

A STUDY ON SOURCES OF WAQF FUNDS FOR HIGHER EDUCATION IN SELECTED COUNTRIES

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ABSTRACT

The waqf concept has nowadays been utilized to meet various purposes including housing, poverty alleviation, financing and also for education. In general, the ultimate aim of the waqf concept is to bring benefit to the society. This study aims at reviewing literatures on the sources of waqf funds for higher education in selected countries such as Malaysia, Indonesia, Turkey and United Kingdom. Adopting the content analysis methodology, it is found that there are significant numbers of waqf and endowment-based universities that have implemented the waqf principle in their education system. Nonetheless, they have their own unique mechanism. This study also observed that waqf fund has successfully upgraded the education system in these countries and provides opportunity for the poor and needy. Hence, it is suggested that the waqf board of higher education institutions further promote the utilization of waqf as it brings fairness and benefits to society.

Keywords: Waqf Funds, Higher Education Institutions, Malaysia, Indonesia, Turkey, UK

SEÇİLMİŞ BAZI ÜLKELERDEKİ YÜKSEKÖĞRETİM VAKIF FONLARININ KAYNAKLARI ÜZERİNE BİR ÇALIŞMA

ÖZ

Vakıf kavramı günümüzde ev sahibi olma, yoksulluğu azaltma, finansman ve ayrıca eğitim gibi çeşitli amaçları karşılamak için kullanılmaktadır. Bu çalışma, Malezya, Endonezya, Türkiye ve İngiltere'deki yükseköğretim vakıf fonlarının kaynaklarına dair literatürü taramak amacıyla yapılmıştır. İçerik analizi metodolojisi kullanılarak, eğitim sistemlerinde vakıf prensibini uygulayan çeşitli vakıf ve bağışa dayalı üniversiteler olduğu bulunmuştur. Bununla birlikte, her birinin kendilerine has mekanizmaları bulunmaktadır. Çalışma ayrıca vakıf fonlarının bu ülkelerdeki eğitim sisteminin başarılı bir şekilde bir üst seviyeye çıkardığını ve fakir, ihtiyaç sahibi kişiler için fırsat sağladığını bulmuştur. Dolayısıyla yükseköğretim enstitülerinin vakıf yönetimlerinin vakıfları daha fazla kullanma doğrultusunda teşvik sağlamalarını tavsiye ediyoruz. Çünkü bu sayede toplum için adalet ve fayda sağlanmaktadır.

Anahtar Kavramlar: Vakıf fonları, Yükseköğretim kurumları, Malezya, Endonezya, Türkiye, İngiltere.

Previously, waqf is utilized only for religious purposes such as for building mosques, orphanages and also for burial matters. The roles of waqf become obvious recently and extended to other social purposes like to support education system, relief of poverty, take care of animals, agriculture, horticulture, and water resources (Mahamood & Ab Rahman, 2015). The role of waqf to finance the education system begins few decades ago both in the Muslim and non-Muslim countries. Even though different terms were used by these countries, they share similar purpose with waqf which is contributing and collecting fund for good purposes to help the needy and at the same time aims to boost the standard living of the society.

Accordingly, waqf system has been proven to become a prominent key to boost the economics of a country (Harun, Possumah, Mohd Shafiai, & Nor, 2016). In this context, through education system, waqf has prepared a platform for the needy to extend their interest in education and become educated in future. It is proven that a country owning a good education level will have a good economic growth, better life and become developed country. It is considered as an investment which can affect the economy, improve standards of living and life of the society. Hence, the government or the authority needs to ensure that their education system is on the right track and serve all level of the society. Due to its importance, current study is conducted to investigate sources of funding for higher education mainly related to charity-based (waqf) funding among the selected countries; Malaysia, Indonesia, Turkey and United Kingdom. As these countries have implemented the waqf-based education system few decades ago and has shown a successful achievement, they should become a role model to other countries to improve their education system. It has not only enhanced the education system, but has reduced the dependency on the government funding.

