

UniSZA's Staff Cash *Waqf*: The Impact to Social and Economic Development of Terengganu State

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ABSTRACT

Cash *waqf* is a viable form of Islamic endowment with the primary objective of providing relief to less privileged Muslims in society. *Waqf* has inherent potential to ensure redistributive justice in society given its numerous benefits as an instrument for human development. UniSZA as an education institution should explore the feasibility of *waqf* in its daily operations and consider adopting a cash *waqf* scheme. The research is based on the hypothesis that UniSZA's staff cash *waqf* can have a positive social and economic impact in Terengganu. The objective of this study is to examine how UniSZA's staff cash *waqf* can be utilised to develop Terengganu economically and socially for the interest of less privileged Muslims. The study applies the mixed methods of discussion and analysis. Human development in this study includes the creation of employment, micro-financing, transactions, farming, soft loans and other lawful lucrative businesses and investments. The paper concludes by offering suggestions to best utilise this cash *waqf* fund.

Keywords: Cash *waqf*, development, economic, influencing factors, social, Terengganu, UniSZA staff

INTRODUCTION

Universiti Sultan Zainal Abidin (UniSZA), formerly known as Universiti Darul Iman Malaysia (UDM), was established in 2006. It is among the youngest public universities in Malaysia. However, its origin can be traced to Kolej Ugama Sultan Zainal Abidin (KUSZA). Kolej Ugama Sultan Zainal Abidin (Sultan Zainal Abidin Islamic College), better known as KUSZA, was a state-funded college that

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commenced operations as Sultan Zainal Abidin Upper Islamic Secondary School, Batu Burok with the admission of its first batch of 35 students in January 1980. KUSZA was formally established in 1981 when the Terengganu State Legislative Assembly passed the Kolej Ugama Sultan Zainal Abidin Enactment 1981. In the same year, the late Sultan Mahmud Al-Muktafi Billah Shah ibni Al-Marhum Sultan Ismail Nasiruddin Shah graced the ground-breaking ceremony for KUSZA's own campus in Gong Badak. While its new campus was under construction, KUSZA leased premises in Pulau Kambing, Kuala Terengganu from 1981 to 1982. Later, KUSZA moved into its newly built campus in Gong Badak and operated as a public institution of higher learning in Terengganu. KUSZA offered many diploma courses in Islamic studies and other sciences. The courses offered during that period were Sharia, *Usuluddin*, *Al-Quran* and *Sunnah*, Arabic Language and Literature, Law, Accountancy, Business Administration, Banking, Insurance, Human Resource, Information Technology, Industrial Design, Manufacturing Technology, Arabic Language with Education, English Language and Nursing, among others. Since its inception, KUSZA had become one of the most sought-after public institutions of higher learning in Malaysia as well as Terengganu for SPM leavers because of its academic programmes.

After more than 25 years of service to the nation and state, KUSZA charted another development by becoming a part

of Universiti Darul Iman Malaysia (UDM), which was established in 2006. KUSZA officially became a part of UDM from 1 January, 2007. To facilitate KUSZA incorporation into UDM, the 1981 KUSZA Enactment was repealed by the Terengganu State Legislative Assembly in 2006. KUSZA was named after Sultan Zainal Abidin III, who was crowned the 11th Sultan (Ruler) of Terengganu on 19 December, 1881. Sultan Zainal Abidin was renowned for his excellent leadership, piety, and charisma. The Sultan was serious in the administration of Islamic religious affairs, including the enforcement of Islamic law. He was concerned with the intellectual development and education of his subjects. He raised the position of *'ulama* (Islamic scholars) in his administration and provided financial assistance to their families. He himself was very keen to learn Islamic theological knowledge, mathematics, science and geography. As proof of his passion for knowledge, he established the first Malay School in Terengganu in 1912. Apart from KUSZA, other learning institutions named after Sultan Zainal Abidin include Sultan Zainal Abidin Islamic Secondary School in Ladang, Kuala Terengganu and Sultan Zainal Abidin Upper Islamic Secondary School in Batu Burok, Kuala Terengganu.

Due to the above factors, UDM was renamed Universiti Sultan Zainal Abidin in 2010, using the acronym of UniSZA. The present UniSZA looks to soar high in the academic world to continue the legacy of KUSZA, with the motto of "Knowledge for the Benefit of Humanity".

