Determinants for Awareness to Contribute to Cash Waqf

Siti Khadijah, A. M. (Corresponding author)*
Tel: 019-2852275 E-mail: sitik274@uitm.edu.my

Ahmad Nazri, K.*
Tel: 019-7629127 E-mail: nazrikhamis2897@gmail.com

*Academy of Contemporary Islamic Studies (ACIS), Universiti Teknologi MARA
40450 Shah Alam, Selangor

Abstract

The public, in general, may still be unaware of the availability of cash waqf even though it was introduced a long time ago. This is proven with the insignificant contribution of the Muslims to cash waqf. The question to ponder here is why the public is still not contributing to cash waqf. Could some factors influence them to contribute? Contributing to cash waqf is essential as it could add to the well-being of the beneficiaries. This study aims at identifying the factors that influence the awareness of the public in contributing to cash waqf. This study employed a quantitative research method by collecting primary data through a survey. Since the population is the public, simple random sampling was used to draw the samples. A total of 160 respondents had fulfilled the distributed questionnaires entirely, and all were useable for the study. Data were analysed using descriptive and hypothesis testing method by using of multiple regression. The study found that respondents’ understanding and religiosity are the significant factors that influenced them to contribute to cash waqf. Findings of this study are expected to help waqf institutions in planning strategic actions to inculcate greater understanding among the public on cash waqf hence increasing the overall collection of cash waqf in the country.

Keywords: Cash waqf, Perpetual charity,

Religiosity

Introduction

Waqf is a form of philanthropic contribution by the donor to benefit the public in various forms of manfaah (usufruct). This charitable tool had been propagated for long since the early era of Islam as it is considered as sadaqah jariyah (perpetual charity). The Prophet Muhammad (peace be upon him) said in a hadith: “When a human being dies, his work for God comes to an end except for three: a lasting charity, the knowledge that benefits others, and a good child who calls on God for His favour” (Sahih Muslim 1631). The hadith implies that the rewards from Allah S.W.T for any charitable contribution including waqf will continue even after the waqif's death and for as long as the waqf asset can provide benefit for its consumers or beneficiaries.

Throughout the history of Muslim civilization, waqf had played a significant role in developing the socio-economy of the ummah. It has the potential to provide a solution to elevate the welfare of the disadvantaged community (Aliza et al., 2018). One of the famous examples of waqf was when Uthman Ibn Affan (the third Caliph of Islam) bought a well in Medina; then he gave it as waqf for the community to get the drinkable source of water (Hafidhuddin, 2003).
Another example is the waqf of a land in Khaibar by Umar Ibn Khattab (the second Caliph of Islam). Umar was reported to have gotten some land in Khaibar, and he went to the Prophet to consult him about it saying, “O Allah's Messenger I got some land in Khaibar better than which I have never had, what do you suggest that I do with it?” The Prophet said, “If you like, you can give the land as waqf and give its fruits in charity.”

So Umar gave it in charity as waqf on the condition that it would not be sold, or given to anybody as a present, or be inherited. Still, its yield would be given in charity to the poor people, to the kith and kin, for freeing slaves, for Allah’s cause, to the travellers and guests; and that there would be no harm if the guardian of the waqf ate from it according to his need with good intention, and fed others without storing it for the future,” (Sahih Bukhari, Muslim, Tirmidhi dan Nasa'i).

The University of al-Azhar was also created from waqf. Presently, it is a renowned higher education institution in the Muslim world that had produced a massive number of scholars who had contributed their scholarly works around the world. In certain Muslim countries such as Egypt, Bangladesh and Saudi Arabia, waqf is governed under a specific ministry or institution, and it has become an endless source of funding for economic development (Nasution, 2007). It has proven historically, and until today that waqf can contribute to education, healthcare, national security, commercial activities, supporting industrial and agricultural sectors and many more.

