Analysis of the Administration and Management of People’s Religious Schools in Kedah, Malaysia

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All states in Malaysia, including Kedah, have seen the rapid development of Sekolah Agama Rakyat (SAR) (People’s Religious Schools), indicating that the institution is well-received by society, whose contributions have also been part of developing SAR itself. However, most SAR, including those in the state of Kedah, are facing many obstacles in their efforts to expand the SAR education system, specifically in relation to the problems of funding and financial constraints. This unfortunate position requires SAR administrators to launch their initiatives to obtain funds. One of the methods SAR administrators utilise is the education waqf instrument. Therefore, this research aims to identify what forms of education waqf (endowment) now exist in SAR, focusing on the SAR in Kedah, and to subsequently analyse how education waqf is being administered and managed to yield benefits sustainably. The research methodologies used are document analysis and in-depth interviews with two selected SAR administrators in Kedah. The data obtained were analysed using the content analysis method. The results found that many forms of education waqf are extant in SAR Kedah, including waqf of cash, books or al-Qur’an, lands, buildings and furniture. The administration and management of these education waqf fall under the responsibilities of the SAR administrator or manager, who must ensure that the existing education waqf properties or assets can be developed in a more productive manner to yield continuous and ever-growing benefits.

Keywords: Administration, Education Waqf, Management, Sekolah Agama Rakyat
Introduction

*Waqf* property is a high-potential economic development instrument that can be a financial source for the government if it is duly administered and managed in good faith. This is evident from the successful implementation of *waqf* during the Uthmaniyyah era. During that time, *waqf* properties were essential sources for government financing to provide society with necessities, such as hospitals, schools, mosques and other such public amenities (Mahamood & Ab Rahman, 2015). The practice, according to Sanusi and Shafiai (2015), shows that the optimum development of *waqf* properties contributes to the overall socio-economic development of the Muslim community (*ummah*).

In Malaysia, the implementation of education *waqf* is not an uncommon practice in society. Most educational institutions that have emerged throughout Malaysia, particularly the religious schools, were established with *waqf* funds. The religious schools in Malaysia consist of the Folks’ Religious School or SAR, the State Religious School or *Sekolah Agama Negeri* (SAN), *madrasah* and *Pondok* (Sulong, 2015). This research focuses only on SAR because SAR is a category of the religious school whose operation depends on the implementation of education *waqf*. SAR is also an educational institution with the potential to produce high-quality Islamic scholars. Other than the funds from education *waqf*, SAR also receives financial assistance from the federal government, the state government or the State Islamic Religious Council (SIRC; Azha et al., 2013; Bakar Ayub, 2018).

The sustainability of *waqf* properties or assets is another important issue currently being discussed (Bakar, Sakinah, Zaini, & Sarmin, 2019; Hartini, Hassan, & Ayub, 2019). Even though the original aim of *waqf* was to provide benefits in the form of charity to society, the *waqf* fund should be developed so that it can expand the number of *waqf* properties or assets and the quality of the benefits themselves (Mat Hassan, 2018). The financial instrument’s focus on collecting cash, compared to other types of instruments that are more commercial and have a more significant potential to yield funds, is also one of the hurdles in the development of education *waqf* properties or assets (Mahamood, 2006; Zarqa, 1994). The use of the *waqf* instrument should be extended in its various commercial forms, such as *waqf* shares, Sukuk *waqf*, corporate *waqf* and others (Raja Ramli and Abd Hamid, 2014). Furthermore, the internal structure of the *waqf* organisation should also be laid out to ensure that *waqf* funds can be developed and commercialised (Ali and Wahid, 2014; Ismail Abdel Mohsin, 2013). Until now, most *waqf* administrators have depended on public contributions to maintain *waqf* properties and assets, and the lack of initiatives is evident regarding the efforts to increase *waqf* properties and assets by using instruments that can generate income. This is true in the case of SAR in Kedah as well.
Based on the situations described above, this research aims to identify the forms of education waqf extant in SAR in Kedah and to analyse how the education waqf is administered in the efforts to sustain its benefits. Hence, this research is undertaken to propose an effective administrative strategy to develop education waqf more productively. Fund generation is important because the yields will not only be able to cover the management and administrative expenditure of SAR but also increase or proliferate the number of waqf properties or assets. Thus, the benefits of education waqf are to remain usable and continue to flourish.

