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The need of an effective business model for waqf land development in Malaysia

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Abstract

Effective waqf business model is the way forward in order to improve quality and impact of waqf property benefits to the society. The proper utilization of waqf property has resulted in socioeconomic development in many Muslim countries. In Malaysia, it is reported that there are 11,091.82 hectares of waqf lands in which 92.8% are still undeveloped. The development of the entire waqf lands could accelerate the development of Malaysia especially Muslims society. Regardless of the current development, it is observed that the development and utilization of waqf lands are not being optimized and in fact there are a lot undeveloped waqf lands which have potential to be developed through various instruments. To date, numerous waqf models have been proposed by researchers, including 6 manuals by the Department of Awqaf, Zakat and Hajj (JAWHAR) to the management of State Islamic Religious Council (MAIN) for the development of waqf lands. Most of the waqf models were developed from Malaysian-based studies and focused mainly on the single factor waqf model (i.e., law model, management model, financing model), little or no research has developed any comprehensive waqf business model based on global research findings to accelerate the waqf land management efficiency. This paper, hence aims to justify the need of an effective business model for the development of waqf land in Malaysia. It also provides case studies of waqf from Singapore and Turkey.

Keywords Waqf Business model, Waqf land development, Challenges in developing Waqf land.

1. Introduction

Philanthropic endowment is defined as a form of charity where the benefit and profit are used to improve the welfare of the society. It is also known as a charitable trust or as waqf. A charitable trust is usually used in common law countries and is defined as a legal relationship in which one party holds property for the benefit of another. Waqf on the other hand, is defined as an Islamic endowment; which also hold the same objective as a charitable trust. However, Babacan (2011) who looked at both Arabic literature and Islamic law, he described waqf as a special type of *sadaqah* (charity) in which there will be a profit gain from asset donated, but the donor is not listed as the beneficiary. This is different from charitable trust which the donor can be listed as one of the beneficiaries.

According to the legal definition, waqf means “to protect something, by preventing it from becoming the property of a third person” (Sarakhsi, 490 A.H., Asqalaani, d. 852 A.H. as cited

in Abdul Hamid & Mohammad Tahir Sabit, 2014, p. 14). Waqf also means any property from which its benefit can be used for any charitable purpose, whether as public waqf or specific waqf in accordance with *shari'ah* principles, but does not include a trust which is defined under the Trustee Act 1949 [Act 208] (Administration of the Religion of Islam (State of Selangor) Enactment 2003).

Charitable trust is the most well-known act of giving in the non-Muslim countries. For example, in the United Kingdom, the income from trusts itself has reached £1985 million in 2013 (HM Revenue and Customs, 2013) whereas, in the United States, National Philanthropic Trust (2014) has reported that they received USD765 million from their donors for philanthropy. Most of these contributions are in the form of cheques and appreciated securities. Not so many are in the form of illiquid assets such as lands or real estate or other tangible property.

This is different in waqf which land was usually given to philanthropy and it was proven by the first waqf in Islamic history which is the Quba' mosque which was built on a piece of waqf land in Madinah. History has shown that there are a lot of waqf properties being created in the Middle-East and in other Muslim countries. For example, in the early 18th century, the total waqf lands in the Ottoman State were nearly one third of its productive lands (Babacan, 2011). This showed that waqf is really important for Muslims and has been used as an instrument to improve the social, spiritual, and the economy of the Muslim community.

Nowadays, it can be observed that most of waqf lands and properties represent assets that are high in value due to its location or its productive value (Shamsiah, 2010a). This happens anywhere across the world. Singapore, for example, was reported to have waqf properties worth of S\$300 million in 2008 and because of its location and its commercial potential, the property value appreciated and reached S\$600 million in 2013. In Malaysia, the waqf land value is reached RM1.17 billion in 2012. It was also reported in Islamic Finance News that the waqf sector could be worth up to USD1 trillion globally (26th Issue, Sept 2013). However, the great potential of waqf as a powerful economic tool has yet to be realized by Muslim. Waqf today has been perceived negatively and is assumed to be very narrow, unmodern, non-economic, anti-social, and revolving only in religious matters. (Noor Aimi, Nurauliani, & Wan Shahdila, 2014).