The term waqf originates from the Arabic word of waqafa, which means to hold or detain (Siti Khadijah et al., 2017). In Islamic Law, the word waqf is defined as holding of property and preserving it so that its fruit, revenue or usufruct could be utilized. This revenue will be used for the benefit of its objective of righteousness while prohibiting any other use or disposition of it outside its specific goals. This definition implies the continuity or perpetuity concept of waqf (Kahf, 2003). It is widely perceived that waqf applies only to the non-perishable property of which the benefit can be extracted without consuming the property itself. Hence, many believe that waqf widely relates to land, building and other forms of real estates which are tangible, immovable and long-lasting. In contrast, it could also take the form of movable properties, including dinar and dirham (cash). Undoubtedly, all four mazahib (fiqhi schools of thought) had approved movable and immovable properties as the subject matter of waqf (Al-Zuhairy, 2004).

The question to ponder on here is why the amount of collected cash waqf is still low in countries like Malaysia. This is evidenced by the study (Wan Musyirah et al., 2015) that the amount of cash waqf collected was unsatisfactory even though Muslims population constitute the majority in the country. Another study (Magda, 2016) stressed that there is still a lack of donors, although we have a considerable amount of cash waqf collected. Could some factors influence Muslim donors to have the awareness to contribute to cash waqf? This study, therefore aimed at identifying the determinants for the awareness of the public in contributing to cash waqf.

**Literature Review**

Abdel Mohsin (2009) defined cash waqf as the confinement of an amount of money by the donor(s) where its usufruct is dedicated in perpetuity to the welfare of the society. Yayasan Wakaf Malaysia (YWM), defined cash waqf as a religious endowment by using cash collected in a trust fund under the management of the administrator entrusted to manage this endowment for the welfare and benefit of the ummah (Yayasan Wakaf Malaysia, 2019). Just like the other forms of waqf, cash waqf is subject to the following three restrictions (Al-Zuhairy, 2004): i) irrevocability; the moment one’s cash is contributed for waqf, the waqif (contributor) cannot revoke it, but he/she can benefit from its generated profit, ii) perpetuity; once the cash waqf is created, it must be perpetual to ensure a sustainable revenue generated from the cash waqf, iii) inalienability; no one can ever become
the owner of the cash waqf to alienate it, and it cannot be the subject to any gift, inheritance or any alienations.

Cash waqf is a type of waqf classified as a movable waqf. Like another waqf, the purpose of cash waqf is to promote service to humanity by establishing a waqf using money. In other words, cash waqf is a fund set up and grouped to provide services to humankind in the name of Allah. AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) allows for cash waqf with stipulated conditions. The AAOIFI stated: “Cash waqf is allowed and the amount of cash must be in the process of not withdrawing or withdrawing the amount. In utilizing the cash waqf shariah allows to use qardh loans for financing, and the cash can be invested in low-risk investment instruments.”

The Determinants

Previous studies had identified several determinants that may influence the Muslims, mainly to have awareness in contributing to cash waqf. Several of the determinants include understanding on the concept of cash waqf, the confidence of the donors in the institutions that manage the cash, religiosity of the donors, promotion about the cash waqf and the level of income of the donors. The following discussion briefly delved into all of the determinants.

Understanding

A person’s knowledge on the concept of waqf the types of waqf and the methods of contributing to cash waqf would give enlightenment for him or her to contribute in cash waqf. More so is when one understood that a waqf is a form of perpetual sadaqah that will benefit the afterlife (Syadiyah et al., 2017). A study by Siswantoro (2007) in Indonesia found that low cash waqf fundraising was due to the lack of waqf literacy. In Malaysia, the Muslims’ misconception of waqf interpretation to confine on contribution in the form of permanent, durable properties had limited their contribution to cash waqf (Amirul Faiz et al., 2012). Wan Musyrarah et al. (2015) found that the knowledge and understanding of the public on the concept of cash waqf, the method of cash waqf collection and the institution that manage the waqf are essential in improving the performance of cash waqf collection. Sadiyah et al. (2017b) found that individuals who are knowledgeable about cash waqf were more likely to contribute to cash waqf. It is therefore conjectured that:

H0: There is no significant relationship between understanding and awareness to contribute to cash waqf.
H1: There is a significant relationship between understanding and awareness to contribute to cash waqf