Currently UniSZA has 10 faculties that offer diplomas, bachelor degrees, Master's degrees and doctorates. In addition, UniSZA has four centres of excellence that offer postgraduate programmes. The total number of students is 7,625 (undergraduates) and 730 (postgraduates). Among them, 205 are international students. The total number of staff is 729 (academic) and 1,000 (non-academic). Since the days of KUSZA, UniSZA has focussed on promoting tertiary education for Muslims and non-Muslims.

With respect to the application of *waqf* instruments and institutions in its operations, UniSZA has yet to pursue such initiatives. As such, UniSZA including all of its centres should explore the feasibility of *waqf* in its daily operations in order that it may one day operate based on *waqf* principles. Previous UniSZA contributions have focussed on education; however, with the implementation of *waqf* initiatives this can be extended to the state.

Waqf endowment is another way of contributing to the community by positively transforming the lives of the needy. *Waqf* is an established charitable endowment institution in Islam. The primary aims of *waqf* endowment are to cater for less privileged Muslims in society. It seeks to establish a charitable institution or endowment for the improvement of the welfare of the less privileged such as the poor, insolvent, needy, orphan, widows and victims of natural disasters, among others. Similarly, *waqf* was primarily meant for mosques, *madrrasah*, education, hospitals and social needs. A successful *waqf* endowment depends on the

effectiveness and efficiencies of managing and utilising *waqf*-donated property such as movable and immovable assets in the interest of the needy.

The causes of poverty differ from one nation and society to another, and financial constraints and difficulties cause poverty globally. Poverty has become a common global challenge for many households; it is not limited to any one community, society, state or nation. The cause of poverty could be a result of several challenges including, in recent times, the global financial melt-down. It could be positively argued that the public and private sectors of most nations have not been working towards alleviating poverty among the poor especially in the rural areas. In view of the high incidence of global poverty, there is urgent need for Islamic non-governmental organisations such as *waqf* to either supplement or complement the efforts of the aforementioned sectors. This could be argued on the basis of the track record of *waqf* institutions in Islamic history. It has been said that Malaysian Muslims have contributed more than 11,091.82 hectares of total *waqf* land but 99.8% of the land remains un-used and abandoned. Yet, there is need for cemented efforts from all quarters to help improve the lives of the less privileged across the nation and in Terengganu in particular through UniSZA's staff cash *waqf* monthly contribution.

The study applied qualitative and quantitative methods that included library and field work and data collection through the use of a questionnaire and interview. The respondents were UniSZA staff and

students. Materials and data from books, statutes, articles from refereed journals, gazettes, decided cases, seminar papers and proceedings, newspapers and relevant websites were consulted for the critical analysis of factors influencing UniSZA's staff cash *waqf* and its impact on social and economic development in Terengganu state.

The study examined how UniSZA's staff cash *waqf* can be utilised to develop Terengganu economically and socially for the interests of less privileged Muslims. Fifty sets of questionnaire were distributed between 13 and 30 April, 2015 to UniSZA teaching and non-teaching staff to discover their perceptions towards monthly contribution to a cash *waqf* fund. The population and sampling of this study were selected from different faculties and offices within UniSZA. The study focussed on students and teaching and non-teaching staff of the university.

The responses from the questionnaire were keyed into the Statistical Package for the Social Sciences (SPSS) for analysis. Mean, standard deviation and percentile were used for data analysis to identify the factors influencing UniSZA's staff cash *waqf* and its impact on social and economic development in Terengganu.

Factors Influencing UNISZA's Staff Cash *Waqf*

Financial Challenges/Constraint. The prime motivation for creating a UniSZA staff monthly cash *waqf* contribution would be the economic or financial challenges faced by the needy across the state. Some students

are in need of financial support throughout their diploma and degree programmes. We believed that UniSZA's staff monthly cash *waqf* contribution would reduce the financial burden of the beneficiaries within and outside the university. The *waqf* endowment should manage the donated cash *waqf* judiciously. If the donated and collected cash *waqf* is managed properly with transparency in its management and distribution, it will attract support from within and outside the state to donate to the *waqf* endowment due to its proper management and transparency (Amuda, 2013). Therefore, dynamic and competent people should be appointed to run the *waqf* endowment.

Appointment of Qualified Management.