Waqf assets can either be movable or immovable assets. Movable assets such as Al-Quran, books, prayer cloths, cash, and shares whereas, immovable assets like building and land are given by the donor or *waqif* for the use of others (beneficiaries). The beneficiaries designated by the *waqif* are entitled the usufruct of the properties. Once the *waqif* gave his property as waqf, he cannot revoke it. The property is no longer his and the ownership is transferred to Allah (SWT) and he will receive rewards for his charity and will continue receiving it even after he died. A *hadith* from Abu Huraira reported the Prophet Muhammad (SAW) as saying:

“When a man dies, all his acts come to an end, but three, recurring charity (sadaqah jariyah) or knowledge (by which people benefit), or a pious offspring who prays for him” (Muslim 1992, chapter 3, hadith 14).

This hadith actually provided the underlying foundation for the waqf's body of knowledge since waqf was not directly mentioned in the Quran. According to this hadith, recurring charity means when one gives his belongings, assets or lands, for the use of others without asking something in return and this will lead to recurring *sadaqah* that benefits to the beneficiaries. The only reward he will get is from Allah (SWT) and Muslim believes this will help them in their afterlife. As a result, more Muslims followed this hadith and gave their properties especially lands for waqf. The enthusiasm and the faith among Muslims from this hadith were strong and it was proven when three quarters of the land of Arabia originated from waqf dedication. There are even stated in Section 7 of The Selangor Waqf Enactment

1999 that a person in a state of deathbed (*marad-al-maut*) shall not endow as a waqf more than one third of his properties to any person other than his beneficiaries. This show how committed a Muslim can be in regards to waqf. Waqf can be a powerful instrument to combat poverty and also to flourish life among the Muslims. Waqf should not be taken lightly and there should be a system so that all the waqf properties can be developed and the profit from it can be used for the intended beneficiaries.

2. Problems in Waqf Land Development in Malaysia

According to Maznah, Mohamat Sabri, and Radziah (2014), there are 92.8 percent of the waqf lands in Malaysia that are still undeveloped. This huge percentage of undeveloped waqf lands are a hindrance to the economic development of Muslim society in Malaysia especially when in 2015, the total value of waqf land is estimated to reach a value of RM4 billion. Investments made in developing waqf land in average will give the annual rate of return at 20% to 25% (Rashid, 2012). This means the initial investment outlay will be getting back in 4 to 5 years. If most undeveloped waqf land can be developed, Malaysia will get huge returns and this can be used for various intended purposes such as for the beneficiaries of the waqf, the economy of Muslim societies, to maintain the waqf property and also to finance the other waqf land. However, the State Islamic Religious Council (MAIN) as the sole trustee (*mutawalli*) for waqf administration is still unable to develop most of the waqf lands. The underlying reasons for undeveloped lands due to these four issues such as an unclear current status of waqf land development, inefficient management, types and location of the waqf land, and lack of financing of the Awqaf (Zuraidah et al., 2011; Hidayatul & Shahul, 2011; Sanep & Nur Diyana, 2011; Chowdhury et al., 2012; Nur Khalidah et al., 2014). The high percentage of undeveloped waqf land also described that the *mutawalli* does not have an effective business model for waqf land development.

2.1 Unclear of Current Status on Waqf Land Development

Currently, there is no up-to-date data on size, value, types of land use, incomes, nature of waqf, and administrative structure that has been published. The latest published data regarding the waqf lands was in 2011 by the Department of Awqaf, Zakat and Hajj (JAWHAR). Table 1 shows the latest waqf land size in Malaysia.

This data may not complete or represents the current status of waqf land size in Malaysia since it is very questionable and unclear. For example, Johor has the total of 3,152.30 hectares of waqf lands in the state but the value is only RM7 million. Hence, the average land value per hectare in Johor is only RM2,221. Compare to Kelantan, the average land value is RM326,538 per hectare. Johor is known to have high value of lands since the state is located in the south of Malaysia and very near to Singapore. Some of the states, such as Kedah, Melaka, Negeri Sembilan, Perak, Sabah, and Wilayah Persekutuan have very low waqf land values and these values might not represents the actual current values.