Problem Statement

The need to adopt the system that is charitable in nature is realised when the education system has been pressured by the unstable economic condition. Based on a report by UNESCO (2009) which surveys 51 countries, the impact of the economic crisis towards the education system are in terms of cost sharing (tuition and other fees), cost-recovery (different types of student loans) and financial diversification (income-generation and fund-raising). It has made the institutions to be independent without relying on the

budget from government. This basically indicates a positive implication to the government and the country. However, on the negative side, higher institutions have approximately increased education fee in order to fill the gap of their education budget. In Malaysia, the higher education allocation in 2016 budget was reduced by 15.24 per cent compared to 2015 (Palansamy and Sipalan, 2015)

Accordingly, the increases of education fee across the globe have affected the low and middle income class to continue their education at higher level. Hence, this also affected those who do not receive any scholarship and have to be self-dependent. The financial burden will eventually be passed to their family who already suffered from the economic downturn (increases of inflation rate, price, and living costs). In Malaysia, findings from research have indicated that the government is unable to provide financial support to the citizen in terms of education activities (Mahamood & Ab Rahman, 2014). Even though scholarship is limited, the government already provides student loan (PTPTN)¹ for the society. However, due to higher costs of education, the students are still suffering financially.

If the higher education institutions do not tackle this issue appropriately, it will affect their financial position. Substantial amount of fund are needed by the government to finance its operation and hence an alternative means of financing is needed. One of the prominent sources of funding that has been practiced previously is endowment system. In Islam, it is called as waqf system. This system has been implemented few decades ago both by the Muslim and non-Muslim countries. In order to serve the education system through waqf principle, this study explores the practices of waqf fund collection adopted by selected countries including Malaysia, Indonesia, Turkey, and United Kingdom. In terms of contribution, this study provides recommendations on the effective methods of collection of waqf fund to enhance the education system. It is structured based on the following. After introduction and problem statement, the next section is literature review. This is followed by methodology and findings. It ends with discussions and recommendations.

1 PTPTN stands for *Perbadanan Tabung Pendidikan Tinggi Nasional* (The National Higher Education Fund Corporation) which functionate to manage and provide education scheme in Malaysia, organizing funds to education aims and collecting repayment for financing.

Literature Review

Waqf and its Objectives

Literally, waqf (plural awqaf) comes from an Arabic word waqafa, which means “detention”, “to prevent” or “to restrain” (Mahamood&Ab Rahman, 2015). Technically, it can be defined as holding the money for the social purposes where it is performed to empower poor people to build better society as well as promoting the philanthropy activity (Ihsan & Ibrahim, 2011). Section 2 of the Wakaf Enactment, 1999 (No. 7 of 1999) defines waqf as:

‘.....the dedication of any property from which its usufructer benefit may be used for any charitable purpose whether as Wakaf am or Wakaf khas according to Hukum Syarak, but does not include a trust which is defined under (the) Trustee Act 1949’

Waqf is basically a unilateral contract whereby the people who endow money (waqif) do not have any intention to receive anything in return for whatever he/she gives waqf and it is for social purposes. Waqf property or waqf fund (mawquf) will be managed by trustee of waqf (mutawwali) and the trustee is responsible to distribute the waqf property based on the intention of the waqif. However, there are several limitations which make waqf property special compared to other funds. First, its irrevocability which means that the property or funds given as waqf cannot be revoked by the waqif. Secondly, waqf has to be perpetual that is ascertaining the sustainability of waqf property or funds. The latter is its inalienability in which the money generating from waqf activity cannot be claimed as personal wealth (Mohsin, 2013).

