

## Utilizing Endowed Waqf Land for Human Capital Development in East Coast Malaysia

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**Abstract:** There are over 8,861.15 hectares of waqf land in Malaysia out of which a total of 4,543.27 hectares have been categorized as special waqf intended for specific purposes or special beneficiaries. The remaining 4317.88 hectares of land have been categorized as general waqf mainly for charitable dedication and for the public interest at large. This study is thus motivated by the fact that the East Coast of Malaysia (Pahang, Terengganu and Kelantan) endowed waqf land included in the above-mentioned hectares of the endowed land can be utilised for optimal human capita development in particular and socioeconomic development of the region in general. Based on a qualitative research design, this paper critically examines and highlights the profitable investments and business, mechanism, challenges, advantages and solutions related to how such waqf land can be efficiently utilised. Suggestions based on findings are offered.

**Key words:** Waqf Land • East Coast • Maximization • Human Capital and Development

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### INTRODUCTION

Helping the society and community is the primary objective of establishment of waqf endowment where needy Muslims and non-Muslims can be empowered and developed economically, socially, morally and religiously. Waqf endowed land can be used as financial instrument to create socio-religious enterprises, business, investment and other profitable transactions for human capital development in the East Cast Malaysia [1]. East Coast Malaysia Waqf Management should manage the endowed wealth in term of wealth creation, accumulation, preservation, distribution and transfer in the interest of needy in particular and continent at large. It is the duty of waqf management to create more wealth and income from the endowed land where more properties can be accumulated to support needy people across the East Coast Malaysia. Management should do everything possible to preserve the endowed land where the land can generate jobs, employment and income for needy Muslims and beyond. The endowed land should not be abandoned un-used and un-productive in order to achieve the aims and goals of establishment of waqf. In addition, the profit and gain realised from the gifted land should be equally distributed to the needy people regardless of their gender, faith, status and political affiliation. The effectiveness,

efficient and proper management of East Coast endowed land by the management will boost and increase waqf revenue in the continent. The East Coast waqf management should come together to study the feasibility of the profitable and suitable business and the mechanism that should be applied in the interest of the needy people in the states [2]. State Internal Generated Revenue can contribute to the state budget where the citizens can be empowered economically.

**Literature Review:** There are challenges and predicaments facing endowed land in Malaysia such as Ownership and registration of waqf land problems, financial problems, physical barriers: size, type and geographical location of waqf land, shortage of competent manpower, incomplete databases and illegal occupation and encroachment of waqf land [3].

Kahf [4] considers Waqf as a critical for socioeconomic development and proposes creation of a third sector that is distinct from profit-motivated private sector and the public sector. He considers that this third sector can achieve objectives of education, health, social and environmental welfare, as well as providing defense services and public utilities. East Coast waqf endowed land can be utilized for the human capital development across the states under the East Coast Malaysia. Waqf

management should do everything possible to transform many lives through the endowed land economically, socially, medically, morally and religiously.

Arnaout, [5] examines Waqf roles in promoting new cities in Bosnia. This research is relevant and useful to this study on the ground that this research examines how Waqf land can be utilized to rescue many Malaysian needy Muslim from financial constraints. Similarly, the waqf gifted land can be utilized in East Coast Malaysia in a way that both needy Muslims and Waqf house will benefit from any lucrative project or business that may be embarked upon. The waqf gifted land has potentiality to boost and promote many cities across the East Coast Malaysia in the interest of needy and society at large.

Magdal [6] focuses on the revival of the institution of Waqf in Sudan and the author analysed history of the institution of Waqf in Sudan, classification of Waqf property in Sudan, step taken by the government to revive the institution of Waqf. The study is useful and relevant to this research where many un-used waqf endowed land can be revived and utilized for economical purposes in the concerned states. The management should examine and study the needful of each state in the East Coast Malaysia and utilize the land for the identified and discovered needs in the interest of needy people. The primary objective of establishment and legality of waqf is to support the less privilege people across the state, such aim and objective will not be achieved if the gifted land abandoned and un-used.

The research of Khafagy Riham Ahmed [7] examines the roles of Islamic endowments in Egypt in resisting British colonialism from 1882 to 1952. He also highlights roles of Waqf on Islamic Middle and High schools in Egypt where daily meals, rewards for talents and financial assistance for graduates were provided for students. The roles of endowment on Egyptian National University, Al-Azhar Mosque University and endowment and developing Egypt's independent economy and Islamic legal system were discussed in the paper. This work is considered as useful and relevant material to the present research where land can be utilized for human capital development across the East Coast Malaysia. If it is applied and used properly and accordingly, the endowed land can create jobs and financial support to needy Muslims where their lives can be transformed positively.