There is also a lack of information on how many of the waqf lands have been developed in both general and specific types of waqf lands. The specific waqf lands are actually meant to build mosques, madrasah or surau, religious schools and cemetery according to the waqf deeds. On the other hand, the general waqf lands are usually targeted for the development by MAIN because of its economic potentials where the *mutawalli* may use the waqf for whatever purpose as long as it benefits the public and the purpose is not against the *shari'ah* principles. It is important to know which types of waqf lands have contributes more to the percentage of undeveloped waqf lands (92.8%). This is supported by Rashid (2014) when he emphasized the need to know the land classification so as to not make the same mistake as India, where 33% of lands developed had no income generation capability because it were meant for

cemeteries, mosques, etc. Hence, it is important in this study to revisit and analyze the current status of waqf land development in Malaysia.

Table 1. Waqf Land Size According to the State, Malaysia in 2011

State	Waqf Land Size (Hectare)		Total Size (hectare)	Waqf Land Value (RM)
	General	Specific		
Johor	1,422.80	1,729.50	3,152.30	7,000,500.00
Kedah	158.62	1,086.25	1,244.88	1,997.00
Kelantan	16.01	157.63	173.65	56,703,373.00
Melaka	11.65	21.60	33.25	66.50
Negeri Sembilan	1.01	14.49	15.50	36.00
Pahang	0.00	723.82	723.82	18,000,000.00
Perak	116.12	0.00	116.12	383.00
Perlis	2.74	14.49	17.23	1,337,998.00
Pulau Pinang	220.03	559.23	779.26	850,000,000.00
Sabah	2,062.88	32.07	2,094.95	100.00
Sarawak	6.86	4.04	10.90	1,416,781.90
Selangor	235.63	31.82	267.45	200,000,000.00
Terengganu	581.66	1,878.58	2,460.24	42,623,196.19
W. Persekutuan Kuala Lumpur	0.49	1.59	2.08	16.00
TOTAL	4,836.50	6,255.11	11,091.61	1,177,084,447.59

Source: The Department of Awqaf, Zakat and Hajj (JAWHAR)

2.2 Inefficient Management of Waqf

Hassan and Shahid (2010) emphasized that the majority of the waqf lands were undeveloped because it was not being taken care of or handled properly by the *mutawalli*. Some MAIN was said to have a lack of qualified manpower (Chowdhury et al., 2012; Dahlia & Haslindar, 2013). Currently, there are only one to three MAIN staffs responsible for waqf administration in most of the states. It is becoming difficult for the staffs to administer and assessed the waqf lands when some of the states have wide waqf land size and the lands are scattered in various districts. Dahlia and Haslindar (2013) found out that some of the waqf administrative staffs are not qualified and knowledgeable in the Islamic principles and the laws governing the waqf land. Mohammad et al. (2005) felt that well trained in property management as well as *Fiqh* is a must for the *mutawalli*. There is also an urge for MAIN to have an expert to handle the development project. For example, there was a cancellation of waqf projects in *Majlis Agama Islam Kelantan* (MAIK) where they were supposed to build Kemumin' Waqf Hotel in Kota Bharu with a funding from the federal government, but because of a lack of experts on handling the project, it was cancelled and the federal government took back the money (Nur Farahiah et al., 2014). This is one example why the MAIN as the sole trustees of the waqf properties needs a better plan and a change in their management roles and level of trained staffs to administer the waqf lands. This is also parallel to the suggestion from Rashid (2012) that the waqf property development needed a new strategy, especially now where the development is extremely unrealistic and slow (p. 136). Rashid also mentioned a lesson for the *mutawalli* that proactive policy is what they need to

have in the development of the waqf land. The *mutawalli* himself should identify the waqf properties and developed it if needed. Rashid (2014) again, raised the same issue and he said that a majority of *mutawalli* are not interested to develop the properties because its demanding their time and energy to make it happen.

