

IMWI 4 Tahfiz Agripreneurcation: A sustainability model for private tahfiz schools In Malaysia

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Abstract

Tahfiz Schools especially Private Tahfiz Schools (PTS) in Malaysia face constraints in obtaining cash funds. Therefore, this study aims to assess the potential integration of *waqf* and *ijarah* instruments in economic development and to propose a model for the integration of *waqf* and *ijarah* for the sustainability of Tahfiz institutions. The study used qualitative methods, including library research, inductive methods, deductive methods, and focus group discussions (FGD). The study's findings propose a sustainability model for PTSs by integrating *waqf* and *ijarah* methods for economic development.

Keywords: Sustainability, Private Tahfiz Schools, *Waqf*, *Ijarah*

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DOI: <https://doi.org/10.21834/e-bpj.v8iS114.5057>

1.0 Introduction

Private Tahfiz Schools (PTS) is one religious educational institution in Malaysia affected by the COVID-19 pandemic that hit the country in early 2020. PTSs have volatile incomes, primarily relying solely on student fees (Rohayu Yusop, 2020). Additionally, a PTS may receive financial assistance from donations, government aid, and religious institutions. A study conducted by Abd Rahman Abd Ghani (2010) on PTSs in Selangor found that the most significant contribution to the founding of PTS institutions comes from community donations involving 19 institutions (42.2%), followed by private capital involving 13 institutions (28.9%), eight institutions (17.7%) from *waqf* sources, and five institutions (11.2%) receiving assistance from specific organizations.

Thus, this necessitates founding a governance model for Tahfiz institutions and pondoks that can be aligned and serve as guidance in facing future challenges (Azman et al., 2020). This led to the development of a model *waqf* and *ijarah* integration for sustaining the growth of PTSs. According to Syahnaz and Aznan (2017), *waqf* has played a significant role in the development of Islamic civilization and contributed to the community's prosperity and socioeconomic well-being. The idea of establishing is to become a solution for developing abandoned *waqf* land to be more sustainable and progressive by integrating the elements of tahfiz with others.

Therefore, this article aims to assess the potential integration of *waqf* and *ijarah* instruments in economic development and to propose a model for the integration of *waqf* and *ijarah* for the sustainability of Tahfiz institutions. Through this research, it is observed that the integration of two methods, namely *waqf* and *ijarah*, provides significant benefits for economic development. A model is constructed in this study, and the model is called "IMWI 4 TAHFIZ AGRIPRENEURCATION." Through this model, all parties, including MAIN, corporate companies, and PTS, also benefit from the *ijarah* contract. At the same time, this model impacts the development of society, economy, religion, environment, race, and country. For further research, it is suggested to build a PTS governance model, curriculum, and other tools to increase the institution's income.

2.0 Literature Review

2.1 Financial Constraint in Private Tahfiz School

A PTS is an Islamic religious institution that teaches Quran recitation and memorizing. These schools offer Islamic studies education and are attended by Muslim students from primary through secondary school. Tahfiz schools are managed in two ways: (i) Public ownership; and (ii) private ownership. Through the Department of Islamic Development Malaysia (JAKIM) and the state, the federal government finances and oversees the Tahfiz government school. PTSs, on the other hand, are controlled by people, groups, or businesses. As such, they have different governance practices according to the founders' norms, and their operations are independent and self-funded (Bani et al., 2023). A PTS can either be registered or unregistered. PTSs registered with the State Islamic Religious Department (MAIN) and the Department of Islamic Development Malaysia (JAKIM) are often overseen and given government funding per the annual national budget (Mohd Yusof et al., 2022).

The State Religious School Enactment or State Enactment governs the management of private schools, including Tahfiz schools (Bani et al., 2023). In Malaysia's Federal Constitution, subjects on the Administrative Affairs of Islam or Islamic law are put under the competence of the State Government (Arshad et al., 2023). PTS frequently needs help to secure adequate resources as they grapple with limited government funding and financial constraints. The sources of funding for PTS can be internal or external. Internal sources originate within the PTS, such as school fees and trade profits (Razak et al., 2022). On the other hand, external sources refer to the revenue obtained from sources other than PTS, such as gifts and sponsorship, government grants, zakat, and *waqf*.

