

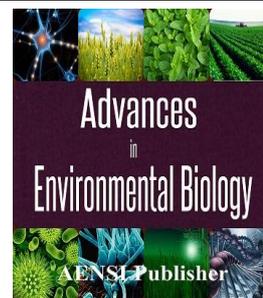


AENSI Journals

Advances in Environmental Biology

ISSN-1995-0756 EISSN-1998-1066

Journal home page: <http://www.aensiweb.com/AEB/>



Integrated Framework for Development on Waqf Land in Pulau Pinang

Nur Zarina Zakaria and Norazmawati Md. Sani

School of Housing, Building and Planning, Universiti Sains Malaysia

ARTICLE INFO

Article history:

Received 12 October 2014

Received in revised form 26 December 2014

Accepted 1 January 2015

Available online 17 February 2015

Keywords:

waqf, endowment land, economic development, property, Shariah

ABSTRACT

Waqf or endowment land has long known to be used in the manner of building mosques, muslim cemeteries etc. Recently, through high initiatives from the government, endowment lands are now being used for development namely construction ie. residential houses, shop lots, hotels etc. This study will be focusing on the development on waqf land in Pulau Pinang. The objective of this article is to achieve and develop an integrated framework for development of waqf land in Pulau Pinang. Structural Equation Modeling (SEM) by using AMOS application will be used to develop the framework. Respondents from all three field of works namely contractors, legislators and financial personnel will be interviewed and collections of data from respondents will be collected through questionnaires. The absence of an effective framework or property management system of waqf land could lead towards underdeveloped of waqf land in Pulau Pinang. Therefore, the development of an integrated framework which incorporates key elements of the development of waqf properties should be provided to ensure the correct path to economic development of productive Muslims.

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To Cite This Article: Nur Zarina Zakaria and Norazmawati Md. Sani., Integrated Framework for Development on Waqf Land in Pulau Pinang. *Adv. Environ. Biol.*, 9(5), 71-73, 2015

INTRODUCTION

Waqf is a voluntary practice that is encouraged in Islam but becomes compulsory when it is done in the form of a will [1]. Waqf is a wealth sharing mechanism someone or a group of individuals with some other people. The concept of distributing wealth is a form of economic cooperation, the distribution of wealth is one of the important concepts in achieving economic development of a country. According to a study conducted by the Yayasan Wakaf Malaysia there are more than 19,000 general endowment idle land throughout the country due to the problems in the management and administration of waqf land which is not productive [2]. Based on waqf land inventory study conducted by the department of town and country planning, it have been found that there is a total of 1007 lots of waqf land with an area of 952 acres inclusive of five state area. Out of all waqf land, 186 premises have been used with various activities, while others have been developed into a number of projects such as commercial and residential development. Rapid development in the state of Pulau Pinang has left a huge impact on local economic development. The needs and high demand has pushed the development of property in Pulau Pinang to a very high position at this point. Level of property values, especially in urban areas has an impact on waqf lands. With the current real estate value in Pulau Pinang, waqf properties could potentially be developed with encouraging returns. As a result, it is necessary for this endowment lands to be managed efficiently and economically developed to ensure that the land endowment can cater the Pulau Pinang Muslim needs from all walks of life [1,2].

Problems Regarding Development of Waqf Land:

Previous studies have been conducted by several researchers regarding the potential in the development of waqf land from an economic point of view. The study was carried out by many parties to study the problem in the management of waqf property. Previous studies have been viewed as successful in helping the authorities to improve management efficiency and boost development activities waqf. Indirectly, the research and development has helped the country in identifying problems and developing workable solution to the waqf. The important concept of ownership as well as the redistribution of wealth endowments and its importance in

