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**Analysing the existing Malaysian Government Policies
related to developing Waqf Land for Agriculture**

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Abstract

In Islam, waqf is a religious deed. Donors entrusted their property to waqf trustees to receive eternal rewards. This situation necessitates active involvement from the government and relevant authorities to ensure waqf properties are developed efficiently and sustainably. Therefore, this article analyses the policies in Malaysia related to waqf land development for agriculture, reflecting the concerted effort in ensuring its sustainable benefit. Employing a content analysis approach, this study concludes on five categories of policies: physical infrastructure, governance and law, finance and accounting, and agriculture. The policies illustrate government's recognition on development through waqf infrastructures and its capacity for socio-economic improvement.

Keywords: agriculture, governance, sustainability, waqf

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1.0 Introduction

Waqf is a key Islamic social finance tool involving the permanent dedication of assets for religious or charitable purposes (Cizakça, 2014). Once designated, ownership passes to Allah, and the asset is handled by a trustee to serve society in accordance with the donor's wishes. Income generated, such as from rent or investments, must be used to support charitable activities or maintain the waqf property. Waqf allows individuals to support community welfare by donating assets or funds for causes such as education, healthcare, infrastructure, and economic development. Many renowned educational institutions in the Islamic world have been founded through waqf endowments, including the Al-Azhar University in Egypt, University of Al-Qurawiyin in Fez, Morocco; the University of Al-Muntasiriyah, Iraq; the University of Cordova, Spain; the King Abdul Aziz University, UAE; and the Islamic University of Indonesia (UII). Moreover, Cizakça (2000) had concluded that English trusts in the 13th century had originally grounded by Islamic waqf, referring to

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Merton College of Oxford University as an excellent example of education endowment, modeled after Islamic waqf when the Europeans encountered the Middle East during the crusades (Cizakca, 1998). In fact, there were 62 waqf universities in Turkey, 33 of them were located in Istanbul (Cizakca, 2014; Mahamood & Ab Rahman, 2015).

During the Ottoman empire, the Sultans and Governors contributed to philanthropic waqf and empowered waqf both in movable and immovable forms of assets which also encouraged the public towards establishing waqf (Orbay, 2006). The community had the opportunity to donate physical buildings and equipment including cash. Cash waqf was mobilise for most public facilities at that time, including healthcare facilities, educational infrastructure and services and markets. In addition, monthly sustenance was transferred to the poors and retirees from waqf resources. Interestingly, maintenance projects such as pave ways resurfacing, wells, water pipelines, bridges, buildings, lodging, warehouses, and local industrial facilities were actualized via waqf (Iskandar et al., 2023). Nevertheless, after the fall of Ottoman Empire, waqf law had unfortunately undergone reforms, when the Turkish Republic introduced a new civil code in 1926, establishing 'foundations' in replacement to Islamic waqf (Sanem, 2019). At present, the government of Turkey mobilise and finance their waqf resources via Waqf Bank & Finance Corporation (Kasdi et al., 2022).

Based on the above involvements, waqf has a significant functional role in socio-economic development, involving social and economic welfare (Saad et al., 2017; Kasdi et al., 2022). Historically, waqf had started since the establishment of Quba Mosque and Nabawi Mosque at the early advent of Islam. Since then, the Prophet SAW had encouraged the companions to waqf their property in hope of perpetual rewards. Later generations of Islamic civilization had continued the develop physical infrastructures on the basis of waqf. As reported by al-Sanawi (1983), during the Mamluk Dynasty (1250-1517 AH), Al-Hadrami, the judge of the era endowed his land for the construction of a dam for the benefit of the people. A waqf hospital was also build that suffice the need of Egyptians. At present, waqf affairs are managed by Waqf Board empowered by the Egyptian Waqf Ministry.