The establishment of a UniSZA staff cash *waqf* endowment requires competent, qualified, pious, dynamic, industrious and knowledgeable scholars to manage the collection and distribution of the collected donations. The appointment should be strictly based on competency, merit and credibility. When qualified and competent management is in charge, it will educate teaching and non-teaching staff of the university and society on the values and importance of *waqf*. Subsequently, public awareness about UniSZA's staff cash *waqf* will attract donors to channel property to the *waqf* endowment. If UniSZA staff, the public and the wealthy are fully convinced of the capability of the *waqf* management team to manage their donations, they would be encouraged to donate more and even to invite others to join them in donating to the endowment.

If incompetent and non-dynamic persons are in charge or are managing the university cash *waqf* monthly contribution, the funds and property are likely to be mismanaged, resulting in the closure of the institution and the tarnishing of the university's image and the sanctity of the *waqf* endowment. Therefore, persons knowledgeable in *waqf* and *waqf*-related issues must participate in the management and administration of the *waqf* endowment. There must be annual audits and overall transparency to ensure the smooth running and proper management of the endowment, so that the reputation and integrity of the university and the *waqf* fund are upheld. The management and the university must put in a concerted effort to preserve and protect the smooth running of the *waqf* endowment. To this end, there must be proper education and awareness created among all involved through seminars, workshops and academic discussions for better understanding of *waqf* and how it operates in serving the interests of the community (Aliyu, 2013; Amuda, 2013).

Readiness of UniSZA Staff. The readiness of UniSZA staff for a *waqf* endowment operated by UniSZA to which they could make donations can be examined from the perspective of the readiness of the *waqif* (donor) and the *mutawalli* (management), the efforts to develop *waqf* funds and property to generate more income and the rules and regulations of the contract. If UniSZA staff are prepared well for accepting the existence of such an endowment and they are committed and dedicated in their

attitude towards donating part of their monthly salary for *waqf* and if management is ready to work around the clock for the best interests of the *waqf*, then the aims and initial objectives of the establishment of *waqf* to reduce poverty will be achieved and many beneficiaries would be empowered. Financial support to the needy will enhance their income and provide adequate provision for their immediate family so that one day, they too can contribute to the *waqf* endowment (Amuda & Nor, 2013).

University Authority. Universiti Sultan Zainal Abidin and its top management would be strong pillars for the establishment of the university's cash *waqf* endowment. The university is in the position to facilitate the rules and regulations that will accelerate the establishment of the cash *waqf* endowment. The management of the endowment would be answerable to the university authorities in case of the violation of rules and regulations such as mismanagement, misconduct, embezzlement, bias and unjust distribution. The university authorities should make it compulsory for the management to open a *waqf* account in Islamic banks and all their lucrative transactions, business, and investments must be in line with Islamic principles. Similarly, the university should give financial support to *waqf* institutions where and when it is necessary for the smooth running and proper management of the institution (Amuda & Nor, 2013).

Culture and Society. Society may experience the positive impact of UniSZA

through its support for the economy and society that will be made possible through the proposed *waqf* endowment. *Waqf* endowment is not a new concept to the people of Terengganu. As an Islamic state, Terengganu applies *waqf*, especially with regards to immovable property, and Terengganu Muslims understand the concept and application of *waqf*. Nevertheless, the creation of a monthly contribution of cash *waqf* by UniSZA staff would be a new system as cash *waqf* would be a new application of *waqf* to many Muslims. In management of the monthly contribution, the university can learn from the experiences of the International Islamic University, Malaysia or Albukhary International University, Kedah, Malaysia or Al-Azhar University, Cairo, Egypt and some Western universities.

Islamic culture extends financial support to the needy regardless of tribe, gender, colour, status, nationality, race and faith. Donors also seek rewards from Allah Almighty in this life and the next. Voluntary donations (*sadaqat*) are part of Islamic culture and practice. Nevertheless, there is a need to promote monthly contribution among UniSZA staff. Greater public awareness could also be pursued given that it is permissible to foster greater public support for good causes (Aliyu, 2013).

Impact of *Waqf* Endowment on Social and Economic Development of Terengganu. Historically, the establishment of *waqf* endowment primarily addressed the community's needs such as water, education,

health, burial requirements, newly-wed couples, the aged and the disabled. This can be traced to the well of Rumah, the gardens of Bairuha, the garden of Khaibar, Dar al-Arqam, Masjid Nabawi, Masjid Quba and other endowed property made available for the people during the period of the Prophet (S.A.W) and the Islamic caliphate (Zeinoul, 2013). Analogically, the primary objective was to address the present needs of the community, keeping in mind that each community differs from the other. It is the duty of the *waqf* management team to study the needs of the community in order to extend the necessary support. In Terengganu, the state government is effectively taking care of its citizens by providing adequate provision to the people. Nevertheless, *waqf* intervention could help reduce the burden on the government. *Waqf* as a tool for community development and empowerment is a sustainable development measure in terms of growth, progress, human development, material quality, capacity, wealth creation, property construction and cognitive, spiritual, social and personal development. Community empowerment through *waqf* refers to the capability of community members to organise, mobilise, own, control, invest and empower themselves with the aid provided (Zeinoul, 2013). Therefore, the *waqf* management team should utilise the donated cash *waqf* to empower and develop the community in order to enable the beneficiaries to organise and mobilise themselves financially and resourcefully.