Waqf is a philanthropy activity which can be used in education sector that helps many people to improve their intellect. In addition, waqf has been practicing in education sector widely in the Muslim world where the establishment of school, remunerating the teacher, providing scholarships to students are funded by waqf funds (Akhunov, 2015). The main reason why education is the right sector financed by waqf is that firstly, education will foster people to have a good capability in conducting daily activity. This condition is also aligned to the value which Islam emphasizes people to have a good education to perform all religious and spiritual activities with the knowledge had by them. Thus, the quality of the activity as well as the effect of it will be significant to themselves and the society.

Previous Studies Conducted on Waqf for Education

Waqf funds becomes an alternative source of funds to finance educational activities in higher education. This notion is actually already practiced in numerous countries such as Malaysia, Indonesia, Egypt and United Kingdom.

Waqf for Education in Malaysia

There has been several studies which concern about waqf for education like Saifudin et al (2014) who portrays that waqf can be used as the source of fund to finance educational activity in Malaysia. Waqf in Malaysia is mostly utilized for religious purposes where more than 81% of waqf wealth is for building mosque. However, there is still many waqf property or waqf land which are not registered yet (Harun et.al, 2016). In terms of regulation and collection method, every state in Malaysia has different rule and strategy to collect waqf from the Muslim society. In Selangor waqf is managed by State Islamic Religious Council of Selangor (MAIS) where cash waqf becomes one of the schemes used to acquire waqf funds to be used for social purposes for strengthening the Muslim society. Moreover, State Islamic Religious Council of Kedah (MAIK) has “Waqf Jemba” where the waqif will buy a small piece of land priced RM5 to RM30 to be used for specific purposes. Furthermore, Federal Islamic Religious Council of Kuala Lumpur also manages waqf funds where the funds are mainly utilized for building mosque, education centre, orphanage and so on. Eventually, waqf fund can be used to finance some education activities in higher education which will affect Muslim society significantly for the better ummah (Harun et al., 2016)

Narrowing to the waqf application in the university level, some existing universities in Malaysia comprising International Islamic University of Malaysia (IIUM), University Kebangsaan Malaysia (UKM), University Putra Malaysia (UPM) and University Sains Islam Malaysia (USIM) have waqf institutions which is structurely under zakat unit, cancelor or similar department in the university. Waqf funds aim to help needy student to finance their educational cost. The sources of waqf funds from USIM and IIUM are derived from foreign country and Malaysian society. UPM derived its source solely from Malaysian society whereas UKM is from the community inside UKM. IIUM succeeded in acquiring waqf amounting to RM7 million in 2010.

From the waqf funds, IIUM build commercial building inside the university to be rented to the tenant. This generates income of RM 500,000 per

year. On the other hand, UPM yields profit from waqf amounting to RM 200,000 from placement on Mudharabah investment account in the Islamic banks. Eventually, the fund generating from waqf investment is utilized to help needy students for their daily educational activity (Ahmad, Muhammad, & Kamaruzzaman, 2012). In detail, IIUM collected waqf fund from Malaysian government reaching RM 3.5 million in 1999. Besides, personal endowment from Malaysian government, IIUM also gets waqf from Malaysian tycoon and several foundation from foreign country (Sulaiman, Adnan, & Nor, 2009). Every year, IIUM succeeds to help 4,000 students to have scholarship funded from waqf funds. Moreover, UKM also manage its waqf funds to finance some research project, giving scholarship, and religion purposes like providing Al Qur'an to be placed at the mosque in each faculties. Then, to ease the waqf collection in UKM, the university conducts a program known as "Dana Waqf and Infaq UKM". Furthermore in University College Bestari (UCB), waqf is collected by selling the university's land as waqf to the society up to 320 acre where it is priced RM30 for each 0.2 . Then, from that program, UCB is able to generate waqf amounting RM 6 million and yield RM 500,000 – 600,000 regularly per month which is utilized to help needy students and educational activity. In University Technology Malaysia (UTM), it introduced "Tabung Endowment UTM" program where that program received endowment fund from the UTM's employees. In 2013, UTM earned RM 53 million from this program where it used to finance 260 students in need and educational operation. Furthermore, UTM has a plan to provide financial assistance to undergraduate students for payment of tuition fees in the university. The latter, University Malaysia Sabah (UMS) also introduces "Tabung Amanah Biasiswa" which will pool fund from the society to help scholarships for the student in need (Che Yaacob & Muhamad Don, 2013; Ghazali & Md. Sawari, 2014).

