

A CASE STUDY OF IDLE WAQF ASSET IN PERAKL

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Abstract

Its proper administration of waqf properties in Perak state, Malaysia, is overseen by institutions such as the Islamic Religious Council and Perak Malay Custom (MAIPk). Although they have the potential to enhancing economic growth and social well-being, the majority of waqf properties are not fully utilized because of inefficient management procedures, lack of proper documentation, and legal discrepancies. This paper examines the causes of the non-use of waqf properties in Perak and calls for a multi-pronged approach in activating their use. Based on the study, capacity building for programs, public-private partnerships, reform of the law, and creative financing schemes are identified as the main strategies for unlocking the potential of these dormant assets to benefit the community.

Keywords: *Idle Waqf Assets, Waqf Management, Islamic Religious Council (IRC).*

INTRODUCTION

Waqf has gained popularity in Muslim communities as a tool for empowerment and community development. Waqf, or Islamic charitable endowment, has long played a key role in promoting socio-economic development by providing financial resources for education, health, and community welfare activities. Despite their importance, many waqf assets are neglected, resulting in missed community development opportunities. In Malaysia, the management of waqf is the responsibility of the State Islamic Religious Councils (SIRCs), where the Majlis Agama Islam dan 'Adat Melayu Perak (MAIPk) oversees the management of waqf properties in Perak. Despite its vast potential, a large portion of waqf assets are still not fully utilized, thus hindering economic as well as social progress. This research investigates the underlying causes of the inactivity of waqf in Perak, focusing on the legal, administrative, and infrastructural challenges. Additionally, it proposes pragmatic solutions designed to enhance the management of waqf properties, thus ensuring their productive use for the benefit of the ummah.

PROBLEM STATEMENT

Waqf is one of the biggest donations Islamic civilization in the history of humanity and is growing with the times and moving along with the technological progress in this world. (Harian Metro, November 2016). The spirit of preserving wealth for the benefit of the world and the eternal hereafter drives various creativity in the implementation of waqf throughout history. SIRC's manage waqf assets and ensure for Islamic use. They can also create and authorize waqf asset transfers. JAWHAR manages and develops waqf assets, advises on waqf formation, and promotes waqf for social and economic development (Bursa Malaysia, 2024). The issue of idle waqf assets in Perak presents a significant challenge to the socio-economic development envisioned through Islamic endowments. Despite the historical importance of waqf in supporting education, healthcare, and poverty alleviation, a large portion of waqf land in Malaysia, including Perak, remains underutilized or unproductive.

According to Bernama, more than 85% of waqf land is either idle or insufficiently developed due to unresolved legal, administrative, and financial issues that have persisted for decades. In particular, the absence of clear land titles, inadequate documentation, and oral waqf declarations, which are common in traditional practices, create legal disputes and hinder effective ownership transfers. Additionally, many waqf properties are classified as non-commercial, further limiting their potential for profitable development. Without healthy finances and strategic investment, these assets remain stagnant, preventing them from fulfilling their intended socio-economic functions. The Malaysian Waqf Foundation and Department of Waqf, Zakat, and Haj (JAWHAR) in the Prime Minister's Department report that just 13% of the nation's 30,000 hectares of waqf land has been developed. On JAWHAR's waqf expert group, Ismail estimated almost 26,000 hectares are idle or underutilized. "It (unused waqf land) is not being given the attention it deserves," he added, adding that a research on idle and underutilized land was needed to uncover its value. Last December, Housing and Local Government Minister Zuraida Kamaruddin said her ministry would investigate building affordable houses on waqf land for Malaysia's B40 (bottom 40% of households earning RM3,000 or less) group. She stated the ministry's National Affordable Housing Policy now prioritizes waqf land (Bernama, 2018).