A PTS may also raise funds through entrepreneurial ventures (Yusop et al., 2020). This aligns with the idea by Abdul Kadir & Mhd Sarif (2015) that PTS may make money via a social entrepreneurship model by selling merchandise and food. Ismail et al. (2022) reported that financial constraints are the significant difficulties private institutions such as PTSs experience. Obtaining government subsidies, a lack of donations from the public, and offering free accommodation and education costs to asnaf students are just a few of the financial challenges PTS must deal with. These issues have a significant adverse effect on a PTS's cash flow. Therefore, *waqf* can provide a feasible solution to address these financial challenges by utilizing it to raise funds. Previous research has discovered that *waqf* is vital in ensuring the long-term viability of tahfiz institutions in Malaysia (Razak et al., 2022).

2.2 Integrating Waqf and Ijarah in Private Tahfiz School

In the Sharia context, *waqf* is defined as preserving property that could be used as long as it is in acceptable condition by disengaging the privilege of ownership over the property and transferring it to permissible interests (Mohd Ali et al., 2023). *Waqf* is one of the socioeconomic development methods that have the potential to contribute to both the growth and social development of a nation as well as to the economy of that nation (Hassan et al., 2021). Mohd Yusof et al. (2022) added that *waqf* is a long-term gift that may be crucial in developing educational institutions. Studies carried out by both national and international academics validate such an approach. The government uses *waqf* assets as a source of funding to provide access to the community, particularly for the education sector through the construction of schools and higher education institutions and others using money raised from the benefit of *waqf*.

Ijarah, or rent, is a legal agreement to get particular services (benefits) in exchange for specific goods. *Ijarah* is a leased contract used to acquire advantages from assets or services according to fiqh muamalat (Mohd Yusof et al., 2022). The agreement in question is one for the transfer of service ownership (benefits). This *ijarah* agreement is valid and compliant with *syara'*. *Ijarah*, in the context of *waqf*, is used to describe the halal finance strategy used by a *mutawalli* to collect the proceeds from the sale of *waqf* property. The implementation of both constantly provides benefits at the same time. Beneficial *waqf* assets will be leased or rented to those who can afford to grow the properties and need them (Hassan et al., 2021).

Given that most PTSs were founded with *waqf* funding, the combination of *waqf* and *ijarah* is considered an adequate substitute for PTS survival (Mohd Yusof et al., 2022). Integrating *waqf* and *ijarah* can provide a sustainable financial model for PTS. By using *waqf* to acquire a property and leasing it out using an *ijarah* contract, PTSs can have a stable source of income to maintain and improve their facilities. The rent paid by the PTSs can be used to maintain and enhance the property, increasing the value of the *waqf* asset over time. Khan Mohamed's land development project exemplifies this endeavor (Mohd Yusof et al., 2022).

Overall, the integration of *waqf* and *ijarah* can provide a sustainable financial model for PTS in Malaysia. This can be used as a solution to develop abandoned *waqf* land and preserve the development of PTS. *Akad al-Ijarah* is signed between the MAIN and a corporate company, where MAIN acts as a lessor (*mua'jir*) of *waqf* land and the corporate company as a lessee (*mustajir*) of *waqf* land and as a developer (Akhir et al., 2022). The detailed discussion of this integration model will be explained in the next section of findings and discussions.

3.0 Methodology

This study is a qualitative study that utilizes library research methods, referring to library materials (Booth, A. et al., 2016). It consists of journal articles, doctoral philosophy, and master's theses, as well as books. Previous research findings are important to assess the extent of the research problem, research gap, and research potential. Most studies discuss the potential of *waqf* for economic development. Therefore, the study examines the potential for broader development if combined or integrated with *ijarah* or leasing instruments for multiple returns.