There were a lot of efforts being done by researchers, including at Federal State like JAWHAR to come up with new models to guide MAIN on how to improve the administrative and financing of the waqf properties. For example, Cizakca (2011) has proposed the First Global Waqf of Stocks which focus on on-going charity, education and family waqf. This model was designed as a government initiated enterprise with the objective to attract global funds. Mohammad Tahir Sabit (2011) built a waqf bank model using a cash waqf as a source of funding for benefits to all parties concerned. Ismail Abdel Mohsin (2013) also looked at cash waqf in which she discussed various cash waqf schemes in Muslim and Muslim minority countries. She then came up with various Cash Waqf Financial Institutions (CFWI) models based on direct and indirect cash waqf, *Murabahah*, *Mudarabah* and *Musharakah* financing. Meanwhile, Tunku Alina (2012) was more interested in enhancing the role of management of cash waqf by conceptualizing an Enterprise Waqf Fund (EWF) model by employing the venture capital characteristics. Most of these studies were on financing models, not many focusing on the business model for waqf land development.

It is good to have various availabilities of financing models for the MAIN, but without an effective business model, MAIN will fail to develop the waqf land efficiently. Without a well-developed business model, innovators will fail to either deliver or to capture value from their innovations (Tecee, 2010). Other than the single factor model for waqf land development this study also needs to look into various case studies on waqf land development from domestic and foreign countries, which will later described in this paper.

2.3 Types and location of Waqf Land

Traditionally, waqf is categorized based on the objectives of the waqf. In other words, it is based on the *waqif* intention on how he wants the waqf land to be used. If it is intended only for the benefits of his family members, including children, grandchildren until the distinction of his descendents, it is called Waqf Ahli (Family Waqf). This type of waqf is not advisable due to these two reasons. First, the number of beneficiaries may increase to the point where the benefit accruing to an individual is insignificant. In the long run, Waqf Ahli might be proven to not be beneficial when the number of the descendents are far greater than the small size of the property (Abdul Hamid & Mohammad, 2014). Probably, it cannot even sustain the maintenance for the awqaf. Second, if the line of beneficiaries became extinct or broken, the benefit will go to the society or other charitable purposes. Nowadays, a *waqif* can only create a Waqf Ahli with the permission from the Sultan of the respective states.

The second type of waqf is a Waqf Khairi (Public Waqf). Waqf Khairi is designated only for charity. Waqf land is under this type of waqf. Waqf Khairi can be divided into two categories:

1. General or also known as Philanthropic Waqf: It is an open ended waqf where the *mutawalli* of the waqf may use the waqf land for whatever purpose as long as it benefits the public and the purpose is not against the shari'ah principles. Examples of general waqf are a library, health care, educational centers, and etc.
2. Special or specific: In this type of waqf, the waqif declares beforehand what is the purpose of the waqf, for examples land for mosque, religious school, cemetery, house, etc.

These types of waqf are contributing to the problems for the undeveloped waqf land (Nur Zarina & Norazmawati, 2014). For example, Norhaliza and Mustafa (2009) found out 90.34% of Selangor waqf lands are dedicated for religious purposes such as for mosques, surau, cemeteries and religious schools. Only 10% were meant for philanthropic purposes such as charity and general waqf. They claimed that such classification of land use becomes unattractive for both investors and donors hence this explained why some of the waqf land are still undeveloped.

The problem worsens when the location of the waqf land makes it harder to be developed. Before the modernization of Malaysia, majority of Malay communities resided in rural areas. This Malays who are also Muslims, had dedicated some of their lands for waqf. These lands happens to be in undeveloped areas and some of the lands are very far from town or road and have nothing valuable on it except bushes. Some of the lands are swamped lands and it is not suitable to raise a building and need more funding to develop it (Sanep & Nur Diyana, 2011).

One way to solve it is by implementing *istibdal* on the property. *Istibdal* means a waqf land which is not economical can be substituted or sold and the proceeds from the sales can be used to purchase another piece of land. According to the Selangor Waqf Enactment Act 1999, MAIN may *istibdal* any waqf land if the land has been acquired by any public authority in accordance with the provisions of any written law, the land does not yield any usufruct or benefit as intended by the *waqif*, or if the use of the land does not comply with the purpose of the waqf. However, it is not easy to implement *istibdal* on all undeveloped waqf land. First, the sale of waqf land should only be done in the state of extreme necessity (*darurah*) and there is no other alternative. Second, the benefit from the land should be preserved, and third, by preserving the benefits it should meet the purpose that was intended by the *waqif*. So, MAIN has no other choice but to find funding for the development of those lands.