Furthermore, an idea to manage waqf for education purposes also emerges amongst the society to make waqf more beneficial to the ummah by utilizing several institution such as an Islamic bank. Based on the survey conducted in 2014 (Aziz, Yusof, Johari, Ramli, & Sabri, 2014), it is evidenced that the students in Malaysia need Islamic waqf bank to finance their education cost. This can be an alternative to financing provided by means of conventional loan which is non-Shariah compliance. Moreover, financing provided by Islamic waqf bank is strongly needed if the government cannot subsidize for higher education in Malaysia due to financial crisis.

Waqf for Education in Indonesia

In Indonesia, waqf funds are able to fully finance the higher education institutions such as in Pondok Modern Gontor Darussalam (PMGD) and Islamic University of Indonesia (UII). PMGD is developing more than 20 branches with 21,892 students. Subsequently, alumni of PMGD have widespread around the world where by the PMGD's family association 80 branches and 179 have. The Islamic boarding school established by the alumni. Gontor generates waqf from the society where it is managed by the community aiming to have better civilization for the ummah. PMGD has sustainability management whereby the student graduated from this school will teach in PMGD as well as a cadre to empower the ummah. Moreover, at least the student has to contribute to the society after graduation. Not only in the PMGD but also in the grass root society as an Islamic teacher, social activist and so on. Inside this institution, it has department of waqf enlargement and economic enterprise. These two departments will support the school financially and keep it stable. The uniqueness in this school is that the Kyai (senior Islamic scholar in PMGD) will be the guardian who will guide and manage the school. Kyai becomes figure for the society whom every actions will be a role model for the society (Imam Bahroni, 2012).

In the another business activity, PDMG has 31 kinds of SME (Small Medium Enterprise) which consist of material shop for the construction, restaurant, pharmacy shop, stationary shop and mineral factory. This business mainly uses mudharabah contract at which certain part earning business activity will be employed for education purposes such as providing facilities and supporting its educational operation. Then, another part of earning will be used to develop business activity itself (Hilmiyah, Mohd Shafiai, Ahmad, Ramzi, & Che Hariff, 2013). Interestingly, the PDMG's business performed by the teachers envisions to finance PDMG independently and do not depend on the fee paid by the students. Besides PMGD, UII also has many methods to generate money from waqf. Firstly, waqf board of UII will send proposal directly to the eligible waqf candidate to endow his money as waqf in UII. Secondly, UII advertises in the public media to invite the society to contribute in waqf funds where the waqf board has an agreement to the well-known media to promote waqf freely. Thirdly, UII will collect waqf funds from corporate social responsibility organizations. Fourthly, waqf board in UII optimizes the alumni's network who has a good position in certain company, government and business (Huda, 2009). The latter

is that waqf board of UII builds a company to generate money from waqf funds such as hotel, gasoline station, hospital and etc. In terms of waqf asset in 2009, UII has 11.669 m2 waqf land which is worth IDR 7,056 milion.

Waqf for Education in Turkey

Besides Indonesia and Malaysia, Turkey also has experience in managing waqf in higher education. Turkey's state university is mainly funded by the government budget where the private universities mainly finance the educational operation from their own sources. There are 195 Universities in Turkey in 2016. There are no private universities, however, 75 of them are waqf and the rests are the governmental (state-public) higher education institutions. Subsequently, the endowment fund also finances public universities which source from waqf where the businessman contribute to the fund. For example is Abant Izzet Baysal university which is funded by the generous philanthropist namely Izzet Baysal to operate its educational activity. Even though Abant Izzet Baysal university is state university, the infrastucture, system technology in the university and several equipment investments are financed from waqf funds and a part of goverment budget amounting TL262 million. In order to maintain the sustainability of waqf funds, the university also operates several businesses to support educational activity such as renting of car park and conducting community services in the university. Indeed, the money generating from business activity will be utilized to provide scholarship to the student, financing for research done by the lecturer, managing the security system and preparing the property requirement to the university.