Although, Khafagy focuses on Egypt while present research would be on East Coast Malaysia. Nevertheless, the opinions expressed in those books would be considered because it discusses how Waqf could be used

to assist the needy Muslims in providing educational facilities, hospitals and mosques and other facilities to the society at large.

Al-Shaybaniy [8] critically examines the law on land lease under the Waqf. The book is relevant to this research because endowed land can lease out with reasonable rent that can be invested on profitable and lucrative business that will benefit needy Muslims and waqf management.

Abu Zahrah [9] writes extensive work on Waqf where he explains the concept of Waqf, principles, conditions of Waqf and also those who are entitled to Waqf under Islamic law. Abu Zahrah's work is considered as the most useful material for this present study because it covers many aspect of Waqf. However, the author did not examine how the endowed land can be utilized for human capital development across the East Coast Malaysia at large which is the hypothesis of this study.

In addition, Al-Saad and Omar [10] discussed the Waqf role on financial assistance towards the family and modern institution in response to the women issues. Both authors focused on how Waqf money can be used to empower and support the needy family while Omar focus of attention is on women. Both studies are relevant to this study on the basis that this work will examine how the Waqf land can be extended to the needy Muslims across the East Coast Malaysia for human capital development. However, the authors did not discuss the East Coast Malaysian Muslim status in their findings which is the focus this study.

Arnaout [11] examines Waqf roles in promoting new cities in Bosnia. This work is relevant and useful to this study on the ground that this research examines how Waqf endowed land can be used to develop and improve human capital development in the concerned states. The endowed land will be used to rescue many East Coast Malaysian needy Muslim from financial constraints and difficulties.

Al-Aidooni [12] examines the protection of minor in Maghreb countries and Andalusia through the Waqf. The author's work is relevant to this study on the basis that this research will examine how waqf endowed land can benefit needy Muslims regardless whether minor or an adult. It can be used to support needy minor who are facing financial constraint towards the education, medical treatment, shelter, food, drinkable water and other basic need amenities. Although, al-Aidooni analysis did not cover the East Coast Malaysia which is the case study of this present study.

**East Coast Waqf Endowed Land for Agricultural**

**Business:** The un-used endowed waqf land can be utilized for agricultural business for human capital development across the East Coast Malaysia. The following vegetables can be planted such as celery, cauliflower, cabbage, broccoli, lettuce, parsley, Mustard and spinach. Part of endowed waqf land can also use for other agricultural products such as Apple, Apricot, Blackberry, blackcurrant, blueberry, cherry, date, grape, kiwi fruit, lemon, lychee, orange, peach, pear and strawberry. In addition, asparagus, carrot, cucumber, onion, potato, pumpkin, radish, yam, tomato and mushroom for farming.

**Waqf Land for Cattle Ranches:** The endowed land can be converted to many uses for instance, cattle ranches across the East Coast Malaysia. Ranch is an area of landscape for various structures such as ranching, raising, grazing livestock for cattle or sheep for meat or wool. Ranching and the cowboy traditionally originated in Spain out of the necessity to handle large herds of grazing animals on dry land from horseback. Ranching will enhance method of raising livestock across the East Coast Malaysia and as a panacea to the human capital development in the interest of needy citizens. Converting abandoned waqf land for animal ranches will create employment opportunity for the skillful needy Muslims in the East Coast Malaysia.

**Waqf Land for Animals Business:** The waqf management can collaborate with the Faculty of Bioresources and food Industry (Agriculture Biotechnology and Animal Production & Health) before the waqf management invests on cattle rearing. The expert can guide the waqf management on the project effectively and properly. Sales of animals and their parts is a profitable and lucrative business. Selling lawful animals is permitted under Islamic law and classical scholars unanimously agreed on permissibility of trading in lawful animals. East Coast waqf un-used land can be utilized for cattle rearing for human capital development where more income can be generated to boost society economy at large. Cattle rearing capable of job creation and human capital empowerment and development across the East Coast Malaysia if all necessary steps are put into consideration. Endowed land should be used to generate more income for the society and community at large and needy Muslims should be given full opportunity to benefit from the endowed land directly or indirectly. Utilizing waqf endowed land is lawful and legally permitted to use for animal rearing and

juristic view can be seen in the subsequent lines (Marzuk, 2012, Amuda, Dzuljastri and Aminath Amany, 2016, Amuda and Azizan, [13].