Waqf flourished and extended into numerous infrastructures and services during the Umayyads and Abbasids as human life expanded. Later leaders made major improvements to sustain waqf property. Several state-owned estates in Egypt were placed into waqf for educational purposes under Salahuddin al-Ayyubi, using funds from gardens and agriculture. Public generosity increases during the Mamluk dynasty through land, building, lodging, and learning locations, including slave waqf for mosques and schools. In another case, Caliph Salih bin al-Nasir bought Bisus village and used its produce to supply Masjidilharam in Makkah and Masjid Nabawi in Madinah (Kasdi et al., 2023). Economically, Cizakca (2014) concluded that waqf can reduce government expenditure, minimize tax burden, increase employment and had significantly attract other countries such as France to develop 'foundations' or non-profit sectors. Waqf civilization during the Ottoman had contributed to their prosperity, well supported by the Sultans and Governors. The Sultans and their relatives were reported to established public facilities based on waqf (Iskandar et al., 2023). These instances show that a country's political will was vital to maintaining and ensuring waqf property sustainability and productivity. Hence, this study analyses the Malaysian government effort in developing or facilitating the development of sustainable waqf properties.

2.0 Literature Review

Table 1. The List of Legal Infrastructure of Waqf According to States in Malaysia

State	Enactment
1. Johor	Waqf Rules of Johor 1983 Administration of the Religion of Islam (State of Johor) Enactment 2003 (section 89-95)
2. Melaka	Waqf Enactment (State of Melaka) 2005 Administration of the Religion of Islam (State of Melaka) Enactment 2002 (Section 77-83)
3. Negeri Sembilan	Waqf Enactment (State of Negeri Sembilan) 2005 Administration of the Religion of Islam (State of Negeri Sembilan) Enactment 2003 (Section 89- 95)
4. Sarawak	Majlis Islam Sarawak Ordinance 2001 (Part V- Establishment of Lembaga Baitulmal dan Wakaf, Baitulmal, Wakaf dan Nazir) Majlis Islam Sarawak Regulations (Waqf Administration) 2008
5. Selangor	Waqf Enactment (State of Selangor) 2015 Administration of the Religion of Islam (State of Selangor) Enactment 2015 (Amendment No. 2) a.k.a Enactment A46
6. Perak	Waqf Enactment (State of Perak) 2015 Administration of the Religion of Islam (State of Perak) Enactment 2004 (Section 78-84)
7. Terengganu	Waqf Enactment (Terengganu) 2016 Administration of Islamic Religious Affairs (Terengganu) Enactment 2001 (Section 63-69)
8. Sabah	Waqf Enactment (State of Sabah) 2018 Administration of Islamic Law Enactment 1992 (Section 45-52)
9. Pahang	Waqf Enactment (State of Pahang) 2022, Waqf Fund Rules of Pahang 2015 Administration of Islamic Law Enactment 1991 (Section 67-81)
10. Penang	Administration of the Religion of Islam (State of Penang) Enactment 2004
11. Perlis	Administration of the Religion of Islam (State of Perlis) Enactment 2006
12. Kedah	Administration of the Religion of Islam (State of Kedah) Enactment 2008
13. Kelantan	Council of the Religion of Islam and Malay Custom Kelantan Enactment 1994
14. Federal Territory	Administration of Islamic Law (Federal Territories) Act 1993

In Malaysia, waqf had initially started during the Melaka Sultanate in the 14th Century. However, the invasion of the British and Dutch had transformed the arrangement of waqf matters under the purview of each state, respectively, following the 'Divide and Rule' order that leaves religious matters under the jurisdiction of the State and its leaders, i.e the Sultans. Hence, the SIRCs are the waqf trustee for waqf property of the state. Based on the Federal Constitution, the existing waqf policy has been listed in the State List, Ninth Schedule. Nevertheless, nine states; Johor, Melaka, Negeri Sembilan, Sarawak, Selangor, Perak, Terengganu, Sabah and Pahang have specific Waqf Enactments. Only four other states are yet to pass their own waqf enactments, as summarized in Table 1. Hence, the legal infrastructure of waqf is not standardized across 14 states in Malaysia. However, different jurisdictions allow the stakeholders to take precedence based on the earlier cases or initiate a comprehensive risk management plan to avoid the recurring of predictable issues. Additionally, different regulations positively encourage strategic partnerships among relevant stakeholders.

