright	☐	☐	☐

13.   What is your opinion on the following:

	Yes	No	No Opinion
(a) Cash waqf is more flexible	☐	☐	☐
(b) Cash waqf can be invested through Islamic instruments and revenue generated used for pious purposes	☐	☐	☐
(c) Investment and returns form of cash waqf can create more waqf assets	☐	☐	☐
(d) Income from cash waqf can be used for maintenance of other waqf assets	☐	☐	☐

SECTION C:

ESTABLISHMENT

14.   Have you established a waqf before? If No, Go to question 17.
       ☐Yes   ☐No

15.   What kind of waqf did you established?: *(You may tick more than one box)*
       ☐Land   ☐Building/House   ☐Mosque   ☐ Money/cash ☐ Small item(eg.books,food)
       ☐Others (Please state*):* _____

16.   How many times did you contributed to waqf before?:

☐ *Never*   ☐ Seldom   ☐ Sometimes ☐Usually   ☐Always☐ Once

17.   In your opinion,what are the constraints to create waqf?

	Yes	No	No Opinion
(a) I do not have land	☐	☐	☐
(b) I do not have property/real estate	☐	☐	☐
(c) I do not have much money	☐	☐	☐
(d) I do have money but I do not know money can used to create waqf	☐	☐	☐
(e) I do not know if waqf can be used for any other thing except mosque	☐	☐	☐
(f) Others (please specify)	☐	☐	☐

18.If you want to make a permanent donation, you want do it as

☐Waqf   ☐Trust   ☐Foundation ☐Non- Governmental Organization
☐Others (Please state*)*: _____
Please state the reason_____

19.*Waqf donation*

	Yes	No	No Opinion
(a) Do you think waqf donation should be compulsory for all Muslims?	☐	☐	☐
(b) Would you agree to donate monthly by deductions from your salary for waqf?	☐	☐	☐
(c) Would you agree to pay cash that someone can collect monthly?	☐	☐	☐

20.*Non-Muslim waqf*

	Yes	No	No Opinion
(a) Do you think waqf can be established by non-Muslims?	☐	☐	☐
(b) Do you think Non-Muslims should be allowed create waqf, if it can contribute to more waqf fund?	☐	☐	☐
(c) If non-Muslims are allowed create waqf, would it cause any legal problems?	☐	☐	☐

21.If you want to make a permanent waqf, what kind of **objectives** would you prefer?

	Yes	No	No Opinion
(a) Mosque	☐	☐	☐
(b) Cemetery	☐	☐	☐
(c) Religious school	☐	☐	☐
(d) Education	☐	☐	☐
(e) Family members	☐	☐	☐
(f) Medical services	☐	☐	☐
(g) Serve the needy/poor people	☐	☐	☐
(h) Others	☐	☐	☐

22. If you want to make charity, what would you prefer?

	Yes	No	No Opinion
(a) Small items (such as Quran, books etc)	☐	☐	☐
(b) Sadaqah than waqf because I do not have assets.	☐	☐	☐
(c) Waqf than sadaqah if I have big asset.(land, house,property)	☐	☐	☐
(d) Waqf land that has no potential economic use since it cannot give me any benefit	☐	☐	☐
(e) Cash waqf than assets because it can used in a better way	☐	☐	☐

MANAGEMENT

23. Under what circumstance do you think can a waqf deed's stipulation on **assets** be changed by waqf management?

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
(a) They can change it because it is located in an inaccessible location (swamp, forest)	☐	☐	☐	☐	☐
(b) They can change it because the area is too small to be developed	☐	☐	☐	☐	☐
(c) They can change it because the asset cannot be used anymore(old mosque)	☐	☐	☐	☐	☐
(d) They can change it because it is needed for state development (eg. cemetery land for building highway)	☐	☐	☐	☐	☐

24. Under what circumstance do you think can a waqf deed's stipulation on **output** be changed by waqf management?

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
(a) They can change it because that area does not need that specific output (in case founder want to build a mosque land) there are many mosques in the area	☐	☐	☐	☐	☐
(b) They can change it because they know better the needs that need to be fulfilled	☐	☐	☐	☐	☐

25. Under what circumstance do you think can a waqf deed's stipulation related to **beneficiaries** can be changed by waqf management?

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
(a) They can change it because beneficiaries do not exist anymore	☐	☐	☐	☐	☐
(b) They can change it if the beneficiaries are very	☐	☐	☐	☐	☐

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	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
hard to find (outside country)					

26. What are your views on the following (related to State Islamic Religious Council (SIRC)

	Yes	No	No Opinion
(a) Any new waqf creation should be registered with SIRC	☐	☐	☐
(b) Any new waqf not registered with SIRC is against the law.	☐	☐	☐
(c) SIRC manages waqf through complicated procedure/process	☐	☐	☐
(d) Waqf can be created through SIRC website.	☐	☐	☐
(e) Waqf given to the mosque withsmall goods/assets should be registered with SIRC	☐	☐	☐

For the questions that follow, please rank appropriately according to the following scale.