Financial Support for UniSZA's Less Privileged Students. One of the primary aims and objectives for the establishment of *waqf* endowment is to provide financial support for educating society. Generosity, goodwill, sharing, caring and financial support to others are encouraged in Islam. In the context of less privileged students, the UniSZA staff cash *waqf* would be a great boon. Receiving financial support would help these students to focus more intensely on their studies (Amuda & Nor, 2013).

Financial Support for the Aged in Terengganu. The endowment would also benefit Terengganu's ageing citizens and homeless. The financial support can be in any form as decided by the management team: cash, food, shelter, clothing, education, health and others.

Waqf-Based Islamic Financial Instrument. The divine duties and responsibilities of an Islamic leader are to provide adequate provision for their citizens without any bias and unjust distribution. *Waqf* management plays a pivotal role in carrying out this duty. In order to have sufficient and surplus income to cater or provide for the less privileged, a *waqf* management team should engage in profitable business, transaction or investment in line with Islamic principles. The major forms of business contracts in Islamic finance consist of profit-sharing contracts such as *mudharabah*, *musharakah*, *murabahah*, *ijarah*, *bay as-salam*, *istisna'a*, *qard hasanah*, *bai bithaman ajil*, *bay as-sarf*, *ju'alah*. Contracts of deposit include

Al-wadiah, contract of *wakalah* (agency), contract of *hibah* and contract of *al-rahn* (security). The UniSZA staff cash *waqf* has to engage in the above-mentioned forms of Islamic business to generate more income and for human development and empowerment. If the business and transactions are properly managed, there will be sufficient income to assist the needy in the state. In order to achieve a profit, the management should employ skilful and qualified persons to manage the fund. Using its cash *waqf* as a micro-financial instrument, the university could support needy and skilful less-privileged citizens across the state. Creation of micro-finance will provide the less privileged with access to capital for small businesses through profit and loss sharing (PLS) instruments such as *mudarabah* and *musharakah*. *Mudarabah* financing can be used by the less privileged to start a business venture to support themselves. *Mudarabah* financing using the university's cash *waqf* fund will generally involve the contribution of capital by the *waqf* endowment acting as *rabbul mal* (owner) to the needy (*mudarib*) to set up and run a small business, with the intention of establishing financial security and independence. The profit will be shared on a pre-agreed ratio between the cash *waqf* management and the beneficiary (Yusuff, Azizan, & Oladapo, 2014).

METHODS

Analysis of Interview

The respondents were UniSZA administrators and lecturers with education levels that

varied from SPM to postgraduate degrees. Most of them stated that they understood the basic concept of *waqf* endowment and cash *waqf* but not completely. Only one respondent replied that he did not understand the concept of cash *waqf* and its application. The majority of the interviewees agreed on the establishment of a UniSZA staff cash *waqf*. Some believed that it would be better not to limit it to a monthly contribution but to include other options such as annual or quarterly contributions according to the means of individuals. Only one respondent disagreed with its establishment. In addition, all of them believed that such a contribution would be helpful for the economic and social development of Terengganu. Although the contribution might take a long time because the management would need to utilise and generate more income from the endowed cash, they stated that cash *waqf* can be used to help the needy in many ways, the main one being to reduce their financial constraints.

Some of the respondents highlighted that the extent of the effort depended on the efficiency of the management itself. The management, in their opinion, must comprise competent experts who can manage and generate more cash from the contributions. Some stated that the management must be responsible and trustworthy. They also agreed that the establishment of a UniSZA staff cash *waqf* may increase job opportunities. Although some of the respondents were unsure how UniSZA management can help with the creation of a *waqf* endowment, the majority

said the management could support the endowment morally and financially and by helping with planning. Some stated that the management should play an important role in the creation of the endowment by endorsing it.