The study also utilizes inductive and deductive methods, which are methods of thinking or reasoning. The inductive method is a research approach that starts with collecting specific data or facts and moves towards the general. This specific data is obtained through observation (Creswell, J. W., 2013; Patton, M. Q., 2014). The observation method involved visiting PTSs in several states in the northern

region of Peninsular Malaysia. Typically, this method is used in sociology, anthropology, and psychology (Bernard et al., 2017; Babbie, 2016). This approach allowed the researchers to observe and document the implementation of waqf and ijarah practices within these educational institutions. The observations unveiled a promising trend, indicating that the integration of the *waqf* method positively impacts the economy and sustainability of these schools. As a result of the observations, the researchers found that the potential of the *waqf* and *ijarah* elements is extensive when practiced in PTSs.

The deductive method is a research approach that starts with a theoretical statement and then collects data to test or confirm that statement (Creswell, J. W, 2013). It is a formulation from the general to the specific. In this study, the integration of waqf and ijarah was seen to have potential. Therefore, the study attempts to propose a model that integrates *waqf* and *ijarah* for the sustainability of specialized PTSs in Malaysia.

To construct or propose the model, the study uses the focus group discussion (FGD) method. FGD is a qualitative research technique for gathering data through group discussions focused on a specific topic (Morgan, D. L., 1997). In this study, researchers used FGD with researchers from various fields, including expertise in *waqf*, management, Islamic jurisprudence (*fiqh*), and law. Discussions for the construction of this model were conducted step by step until a proposed model was built, namely the 'IMWI 4 TAHFIZ AGRIPRENEURCATION' model.

This proposed model was presented to the authorities for approval. The Director of Education at the Department of Islamic Development Malaysia (JAKIM) and the Waqf Division at the Department of Waqf, Zakat, and Hajj (JAWHAR) confirmed that this model is effective and has potential. It signifies the importance of integrating *waqf* and *ijarah* practices in PTSs for economic growth and sustainability. The recognition from JAKIM and JAWHAR further emphasizes the significance of this research in contributing to the advancement of Islamic education in Malaysia.

4.0 Findings and Discussions

The study results in a model called 'IMWI 4 TAHFIZ AGRIPRENEURCATION'. IMWI stands for 'Integrated Model of *Waqf* and *Ijarah*.' The number 4 colloquially means 'for.' AGRIPRENEURCATION is a combination of agriculture, entrepreneurship, and vacation. This model integrates the *waqf* and *ijarah* methods for the sustainability of PTS in Malaysia. The model is presented below:

