

Utilizing AHP Method to Rank Preference of Waqf Fund Usage for UiTM Terengganu, Malaysia

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ABSTRACT

This study attempts to explore preference of waqf fund usage for UiTM Terengganu. Eight projects were tested, namely education for student development, education for academic development, health, mosque, social care and welfare, trade and commerce, environment, and infrastructure development. This study uses Analytical Hierarchy Process (AHP) method, utilising data collected from an interview involving 20 respondents. The study found health is the priority, followed by education for student development, infrastructures, mosque, social care & welfare, environment, and finally education for academic development. Understanding the preference of the usage of waqf fund is crucial as the policymaker can allocate a bigger slice of the fund towards preferable projects, as well as it can become a marketing technique to attract more people to donate towards this education waqf fund.

Keyword: Waqf, Education, University, AHP, Fund

INTRODUCTION

Malaysia National Higher Education Plan 2015-2025 has suggested the use of endowment and waqf initiative as an important measure for fund raising to ensure the sustainability of the funding of higher institutions. The Ministry of Higher Education Malaysia highlighted that this measure is crucial due to the continuous increment in cost of education, especially in public universities which rely heavily on government funding and subsidy.

In Malaysia, several public universities have taken further steps in introducing and institutionalizing the waqf funding instrument for their respective universities. These include the UPM (Putra University of Malaysia), the UKM (National University of Malaysia), the IIUM (International Islamic University of Malaysia), the UiTM (Universiti Teknologi MARA), the UNISZA (Universiti Sultan Zainal Abidin), the IUM (Islamic University of Malaysia) and the AiU (Albukhary International University, Malaysia). As for UiTM, several waqf initiative has been put in measure, including “Projek Wakaf Dusun Ilmu” by UiTM Melaka, “Dana Pembangunan Ilmu” by UiTM Perlis, and waqf fund set up by Academy of Contemporary Islamic Studies, based in UiTM Selangor. These funds are set to help reduce financial difficulties and allow the university to perform its functions and to carry out all its academic and educational activities including research.

At present, there are a number of activities used by UiTM Terengganu to raise fund. This includes organizing conferences, leasing of facilities, and a number of small business initiatives such as rearing and selling of stingless honey. These activities however are still at a small scale, and unable to generate sufficient income to sustain the university. As such UiTM Terengganu is still heavily dependent on government grants and subsidies. As outlined in the National Higher Education Strategic Planning in which Public Higher Education Institutes (IPTA) in Malaysia should generate their own income and be sustainable on their own, UiTM Terengganu is still far behind the aspirations.

Acknowledging this, waqf has been identified by UiTM Terengganu as one of the key initiatives to raise funds.

This fund could be utilized as a measure to repair facilities, student welfare and development, as well as for research activities. A proper waqf fund would allow the UiTM Terengganu's community, that includes alumni, students, lecturers, as well as surrounding communities to support and contribute to the development and wellbeing of UiTM Terengganu.

However, since there is a limited amount of fund in the waqf fund, there is a need to investigate the preference of the potential contributors of this fund on which project should be prioritized. This is crucial as understanding UiTM Terengganu's community preferences would allow the waqf fund administrators to channel the fund more appropriately, according to the real needs of the community. In addition to that, this could potentially instigate them to contribute more towards the education waqf fund as the community feel the sense of belonging.

This study contributes to knowledge by assessing the preference of the usage of waqf fund from the perspective of the potential donors. This is crucial as the policymaker can prioritize and allocate a bigger slice of the fund towards preferable projects. In addition to that, this study also contributes towards the knowledge by expanding the marketing technique to attract more people to donate towards this education waqf fund. Although this study has a specific agenda in determining the preferences of the usage of waqf fund in UiTM Terengganu, the ranking may also apply to other places.

The rest of this article covers the literature on waqf, followed by a description of research methodology and an analysis of results. We conclude this paper by outlining the major findings and their implication for policymakers.