Amid food insufficiency affecting countries across the globe due to war, conflict and climate change (Santoni et al., 2022) there is a vast potential to develop waqf land for agriculture. In return, it also resolves the issue of undeveloped waqf land that is contradicted to the spirit of waqf. In fact, agriculture waqf is a timely response to mitigate high dependency of food import by producing local, besides creating employment to people near waqf land. Waqf land can also be rented for agriculture with a certain rental compensation as yield to be managed by the waqf trustee, as supported by Cizakza (2014) suggesting a long-period of rental arrangements on waqf land. The opportunity to develop undeveloped waqf land for agricultural activities, should be supported by the related agencies. The effectiveness and sustainability of waqf initiatives depend not only on sound governance and operational policies, but also on proper financial management practices and alignment with value-based intermediation principles that enhance the socio-economic impact of waqf (Ishak & Zaini, 2024). An analysis of current government policies shows recognition of waqf's socio-economic potential, highlighting efforts to support its efficient development—particularly for agricultural use. This article explores these policies to assess the Malaysian government's commitment to waqf land development.

3.0 Methodology

This study employs a Focused Group Discussion (FGD) to gather information. FGD is a method of data collection in qualitative research whereby a group of resources or experts are invited in one setting to elaborate on a certain subject matter, based on a list of main themes made by the researcher and/or facilitator (Kumar, 1987). FGD was chosen because it provides a space for people with different points of view to talk and connect, with the help of a facilitator to guide the conversation. For that reason, a specific FGD protocol has been set up for this study. It includes four main tasks: deciding which experts to include and exclude in the expert panel as informants; writing up predetermined questions that can answer research questions; managing the event; and processing the data. The FGD session for this study involved six informants; academicians, waqf trustees and a representative from JAWHAR (Department of Waqf, Zakat and Haj), a coordinating government agency for waqf. According to van Eeuwijk and Angehrn (2017), six informants is sufficient and effective, supported by their knowledge, experience and scope of duty or research interests. In this study, the experts are chosen based on their expertise and experience in areas related to waqf and agriculture, from both the academia and industry. This is to ensure comprehensive data were collected from different perspectives of the stakeholders. Prior to the FGD a set of questions was emailed to the agreed expert panel, as listed in Table 2.

Table 2: The Predetermined Questions for FGD

1. What are the existing policies relevant to develop waqf land for agriculture?
2. What are the critical success factors of waqf land development for agriculture?
3. What are the potential government/ policy makers roles in ensuring the success of waqf for agriculture?
4. How crucial are policies in developing waqf agriculture?
5. Are there any projected issues? How can they be overcome?

4.0 Results and Discussion

There are 17 government policies relevant to waqf development, grouped into categories such as law and governance, infrastructure, finance, agriculture, and general matters. Only one—the Bumiputera Development Action Plan 2030 (TPB 2030)—specifically links waqf to agriculture, promoting optimal use of Malay reserved and waqf land. Ten policies address waqf governance and administration, including crowdfunding guidance, while five focus on finance and investment, recognizing waqf as an asset class. Four agriculture-related policies support national food security but do not mention waqf directly. Two housing policies involve JAWHAR as an implementation partner but do not explicitly address waqf. A summary of these policies is provided in Table 3.

Table 3. The Existing Policies Related to Agricultural Waqf Development

CATEGORY	EXISTING POLICY	REMARKS	ANALYSIS
1. Law and governance	Federal Constitution	The existing waqf policy has been listed in the State List, Ninth Schedule of the Federal Constitution.	Related to waqf

