The Inclination of Student And Public Towards the Establishment of Islamic waqf Bank

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Abstract: The institution of waqf has played its role in poverty alleviation and socioeconomic development through history, especially in the Islamic history. Until today, this institution still plays an important role especially in Muslim countries. Still, there are many potential mechanisms in order to make it more effective to alleviate poverty and for financing the education of the poor. On the other hand, Islamic waqf bank is a special designed financial institution in Islam. This bank will benefit the student and also their parents, due to its unique structure that could finance students’ education in term of fees and cost of living. Islamic waqf bank use the concept of cash waqf in funding the education. Cash waqf is a trust fund established with money to support services for mankind’s benefits in the name of Allah. The gifted capital was “transferred” to borrowers for certain period, which was then spent for all sorts of pious and social purposes inclusive for the investment objectives. The objective of this article is to examine the need of students and inclination among Muslim public to contribute for the establishment of Islamic waqf bank. The general findings of this article shows that there is a high demand among students and strong willingness among public to contribute for the establishment of Islamic waqf bank.

Key words: Waqf - Cash Waqf - Islamic Waqf Bank

INTRODUCTION

From Shariah point of view, waqf may be defined as holding a mal (an asset) and preventing its consumption for the purpose of repeatedly extracting its usufruct for the benefit of an objective representing righteousness or philanthropy. This definition also covers several new forms of waqf that were not discussed in the classical literatures, such as the waqf of financial rights and waqf of usufruct [1]. The contemporary jurists also justify the validity of the cash waqf, because it is in the interest of the waqif (the donor), its beneficiaries and the society [2].

In addition, waqf assets can also be immoveable or moveable (e.g. cash waqf). In cash waqf, al-Waqif (donor) endowed cash instead of real estate. Cash waqf begin in primeval Mesopotamia, Greece and the Roman Empire. In fact, in the eighth century, Imam Zufar had approved condition cash waqf in the Islamic World for the first time. According to him cash waqf would be invested through Mudarabah and profits would be spent for charity. Nevertheless, cash waqf did not expand and mature until the 16th century and after that century, it became popular, especially among the Ottomans.

Although there was controversy on the legality of cash waqf among the Muslim scholars but thousands of cash waqf continued to be endowed. In particular, cash waqf was supported by the Ottoman Sultans, because funds were financed in the expansion of Islam in Europe [3]. Furthermore, cash waqf is far more important since it is more productive compared to land, buildings, books, cattle and so on, as it is testified by the existing research studies and have been found profitable in the practices of modern Islamic financial system. In fact, in cash waqf the amount or value of the waqf is not an important issue, rather it is worthy to involve whole ummah in the process of waqf, so that everyone irrespective of financial condition could be involved by contributing as little as a cent within the prescribed systems of institutionalizing the concepts under government or private initiatives and guidelines provided by Islamic doctrines, since it is not
only the preserve of the wealthy [4]. Anyone, subject to certain Shariah conditions, can be al-waqif (donor) through cash waqf.

**Literature Review:** The study of cash waqf was done by several researchers in recent time. Murat Çizakça (1998) explains that historical evidence indicates that the real exiting potential lies in the cash waqf. The waqf system has provided throughout Islamic history all the essential services at no cost to the state and a successful modernization of the system implies a significant cut in government expenditure and all the associated benefits including downsizing the state sector and a reduction or elimination of riba [3]. Cengiz Toraman et. al. (n.d.), conclude that in a society where health, education and welfare were entirely financed by gifts and endowments, the cash waqf carried serious implications for the very survival of the Ottoman empire [5].

Moreover, Tahir (2010) explains that the waqf bank can be applied as the bank of the poor. It is permissible in Islam based on the validity of cash waqf and the need of waqf, its beneficiaries as well as the society. But, if there is favorable political will and strong support from the government, the institution of waqf through the establishment of waqf bank will contribute significantly to the society [2].

Other than that, Mohd Asyraf et. al. (2013) conclude that there are strong willingness to contribute for waqf bank in any level of income, the low income level as well the high income level. The only reason that they did not want to contribute for Islamic waqf bank is the lack of knowledge about waqf and lack of trust for the people who represents as an agent for Islamic waqf bank to collect the waqf donation. Thus, the study about waqf collection instrument has to be made in order to solve the problem. Also, the institute of higher learning has to provide more reading material regarding waqf for public to understand the concept of waqf [6].

In addition Muhammad Ridhwan et. al. (2013) explain about the waqf bank models that can be applied for Islamic waqf bank and also concluded that there is a possible structure for waqf model and instrument that can be implemented in the future for the financing in education [7].