LITERATURE REVIEW

Waqf can be defined as a private proprietorship of assets placed under commands that are prevented from sale, inheritance, hibah (grant), and wasiyyah (will), while at the same time, since its natural source remains unaffected (Mohd Noor et al., 2014). Raison d'etre for the conception of waqf is to give benefit to humankind, in which the benefactor is prevented from having ownership of his property anymore, with the ownership belongs to the public (Mohsin, 2016; Siraj, 2012).

Waqf has a long history and showcased that it has benefited various establishments such as mosques, universities, libraries, hospitals. Numerous studies have discussed the potential of waqf as a financial instrument for HEIs at the local and international level. For instance, Asuhaimi et al., (2017) described the efforts of a few HEIs in Malaysia in establishing waqf funds to fund their educational system. Hasbullah & Ab Rahman (2021) opine that rising public debt has cause government to reduce allocation for higher education institutions. As public universities are highly reliant on government fundings, there is an urgent need to source funding from philanthropic instruments such as endowment and waqf funds. In addition, they argue that the fund should be managed and invested properly with high accountability.

The development of HEIs based on waqf has been thoroughly discussed by Shaifull Anuar et al., (2019). The establishment of waqf funds in HEIs provides the opportunity for the public to be close to Allah (SWT) under the concept of nearness or taqqarub; given it lessens the burden of the government (Mahamood & Ab Rahman, 2015).

Another very close idea that is very close to waqf is endowment. The concept of an endowment-based university has also been the practice of the Oxford and Cambridge colleges, popularly referred to as Oxbridge, which are eleemosynary corporations. The colleges have been sustained by benefactions since they were founded. The head of the college and its appointed fellows are the responsible parties for the pious work and they make an effort to fulfil the objective of the charity. They act like trustees but are also the beneficiaries of the foundation (Acharya & Dimson, 2007).

Analytic Hierarchy Process

This research uses analytical hierarchy process (AHP) method as it is appropriate to evaluate multiple criteria

decision-making problems (Saad, 2001). The Analytic Hierarchy Process (AHP) is argued as one of the popular methods of multi-criteria decision-making analysis. This technique was developed by Professor Thomas L. Saaty in the 1970s as a systematic measure to rank priorities and support complex decision making. Users can assess the relative weight of multiple criteria against given criteria in an intuitive manner. If quantitative ratings are unavailable, researchers can still determine rank the importance of one criterion over another (Saaty, 1990). AHP is able to decomposes a decision problem into their constituent parts, and rank the criteria (Macharis et al., 2004). In addition, Zahir (1999) opines that AHP allow group decision-making via consensus, in which this method calculates the geometric means of the individual pairwise comparisons. This method has been used in multiple industry, function or system such as in washing machine industry, public administration, electronics industry, education, manufacturing, oil, entertainment, ICT, and healthcare industries as outlined in (Russo & Camanho, 2015).

There are numerous studies that apply the AHP for setting priorities in waqf finance and social science. For example, Anwar Allah et al., (2014) show that cash waqf donors in Malaysia rank education, health, and religious infrastructure as key priorities. Amin et al., (2023) indicate that values drawn from maqasid al-Shariah (such as family, consumer, and community considerations) drive decision making. These studies found that education and humanity-related factors were frequently ranked as top priorities by donors. Lestari et al., (2023) applied Fuzzy AHP to develop a national waqf index, emphasizing the importance of regulatory and institutional factors in governance. Studies in waqf reported the utility of AHP in ranking projects, beneficiaries, or sectors based on explicit, contextually relevant criteria (Amin et al., 2023; Anwar Allah et al., 2014; Malik, 2017).

RESEARCH METHODOLOGY

This study uses purposive non-probability sampling method, by collecting data from a sample of UiTM Terengganu community. The respondents are selected based upon the criteria that they must be current students, staffs, lecturers, or alumni of UiTM Terengganu.

We adapted interview questions based on the conditions of using the AHP as method for analysis based on Anwar Allah et al., (2014). Table 1 outline the sample of AHP interview form that we used to furnished, based on the response from the interviewees regarding their priorities to use waqf fund for development.