Punishment for *waqf* management misconduct was supported by all the respondents because that would be a breach of trust, which is unlawful in both civil law and *Sharia* although types of punishment differ, from warnings and disciplinary action to legal action and imprisonment. One respondent even suggested forfeiture of the personal assets of the person who committed the misconduct to indemnify the damage incurred.

The involvement of the endowment fund in profitable and lucrative transactions in order to have sufficient income to support less-privileged applicants across the state was greatly welcomed. The type of transaction that UniSZA's cash *waqf* management should undertake in the view of the respondents varied. Some suggested investments or commercial businesses, small businesses or businesses related to tourism. Most of them agreed that *waqf* commercial transportation, *waqf* farming and *waqf* poultry businesses were good ideas. Some said *waqf* farming and poultry may not be able to be executed on a large scale as they are costly. Some agreed to involvement in those businesses because they can generate more profit and jobs and the produce can be sold to generate additional funds for the needy.

RESULTS

Analysis of Factors Influencing UniSZA's Staff Cash *Waqf*

Table 1
Critical analysis of factors influencing UniSZA's staff cash *waqf*

Items	Strongly Agreed	Agreed	Disagreed	None
Financial constraints in Terengganu call for creation of UniSZA cash <i>waqf</i> endowment.	(n=9) 18%	(n=33) 66%	(n=3) 6%	(n=5) 10%
Creation of UniSZA cash <i>waqf</i> endowment will help Muslims and non-Muslims within the state.	(n=10) 20%	(n=36) 72%	(n=3) 6%	(n=1) 2%
Competent and qualified people should be appointed as UniSZA <i>waqf</i> management.	(n=19) 38%	(n=27) 54%	(n=2) 4%	(n=2) 4%
UniSZA's staff cash <i>waqf</i> should be controlled by the university authorities.	(n=8) 16%	(n=20) 40%	(n=18) 36%	(n=4) 8%
UniSZA's staff cash <i>waqf</i> should not be controlled by the university authorities	(n=8) 16%	(n=19) 38%	(n=20) 40%	(n=3) 6%
UniSZA's staff cash <i>waqf</i> should be under the religious affairs department of the university.	(n=12) 24%	(n=28) 56%	(n=7) 14%	(n=3) 6%
<i>Waqf</i> needs university intervention for security purposes.	(n=8) 16%	(n=34) 68%	(n=7) 14%	(n=1) 2%
UniSZA's staff cash <i>waqf</i> rules and regulations should be drafted by Sharia experts and endorsed by the University authorities.	(n=22) 44%	(n=27) 54%	(n=1) 2%	(n=0) 0%
Appointment of <i>waqf</i> management should be based on merit.	(n=10) 20%	(n=26) 52%	(n=11) 22%	(n=3) 6%
Financial constraint rate among Muslims in Terengganu needs creation of a UniSZA staff cash <i>waqf</i> .	(n=10) 20%	(n=33) 66%	(n=4) 8%	(n=3) 6%
<i>Waqf</i> management must protect <i>waqf</i> reputation.	(n=16) 32%	(n=32) 64%	(n=2) 4%	(n=0) 0%
<i>Waqf</i> financial aid should be distributed judiciously.	(n=18) 36%	(n=31) 62%	(n=1) 2%	(n=0) 0%
Bias must be avoided during UniSZA staff cash <i>waqf</i> distribution to the less privileged.	(n=18) 36%	(n=28) 56%	(n=4) 8%	(n=0) 0%
Non-Muslim applicants should be considered for financial support.	(n=6) 12%	(n=37) 74%	(n=7) 14%	(n=0) 0%

Table 1 (continue)