**Literature Review**

SAR is an educational institution that is based on a religious (diniyah) curriculum, managed wholly by the school administrator, and it is by nature, a private institution. The SAR management structure is different between states; some are managed by the State Islamic Religious Department (SIRD), State Education Department, non-governmental organisations (NGOs), the Islamic Foundation and societies (Hj Siren, Azmi, Abdul Jalil, and Ab Majid, 2018; Nor Raudhah Siren, Azrin Ab. Majid, and Siti Jamiaah Abdul Halim, 2013). SAR is also a waqf educational institution that applies the waqf instrument, which is education waqf, as one of its financial expenditure mechanisms to fulfil the necessities of SAR. Hence, the concept and development of education waqf were observed before the actual research was undertaken to gain an in-depth and detailed understanding.

**The Concept of Education Waqf**

*Waqf* is a way to contribute property for the benefit of society or family members in continuity or permanent effect. *Waqf* is also a commendable religious practice that is highly encouraged among Muslims as a way to be closer to Allah SWT because of the great rewards bestowed by Allah SWT as long as the benefits of the property are in use (Sayin, Ali, and Suyurno, 2006).

Education *waqf* can be defined as properties, things, assets or cash endowed to the education sector or an educational institution for the continuous benefits of the public (Raja Ramli & Abd Hamid, 2014; Ramli et al., 2015). Education *waqf* in Malaysia has also long been extant in the forms of scholarship, financial assistance, student hostels and learning facilities, such as desks, books, etc. (Mahamood and Ab Rahman, 2015).

Education *waqf* in the form of endowed land as a building site for educational institutions has also been practised in Malaysia. For instance, Kolej Agama Sultan Zainal Abidin (KUSZA), which is part of the Universiti Sultan Zainal Abidin (UniSZA) campus in Terengganu, Kolej Islam Kelang, which is known subsequently as Kolej Islam Sultan Alam Shah, and Maktab Mahmud in Alor Setar, Kedah, were built on lands endowed as *waqf* by sultans and ulama (Kim, 1980).
There also exist higher educational institutions that implement waqf-based financing, such as Yayasan Al-Bukhari, also known as the Universiti Antarabangsa Albukhari, in Alor Setar, Kedah. This university exempts students from paying any tuition fee because it is financially supported in full by Yayasan Al-Bukhari. Furthermore, several universities, such as UPM, UKM and the Universiti Islam Antarabangsa (UIA), also offer waqf funds. These funds generate financial resources from many parties to finance the universities’ educational activities in academic, research and service aspects (Anuar, Bahari, Doktoralina, Indriawati, & Nugroho, 2019; Shukor, 2015).

In the context of this research, education waqf is defined as waqf properties intended for the benefit and advantage of the students in SAR and Muslims, in general. The properties or assets endowed include immovables, such as lands and buildings, or movables, such as money, furniture and many other items. Education waqf is categorised under special waqf because it is specially dedicated for education and benefits students, teachers, school administrators and the public who made use of the services offered in SAR. However, the waqf properties or assets should be developed and enhanced in productive ways to generate more funds. Hence, this research is undertaken to identify the forms or types of waqf in SAR Kedah. Based on analyses of prior investigations, no studies have been conducted that relate to the administration of education waqf in SAR Kedah.

The Development of Education Waqf Implementation in SAR

Education waqf in Malaysia began with the establishment of Pondok, followed by the emergence as and transformation into madrasah, eventually giving birth to SAR (Ahmad, Baharudin, Yusoff, Abdullah, & Soon, 2016; Rahman, 2018). Among the noteworthy folks’ religious schools were Madrasah al-Attas, Pahang; Sekolah Agama Arab Al-Masriyah, Bukit Mertajam; Madrasah Khairiah Islamiah, Pokok Sena, Kepala Batas, Pulau Pinang; and Maktab Mahmud in Kedah (Ahmad et al., 2016; Salleh & Abdul Rahman, 2014).

Pondok, schools, madrasah and SAR are now becoming invaluable treasures for Muslims based on the roles they have played as strongholds of Muslim belief since colonial times and as alternatives to the national education system. These schools’ alumni include many respected Muslim intellectuals whose contributions towards society and religion have been highly applauded and recognised (Ahmad et al., 2016; Salleh & Abdul Rahman, 2014). Therefore, the expansion and development of educational waqf institutions should be continued in productive ways to yield education waqf assets that are capable of generating funds. Generating waqf funds are significant efforts to ensure that waqf assets continue to be beneficial in the future.

Hence, this research is undertaken to analyse how SAR administrators in Kedah administer and manage education waqf extant in SAR because upon reviewing the literature and prior
researches, no studies were found that have focused on the administration of education *waqf* in SAR Kedah.