2.4 Lack of Financial Resources

In the 9th Malaysian Plan, the Federal government had allocated RM256.4 million to JAWHAR to finance 17 waqf projects. However, in the 10th Malaysian Plan, there was only RM109.45 million that has been allocated for the development of waqf lands in the country. MAIN has proposed a budget of RM1 billion to develop waqf lands all over Malaysia, hence, the funds from the Malaysian Plans are definitely not sufficient (Che Zuina et al., 2014). MAIN has to find other alternatives to finance their development projects.

It is very hard to seek development capital from the financial institution because the waqf land in most of the states cannot be used as collateral due to its perpetuity and inalienability characteristics. Perpetuity means that the waqf land should last forever, whereas, inalienability means the waqf lands are not transferable to another party. These characteristics of waqf land became a constraint in getting funding from financial institutions. MAIN cannot use the land as collateral for fear of losing it and the financial institutions are not willing to accept due to legal constraints arising from the concept of perpetuity and inalienability (Mohammad et al. 2005). There are no official guidelines as yet from the Central Bank on the financing of waqf property development. The Central Bank only touches the shari'ah resolution in Islamic financing, but not directly focusing on waqf. Problems in acquiring the funding for the development of waqf land can cease the waqf's objective as a religious endowment. The beneficiaries cannot get benefits from the purpose for which the awqaf has been created. The revenue should be distributed among the beneficiaries such as the poor and the needy, schools, mosques and etc. The *mutawalli* of the waqf properties need a paradigm shift in managing and looking for funding for the assets. They need to be more creative in dealing with various challenges that they have been facing. Shamsiah (2010b) emphasized that the inability to overcome financing problems or lack of innovative financing for generating higher returns from waqf assets have hampered the growth of the waqf.

In summary, these problems on waqf land development had contributed to the inefficiency of waqf management in Malaysia. Efficient administration and management is one of the key elements which contribute to the successful of waqf land development. Mohd Shukri (2012) made comparison of waqf management between Malaysia and Singapore and he found out that the location of the waqf land, waqf management, waqf income, waqf development fund, development concept, waqf law, fatwa on waqf, and problems in waqf properties development are key elements for the successful of waqf properties development. He also said that a good management is an important factor that contributes to the success of waqf properties development. Mohd Shukri only looked at the waqf management practices in both countries, but did not look at the needs of waqf properties development. Hence, there is a need to find out the gaps between existing waqf land management practices and the needs of waqf land development in Malaysia. There is also a lack of study looking at perceived strengths and weaknesses of the past and current waqf land development. It is hope that the gaps will enhance knowledge and assists to understand the current management practices and the needs of waqf land development before a business model can be proposed.