UniSZA <i>waqf</i> management should engage in profitable transactions to increase <i>waqf</i> income.	(n=12) 24%	(n=30) 60%	(n=5) 10%	(n=3) 6%
UniSZA <i>waqf</i> management should engage in lawful transactions.	(n=25) 50%	(n=21) 42%	(n=2) 4%	(n=2) 4%
Many Muslim women can be empowered through UniSZA's cash <i>waqf</i> .	(n=13) 26%	(n=32) 64%	(n=4) 8%	(n=1) 2%
<i>Waqf</i> management is capable of generating more income from donated cash <i>waqf</i> .	(n=18) 36%	(n=22) 44%	(n=7) 14%	(n=3) 6%
It will encourage donors to be involved in devotional acts.	(n=11) 22%	(n=35) 70%	(n=3) 6%	(n=1) 2%
It will improve the standard of living of needy citizens in society.	(n=17) 34%	(n=30) 60%	(n=2) 4%	(n=1) 2%
UniSZA cash <i>waqf</i> contribution to society will enhance the university's reputation across the nation.	(n=14) 28%	(n=34) 68%	(n=1) 2%	(n=1) 2%
<i>Waqf</i> can be involved in <i>Mudarabah</i> transactions in order to have sufficient capital to assist the needy in Terengganu.	(n=15) 30%	(n=31) 62%	(n=3) 6%	(n=1) 2%
UniSZA cash <i>waqf</i> management can be involved in farming as a contribution to society at large.	(n=7) 14%	(n=36) 72%	(n=5) 10%	(n=2) 4%
Business centres can be established by UniSZA <i>waqf</i> management for various transactions.	(n=9) 18%	(n=35) 70%	(n=6) 12%	(n=0) 0%
Many farmers can be employed for <i>waqf</i> farming.	(n=9) 18%	(n=36) 72%	(n=3) 6%	(n=2) 4%
The <i>waqf</i> endowment fund can engage in commercial transportation business where some eligible Muslims can be employed as drivers.	(n=8) 16%	(n=36) 72%	(n=5) 10%	(n=1) 2%
Interest-free loans can be created from UniSZA's cash <i>waqf</i> to support needy Muslims and non-Muslims.	(n=15) 30%	(n=33) 66%	(n=1) 2%	(n=1) 2%
It can be used to assist UniSZA staff who are needy.	(n=17) 34%	(n=30) 60%	(n=2) 4%	(n=1) 2%
UniSZA's cash <i>waqf</i> can be used to reduce the financial constraints of students.	(n=22) 44%	(n=24) 48%	(n=1) 2%	(n=3) 6%
UniSZA's cash <i>waqf</i> can be channelled to orphanage centres across the state.	(n=18) 36%	(n=29) 58%	(n=1) 2%	(n=2) 4%
UniSZA's cash <i>waqf</i> can attract non-UniSZA donors.	(n=11) 22%	(n=37) 74%	(n=0) 0%	(n=2) 4%
Financial support can be extended to ageing indigenes.	(n=11) 22%	(n=34) 68%	(n=1) 2%	(n=4) 8%

Table 1 (continue)

Micro-finance can be introduced from UniSZA's cash <i>waqf</i> to support needy skilful indigenes.	(n=10) 20%	(n=35) 70%	(n=3) 6%	(n=2) 4%
<i>Al-Rahn</i> should be created from a UniSZA cash <i>waqf</i> contribution as a financial instrument for needy indigenes across the state.	(n=10) 20%	(n=36) 72%	(n=1) 2%	(n=3) 6%
UniSZA cash <i>waqf</i> can be used to support natural disaster victims.	(n=20) 40%	(n=24) 48%	(n=3) 6%	(n=3) 6%

The data contained in Table 1 reveals that an overwhelming 66% (n=33) of respondents agreed that financial constraints in Terengganu call for creation of a UniSZA cash *waqf* endowment, with 18% (n=9) strongly agreed and 6% (n=3) disagreed, while 10% (n=5) ticked 'none'. About 72% (n=36) strongly agreed that creation of a UniSZA cash *waqf* endowment would help Muslims and non-Muslims residing in the state and 20% (n=10) agreed. On the other hand, 6% (n=3) disagreed with the creation of a UniSZA cash *waqf* endowment, while 2% (n=1) ticked 'none'. A majority of 54% (n=26) of the participants agreed that competent and qualified people should be appointed as UniSZA *waqf* management, while 38% (n=19) strongly agreed. A total percentage of 4% (n=2) disagreed and another 4% (n=2) of the respondents answered 'none' respectfully. In addition, 40% (n=20) agreed that a UniSZA staff cash *waqf* should be controlled by the university authorities, with 16% (n=8) strongly agreed and 36% (n=18) disagreed, while 8% (n=4) ticked 'none'. However, 38% (n=19) agreed that UniSZA's staff cash *waqf* should not be controlled by the university authorities and