**Methodology**

This study is conducted qualitatively involving two phases of data collection. The first phase consists of data collected from document sources, such as theses, journals, conference papers, magazines and other papers related to education *waqf* and SAR. The second phase involves data collected from primary sources and obtained through in-depth interview sessions with two SAR administrators in the state of Kedah. The selection of SAR administrators as research informants was made based on the achievements of these administrators in the implementation of education *waqf* at their respective schools. In this paper, these informants are quoted as PSAR 01 (Interview on 12 August 2018 at 10:30 a.m. in the principal’s office at Sekolah Rendah Islam Zubaidiyah, 08400 Merbok, Kedah) and PSAR 02 (Interview on 14 February 2018 at 10:00 a.m. in the office of Maahad Tarbiah Islamiah, Kampung Tengah Derang, 06400 Pokok Sena, Kedah) to maintain the confidentiality of the information supplied, as stipulated in the application letters for the interview. This study also consulted the Qur'an, the Hadith, classical works comprising Qur'anic exegesis, works on hadith, the Prophet’s biography and other authoritative publications.

The collected data were then added into Atlas.ti version 8 (AV8) software for data organisation according to the ascertained categories and themes. Qualitative content analysis matched the objectives of this study perfectly because the researchers had to analyse the data related to the concepts of SAR, education *waqf* and the administration of education *waqf*.

**Research Analysis**

**Forms of Education Waqf in SAR Kedah**

Folks’ religious schools (SAR) are one of the five types of religious schools existing in Malaysia. Religious teachers, with assistance provided by locals, first established the *Pondok* education system. According to Awang (2006), *Pondok*-style learning in Kedah started with the arrival of Islam through Arab merchants, who built their temporary abodes near the beaches. These temporary abodes were their accommodations during the trading season. They fast became local attractions and places to learn Islamic teachings because the scholars who came to propagate Islam during that time were also merchants. The temporary abodes eventually grew into Islamic learning centres due to the high demand from society.

SAR is a modern education system that gains full cooperation from the people. The basis of the development of these schools is people’s assistance and contributions. The growth of folks’
religious schools started after 1900AD. SAR in Kedah consists of primary (SRAR) and secondary (SMAR) schools.

Most SAR uses education *waqf* to obtain monetary funds for development and for providing learning and teaching necessities in SAR. From the information gained from the interviews with SAR administrators (PSAR 01, 2018; PSAR 02, 2018), the forms or types of education *waqf* received by SAR are lands, buildings, furniture, books and cash money. Table 1 below summarises the results.

### Table 1: Forms of Education *Waqf* in SAR and Implementation Methods

<table>
<thead>
<tr>
<th>Forms of Education <em>Waqf</em></th>
<th>Implementation Methods</th>
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<tr>
<td></td>
<td>Cash <em>Waqf</em> Instrument</td>
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<tr>
<td></td>
<td><em>Waqf</em> Shares</td>
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<tr>
<td>Land</td>
<td>Yes</td>
</tr>
<tr>
<td>Building</td>
<td>Yes</td>
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<tr>
<td>Furniture</td>
<td>-</td>
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<td>Kitab/Book</td>
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<td>Money</td>
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**Source:** Interviews

Table 1 shows the forms of education *waqf* received by SAR and the method of implementation utilised. Based on the table, there are three implementation methods: the cash *waqf* instrument, the utilisation of the Islamic financial instrument and the Shariah-compliant investment instrument. However, until today, the interviewed SAR administrators have only utilised two of the methods available: the cash *waqf* instrument and the Islamic financial instrument (PSAR 01, 2018; PSAR 02, 2018). Notwithstanding the choice of methods, the implementation is found to be at an extremely low level; thus, the impact is far from significant. The low volumes or rates of the tenancy and square feet/lot *waqf* are responsible for this situation; however, the efficient and optimal utilisation of these instruments should be able to produce a more substantial income.

Education *waqf* in the form of land is mostly obtained from the endowment made by the founder of the school himself. The lands were developed by offering square feet or a lot of lands *waqf* to gather funds for building the school facilities and the students’ hostels. This method has been well-received by different walks of society because the price offered is as low as RM50 per square foot, making it easier for the public to contribute (PSAR 01, 2018; PSAR 02, 2018). Education *waqf* is also expanded through the implementation of tenancy or a lease
on the land or the building endowed for education. For example, a hall in the erected building can be rented for those who need a venue for a wedding ceremony, a seminar or a meeting (PSAR 01, 2018; PSAR 02, 2018). Education *waqf* in the form of furniture, books and cash were contributions made by society through programmes organised by the schools. For instance, a SAR held knowledge-oriented programmes at their premises, while at the same time accepting offers for *waqf* of the Qur’an, cash and the like for the participants (PSAR 01, 2018). Collections were also made outside schools (PSAR 01, 2018; PSAR 02, 2018).