The state Islamic Religious Council reports about 33,000 acres of waqf land in Malaysia. Before 2015, just 7% of notes were developed (Abd Jalil, 2018). This indicates 93% of Malaysian waqf land is unproductive. This waqf land development also had issues (Abdul Majid & Said, 2014). Many waqf lands in Selangor and other regions were difficult to develop due to their non-strategic placement in the interior. Muslim property management is still unmanageable, resulting in poor distribution. This freezes the property. As-Salihin estate planning specialist, Norisah estimates that RM66 billion of Muslim property has gone unclaimed and unmanaged. This number rose to 70 billion ringgit by 2020 (Azrin & Asyraf, 2020). These data are alarming and cause unmanageable idle assets. Many heirs fail to govern the estate, causing family feuds that were only partially settled. This is unfair to the deceased's heir and property owner because the property should go to eligible recipients. Religious scholars and financial advisers say Muslim *maslahah* cannot be enforced without good property management. (Sakina et al., 2023).

Under MAIPk, idle waqf assets and land have been a serious issue in Perak's waqf management system. To address these challenges, MAIPk and other relevant authorities must adopt progressive strategies, such as legal reforms, digital transformation, and partnerships with private enterprises, to unlock the value of waqf assets and ensure their sustainability and contribution to the welfare of the community. This research seeks to identify these root problems, analyze their impact, and propose actionable solutions to revitalize idle waqf properties in Perak, thus bridging the gap in the current body of knowledge surrounding waqf management in Malaysia. The problem statement should guide this study to resolve the issues.

METHODOLOGY

This research employed a qualitative methodology to investigate the management of idle waqf assets in Perak, Malaysia, with an emphasis on understanding the complexities faced by the Majlis Agama Islam Perak (MAIPk) and other stakeholders in the waqf sector. The primary data collection involved semi-structured interviews with a purposively selected sample of key informants, including experienced officials from MAIPk, waqf managers, and community leaders. This approach enabled the researchers to capture rich, detailed narratives that reflect the lived experiences and insights of those directly involved in waqf management. The semi-structured format allowed for flexibility in probing deeper into specific themes, such as the challenges of legal constraints, governance issues, and the social and economic impacts of waqf assets.

In addition to primary data, the research utilized secondary data from published sources, including policy documents, reports on waqf development, and academic literature, to triangulate findings and provide a comprehensive understanding of the current state of waqf assets. This combination of data sources enhanced the validity and reliability of the results. Thematic analysis was employed to systematically identify, analyze, and report recurring themes related to the management of idle waqf assets. This process involved coding the interview transcripts to uncover significant patterns and insights, such as stakeholder perceptions on the effective utilization of waqf for community development and existing barriers to implementation.

Additionally, an inductive approach was applied to explore emerging themes without the constraints of a pre-defined theoretical framework, allowing for a more organic development of insights grounded in the realities of waqf management. This methodological framework provided a robust basis for understanding the intricate dynamics of idle waqf assets in Perak, ultimately informing recommendations for policy improvements and better management strategies that could enhance the socio-economic benefits derived from waqf, addressing poverty and fostering community welfare.

RESULT

The Concept of Waqf in Islam

The concept of waqf is a fundamental element of Islamic charitable practices, serving as a unique form of endowment intended for the public benefit. Defined in Islamic tradition, waqf involves the dedication of a specific asset or property for religious, educational, or social purposes, with the expectation that its benefits will be sustained indefinitely. Fiqh scholars agree on defining al-waqf in terms of language with the word al-habs, because this word is closer to the meaning in sharia. (Har et al., 1975). Waqf plays a dual role by facilitating community welfare and empowering socio-economic development, thereby promoting social responsibility within the Muslim community. (Abdul Khalid, 2021)

Waqf, the endowment of property for charitable or religious purposes, is defined similarly across the four major Sunni schools of Islamic jurisprudence, with some nuanced differences. The Hanafi school views waqf as a permanent relinquishment of ownership, emphasizing the necessity of the waqif's intention to dedicate the property to charitable causes. The Maliki school stresses the irrevocability of waqf and focuses on community welfare, requiring that the endowed properties effectively serve their intended purposes. According to the Shafi'i school, waqf is considered binding and must meet legal conditions, with an emphasis on benefiting the public and ensuring appropriate management of the assets. The Hanbali school aligns with the other madhhab, underlining the importance of adhering to the Quran and Sunnah while promoting community welfare through a clear purpose in waqf endowments. In summary, all four madhhab recognize waqf as an essential institution for social welfare and community development, highlighting its irrevocable nature and the imperative to manage waqf properties effectively for the benefit of those in need. (JAWHAR, 2021).

