

A Conceptual Model for Inter-State Corporate Waqf Financing for Higher Learning

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Abstract

Higher education is over dependent on public funds, cash endowments and business contributions which are non-perpetual and may only concern the current and immediate future generations. A resource-based corporate waqf to develop and sustain the higher education sector will be explored in this paper. The resource-based (from output of harnessing water, energy, land banks and forests) corporate waqf financing are by itself inherently perpetual and sustainable. However, the conventional theory of perpetual resource flows across state's borders may constrain the inter-state flow of waqf funds. An Islamic economic theoretical framework of resource-based corporate waqf financing is explored in this study. The optimization of cost-effective allocation of burdens of responsibility between many sources (power generators) and receptors (higher education institutions, students) of corporate waqf is modelled. A literature review of Islamic approaches reveal for example, the Islamic principles of *Al-Hisbah* (administration of public interest) that can minimize the burdens to be shared by the inter-state sources and receptors in the inter-state model.

Keywords: Natural resources; Corporate waqf; Resource economics; *Al-Hisbah*; Endowments

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