In summary, the forms or types of education *waqf* received by SAR are lands, buildings, books, furniture and cash money. These *waqf* assets should be developed so that the benefits yielded from them can continue to be beneficial for a long time. Hence, the *waqf* received for education should be administered and managed in the best possible ways. Therefore, this study has been conducted to put forward some suggestions for further improvement of education *waqf* administration, ensuring the involved assets are governed and developed effectively and efficiently. Further discussion upon the findings is reported in the section below.

**Administrative System of Education Waqf in SAR Kedah**

SAR in Malaysia is managed based on each state’s interpretation of the concept of religious schools. This is due to the position of religious schools, which are placed under the authority of the state governments. However, the federal government has its role in looking after SAR welfare and thus strengthening the position of religious schools in Malaysia (Hj Siren et al., 2018).

In the state of Kedah, all SAR is wholly administered by the School Administrative Board selected and appointed by the Registrar of Religious Schools, Kedah. The board is responsible for managing their schools according to the guidelines provided in the Rules for Maintaining Religious Schools in Kedah. The Kedah State Islamic Religious Department (JHEAIK) is also responsible for regulating school registration, curriculum, co-curriculum, examination, textbooks and payment of allowance and for providing supervision, apart from other related duties (JHEAIK, 2018). Nevertheless, other parties, including the federal and state governments and NGOs, also have their roles in the development of SAR in Kedah. The federal government’s authority over SAR involves two parties: the Islamic Development Department of Malaysia (JAKIM) and the Ministry of Education, Malaysia. At the state level, the authority over SAR involves five parties: the Kedah State Islamic Religious Department (JHEAIK), the Kedah State Education Department (JPN), the Kedah State Islamic Religious Council (MAIK), the Yayasan Gerak Fikir (YGF) and NGOs represented by Hal Ehwal Sekolah Agama (HESA).

The SAR school system is in many ways similar to the school system run by the Ministry of Education Malaysia, only that some issues are emphasised as part of the criteria for a religious
school system, such as stressing Arabic language subjects for the Azhari curriculum, using the Arabic language as the medium for teaching religious subjects and holding the ‘Syahadah Nihaiyah’ (Religious Higher Certificate) examination, which significantly helps students in preparing for the Malaysian Religious Higher Certificate or Sijil Tinggi Agama Malaysia (STAM; a certificate of qualification recognised by the government for the furtherance of study in a local university and abroad in the Middle East). Furthermore, the academic curriculum of the Ministry of Education Malaysia and Examination Board Malaysia is also designed to prepare students for national examinations, such as PMR, SPM, STPM and STAM.

However, how SAR is administered and managed is subject to the SAR administrators themselves. This includes matters concerning the administration of education waqf properties or assets extant at their schools. According to Hussin, Rashid, Suhaili, and Malib (2016) and Bahari (2012), most waqf management bodies, including educational institutions in Malaysia, have until now depended upon only public donations for maintaining waqf assets, and initiatives are lacking for generating waqf assets, particularly through economic and business efforts. This situation is also prevalent at the state SAR. Based on the interviews the researchers conducted, the school administrators managed education waqf assets in SAR without the existence of any specific organisation or without creating any department or section specifically to manage the education waqf funds. According to PSAR 01 (2018), until today, his SAR only manages education waqf funds privately and without the involvement of any collaborative or cooperative ties from other external agencies. This arrangement creates difficulties in developing education waqf funds due to financial restraints.

Nevertheless, according to PSAR 01 (2018) and PSAR 02 (2018), there are ongoing plans to collaborate with relevant parties whose expertise would be useful to develop education waqf at their schools. Still, these plans are thwarted due to certain obstacles that exist due to the overlap of powers among different Islamic education stakeholders, as previously addressed. This situation thwarted the efforts of education waqf administrators in SAR to implement an education waqf development programme. According to Shaikh, Ismail and Mohd Shafiai (2017), the establishment of waqf-based training will increase opportunities for self-employment and contribute to the upward social mobility of the beneficiaries. Hence, education waqf development efforts should be continued to ensure that the benefits from the waqf are perpetual.