16% (n=8) strongly agreed it should not be controlled by the university, while 40% of (n=20) disagreed and 6% (n=3) ticked 'none'. Similarly, 56% (n=28) agreed that UniSZA's staff cash *waqf* should be placed under the religious affairs department of the university, while 24% (n=12) strongly agreed, 14% (n=7) disagreed and 6% (n=3) ticked 'none'. On the question of security, the majority 68% (n=34) agreed that *waqf* needs university intervention, 16% (n=8) strongly agreed, 14% (n=7) disagreed and 2% (n=1) ticked 'none'. Concerning the rules and regulations, a majority of 54% (n=26) agreed that rules and regulations should be drafted by Sharikh experts, 44% (n=22) strongly agreed, 2% (n=1) disagreed and 0% of (n=0) ticked 'none'. Regarding to the appointment of the university *waqf* management, a majority of 52% (n=26) agreed that the appointment should be based on merit, 20% (n=10) strongly agreed, 22% (n=11) disagreed and 6% (n=3) ticked 'none'. On the primary cause of creation of a university cash *waqf*, a majority of 66% (n=33) agreed that financial constraints among Muslims in the state called for the creation of the university cash *waqf*, 20%

(n=10) strongly agreed, 8% (n=4) disagreed and 6% (n=3) ticked 'none'.

On the issue of university *waqf* management, a total of 64% respondents (n=32) agreed that management must protect *waqf*'s reputation, 32% (n=16) strongly agreed and 4% (n=2) disagreed respectfully. On distribution of financial support to the needy, a majority of 62% (n=31) agreed that financial aid should be distributed judiciously, 36% (n=18) agreed, while 2% (n=1) disagreed. Similarly, a majority of 56% (n=23) agreed that management should desist from bias during the distribution of university endowed cash *waqf*, 36% (n=33) strongly agreed and 8% (n=4) disagreed. A majority of 74% (n=37) agreed that non-Muslims should be considered for financial support, 12% (n=6) strongly agreed and 14% (n=7) disagreed respectfully. A majority of 60% (n=30) agreed that university *waqf* management should engage in profitable transactions, 24% (n=12) strongly agreed with *waqf* management involvement in lucrative businesses while 10% (n=5) disagreed and 6% (n=3) ticked 'none'. A majority of 50% (n=25) strongly agreed that *waqf* management should engage in lawful business, 42% (n=21) agreed, 4% (n=2) disagreed and 4% (n=2) ticked 'none'.

Concerning the empowerment of needy women, 64% (n=32) agreed that women can be empowered through UniSZA's cash *waqf*, 26% (n=13) strongly agreed, 8% (n=4) disagreed and 2% (n=1) ticked 'none'. In order to have sufficient income to cater for the needy across the state, a majority of 44% (n=22) agreed that *waqf* management be

used to generate more income from donated cash *waqf*, with 36% (n=18) strongly agreeing and 14% (n=7) disagreeing, while 6% (n=3) ticked 'none'. A majority of 70% (n=35) agreed that proper and efficient management of endowed cash *waqf* would encourage more donors to get involved in devotional acts, 22% (n=11) strongly agreed and 6% (n=3) disagreed while 2% (n=1) ticked 'none'. A majority of 60% (n=30) agreed that UniSZA's cash *waqf* would improve the standard of living of needy citizens in society, 34% (n=17) strongly agreed, 4% (n=2) disagreed and 2% (n=1) ticked 'none'. A majority of 68% (n=34) agreed that *waqf* monthly contributions to society will enhance university reputation across the nation, 28% (n=14) strongly agreed, 6% (n=3) disagreed and 2% (n=1) ticked 'none'.

On *waqf* management in business and investment, 62% (n=31) agreed that university *waqf* management can be involved in *Mudarabah* transactions in order to have sufficient capital to assist the needy in Terengganu, 30% (n=15) strongly agreed and 6% (n=3) disagreed, while 2% (n=1) ticked 'none'. In order to generate more income to cater for needy applicants, a majority of 72% (n=36) agreed that *waqf* management can be involved in farming as a contribution to society at large, 14% (n=7) strongly agreed, 10% (n=5) disagreed and 2% (n=1) ticked 'none'. Similarly, a majority of 70% (n=35) agreed that business centres could be established by UniSZA *waqf* management for various transactions, 18% (n=9) strongly agreed and 12% (n=6)