In establishing the university, there are several requirement from the government where whosoever wants to build university, it must be a non profit organization. This regulation is enacted to avoid higher education to become business for the Turkish tycoon. Moreover, because it is for social purposes, the government also regulates what certain people or institution desires to form university, the source of funds has to be sufficient and agreement with state university must exist as the back up of private university. Thus, while the university cannot manages and funds itself, the state university which is mainly funded by the government is able to assist it. One of the success example is Koc Univesity at which is financed by Koc Foundation. The university established in 1993 becomes one of the most developed

foundation universities in Turkey. In order to manage conflict of interest between the foundation and the university, certain board of foundation in the university is formed. The property or money endowed to the university will be given to the board who can also manage the funds directly as trustee. Furthermore in the university operation, there are some source of funds which will be arranged by the board which consist contribution from the foundation, student fees and government aid (Hussin, Rashid, & Yaakub, 2016).

Ilim Yayma Foundation is very famous Waqf in Turkey. It serves to the education sector for along time. This foundation established Istanbul Sabahattin Zaim University in 2010. This institution is one of the success examples of the Waqf Universities in Turkey.

Endowment-based Education in United Kingdom

In United Kingdom, the concept of waqf is observed via the endowment system registered under the English law and complies with Charities Act 2011. The system is also controlled by the Charities Commission in terms of creation and framework (Akhtar, 2012). In this context, it should be parallel with a charitable trust that is subject to the jurisdiction of the High Court of England and Wales, for the sake of public welfare where there is a body of trustees who were legally responsible for the usage of the funds.

Among the universities that were established under this concept are the universities of Oxford and Cambridge in the United Kingdom (UK) and the universities of Harvard and Yale in the United States of America (USA). In the U.K, these organizations can assume a legal personality by way of formal registration before the Charity Commission in the country of origin and this can happen in the U.K. An organization is not a charity in English law if it has any non-charitable purpose or beneficiaries, and a family waqf could not be a charity.

The success of these universities to produce good and renowned scholars via the endowment system have convinced their government to further strengthen this system in promoting higher education in future without depending to any single source of fund (Mahamood& Ab Rahman, 2015). Other example is including Oxbridge college (Oxford and Cambridge) in the UK where it is built as Endowment Corporation. Based on literatures, this college was managed and maintained by its beneficiaries where they also

become trustees for the endowment properties. The roles of the trustees are including conducting religious sessions and make effort to fulfill the objective of the charity.

In the UK, sources of funding for the endowment-based universities basically started by an individual clergyman. For example, Walter de Merton who is an English clergyman active in religious activities has founded Merton College of Oxford. He has entrusted certain properties to the university to assist the students and set up a trust for charitable purposes. In this regards, similar with Peter House College in Cambridge that imitated the Oxford practice, this practice has similarity with the Waqf practice by the Muslim which its aim is for social benefits.

Methodology

To achieve the objectives of this study, content analysis is adopted to review the literatures on sources of waqf fund for education obtained from secondary information such as articles from published journals, books and manuscripts.