Trust

Trust is among the determinants that may convert certain beliefs into common beliefs hence creating public perception on a particular thing (Sabatini, 2009), and this would thereby generating a reliable and secure position. Trust refers to the level of confidence of the donor that the charity will function according to its commitments (Sargeant, 2004). Potential donors will be motivated by the degree to which they believe the organization has demonstrated that it will use donations wisely (Tonkiss, 1999). Individuals will give more to non-profit organizations if more accountability for administrative costs is present, and if the organization can clearly show the impact of the donation (Walsh et al., 2007). Hence, it is hypothesized that:

H0: There is no significant relationship between trust and awareness to contribute to cash Italic
H1: There is a significant relationship between trust and awareness to contribute to cash waqf

Religiosity

Religious practice cannot be ignored as a potential factor in social-related behaviours. Individuals who are considered to be religious are not only those who hold their beliefs but also practice them in their daily lives (Morgan, 2007). Religiosity has a significant impact on the behaviour of public intellectuals’ intent in
donating to a cash waqf (Amirul Faiz et al., 2012). Hence, it is hypothesized that:

H0: There is no significant relationship between religiosity and awareness to contribute to cash waqf.
H1: There is a significant relationship between religiosity and awareness to contribute to cash waqf.

Promotion

Promotion is one of the best ways to attract the attention of potential customers (Christine, 2008). Cash waqf is not being pursued aggressively because of a lack of awareness and promotion by the agencies involved (Ibrahim, 2013). Hence, promoting and managing the waqf fund properly will attract potential donors to donate their money to community social development. It is therefore conjectured that:

H0: There is no significant relationship between promotion and awareness to contribute to cash waqf.
H1: There is a significant relationship between promotion and awareness to contribute to cash waqf.

Income Level

The study has shown that high-income groups or donors are more willing to donate some cash compared to low-income and middle-income who have more responsibilities with their families to meet their basic needs (Ridwan, 2013). Another study by Chowdhury et al. (2014) also found that increase in income would increase giving. It is therefore assumed that:

H0: There is no significant relationship between income level and awareness to contribute to cash waqf.
H1: There is a significant relationship between income level and awareness to contribute to cash waqf.

Methodology

This study employed quantitative research method by the use of a questionnaire survey. Primary data were collected from the respondents using questionnaire distribution. The population of the study are Muslims who reside in this country. Due to time and budget constraints, data were collected only from that Muslim public in Shah Alam and Puncak Alam. Simple random sampling was used to draw the samples of the study.

The instrument used for this study is a questionnaire. The questionnaire was divided into two parts. Part A consists of the respondents' demography, while part B captures several determinants that may have potentials to influence one's awareness to contribute to cash waqf. Items in Part B were measured using a five-point Likert scale of 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree. Internal consistency of the instrument was measured using Cronbach’s Alpha. In this study, the score of each variable is considered acceptable except for income level (see Table 1).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>.750</td>
<td>7</td>
</tr>
<tr>
<td>Understanding</td>
<td>.820</td>
<td>5</td>
</tr>
<tr>
<td>Trust</td>
<td>.810</td>
<td>4</td>
</tr>
<tr>
<td>Religiosity</td>
<td>.790</td>
<td>7</td>
</tr>
<tr>
<td>Promotinal</td>
<td>.740</td>
<td>4</td>
</tr>
<tr>
<td>Income Level</td>
<td>.560</td>
<td>4</td>
</tr>
</tbody>
</table>

Five independent variables namely understanding, trust, religiosity, promotion and income level, were tested against awareness to contribute for cash waqf. For hypothesis testing, multiple regression was employed to test the significance of the relationship between the dependent and independent variables.

Results and Discussion

A total of 160 respondents had utterly fulfilled the distributed questionnaires, and all were useable for the study. Data were analyzed using descriptive and hypothesis testing method by using multiple regression. Sections below are the discussion on the analysis of the results.