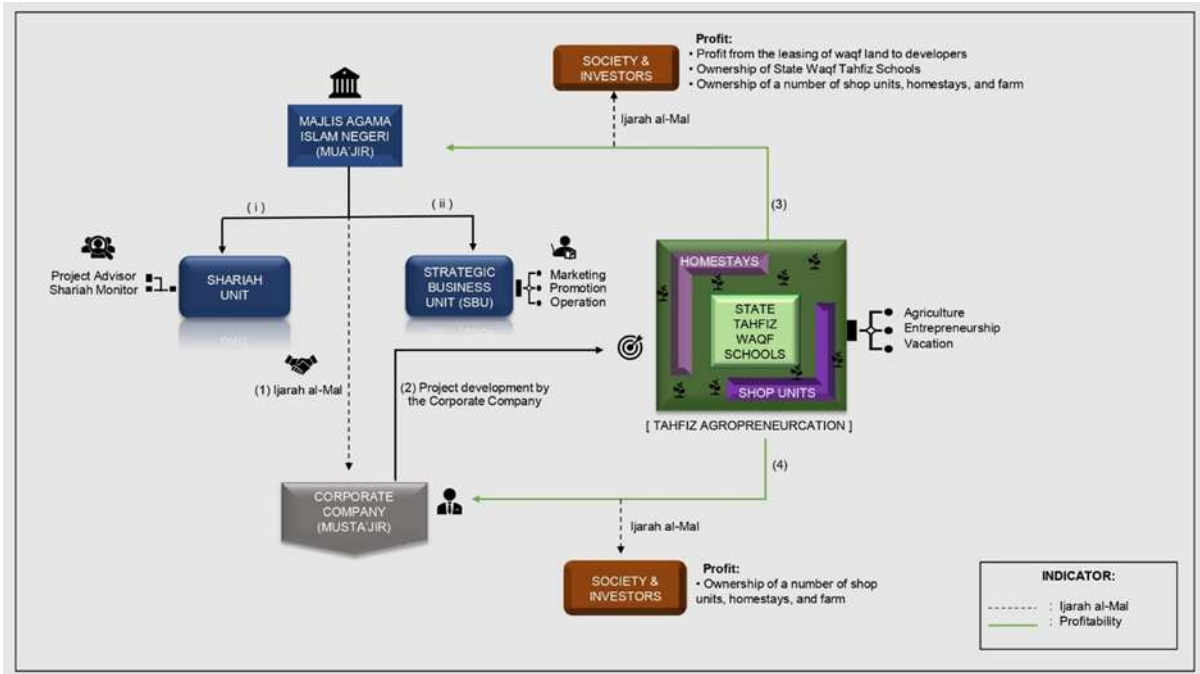


Figure: The modus operandi of *waqf* and *ijarah* in the development of PTSs

The figure above is a model related to the modus operandi of *waqf* and *ijarah* in the development of PTSs:

1. The State Islamic Religious Council (MAIN), as the *mutawalli* (manager and holder of waqf assets), collaborates with corporate companies. This collaboration involves an *akad al-ijarah al-mal* in which MAIN provides strategic waqf land as the landlord or lessor (*mu'ajir*). The corporate company, as the tenant or lessee (*mustajir*), is responsible for developing the *waqf* land. Through the *akad al-ijarah*, both parties agree on the waqf land's rental period and rental rate to the developer (corporate company).

The relationship between MAIN and the corporate company is divided into two separate units: the Shariah Unit and the Strategic Business Unit. The Shariah Unit is an advisor to ensure that the projects implemented are Shariah-compliant. This provides greater confidence to the wakif. Meanwhile, the Strategic Business Unit is advisory in aspects of business sales and marketing.

2. A corporate company proposes to carry out an innovative project called 'Tahfiz Agropreneurcation,' combining Tahfiz, agriculture, entrepreneurship, and vacation. This project is a development center (one-stop center) where Tahfiz schools are not built individually but integrated with several other projects as attractions for investors and visitors.
3. This results in a *waqf* land development project managed by several parties through *ijarah* contracts. The community and investors can benefit from rental and job opportunities while stimulating the community's economy. At the same time, according to a corporate agreement, MAIN will receive profits from the *waqf* land lease to developers under the *ijarah* contract, private Tahfiz school ownership, and ownership of several shops and homestay units.
4. The corporate company also profits from owning several shops, homestay units, and farmland on the *waqf* land. These units can be leased or sold to the public using a 99-year lease through Form 15A KTN 1995 (no sale and purchase contract). This model is significant in advancing *waqf* land by providing ideas to MAIN on how to manage and develop abandoned *waqf* land effectively and efficiently. In this model, *waqf* is integrated with *ijarah* because *waqf* benefits development. In contrast, the *ijarah* contract is used where the *waqf* land is leased to the developer company, and the land rent will be paid to MAIN according to the agreement.

In addition, this model can sustain the development of PTSs. The strategic collaboration between MAIN and the corporate company can directly build and own a state *waqf* Tahfiz school on *waqf* land. The one-stop center development includes not only the establishment of Tahfiz schools but also business units such as shops and supermarkets, homestay units, and agricultural land. It can become a place of attraction for investors and visitors internally and overseas.

There are three novelties in the development of the 'IMWI 4 Tahfiz Agripreneurcation model', namely: (i) integration; (ii) planning and development; and (iii) Tahfiz agribusiness. Integrating *waqf* and *ijarah* contracts to obtain *waqf* benefits can provide returns via *waqf* land lease benefits to *mutawallis*, namely MAIN. The ownership of building units such as shops, homestays, and farms can be leased and utilized by various parties.