disagreed. In addition, 72% (n=36) agreed that many farmers can be employed on their fertile land for *waqf* farming, 18% (n=9) strongly agreed and 6% (n=3) disagreed, while 4% (n=2) ticked 'none'. Concerning commercialisation of endowed cash *waqf*, 72% (n=36) strongly agreed that *waqf* institution could engage in commercial transportation business where some eligible Muslims can be employed as drivers, 16% (n=8) strongly agreed, 10% (n=5) disagreed and 2% (n=1) ticked 'none'. In the interest of the needy across the state, a majority of 66% (n=33) agreed that free interest loans could be created from the UniSZA cash *waqf* to support needy Muslims and non-Muslims, 30% (n=15) strongly agreed, 2% (n=1) disagreed and 2% (n=1) ticked 'none'. On the other hand, a majority of 60% (n=30) agreed that cash *waqf* can be used to assist UniSZA staff, 34% (n=17) strongly agreed, 4% (n=2) disagreed and 2% (n=1) ticked 'none'. Regarding needy students, 48% (n=24) agreed that endowed cash *waqf* can be used to reduce students financial constraints, 44% (n=22) strongly agreed, 2% (n=1) disagreed and 6% (n=3) ticked 'none'.

On the issue of orphanages, a majority of 58% (n=29) agreed that the UniSZA cash *waqf* could be channelled to orphanages across the state, 36% (n=18) strongly agreed, 2% (n=1) disagreed and 4% (n=2) ticked 'none'. The table also indicates that a majority of 74% of (n=37) agreed that the UniSZA cash *waqf* could attract non-UniSZA donors, 22% (n=11) strongly agreed and 4% (n=2) ticked 'none'. A total

of 68% (n=34) agreed that financial support could be extended to ageing indigenes, 22% (n=11) strongly agreed, 2% (n=1) disagreed and 8% (n=4) ticked 'none'.

On micro-financing, a majority of 70% (n=35) agreed that micro-financing can be introduced from UniSZA's cash *waqf* to support needy skilful indigenes, 20% (n=10) strongly agreed, 6% (n=3) disagreed and 4% (n=2) ticked 'none'. Similarly, 72% (n=36) agreed that *al-Rahn* should be created from UniSZA cash *waqf* contribution as a financial instrument for needy indigenes across the state, 20% (n=10) strongly agreed, 2% (n=1) disagreed and 6% (n=3) ticked 'none'. Finally, a total of 48% (n=24) strongly agreed that the UniSZA cash *waqf* could be used to support natural disaster victims, 40% (n=20) disagreed, 6% (n=3) disagreed and 6% (n=3) ticked 'none'.

Analysis of the Impact to Social and Economic Development of Terengganu State

According to the responses to the interview on the factors influencing UniSZA's staff cash *waqf* and its impact on the social and economic development of Terengganu, there is need for the establishment of a cash *waqf*. Some of the respondents argued that the contribution should not be limited to monthly payments but that it could be collected weekly, quarterly and annually for people to contribute according to their means. They unanimously agreed that UniSZA's cash *waqf* was able to contribute to the state economically and socially. Only one respondent disagreed

with the establishment of the cash *waqf*. The respondents argued that management should be dynamic, competent, qualified and able to manage the donated cash *waqf* properly and generate income in order to have sufficient funds to cater for the needy. Transparency and accountability will help the smooth running of the endowment and will achieve the primary aims and objectives of a *waqf* endowment. It is also inferred from the participants' responses that the management of the cash *waqf* should engage in lucrative and profitable businesses and transactions. They argued that the cash *waqf* is capable of reducing unemployment among the needy and supporting ageing citizens and victims of natural disasters.

Suggestions

From this study, we suggest that UniSZA should do everything possible to endorse the establishment of its cash *waqf*. University teaching and non-teaching staff should be well informed about and made aware of the importance of their contribution to the fund. Dynamic and qualified people should be appointed to manage the fund in order to generate sufficient income to support the community. In order to have more income, philanthropists across the nation should contribute to the cash *waqf* endowment. Therefore, the management should attract others to contribute to the endowment as well. The management should prioritise their programme and distribution of collected cash *waqf* should match the needs of the beneficiaries.

CONCLUSION

It can be concluded that UniSZA's staff cash *waqf* is able to benefit many people within the state and beyond provided that the collected cash *waqf* is well managed and commercialised. In addition, it can be utilised to support needy students, empower the less privileged and contribute to human development. The collected donations can be used to assist less-privileged applicants in securing working capital to run their business and conduct their transactions successfully and financial aid can be in the form of interest-free loans. Since the primary objective for collection and donation of cash *waqf* is to relieve the financial difficulties of the less-privileged in Terengganu, the collected cash *waqf* should be channelled to them to reduce their financial constraints. The management of UniSZA's staff cash *waqf* will help by financing needy applicants to run their business by allocating running capital. The recipients should also respect any related agreements and manage the money judiciously for the benefit of the endowment.

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