3. Case Studies on Waqf Land Development

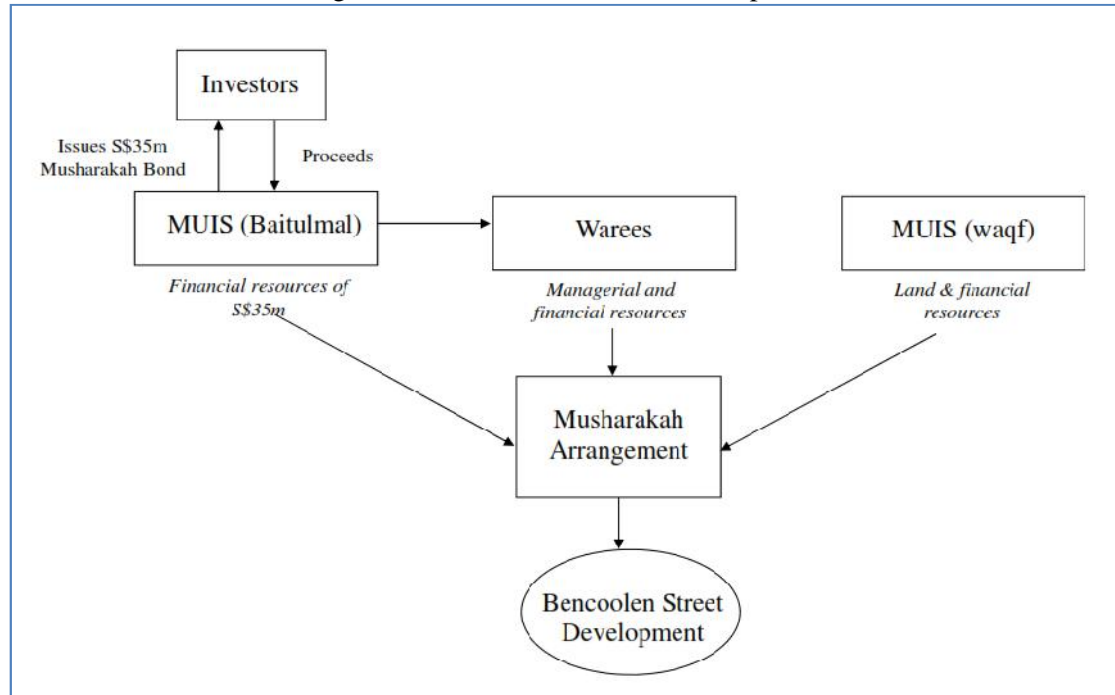
It is essential to examine how the *mutawalli* developed the waqf land and how they sustain the assets. There is a lack of study examine the business model of the successful waqf land development projects, be it in Malaysia or in foreign countries. For example in the cases of Malaysia, Hydzulkifli and Asmak (2012) researched on the development of Waqf Seetee Aishah in Pulau Pinang and described how the project was done. Waqf Seetee Aishah was a joint venture project between Majlis Agama Islam Negeri Pulau Pinang (MAINPP) together with UDA Holdings Berhad. The building of Menara Bank Islam in Kuala Lumpur is another successful case of waqf land development. Other countries such as Singapore and Turkey also have shown that they are very successful in developing their waqf properties. Singapore has been known in the world as a country that able to manage and develop its waqf land (Mohd Shukri, 2012). However, none of these business models of the successful cases have been examined to be integrated as a business model for MAINs in Malaysia. Selected of successful cases from Singapore and Turkey are as follows:

3.1 Case Study of Singapore

One of the biggest project to develop waqf land by MUIS was on the Beencolen Street. The waqf properties belong to Shaik Omar Bin Ali Aljunied, an Arab merchant, who died in the year 1852. Before the project commence, there were a mosque and several shop-houses on this piece of waqf land. The shop-houses provide a rental income of S\$400 monthly for the use to maintain the mosque. MUIS planned to develop this land due to its commercial potentials. The project proposed to build 104 apartments with services, a mosque and a 6-storey commercial complex.

The total cost for the development was approximately S\$35 million. MUIS raise the capital through a *musharakah* bond where the waqf Shaik Omar, Baitulmal with financial of \$35 million through the investors, and Warees Pte Ltd (a wholly owned subsidiary of Muis to handle *waqf* properties) entered into an agreement to develop this waqf land. Overall *musharakah* arrangement can be seen in Table 2.

Table 2: Musharakah Arrangement in Bencoolen Street Development



Source: Shamsiah Abdul karim, 2012

The profit from the project then be divided accordingly based on the proportion of the capital invested such as:

- i. Ascott Pte Ltd leased the service apartments for ten years and in the first year the company paid S\$1.3 million. It subsequently increased to \$1.8 million from year two to year ten.
- ii. The investors received a return fixed of 3.03% which was about the rental income in the first year from Ascott Pte Ltd;
- iii. The waqf will get a brand new mosque with increase capacity for its *jemaah* and 4-storey of commercial properties to provide income for the mosques to maintain and run its operation.
- iv. Baitulmal will receive the service apartment with a 99-year lease. On top of this Baitulmal has also contracted with Ascott Pte Ltd a profit-sharing ratio on the business of the service apartments, this does not include the return to be imputed for the investors in the *musharakah* contract as the profit-sharing ratio is exclusively for Baitulmal.
- v. Wares Investments Pte Ltd will receive a nominal investment return and professional fees for managing the development.