Extremely Dissatisfied	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	Extremely Satisfied

27. How statisfied are you with waqf management by the following entities?

	(1)	(2)	(3)	(4)	(5)
(a) Waqf managed by government bodies	☐	☐	☐	☐	☐
(b) Waqf managed by private or family members	☐	☐	☐	☐	☐
(c) Waqf managed by Non-Governmental Organization such as KWANB under Johor Corporation	☐	☐	☐	☐	☐

28. Can you please rank the entity you would prefer from the following for waqf management (**use 1 for the most preferred and 3 for the least preferred)**

☐ Government   ☐ Private or family   ☐ Non- governmental organization

29. Can you please indicate your satisfaction with **government** managing waqf assets for each of the following:

	(1)	(2)	(3)	(4)	(5)
(a) Efficiency	☐	☐	☐	☐	☐
(b) Reliable	☐	☐	☐	☐	☐
(c) Good management	☐	☐	☐	☐	☐
(d) Productive	☐	☐	☐	☐	☐
(e) Simple procedure	☐	☐	☐	☐	☐
(f) Tax exemption	☐	☐	☐	☐	☐
(g) Comfortable	☐	☐	☐	☐	☐
(h) Fulfill society needs	☐	☐	☐	☐	☐
(i) Can improve state economy	☐	☐	☐	☐	☐

	(1)	(2)	(3)	(4)	(5)
(j) Others	☐	☐	☐	☐	☐

30. Can you please indicate your satisfaction with **private entity/family members** managing waqf assets for each of the following:

	(1)	(2)	(3)	(4)	(5)
(a) Efficiency	☐	☐	☐	☐	☐
(b) Reliable	☐	☐	☐	☐	☐
(c) Good management	☐	☐	☐	☐	☐
(d) Productive	☐	☐	☐	☐	☐
(e) Simple procedure	☐	☐	☐	☐	☐
(f) Tax exemption	☐	☐	☐	☐	☐
(g) Comfortable	☐	☐	☐	☐	☐
(h) Fulfill society needs	☐	☐	☐	☐	☐
(i) Can improve state economy	☐	☐	☐	☐	☐
(j) Others	☐	☐	☐	☐	☐

31. Can you please indicate your satisfaction with **Non-government organization** managing waqf assets for each of the following:

	(1)	(2)	(3)	(4)	(5)
(a) Efficienct	☐	☐	☐	☐	☐
(b) Reliable	☐	☐	☐	☐	☐
(c) Good management	☐	☐	☐	☐	☐
(d) Productive	☐	☐	☐	☐	☐
(e) Simple procedure	☐	☐	☐	☐	☐
(f) Tax exemption	☐	☐	☐	☐	☐
(g) Comfortable/easy	☐	☐	☐	☐	☐
(h) Fulfill society's needs	☐	☐	☐	☐	☐
(i) Can improve state economy	☐	☐	☐	☐	☐
(j) Others	☐	☐	☐	☐	☐

SECTION D:

BENEFICIARIES/OUTCOMES

Please state your opinion on the following statements according to your knowledge

32. Waqf can be used for which the following:

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
(a) Upgrade mosque and it maintenance	☐	☐	☐	☐	☐

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
(b) Religious school	☐	☐	☐	☐	☐
(c) Cemetery	☐	☐	☐	☐	☐
(d) Finance dakwah activities	☐	☐	☐	☐	☐
(e) Education /scholarship fund	☐	☐	☐	☐	☐
(f) Research center	☐	☐	☐	☐	☐
(g) Student accommodation	☐	☐	☐	☐	☐
(h) Provide treatment for low income	☐	☐	☐	☐	☐
(i) Provide treatment for disabled	☐	☐	☐	☐	☐
(j) Provide health programme	☐	☐	☐	☐	☐
(k) Agricultural	☐	☐	☐	☐	☐
(l) Provide financial services	☐	☐	☐	☐	☐
(m) Orphanage	☐	☐	☐	☐	☐
(n) Single mother/widow	☐	☐	☐	☐	☐
(o) Needy /poor people	☐	☐	☐	☐	☐
(p) Disaster/Relief	☐	☐	☐	☐	☐
(q) Other	☐	☐	☐	☐	☐
(r) Other	☐	☐	☐	☐	☐

33. If you want to make waqf, please rank the order of your preferences related to the objectives below: **(1 for most preferred and 4 for leastee preferred)**

	(1)	(2)	(3)	(4)
(a) Religious(Mosque, cemetery, religious school)	☐	☐	☐	☐
(b) Family members (house, land)	☐	☐	☐	☐
(c) Public welfare (research, medical, education)	☐	☐	☐	☐
(d) Others (please specify)	☐	☐	☐	☐

If you have any comments concerning waqf, please write in this box:

Thank you very much for your assistance.
If you are interested in the findings of the research, please email me at
hjhmashjmohiddin@yahoo.com by writing 'Waqf Development' as the subject.