		<p>State Religious Administration Act / Enactment</p> <p>Provisions regarding waqf in State Law is embedded in each of the Administration of The Religion of Islam Enactments of the states, in general.</p>	Related to waqf
		<p>State Waqf Enactment</p> <p>Nine states (Johor, Melaka, Negeri Sembilan, Sarawak, Selangor, Perak, Terengganu, Sabah and Pahang) have endorsed specific laws and administration of waqf assets on top of the state's enactments.</p>	Related to waqf directly
		<p>National Land Code</p> <p>The governing law for waqf land shall be the provisions enacted by the state Authority relating to waqf lands. Although waqf is a charitable trust, and the NLC recognizes trusts created over land, the NLC declares that such trusts do not include waqf created in accordance with the principles of Muslim law, which allows waqf lands to be specifically governed by Islamic law. The donor can transfer land as waqf to the SIRC by way of executing Form 14A which is exempted from stamp duty.</p>	Related to waqf
2.	Physical / Infrastructure	<p>Twelfth Malaysia Plan (RMKe-12)</p> <p>The plan includes planning for waqf as an instrument to mobilize resources among low-income communities via SRI (socially responsible investments), HEI (higher education institutes) crowdfunding, dedicated waqf among corporates or individuals, for poverty alleviation programs. Initiate national health waqf fund, to create alternative financing for healthcare. Capitalise government-owned and waqf land for the development of affordable housing through strategic partnerships between various agencies. One of the priorities is to achieve equitable income for Bumiputera by optimising Malay Reserve Land and Waqf instruments via proper framework, plan and committees.</p>	Related to waqf
		<p>Fourth National Physical Plan</p> <p>The NPP is the highest document on land use and spatial development planning in Malaysia. Spatial strategies to develop agropolitan centers serving as a major agricultural service, marketing or trading centers. Ensure the success of national Food Security in using technology to increase agricultural productivity.</p>	Related to agricultural development
		<p>National Housing Policy 2018-2025</p> <p>The NHP provides direction for relevant agencies to work together in planning and development of the housing sector. For effective policy implementation, relevant agencies are coordinated whilst empowering the authorities, via 16 strategies. In specific, the role of JAWHAR is acknowledged via three strategies; to provide inclusive and sustainable home financing solutions for low- and medium- income groups, to build internal research capacities in formulating, monitoring and evaluating housing policies and action plans, and to ensure improved legislations and increased staff effectiveness in policy implementation and enforcement.</p>	Not directly related to waqf
		<p>National Affordable Housing Policy</p> <p>The policy reflects on the government's commitment in providing and regulating quality affordable housing for the nation. One of the objectives is to facilitate the coordination between public and private sectors in realizing affordable housing effectively and efficiently. In relation to that, various agencies including the waqf authorities can work together to realise affordable housing in Malaysia, as aspired in the National Housing Policy.</p>	Not directly related to waqf
3.	Finance/ Accounting	<p>Income Tax Act 1967</p> <p>There is no specific provision on tax exemption for waqf as waqf matters is included in the State's List of the Federal Constitution. Nevertheless, Subsection 44 (11c) Income Tax Act 1967 provides for tax exemption on the cash contribution for social purposes, under certain procedures and conditions. Hence, waqf institutions are eligible to apply for tax exemption for the contributions delivered to them, as they are agencies established specifically for waqf collection and distribution (Ismon et al., 2020). For instance, all cash waqf contributions made for YWM are eligible to apply for tax exemption, limited for 10% from total aggregate of income (individual or company) (YWM, 2022). Nevertheless, the tax treatment varies and there is no standard treatment as the Inland Revenues Board deals by case.</p>	Related to waqf (as social-based institutions)
		<p>Islamic Accounting Standards for Baitulmal, Zakat, and Waqf</p> <p>The standard is drafted for Institutions that govern and manage baitulmal, zakat and waqf or other Islamic resources to prepare their Financial Report. The standard is prepared in 4 phases starting February 2021 and will be fully enforced by 1st January 2025.</p>	Related to waqf
		<p>Guidelines on Unit Trust Funds 2020</p> <p>Acknowledgement of waqf shares as embedded in Chapter 14 entitled additional requirements for Islamic funds with waqf feature, allowing the unit holders to retain rights as trustee and distribute all proceeds according to waqf purposes.</p>	Related to waqf