Table 1: Sample of AHP Interview

Criteria	Edu Acad	Edu Std	Health	Mosque	SCW	T&C	Env	Infra
Edu Acad								
Edu Std								
Health								
Mosque								
SCW								
T&C								
Env								
Infra								
Edu Acad refers to Education for academic development, Edu Std refers to Education for student development, SCW refers to Social care & welfare, T&C refers to Trade & commerce, Env refers to Environment, and Infra refers to Infrastructure development								

Pairwise comparison scale is used, where 1 refers to Equally Preferred, until 9 refers to Extremely Preferred. For example, one respondent extremely prefers to use waqf fund for Edu Std vis-à-vis for Edu Acad. As such, we put 9 inside the row 1 column 2. Or if the reverse happened, we put 1/9 inside the aforementioned cell. Pairwise comparison scale is described in Table 2.

Table 2: Pairwise Comparison Scale

Rating	Verbal Judgement of Preferences
1	Equally Preferred
3	Moderately Preferred
5	Strongly Preferred
7	Very Strongly Preferred
9	Extremely Preferred
2, 4, 6, 8	Intermediate values between the two adjacent judgements
1/x	When a project i compared to j is rated one of the above numbers, then preference j compared to i is assigned their reciprocal

In total, 20 respondents were interviewed. Majority of the respondents are below 30 years old, with a balance composition between male and female. Most of the respondents are alumni of UiTM Cawangan Terengganu, as well as current student.

Analysis

There are 20 respondents interviewed, of which 6 respondents (30%) are male, and the rest are female. All the respondents are Malay and Muslim. 14 of the respondents (70%) were the alumni of UiTM Terengganu, whilst 6 respondents are current students.

Table 3 depicted the calculated geometric mean of aggregated respondent's priorities based on pairwise comparison for the selected types of Waqf fund usage in UiTM Terengganu.

Table 3: Aggregated Respondent's Priorities Matrix Using Geometrix Mean

Project	EduA	EduS	Health	Mosque	SCW	T&C	Env	Infra
Education for Academic Development	1.00	0.31	0.42	0.62	0.91	1.44	1.40	0.54
Education for Student Development		1.00	1.40	1.42	1.65	2.00	1.21	1.15
Health			1.00	2.22	1.96	2.41	2.60	1.21
Mosque				1.00	1.49	2.06	1.64	0.83
Social Care & Welfare					1.00	1.27	1.06	0.62
Trade & Commerce						1.00	0.81	0.39
Environment							1.00	0.36
Infrastructure								1.00

After that, the result was analyzed and converted into priorities vector as depicted in Table 4. This vector outlined the rank for each project.

Table 4: Priority Vectors for all Criteria of the Decision Hierarchy and Inconsistency Result

Projects	Priority Vectors
Education for Academic Development	0.08562
Education for Student Development	0.18355
Health	0.19449
Mosque	0.12782
Social Care & Welfare	0.09373
Trade & Commerce	0.07001
Environment	0.08795
Infrastructure	0.15682
Inconsistency	0.01478

Based on the priority vector in Table 4, health is the first priority, followed by education for student development, infrastructures, mosque, social care & welfare, environment, and finally education for academic development. The choice of health related project to be funded by waqf fund seems quite perplexing, as previous literature suggest education is the main preference of donor to contribute to waqf fund (Çizakça, 1998). It potentially due to the emphatic nature of the respondents, in which they put importance of healthcare and associated infrastructure over other domains. This is supported by Amin et al., (2023) and Anwar Allah et al., (2014) in which they discover that education and humanity-related factors were frequently ranked as top priorities by donors.

CONCLUSION

This study explores the preference of waqf fund usage for UiTM Terengganu. Based on the input from current students and alumni, this study found health as the priority, followed by education for student development, infrastructures, mosque, social care & welfare, environment, and finally education for academic development. Via understanding this preference of the usage of waqf fund, the waqf administrator can navigate the allocation of the fund accordingly. In addition to that, allocating a bigger amount of fund towards the preferred projects could potentially attract more donation into the fund as the donors feel more connected with the administration of the waqf fund.

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