Corresponding Author: Nur Zarina Zakaria, School of Housing, Building and Planning, Universiti Sains Malaysia
E-mail: nurzarinazakaria1981@gmail.com

economic development of endowments is providing education services, housing needs, health, stimulate economic activity of the people, providing a place of worship, develop the agricultural sector, to address the welfare of orphans as well as addressing the issue of poverty [1]. In Malaysia, there are thousands of acres of inactive land endowment. This is due to unequal treatment by the law and market forces in the real estate market. Waqf land was developed traditionally [3]. Apart from the Islamic Council, which acts as a single trustee in the management of waqf in Malaysia for not being proactive and is seen as the reason why the waqf land are left as under productive waqf land. The main reason given was the lack of staff and funds. Apart from the question of waqf land that is not managed well also due categorization and disorganized resulted in less attraction of investments for the development of other shortcomings in human resources to manage it [4]. A good majority of the potential waqf land is not being handled properly. The main cause of this problem is lack of funding sources [5]. Funding sources should be established in order to maintain and improve the management of existing and future waqf land [6]. Another problem of waqf land administration is legislation. Various legal systems used in connection with real estate ownership. All Majlis Agama Islam Negeri except Selangor does not have a separate enactment, but still adopting Islamic Religious Administration Enactment of the Federal Constitution, which restricts only a third of the wealth of the Muslims, can be endowed. Endower or waqif should be free of making decision on how much of their wealth they would like to endowed[7].

Methodology:

The objective of this study is to develop an integrated framework to be used in readiness of waqf land development, Structural Equation Modeling (SEM) with the application of AMOS will be used. Analysis of Moment Structure or better known as AMOS is an application in SEM use to confirm the model that will be built in this study, in the form of a graph. AMOS allows the model to be painted and the model does not have to be linear but may be structured. AMOS in SEM is best suited for this study as there are few sub elements which needs to be linked to the main elements namely legislation, development and financial. Structural Equation Modeling is a general term that has been used to describe a large number of statistical models used to evaluate the validity of substantive theories with empirical data. SEM measures the relationship between the number of dependent variables (DV) and the factors that influence other several Independent Variables (IV). In this case, SEM can measure the latent variables (eg, type of development, risk, and financing system) that cannot be measured or observed directly. Respondents from all three field of works namely contractors, legislators and financial personnel will be interviewed and collections of data from respondents will be collected through questionnaires.

Expected Result:

The major element in the weakness of waqf land development is poor administration. There are three main elements which are centralized in this study namely legislation, development and financial. More sub elements will be included and excluded in this framework until satisfactorily towards suitable and workable integrated waqf framework. The core elements that should be the base or foundation in every detail are to be compliance with Syariah Law. From this study, it is hoped that an integrated framework which incorporate all of the elements namely core, main and sub elements can be generated into a complete framework as a guiding tool to the administrator. In present, preliminary works on waqf lands in Pulau Pinang for this study has been carried out. Collections of data regarding number of lots of waqf land in Pulau Pinang according to the five districts have been collected. Past, current and future development of waqf land in Penang has also been identified according to classification of development on the property. Interviews with personnel in Majlis Agama Islam Pulau Pinang (MAINPP) have been conducted in order to determine the roles and functions of MAINPP. Information on the distinctive role towards development of waqf land has also been discussed. In future, more investigations regarding legislation and financial will be carried out to explore the problems arising in these fields. Also, sets of questionnaires will be distributed to collect data from different personnel according to their field of work. Data collected will be used to develop and validate the integrated framework by using SEM. Overall, the flow of this study is going smoothly. Attention and consideration has been put on a higher ground towards limited number of personnel in the areas of legislation with regards to Syariah Law as there is only a few legislators who practice Shariah Law in Pulau Pinang whom have vast experience and knowledge regarding waqf.

Summary:

As many researchers have been exploring the potential use of waqf land and properties, there is no study being carried out on the development of waqf land by using Structural Equation Modeling (SEM) to generate and develop an integrated framework. This integrated framework which integrate elements of legislation, development and financial will hopefully be used as a guiding tool for Majlis Agama Islam Negeri Pulau Pinang and also to other State Legislative Council, developer, town council, State government and other agencies involved in the development of waqf land. From this study, hopefully major problems among administrator can

be ease out in finding the guidelines on development of waqf land. Modern and beneficial developments can be planned by using this integrated framework. Not only will it be beneficial to the Muslim community but also to all public irrespective of religion, race and nationality.

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