Waqf not only benefits specific target groups but also enhances societal welfare, thereby strengthening and improving the economic sector. In Islamic banking institutions, waqf is regarded as a corporate responsibility initiative that differentiates Islamic banking from conventional entities (Abdullah et al., 2019). Ultimately, the above definitions capture the same meaning pertains to the endowment of property for charity or religious reasons, therefore reflecting a major activity that blends philanthropic desire with spiritual dedication. The basic nature of waqf is the permanent renunciation of ownership, therefore enabling the waqif (giver) to seek near to Allah (SWT) and commit their possessions for the benefit of the society as mentioned Allah in Quran:

{ لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ ۚ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ }

Meaning: "You will never attain (the truth of) righteousness and piety (perfect) until you spend out of that which you love. And whatever you spend, Allah knows it" (Surah Ali Imran: 92)

According to Imam al-Baidawi when interpreting the above verse, it states that a person will not be able to achieve the essence of a good, which is the perfection of good or will not achieve the goodness of Allah SWT, which is His Mercy, His pleasure and Paradise until a person spends something that is dear to him from his wealth. (Abdul Khalid, 2021). In addition, Imam al-Khatib al-Syarbini also stated regarding this verse that indeed Abu Talhah when he heard this verse, he liked (wanted) to endow (the garden) of Bairuha' which was the most dear to him property.

There is also a hadith of the Prophet SAW telling about the endowment of saidina Umar RA which was narrated by Ibnu Umar RA which mean "Umar acquired a piece of land in Khaibar then he came to the Prophet (PBUH) to ask for his opinion on how to manage it, he said: O Messenger of Allah! I acquired a piece of land in Khaibar. I have never acquired a better property than this. He said: If you like, hold on to the land (endow the land) and give its benefits in charity. Then Umar gave charity from the produce of the land on the condition that the land could not be sold or bought and inherited or gifted. Umar gave charity from the produce to the poor, relatives and to free slaves as well as for those who fight in the way of Allah and to provide for those who are on the journey and to serve as food for guests. The person who manages it can eat some of the produce in a good way and can feed his friends in moderation" (Babacan 2011; Kahf 2014).

Imam Nawawi in explaining this hadith stated that this hadith is evidence that allows the practice of endowment and this practice is contrary to the reprehensible (practices) of the ignorant society. This hadith also contains the virtues (advantages) of the practice of endowment, which is considered a continuing charity, and also the virtues (advantages) of giving away something that is loved (Abdul Khalid, 2021).

The Total Amount of Idle Waqf Assets in MAIPk

In Perak, Malaysia, the management of Waqf assets is a critical component in harnessing resources for community development and socio-economic upliftment. The Perak Islamic Religious and Malay Customs Council (MAIPk) currently oversees a significant inventory of approximately 7,144 registered Waqf land lots, encompassing a diverse range of uses, including residential and business premises, with a total area of approximately 20,596 hectares. This asset base includes about 198 premises designated for various purposes, which are further categorized into 138 business premises and 60 residential premises. The value of cash Waqf contributions has reached 18 million to date, showcasing a growing interest in this form of charitable endowment (N. Rosli, 2025).

Despite the intrinsic value of these assets, many Waqf properties in Perak remain underutilized or idle, with a considerable portion of them not generating returns or providing community services. Reports indicate that idle waqf assets contribute significantly to the challenges in community engagement and resource optimization, reflecting both the potential and inefficiencies present within the management system.

While MAIPk has made efforts to develop some Waqf lands for community projects such as mosques, orphanages, and healthcare facilities, many properties remain vacant or in disrepair (N. Rosli, 2025).