3.2 Waqf Land Development: Case Study of Turkey

In 1974, the Sabanci Foundation was established by Sadika Sabanci, wife of Haci Omer Sabanci, who donated her entire personal wealth for waqf. This is a family waqf and the Sabanci Foundation as the trustee of the waqf continues managing it even though nowadays Turkey has abolished the creation of new family waqf (Cizakca, 1995). Sabanci Foundation's mission is to promote social development and social awareness among current and future generations by supporting initiatives that create impact and lasting change in people's lives.

Sabancı Foundation started its waqf activities by building two primary schools in Andana province. Since that, the race to serve the country has continued by building other institutions, organizing activities and providing scholarships and awards in the fields of healthcare, culture and sports, not forgetting the education. To date, Sabancı Foundation has created 127 institutions in 78 residential areas in Turkey such as Sabancı University, 37 educational institutions, 20 students' hostel, 5 health care centers and hospital, and many more.

The income from the waqf properties has been distributed accordingly, such as 67% of it, has been used to finance charity programs as specified in the waqf deed. 28% of the income is to be reinvested to increase the capital amount, and the remaining 5% is used to cover the management and administration expenses of the foundation, as well as allocation for reserves. It is pretty amazing how one family waqf can contribute to the country in 40 years. Waqf is so wonderful and the benefits of waqf can actually reach beyond religious, cultural, racial and sectarian boundaries (Mohammad et al., 2005). It is such a waste if most of the waqf lands remained idle and undeveloped.

3. The Need of an Effective Business Model for Waqf Land Development in Malaysia

The benefits of waqf are well known since the very first time it was introduced in Madinah. It served as an important wealth distribution instrument in the Muslim community. Even though many authorities show an increasing awareness of waqf potentials, it remains as an untapped and somewhat neglected due to the constraints in management, and inability to fund for the development. Most literature has emphasized heavily on waqf historical, legal structure, and the challenges and obstacles of the waqf development. Various models have also been introduced, however majority of them have focused on one factor such as on administrative or financing model. Little research has looked at the business model for waqf land development.

According to Tecee (2010), a business model is a conceptual, rather than a financial, model of a business. A business model is also defined as how the firm creates and delivers value to customers, and then converts payments received to profit. However, for waqf institution, a value capture is definitely not for profit but rather to create different forms of value such as social and economic. With this perspective, waqf institution should involve themselves in the complex processes of business model design. Waqf institution is responsible to manage and develop the waqf properties and gained social value for the Muslim societies. This is the objective of waqf creation. At the same time, waqf institution also has to produce some economic value from the waqf properties to at least sustain and maintain the assets since getting funding for waqf properties development is very difficult. In the case of Malaysia, MAINs have to think that they are the innovators and the waqf land is the innovation. They need to capture the value and deliver it for social and economy purposes (in this case is to the societies).

Thus, in order to propose a proper business model for waqf land development in Malaysia, further research should be done by emphasizing on the following research objectives:

- To evaluate the current status of waqf land development in Malaysia.
- To examine the gaps between existing waqf land management practices and the needs of waqf land development in Malaysia.
- To identify perceived strengths and weaknesses of the past and current waqf land development in Malaysia.
- To examine the business models that have been used by MAIN and other countries for waqf land development.

4. Conclusion

The effective waqf business model is the way forward in order to improve quality and impact of waqf property benefits to the society. This study explores the current status, practices, issues, and challenges of the waqf land development in Malaysia. This study also discusses some issues related to the business models developed previously. The findings show that the majority of the waqf lands in Malaysia are still undeveloped due to various issues such as management inefficiencies and lack of funding. There is also no comprehensive study on business model for the waqf land development in Malaysia. It is also submitted that Malaysia still really need further measures, more effective and efficient approaches in order to improve its future investment on the waqf lands. As such, an effective business model for waqf land development based on the local and global research findings is necessary to get the full benefits of the waqf property.

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