Findings

Based on the literature, it is found that there are various sources of waqf funds that have been channelled to the higher education in the countries under study. These sources of waqf funds can be grouped as follow :

Cash Waqf

Waqf funds are one of the popular schemes utilized in some countries to collect waqf from the society. This particular scheme mainly used in Malaysia where it is firstly applied in University Kebangsaan Malaysia (UKM). In addition, UKM uses sophisticated technology to operate this scheme like providing cash waqf scheme in the website, electronic banking system where the cash waqf can be given directly with debit mechanism and provide the transparency at which the donor and the amount of money given can be known by publics. All facilities provided make the waqf comfortable to donate the money as cash waqf funds. Moreover, tax exemption is also rendered for the waqif after donating their money as well (Hussin et al., 2016). The method of collecting cash waqf is also followed by University

Putra Malaysia (UPM) which encourages the people to contribute in cash waqf collection in Dana Waqf Ilmu (DWI) for educational purposes such as research, student development, providing educational facilities and so on. The people involved in this scheme actually come from several backgrounds like corporate sectors, non-government organization, individual donor and so on (Asuhaimi, Shafii, & Alias, 2013). Eventually, this program is reported successful by collecting waqf amounting MYR 300,000. Moreover, the several universities in Malaysia also follow to collect waqf funds from the society based on cash waqf such as University College Bestari, University Technology Malaysia, IIUM and etc.

The higher education in Turkey is also sponsored by cash waqf. However, it is different from Malaysia where university in Turkey is mainly financed by one foundation which is owned by one person. For example is Abant Izzet Baysal university that is backed by the famous philanthropic namely Izzet Baysal. In this university, the donor finances several educational activities such as infrastructure, system technology and so on (Abant Izzet Baysal university, 2016). In addition, Koc University is a non-profit private university where it is backed by waqf funds from Vehbi Koc Foundation. The establishment of Koc University started in 1993 aims to build young generation to be future leaders (Koc University, 2016). Hence, even though the university in Turkey mainly acquires funds from cash waqf, several business activities are operated to generate additional cover for educational activities such as renting of car park and conducting community service (Hussin et al., 2016).

Business Activity

In terms of waqf funds generated from business activity, Pondok Modern Gontor Darusaalam (PMGD) becomes one of the leading waqf institution in practicing this scheme. As mentioned before, this institution has several business especially in SME scale which consists of material shop for the construction, restaurant, pharmacy shop, stationary shop, mineral factory and so on. The development of PMGD business can be seen from the number of SMEs had by this institution reaching 31 units in 2012. Surprisingly, in the business activity, it is managed directly by the teachers. It aims to have sustainability by raising funds and hence will not depend on student fee only. Besides having business in SME, PMGD also utilizes waqf land to

be rented to the farmers by using *ijarah* and *musharakah* contract in which the renting price and the profit sharing will be determined by the degree of land's fertility and the contribution level in the contract respectively (Hilmiyah et al., 2013).

Islamic university of Indonesia (UII) also earns waqf funds from business activity. The waqf board built some several business like hospital, hotel, gasoline station, radio and so on. Even though the main activity is in educational activity, currently in 2014, UII also established Islamic bank in Indonesia namely Bank Syariah Unisia Insan Indonesia (UII). In this Islamic bank, UII's waqf board holds 95% ownership which has total asset amounting IDR 8 billion. This Islamic bank has targeted to reach break event point which equals to IDR 90 billion in 2016 and opens several branch in the next year. Moreover, Bank Syariah UII already makes agreement to several cooperatives and Islamic microfinance insitutions in terms of collaborating with each other. Bank Syariah UII also commits to finance 9000 SME in several regions (Riyandi, 2016). Besides in Indonesia, some university in Malaysia also earns waqf funds from business activity such as IIUM which is able to generate RM 500,000 per year from renting waqf asset inside the university for commercial purposes (Siti Zakiah Binti Ali & Hairunnizam Wahid, 2014).