Secondly, the Planning and Development Unit, namely the Shariah Unit, is an advisory and monitoring body to ensure that development projects are Shariah compliant. This increases the confidence of *waqf* donors in contemporary development projects such as *waqf* supermarkets and homestays so that they do not conflict with *amal ma'ruf nahi mungkar*. An established strategic business unit is believed to generate *waqf* benefits through business activities while positively impacting society, religion, and the country's economy.

Thirdly, Tahfiz Agropreneurcation is a one-stop center development project. Tahfiz schools are not built individually but integrated with several other projects: agriculture, entrepreneurship, and vacation. This project can attract investors and visitors internally and overseas. The 'IMWI 4 TAHFIZ AGRIPRENEURCATION' model can provide a new impetus for positive impacts on society, education, religion, economy, environment, government, and the country.

5.0 Conclusion & Recommendations

The potential of *waqf* as an instrument for economic improvement must be considered. Research indicates that when integrated with the *ijarah* contract, *waqf* can yield multiple benefits, making it suitable for developing PTSs in Malaysia. The proposed 'IMWI 4 TAHFIZ AGRIPRENEURCATION' model presents a strategic framework that promotes economic growth through meticulous planning and collaboration among various stakeholders. This model allows State Islamic Religious Councils to develop *waqf* land and enables them to generate profits through partnerships with corporate entities. Similarly, corporations stand to gain by utilizing *waqf* land for their developments while simultaneously reaping financial rewards. Implementing *waqf* methods offers a pathway to ensure the long-term sustainability of PTSs, creating a virtuous cycle of economic growth and educational advancement.

In light of these promising outcomes, exploring further and refining the application of *waqf* methods within the context of PTSs is essential. Continued research and practical implementation can uncover additional strategies for maximizing the economic potential of *waqf*, ultimately contributing to these educational institutions' overall sustainability and growth. By leveraging the strengths of *waqf* and forging collaborations with diverse stakeholders, the economic landscape of PTSs can be transformed, ensuring their continued success and impact in the education sector.

To ensure the long-term sustainability of PTSs, exploring the potential of educational zakat instruments for the development of state-owned PTSs is recommended. By harnessing the power of zakat, which extends beyond economic benefits and encompasses education, a comprehensive model integrating *waqf* and zakat can be developed to foster sustainability in PTSs. This avenue of research holds promise in providing insights into leveraging zakat as a catalyst for community economic development and educational advancement within these institutions.

Furthermore, creating a guidebook or manual specifically tailored for PTSs is proposed. Such a manual would serve as a comprehensive resource encompassing various aspects, including institutional management, safety and facilities, financial management, curriculum design, and student enrollment. This initiative aims to establish a standardized framework that aligns all PTSs with best practices and guidelines, ensuring consistency and quality across the sector.

Continuing research on empowering PTSs is crucial. It is essential to explore innovative methods and strategies that can facilitate the transformation of these institutions to meet the demands of a rapidly evolving globalized world. By researching the change in PTSs, valuable insights can be gained, enabling the implementation of effective measures to ensure their sustainability. This study emphasizes the need for PTSs to embrace change and adapt to contemporary trends, moving beyond conventional approaches to thrive in the modern era. Thus, a dedicated investigation focusing on their transformation is recommended to address the evolving educational landscape and foster the sustainability of these institutions.

Paper Contribution to Related Field of Study

This article contributes to the following fields :

- i) Education Field: PTSs are one of the educational institutions in this country. This study empowers PTs by developing a model that integrates *waqf* and *ijarah* to strengthen their financial and economic stability.
- ii) Management Field: The development model in this study involves the management of various parties, especially the Ministry of Education, corporate companies, educational institutions, the community, and investors.
- iii) Islamic Economics Field: The study integrates *waqf* and *ijarah*, which are instruments in Islamic economics. The study's findings indicate the positive effects of integrating *waqf* and *ijarah*.

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