Sales of animals and their parts is a profitable and lucrative business. Selling lawful animals is permitted under Islamic law and classical scholars unanimously agreed that fat tails and other fats of lawful animals may be forward sold by weight. However, the jurists differed among themselves over sales of the entire animal. Imam Hanafi held the view that forward sales of animals are not permitted and its invalid because animal characteristics of animal price cannot be precisely controlled and determined. On the other hand, Imam Malik, Imam Shafi'i and Imam Hanbali held the position that forward sale of animals is permitted and even animals can also be loaned based on the tradition of the Prophet (s.a.w). The permissibility of the forward sale of animals is based on the specification of its genus, age, gender, colour and approximate size, which are easily determined by modern technologies (Al-Sarakhsi, 1989, Al-Baji, 1332AH, Al-Khatib, n.d, Abu Ishaq, n.d, Ibn Al-Humam, n.d, Ibn Abidin, [14].

East Coast waqf management can invest Waqf endowed properties such as land and cash in lawful animal in order to empower many unemployed Muslims who are seriously in need in the states. The investment on selling animal will reduce rate of poverty among East Coast Malaysian Muslims. The reason is that, the unemployed will be employed and empowered and they will realise certain income to maintain themselves and their families. If the waqf cattle or animal rearing is properly managed, there is no need to import animal to the Malaysia because there would be enough and sufficient needed animal across the states and beyond. Even, lawful and eatable animal can be imported from the East Coast Malaysia to another states and neighbouring countries.

**Waqf Land for Fishery:** Fishery is commercially known as a place where fish are reared for commercial business purposes which are reared in natural and manmade ponds respectfully. Fishery sector is common business across the East Coast Malaysia where fishermen fish in deep sea or water during unfriendly whether and climate that may affect the fisher men. In order to improve fishery business in East Coast Malaysia, waqf land can be converted to the fish pond to rear the fish which will create job for skillful needy citizens across the East Coast. Investing on fish business and transaction is permissible and lawful under Islamic Law.

The majority of the classical scholars such as Imam Malik, Imam Shafi'i and Imam Hanbali permitted the validity of the forward contract of fish regardless of the fatness, leanness and proportion. However, Imam Hanafi ruled that the small fish by volume or weight, salted small fish is invalid and not permitted because the small fish cannot be distinguished due to ignorance [15].

In this study, forward sale or contract of fish regardless of the size and volume of fish is permissible so long as the seller can use scales to determine the weight of the purchased fish. Fish is daily need globally and in East Coast Malaysia in particular where many trained and poor can assist to start their SMEs in selling fish through waqf shopping mall or centres.

**Partnership with Developer for Waqf Endowed Land Development:** East Coast waqf management can partner with for the abandoned and un-used waqf land for lucrative and profitable project that will boost human capital development. The endowed land can be used for waqf shopping mall and waqf amusement park where both projects will open more business and jobs for society at large. The profit can be used for other profitable investment in order to have enough and sufficient income to cater for needy people and reduce their financial constrain and difficulties at large. The endowed land should not be left and abandoned un-used in the interest of society at large.

**Waqf Land for Small Medium Enterprises:** The primary objective of Small Medium Enterprises is to generate income simultaneously leads to the economic development and social stability. Utilizing waqf endowed land for SME will enhance the State economic development which will result to human capital development in East Coast Malaysia. Small Medium Enterprises are the backbone of business and industrial development of developed and developing countries economy growth. SMEs plays an important role in the growth of Federal and state economic development and improvement. SMEs sector required small amount of capital to run their respectful businesses and investment compared to other sector of business that required huge amount of money. Small amount of money can be allocated for needy people across the East Coast Malaysia to start their business using the waqf shopping mall or centers to transact their business as human capital development across the concerned states. Due to SMEs peculiarity, individual enterpreneur starts and running their business with insufficient capital which required financial intervention supports. There is need for

allocation of zakat or sadaqat for needy skillful Muslims to start their SMEs as tool for human capital development. Endowed waqf land can be used for SMEs in the East Coast Malaysia will increase and enhance economic development in the states for human capital development. The active involvement East Coast Malaysia waqf management involvement in SMEs will enhance the exporting and importing in the concerned states which will create more jobs for needy Muslims across.

## CONCLUSION

It can be concluded that East Coast waqf land should be utilized for human capita development in many ways. Waqf management across the East Coast Malaysia have to study feasibility of the business or investment they want to invest on it in order to generate more income. The land can be used for agricultural business such as cattle ranches, animals business, fishery, partnership with developer for waqf endowed land development and small medium enterprises. If the endowed land across the East Coast Malaysia properly, many needy lives can be transformed economically, socially and religiously.

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