The Challenges To Manage Idle Waqf Assets

The management of Waqf assets in Perak faces several challenges that hinder the effective utilization and development of these properties:

- i. **Regulatory Complexities:** The legal framework surrounding Waqf management is complicated and often lacks clear guidelines, detracting from the capacity of the Perak Islamic Religious and Malay Customs Council (MAIPk) to monitor and enforce compliance effectively. This complexity can lead to inefficiencies in asset management and oversight.
- ii. **Inadequate Infrastructure:** Many waqf properties suffer from infrastructural deficits, making them less attractive for community use and investment. The absence of essential facilities not only limits their engagement potential but also complicates efforts to maintain and enhance these assets (H. Adnan, 2024).
- iii. **Financial Constraints:** MAIPk grapples with insufficient financial resources to manage and develop Waqf properties adequately. Current outstanding debts related to Waqf assets amount to approximately RM3,026,029.03, indicating significant financial obligations that undermine the organization's capacity to revitalize and optimize these resources (N. Rosli & H. Adnan, 2025)
- iv. **Lack of Skilled Personnel:** The underperformance of Waqf assets can also be attributed to a shortage of qualified human resources with expertise in management, finance, and development. This limitation restricts MAIPk's ability to implement necessary maintenance and improvement programs for idle properties (Jamil Hashim, 2024).
- v. **Community Engagement:** There is a notable absence of community involvement in the management of Waqf properties, which can lead to a disconnect between asset potential and community needs. Without active participation, accountability diminishes, resulting in a reduced focus on the effective use of Waqf assets.

This underperformance can be attributed to several interrelated challenges. Firstly, the regulatory framework governing Waqf management is often complex, leading to difficulties in monitoring and compliance. The lack of clear guidelines can hinder the effective stewardship of these properties, limiting the capacity of MAIPk to implement necessary oversight and development measures.

Strategy to Solve Idle Waqf Aset

To make the most of waqf assets, it is important to adopt a clear strategy that includes better legal coordination, innovative asset management, and active community participation. This article focuses on the need for consistent waqf laws across Malaysian states to ensure fair distribution of benefits. Currently, differences in these laws can create inequalities, particularly for regions that lack resources to manage waqf properties effectively. By standardizing regulations, states can work together, share resources, and improve overall waqf management (Jamil Hashim, 2024).

One effective strategy discussed is the *istibdal* method, which allows for converting underperforming waqf properties into income-generating assets. Many waqf lands are not productive due to poor locations or low quality, yielding little income. By identifying these underutilized properties and reinvesting their proceeds into profitable ventures, such as rental properties or diversified investments, waqf can significantly increase its financial returns. This revitalization ensures a steady income stream to support community projects and social programs (H. Adnan, 2024).

Furthermore, engaging the community is crucial for successful waqf management. Raising awareness about the importance and benefits of waqf can encourage more people to participate in donations and management. Educational initiatives and outreach programs

can help demystify waqf concepts and highlight their impact, especially among younger generations. Utilizing platforms like social media can enhance these efforts, making it easier to connect with a broader audience.

In summary, enhancing waqf management through better laws, innovative asset strategies, and community involvement can help tackle poverty and promote social development. By combining these elements, waqf resources can become valuable tools for addressing community needs, ensuring that they benefit both current and future generations. This approach fosters a spirit of giving and responsibility, aligning with the original purpose of waqf.

CONCLUSION

This study explores the intricate dynamics of waqf management, specifically focusing on idle waqf assets in Perak through the case study of the Perak Islamic Religious Council (MAIPk). The findings highlight the immense potential of waqf as a vehicle for socio-economic development, emphasizing its role in addressing community needs and fostering social welfare. Despite its significance, the research reveals challenges in the utilization and management of waqf properties, which hinder their effectiveness in achieving intended outcomes. The study advocates for enhanced governance and innovative management strategies to revitalize idle waqf assets, ensuring they serve their philanthropic purpose and contribute meaningfully to the community. By addressing the issues surrounding waqf management, this research aims to contribute to the broader discourse on Islamic philanthropy, illustrating how waqf can be leveraged as a sustainable solution for socio-economic empowerment and community development in contemporary society.

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