**MATERIALS AND METHOD**

The research methodology used by the researchers is quantitative method. The method used throughout the research is through the questionnaires since the use of questionnaires allow us to get information in the most accurate. There are two set of questionnaire. The first set is among Muslim public and distributed directly to each of the targeted respondents which are living in Klang Valley area, amounting of 287 respondents. Second set of questionnaire is for Muslim student and distributed to the selected university in Selangor and Negeri Sembilan which amounting to 125 students.

Each respondent must answer all the questions in the form in less than 10 minutes. Researcher would randomly choose assigned respondents from various related parties. After a thorough survey, data from respondents' answers are analyzed statistically through the use of SPSS version 20. This study will analyze the frequency of each variable in the survey questions, since each respondent has their own evaluation on the issue, which is useful in this analysis. Results of the analysis will determine the level of assessment of each respondent on various aspects of this study.

**Table 1: The needs among public to establish Islamic waqf bank**

<table>
<thead>
<tr>
<th>No</th>
<th>Item</th>
<th>Cronbach Alpha=0.709</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agree with the establishment of Islamic waqf/bank for student higher education</td>
<td></td>
<td>1.0949</td>
</tr>
<tr>
<td>2</td>
<td>Establishment of Islamic waqf/bank help student free from debt</td>
<td></td>
<td>0.8829</td>
</tr>
<tr>
<td>3</td>
<td>Establishment waqf/bank should be implemented as soon as possible</td>
<td></td>
<td>0.7573</td>
</tr>
</tbody>
</table>

**Table 2: The needs among student to establish Islamic waqf bank**

<table>
<thead>
<tr>
<th>No</th>
<th>Item</th>
<th>Cronbach Alpha=0.860</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I agree that Islamic waqf/bank is an alternative for education loan</td>
<td></td>
<td>0.7019</td>
</tr>
<tr>
<td>2</td>
<td>I will be more motivated if get free education</td>
<td></td>
<td>0.7909</td>
</tr>
<tr>
<td>3</td>
<td>The assistance from Islamic waqf/bank will ease the burden of my parent</td>
<td></td>
<td>0.7284</td>
</tr>
</tbody>
</table>
The reliability of the scale was tested using the Cronbach alpha. A coefficient alpha that is higher than 0.7 was considered to be good and reliable data (Nunnaly, 1978). On the other hand standard deviation is commonly used to measure confidence in statistical conclusions. The standard deviations shows how much variation or dispersion from the average exists. A high standard deviation indicates that the data points are spread out over a large range of values. Table 3.1 shows the Cronbach alpha and standard deviation for all scale; this to confirms the internal consistency of the instrument and to measure the confidence level of the data collected (Nunnaly, 1987).

RESULTS AND DISCUSSION

In this study there are two sections which are divided into the inclination among Muslim public for the establishment of Islamic waqf bank and the needs of Islamic Waqf bank for student higher education.

The Inclination among Muslim Public for the Establishment of Islamic Waqf Bank: The data of this research had been gathered from 176 male and 111 female respondents, so the total number of respondents involved is 287. The gathered data were analyzed through the use of recent SPSS 20 (Statistical Package for Social Science version 20) software. In this section there are three different analyses are made: The first is to compare respondents’ view towards the establishment of Islamic waqf bank for students of higher education based on respondents gender, while the second one is to compare respondents’ view towards the establishment of Islamic waqf bank to promote debt-free loan based on respondents’ gender. The last is to analyze the needs of the establishment of Islamic waqf bank in financing the education. All analyses were translated into bar charts forms below.

From the survey, above is the descriptive analyses of the respondents. Figure 1 reveals that male respondent is 176 people which are 22% higher than female respondent that is 111 people.

For the first analysis as presented in Figure 2, the result shows that most male students (77 respondents) were strongly agreed with the establishment of Islamic waqf bank for student of higher education, while most female students (48 respondents) were only agreed with the same statement. Still, majority of students from both genders (110 respondents or 38.3%) were strongly agreed with the statement. Only a few numbers of respondents from both genders (7 males, 6 females, 13 respondents in total or 4.5%) were strongly disagreed with the statement.

For the second analysis as presented in figure 3, the result interestingly had similar output as in the first analysis (albeit different numbers). The results also shows that most male respondents (92 respondents) were strongly agreed with the establishment of Islamic waqf bank, which it may help students free from debts, while most female respondents (52 respondents) were only agreed with the same statement. Also, majority of respondents from both genders (131 respondents or 45.6%) were strongly agreed with the statement.
Only a few numbers of respondents from both genders (1 male, 4 females, 5 respondents in total or 1.7%) were strongly disagreed with the statement. Two more interesting notes: There are more female respondents strongly disagreed with the statement compared to male respondents and there are equal numbers of respondents from both genders (14 respondents each, 28 respondents in total or 9.8%) were unsure with the statement.