		Sustainable and Responsible Investment Sukuk Framework 2014	The framework is introduced with the goal of enabling companies to raise funds to tackle sustainability concerns including social agenda. The funds are connected to the issuer's sustainability performance commitments. SRI sukuk refers to sukuk proceeds applied for funding of any SRI projects exclusively. The inclusion of waqf assets, which allows for SRI investments, is a unique feature of the SRI Sukuk framework that has been employed in Egypt and Turkey to address pressing social issues, including poverty reduction.	Related to waqf
		Enhancing University Income Generation Endowment and Waqf(Purple Book) 2017	The purple book guides higher learning institutes to navigate activities related to income generation, besides student fees and government grants. The third objective specifically mention on the promotion and enhancement of waqf model as a viable and sustainable source of funding.	Related to waqf
4.	Agriculture	National Agrofood Policy 2022-2030	The NAP aims at safeguarding food security through the transformation of the national food system, concerning modernization and development of the agri-food sector to be more sustainable, resilient and highly technology driven, whilst ensuring environmental sustainability. The NAP also targets to improve the wellbeing of the people through food security and nutrition. The document is built on five policy thrusts; (1) modernization and smart agriculture; (2) strengthening market and product access; (3) human capital development; (4) food system sustainability; and (5) creating conducive business ecosystems and governance.	Related to agriculture
		National Security Policy 2021-2025	One of the strategy supports optimal utilization of land to achieve food security (Strategy 17: Guarantee Food Security) - ensuring food supply is adequate, easily accessible, safe and affordable by improving food production through optimal utilization of land, intensive and sustainable farming, prepare sufficient rice stockpiling during crisis, strengthening infrastructure to raise productivity in food- producing areas including improving food quality and security by best agricultural practices.	Related to agriculture
5.	General Policies	Shared Prosperity Vision 2030	The document sets to ensure sustainable economic growth holistically. One of the 15 KEGA (Key Economic Growth Activities) is smart and high-value agriculture. The document proposes development distribution of economic regions, including for agriculture. <ul style="list-style-type: none"> a. Kedah- modern agriculture and livestock b. Perak- high technology fisheries and livestock c. Selangor – smart agriculture d. Negeri Sembilan – smart and high-valued agriculture e. Pahang- high technology agriculture f. Johor -food crop hub g. Sabah- fisheries and aquaculture Sarawak- high technology agriculture and livestock 	Related to agriculture
		The Bumiputra Development Action 2030	A 10-year road map to enrich economics of the Bumiputera, addressing their enterprise development and improve income disparities. One of the seven Key Economic Growth Activities (KEGA) is agriculture and commodity with 29 development programs targeted to contribute MYR25.1 billion, 11,156 job positions and total investment of MYR15.59 billion. One of the seven principal area in the document is to optimize the Malay reserved land and waqf.	Related to agricultural waqf

The development of waqf land has the potential to enhance the socioeconomic circumstances by enabling the cultivation of waqf land for agriculture. Such effort is economically functioning, and capable of providing employment and factors of production for entrepreneurs, reducing government expenditure, decreasing government borrowing (Cizakca, 2014) besides ensuring food sufficiency in the country. Nevertheless, actualization of such projects requires concerted effort from the authority and related agencies. It also demands principal governmental support to establish, operationalize and sustain agricultural waqf projects in terms of strong directives and clear policies to be implemented by the involved parties, as has been concluded by Ishak et al. (2025).

5.0 Conclusion

Based on the analysis, waqf has been recognized by the authorities in various policies, reflecting the enormous potential of waqf in socio-economic uplift and the readiness of the authority to develop the country's third sector. To ensure the sustainability and productivity

of waqf-based agricultural projects in Malaysia, comprehensive policies on governance, land registration, financial reporting, and infrastructure are crucial. Clear guidelines for the roles of institutions like JAWHAR and State Islamic Religious Councils (SIRCs), along with a national waqf development blueprint, are needed to facilitate strategic partnerships with potential stakeholders including entrepreneurs, financiers, and policymakers. Effective bookkeeping, feasibility analysis of land use, and Shariah-compliant financing structures like mudarabah and musyarakah are essential for optimizing waqf land. Furthermore, public awareness and understanding of waqf's broader socio-economic potential, beyond traditional uses like cemeteries and mosques, can foster greater participation. Government support, through enactments and institutional capacity-building, is also necessary to empower waqf trustees and develop waqf as a productive third sector in line with value-based intermediation principles. Future research is also encouraged to seek insights from other civilized framework of endowment or foundation.

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