Demography of the Respondents

Out of the total 160 respondents for this study, a
little bit more than half of them (50.6 per cent) are male. They occupied different designation comprising of those working in private firms (45.6 per cent), civil service (8.8 per cent), self-employed (9.6 per cent), and students (33.8 per cent). At the same time, the rest are either retired or housewives (2.5 per cent). Of all the designations, more than fifty per cent of them are employees of either the private or public sector and self-employed. This could imply that many of the respondents approached are having their income. With regards to their income, the study found that 40.6 per cent of the respondents earn a monthly income of between RM3, 000 to RM10, 000. A considerable number (31.3 per cent) is earning between RM1,000 to RM3,000, and the rest earns less than RM1, 000 (28.1 per cent).

Generally, the respondents are considered adults as 57.6 per cent of them aged between 30 to more than 40 years old. Quite a significant number of the respondents are still young, i.e. aged below 30 years old (42.4 per cent). In terms of the respondents’ educational level, many of them had either diploma (17.5 per cent) or bachelor’s degree (48.1 per cent), some had completed either masters or PhD (29.4 per cent). The rest of them ended their secondary schools (5.0 per cent). More than half of the respondents (53.8 per cent) are married while 43.1 per cent of them are still single. Very few (3.1 per cent) are already divorced.

The respondents were also asked on whether they aware of the existence of cash waqf schemes in the country or not. Not surprisingly, those who are not mindful of the presence of cash waqf schemes outnumbered those who aware, 85 respondents (53.1 per cent) and 75 respondents (46.9 per cent) respectively. This might partially answer the insignificant amount of cash waqf collection in the country.

**Hypothesis Testing**

Multiple regression was conducted to examine the relationship between awareness (A) to contribute in cash waqf (dependent variable) and independent variable predictors, i.e. understanding (U), trust (T), religiosity (R), promotion (P), and income level (I)). The results are shown in the table below:

| Table 2: Multiple Regression Outcome
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Determined Coefficients</td>
<td>Standardized Coefficients</td>
<td>t</td>
<td>Sig.</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------</td>
<td>---------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Constant</strong></td>
<td>7.005</td>
<td>2.41</td>
<td>3.855</td>
</tr>
<tr>
<td>Understanding</td>
<td>0.82</td>
<td>0.62</td>
<td>1.50</td>
</tr>
<tr>
<td>Trust</td>
<td>0.81</td>
<td>0.61</td>
<td>1.47</td>
</tr>
<tr>
<td>Religiosity</td>
<td>0.54</td>
<td>0.54</td>
<td>0.75</td>
</tr>
<tr>
<td>Income Level</td>
<td>0.13</td>
<td>0.02</td>
<td>0.22</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.05</td>
<td>0.02</td>
<td>-0.02</td>
</tr>
</tbody>
</table>

Based on the table, it shows that we failed to reject the null hypotheses of trust, income level and promotion as their p-values > 0.05 at 5 per cent confidence level. Hence, we may statistically conclude that there is no significant relationship between trust, income level and promotion on awareness to contribute for cash waqf.

As for understanding and religiosity, their p-values of < 0.05 indicate that we reject the null hypothesis and accept the alternative hypothesis. In other words, there is a significant relationship between the two variables and awareness to contribute to cash waqf. Therefore, the two variables, namely understanding and religiosity, are tremendous predictors to awareness to contribute to cash waqf. The summary of the hypothesis testing results is shown in Table 3 below:

**Table 3: Results of Hypothesis Testing**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H0: There is no significant relationship between understanding and awareness to contribute to cash waqf.</td>
<td>Reject H0 and accept H1.</td>
</tr>
<tr>
<td>H1: There is a significant relationship between understanding and awareness to contribute to cash waqf.</td>
<td></td>
</tr>
<tr>
<td>H0: There is no significant relationship between trust and awareness to contribute to cash waqf.</td>
<td>Reject H0 and accept H1.</td>
</tr>
<tr>
<td>H1: There is a significant relationship between trust and awareness to contribute to cash waqf.</td>
<td></td>
</tr>
<tr>
<td>H0: There is no significant relationship between religiosity and awareness to contribute to cash waqf.</td>
<td>Reject H0 and accept H1.</td>
</tr>
<tr>
<td>H1: There is a significant relationship between religiosity and awareness to contribute to cash waqf.</td>
<td></td>
</tr>
<tr>
<td>H0: There is no significant relationship between promotion and awareness to contribute to cash waqf.</td>
<td>Reject H0 and accept H1.</td>
</tr>
<tr>
<td>H1: There is a significant relationship between promotion and awareness to contribute to cash waqf.</td>
<td></td>
</tr>
<tr>
<td>H0: There is no significant relationship between income level and awareness to contribute to cash waqf.</td>
<td>Reject H0 and accept H1.</td>
</tr>
<tr>
<td>H1: There is a significant relationship between income level and awareness to contribute to cash waqf.</td>
<td></td>
</tr>
</tbody>
</table>

Based on the results in table 3, we may conclude that understanding and religiosity are the crucial determinants that influence the respondents’ awareness to contribute to cash waqf.

**Table 4: Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R squared</th>
<th>Adjusted R squared</th>
<th>R square for Entrance</th>
<th>R square for Removal</th>
<th>F change</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.54</td>
<td>.29</td>
<td>.22</td>
<td>.54</td>
<td>.43</td>
<td>5</td>
<td>.154</td>
</tr>
</tbody>
</table>

R-squared (R2) is a goodness-of-fit measure for linear regression. This statistic indicates the percentage of the variance in the dependent variable that the independent variables explain.
collectively. In this study, the R2 value of .584 (adjusted R2 of .570) could indicate that the independent variables for the study could explain 58.4 per cent of the dependent variable. The difference in the value of R2 and adjusted R2 (0.584 − 0.570 = 0.014) is small. This indicates that if the model were derived from the population rather than a sample, it would account for 0.14 per cent less variance in the outcome. Hence, the validity of the model has contended.

If we replace the significant β values into the estimated model, we may define the model as follow:

$$Awareness (A) = a + 0.182 \ (U) + 0.634 \ (R) + e$$

The estimated coefficients of both U and R are positive, indicating a positive association between the independent and dependent variables. The estimated coefficient of understanding (U) at 0.182 tells us that a one per cent increase in understanding would cause an 18.2 per cent increase in awareness to contribute. Similarly, the estimated coefficient of religiosity (R) at 0.634 tells us that a one per cent increase in religiosity would cause a 63.4 per cent increase in awareness to contribute to cash waqf.

Results of this study could imply that any effort to improve the understanding and religiosity of the Muslims in the country would significantly increase the collection of cash waqf. As Muhammad Salleh (2009) had estimated, Malaysia could reach more than RM4.3 billion a year if each Muslim adult donated RM1 a day or RM30 a month to the cash waqf fund. This is the vast number of collection that could benefit the whole Muslim nation if the amount of collection is realized.

**Conclusion**

Cash waqf is undoubtedly significant in contributing to the socio-economic development and well-being of, especially Muslim society. Hence, a considerable amount of cash waqf collection may become a sustainable source of funding for education, health care, public utilities and amenities and other similar benefits to the public.

This study investigated the determinants that may influence the awareness of the public in contributing to cash waqf. Findings of this study indicate that understanding about cash waqf and religiosity of the Muslims are the two significant determinants. This findings imply that an enhancement in the level of understanding of cash waqf could upsurge the amount of cash waqf contribution. In addition, the more religious a person is, the more cash waqf would be able to be collected and thereby benefited.

It is recommended that waqf institutions make great effort to inculcate a greater understanding of the public on cash waqf perhaps through mass media and social media. As waqf is a form of perpetual sadaqah, promoting this unique criterion of cash waqf among the religious segment of the society might give multiple impacts on the amount of cash waqf collection. The finding of this study is expected to help waqf institutions in planning strategic actions to inculcate greater understanding among the public on cash waqf, hence hopefully increasing the overall collection of cash waqf in the country.

**References**


Chowdhury S. M. & Joo, Y. J. (2014). Impure Altruism or Inequality Aversion? An