The research shows that the administration of education waqf should be more systematic to yield more significant impact with sufficient benefits. For instance, the administration of education waqf in SAR should involve three main sections: registration, development and marketing. The registration section should hold the duties of registering and recording the amount, type and value of the contributed education waqf. This section should also record the education waqf assets that have been developed. The development section is central to
This management strategy does not require the involvement of numerous administrators. It is sufficient if the school has a person who is made answerable in any waqf management aspects, with the conditions that the person is meticulous in managing the waqf assets records, is aware of the types of waqf development that are in progress and is knowledgeable of the marketing strategies that have been employed. Hence, this research paper attempts to suggest a strategy for waqf administrators can apply to develop education waqf using a funds-generation instrument. According to Mahamood and Ab Rahman (2015), the role of waqf is significant in providing financial assistance to communities and in strengthening academic quality with morality and ethics. These benefits have influenced waqf donors or founders to donate their wealth and property to enrich and sustain the education institution. The purported instrument is cash waqf, which is the most beneficial to the SAR management and administration that are usually situated in areas far from city centres. The concerns of the local people are commonly demonstrated through assistance in monetary forms, square feet (land lot) waqf and the like compared to other instruments, such as shares, Sukuk, etc.

**Cash Waqf Instrument**

Abdullah (2019) explained that cash waqf is one of the methods that enable the endowment of waqf using money as a waqf asset or property (mawqūf). Types of cash waqf instruments include waqf in the form of money, lot waqf, square feet waqf, shares waqf, etc. (Ab Hasan, Othman, Ibrahim, Shah, and Noor, 2015). Shares waqf, which is also known as waqf musytarak or consolidated waqf, is the endowment of shares bought using cash from certified organisations acting as trustees. The collected money from this buying of shares is then consolidated in an endowment fund to be changed into permanent assets known as badal. The yield from the asset is to be used for charitable purposes and benefits the ummah. As an example, if the state government wants to erect a building on waqf land with the capital of RM10 million, the State Islamic Religious Council will issue shares at the value of RM10 per share (Azha et al., 2013).

Implementation of cash waqf allows many parties to contribute to waqf because the amount or value that can be endowed depends solely on the capability of the endowers without having to wait until they own permanent assets. This situation encourages more members of society to make endowments. The SAR with waqf lands that are still waiting for development usually
requests the public to contribute in the form of a lot of square feet waqf as low as RM50.00 to collect funds for erecting new buildings or renovating existing ones.

Cash waqf has also been implemented by asking the public to make endowments using their money, which will be replaced with a permanent asset by way of badal, such as buildings and business complexes. According to Bahari and Mat Hassan (2017), buildings that can generate income are considered productive developments. For instance, developments like homestays, shophouses and office buildings provide revenue for administrators through tenancy or the lease of the properties. Accordingly, SAR administrators should be generating education waqf funds by erecting buildings that fulfil commercial demands to yield ongoing benefits productively. The benefits yielded can eventually contribute to the sustainability of SAR education.

In addition, cash waqf can also be produced through investment in Shariah-compliant stocks. According to Azrai Azaimi Ambrose, Gulam Hassan and Hanafi (2018) and Ismail Abdel Mohsin (2013), the return from cash waqf that is invested in a unit trust or any other Shariah-compliant stocks can be used to finance federal government expenditures or institutions, including educational institutions. This also can be one of the finance sources to develop SAR. However, creating new public service corporations is not only a way of generating new revenue to replace diminished state investment but is also a means of enhancing transparency, accountability and public trust (Greer and Klein, 2010).

**Conclusion**

In conclusion, education waqf is a financial instrument that has garnered attention among SAR administrators, who have used it as a mechanism to obtain financial funding. The funding is instrumental in fulfilling the basic needs in SAR for learning and teaching. The funding is also purported to improve and develop the Islamic education system, which has witnessed a tremendous decline due to competition with the modern education system. Many forms of education waqf are available in SAR Kedah, such as land, building, furniture, Qur’an and cash. This education waqf cannot be administered and developed to their full potential due to overlaps in power between many parties. Nevertheless, the efforts to establish education waqf must be continuous to ensure the long-term benefits of waqf assets. It is suggested that SAR administrators implement the cash waqf instrument in their efforts to expand the existing education waqf assets.
Acknowledgements

The Fundamental Research Grant Scheme (FRGS) funded this research, and the researchers would like to thank the Ministry of Education Malaysia for this financial assistance towards its completion. The grant is recorded as 600/IRMI/FRGS 5/3 (066/2017).
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