For the last analysis in this section as presented in figure 4, the result also had similar output as in the first and second analysis (albeit different numbers). The results also shows that most male respondents which is 96 people were strongly agreed with the establishment of Islamic waqf bank should be implemented as soon as possible, while most female respondents 52 respondents were only agreed and 46 female were strongly agreed with the same statement. Also, majority of respondents from both genders (142 respondents) were strongly agreed with the statement. Two more interesting notes: There are more female respondents strongly disagreed with the statement compared to male respondents and there are few numbers of respondents from both genders (15 male respondents and 10 female respondents, 25 respondents total) were unsure with the statement.

The Needs of Student for the Establishment of Islamic Waqf Bank: The data of this research had been gathered from 98 undergraduate, 19 master and 8 PhD students, so the total number of respondents involved is 125. In this section there are also three different analyses made: The first is to examine respondents’ view towards the establishment of Islamic waqf bank as an alternative for students of higher education loan while the second one is to examine students’ view whether students will be more motivated if they get free education. The last is to analyze the needs of the establishment of Islamic waqf bank in financing the education will ease the burden their parents. All analyses were translated into bar charts forms as below.

From the survey, above are the descriptive analyses of the respondents. The Figure 5 reveals that undergraduate student is the majority respondent which amounting to ninety eight students or 79% out of total respondents. The rest is master and PhD students which is 15% and 6% out of total respondents.

According to Figure 6, the result also shows that majority of respondents of undergraduate level which is 59 respondents were strongly agreed with the establishment of Islamic waqf bank as an alternative for education loan, while most Masters-level respondents (12 respondents) were only agreed and 7 PhD-level respondents were strongly agreed with the same statement. This makes up into 78 respondents were strongly agreed with the statement which proves that majority of respondents from all levels were strongly agreed with the statement.
However, the numbers of students who were disagreed and strongly disagreed with the statement are almost next to none—there is only one undergraduate student who was strongly disagreed and also one undergraduate student who was disagreed the same statement, but none from Masters and PhD level respondents. Most Masters level students are agreed (7 respondents) and strongly agreed (12 respondents) with the same statement. Most PhD level students are unsure (1 respondent) and strongly agreed (7 respondents) with the same statement.

According to figure 7, the result also shows that majority of respondents of undergraduate level which is 50 respondents were strongly agreed that they will be more motivated if they are able to receive free education, while most Masters-level respondents (11 respondents) were only agreed and 6 PhD-level respondents were strongly agreed with the same statement. This makes up into 67 respondents who were strongly agreed with the statement which proved that majority of respondents from all levels were strongly agreed with the statement. However, the numbers of students who were strongly disagreed with the statement are almost next to none—there is only one undergraduate student who was strongly disagreed but none from Masters and PhD level respondents. While there is one undergraduate and one Masters-level respondent disagreed with the statement, there are none from PhD level. There are none Masters-level who strongly disagreed with the statement. Most PhD level students are unsure (1 respondent), agreed (1 respondent) and strongly agreed (6 respondents) with the same statement.

According to figure 8, the result shows that majority of respondents of undergraduate level which is 67 respondents were strongly agreed that the Islamic waqf banks’ assistance will reduce the burden of their parents, while most Masters-level respondents (15 respondents) were only agreed and 7 PhD-level respondents were strongly agreed with the statement. This makes up into 89 respondents who were strongly agreed with the statement which proved that majority of respondents from all levels were strongly agreed with the statement. However, the numbers of students who were strongly disagreed with the statement are almost next to none—there is only one undergraduate student who was strongly disagreed and also one undergraduate student who was disagreed the same statement, but none from Masters who strongly disagreed and also none PhD level respondents who both strongly disagreed and disagreed. Most PhD level students are agreed (1 respondent) and strongly agreed (7 respondents) with the same statement.

**CONCLUSION**

In this research, the establishment of Islamic Waqf bank is proposed to finance students’ education. Islamic waqf bank use the concept of cash waqf in their operations in order to give educational funds. General finding of this study shows that there is a high demand on the establishment of Islamic waqf bank among
Muslim public and student. The permissibility of cash *waqf* and suitability of capital structure of Islamic bank can be considered as *waqf* instrument in solving the financing problem among student.

**ACKNOWLEDGEMENT**

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