Government allocation

Some government waqf allocation also contributes in waqf funds collection. It is practiced in Malaysia especially in University Sains Islam Malaysia (USIM) while the university develops AL-Abrar USIM Waqf Funds. In that program, establishing medical clinics by USIM becomes one of the priority which aims to facilitate needy people to reach health service. Then, State Islamic Religious Council of Negeri Sembilan (MAINS) gives a grant to this program as waqf funds reaching MYR2 million that consist of MYR 1 million as waqf funds and the leftover is based on *qardhul hasan* scheme which the money must be returned as a free interest loan. Moreover, MAINS also distribute MYR1.5 million for the establishment of the Haemodialysis Clinic. After that, in order to manage waqf funds appropriately, MAINS appoint USIM as *mutawwali* who has rights to collect waqf, distribute it as well as invest it in certain scheme legally (Hussin et al., 2016). IIUM also yields waqf from the government amounting RM 3.5 million to establish

IIUM's waqf fund (IIUMWF) that aims to help needy student (Sulaiman et al., 2009).

Alumni

Oxford and Cambridge are the universities which are partly funded by endowed funds. Moreover, Harvard University is also financed by endowed funds which reach US\$ 30 billion in asset. (Hussin et al., 2016). Especially in Oxford University, the main donors come from the alumni who contribute significantly. In giving the endowment funds, the alumni are able to contribute on money periodically or one lump sum payment. Subsequently, Oxford University selects OU Endowment Management (OUEM) to manage the endowment funds in investment activity to make the funds more sustainable. The return from the invested funds will be given to support educational activity such as conducting research, academic award and provide scholarship scheme (Mahamood & Ab Rahman, 2014).

Discussion

The importance of various sources for waqf education comprise cash waqf, business activities, government allocations and alumni are apparent from the findings in Malaysia, Indonesia, Turkey and United Kingdom. In Malaysia, the utilization of cash waqf is used to solicit donation from public which is raised either through salary deduction via electronic means or setting up of special fund for education purposes such as research, development and providing education facilities that benefit the students and so on. This mechanism is popular in Malaysia as quite a number of public universities in Malaysia set up waqf fund using this mechanism. In Turkey, cash waqf is a mechanism to gain sponsorship from individual with high means. In addition, it is also utilized to fund businesses within the universities and plough back its returns under waqf.

In Indonesia, sources for waqf funds are mainly granted for business activities. The Pondok Modern Gontor Darussalam (PMGD) provides incentives for business activities under SMEs such as material shop for construction, restaurant, pharmacy shops, mineral factory managed by teachers. In addition, business activities are also extended by providing financial assistance to the farmers using the concepts of ijarah and musharakah. Other forms of business approved by the waqf boards are like hospital, hostel,

gasoline stations etc. In Islamic University of Indonesia (UII), waqf funding has also been extended through participation in Islamic banking namely Bank Syariah Unisia whereby it holds 95% ownership with total assets IDR 8 billion.

Source of waqf funds through government bodies are common in Malaysia. The funds provided are channelled to waqf funds established by the Universities. The funds are then utilized by the universities for the development and assisting students in the areas needed.

Alumni as a source of waqf are actively used in United Kingdom. Contributions are made through endowment schemes established by the universities. The return of investment will be utilized to support the areas needed for development and student activities. Even though the sustainability of endowment funds can be organized well, it has observed in the United Kingdom is not the same as shariah law such as the intention of the people when they give waqf is different from the practice of other countries discussing in this paper.

CONCLUSION AND RECOMMENDATION

As can be seen, there are various sources of waqf funds meant for educational activities in Malaysia, Indonesia, Turkey and United Kingdom. This indicates that waqf funds are able to finance higher education activities. There are also trusts and endowments that are legally created as channels of charity dedicated for general charity and also to attain the religious purposes to their incorporation, organization structure and distribution of functions and powers. Different countries adopted different governance structure and have specific law under which they are registered. It is obvious from this study that waqf fund has successfully upgraded the education system in these countries and provides opportunity to the poor and needy. Hence, it is recommended that waqf board of higher education institutions further promotes the utilization of waqf as it is able to bring fairness and benefits to society.

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