

## A study on integration of *Waqf* Real Estate and *Zakat*: A qualitative investigation for *Asnaf Muallafs*' welfare

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**Abstract.** This paper aims to explore the integration of *waqf* real estate and *zakat* in the social development of *asnaf muallaf*. Due to the significant integration of *waqf* and *zakat* in Malaysia, Al-Saadah Complex, Negeri Sembilan serves as a good case for this present research. The study relies on qualitative research, where primary data was collected from semi structured interviews with Al-Saadah Complex officers. The qualitative research was chosen because it represents public views and perspectives. Data was recorded, transcribed and analysed using thematic analyses for multiple interviews. From the result, it was revealed, from the Al-Saadah Complex officers' perspective, there is a need for an integration between *waqf* and *zakat* to oversee the welfare of the *asnaf muallaf*. The officers are more concerned with the quality of services they give to the *asnaf muallaf*. Finally, we find the integration is a positive collaboration within the SIRC concerned but there is still limited development of this concept in Malaysia.

### 1. Introduction

*Asnaf muallaf* is one of eight beneficiaries of *zakat*. Islam takes care of *asnaf muallaf* as one of the cornerstones for spreading *da'wah* in Islam. *Asnaf muallaf* are ambassadors who should be given special protection, especially from the financial point of view. The rapid development of Islam in Malaysia shows the importance of *zakat* for *asnaf muallaf*. Upon their Islamic conversion, *asnaf muallaf* may lose their jobs and may be ostracized by their families. Hence, lies the significance of *zakat* and *waqf* in providing adequate food and shelter to these *asnaf muallaf*. The role of *zakat* and *waqf* in this paper is very synergistic in defending the fate of *asnaf muallaf*.

Different from *zakat*, *waqf* is defined as an endowment made by Muslims to seek Allah's favour without compulsion. *Waqf* plays an important role in helping poverty reduction in many ways. It could be one of the tools to support the needy. Any inadequate in *zakat* will be accommodated by *waqf*, which shows that *waqf* and *zakat* complement each other to help the needy. The integration of *zakat* and *waqf* has been adopted in different policies and strategies in different countries. It may not be seen as the best strategy yet in Malaysia, since the integration of *waqf* and *zakat* has not been fully explored



in literature reviews and empirical research. Through this study, the researcher wants to explore the extent to which the integration of *zakat* and *waqf* impacts the welfare of the *asnaf muallaf*.

## 2. Integration of *Waqf* Real Estate and *Zakat* Approach in State Islamic Religious Councils

Integration is defined as an action or process of integrating a system or organization which depends on the objective. In Islamic social economics context, it is defined as the process of harmonizing both *zakat* and *waqf* concepts to contribute towards poverty reduction. In this paper, integration is defined based on the concept adopted by CSR integration which is considered as a value-driven process, where values, culture and ideology are the driving forces[1]. The integration of *waqf* real estate and *zakat* is an approach that also synergizes with other instruments such as *sadaqat* and public funding [2]. The main limitation of this integration is awareness among the practitioners especially State Islamic Religious Councils (SIRCs) in its implementation. It is believed the qualitative research is the best method to investigate the implementation of this integration in SIRCs.

Realizing the importance of integration between *waqf* real estate and *zakat* as well as considering the proposition of many scholars, the present study recommends the following conceptual integration framework for the *asnaf muallafs*' welfare:

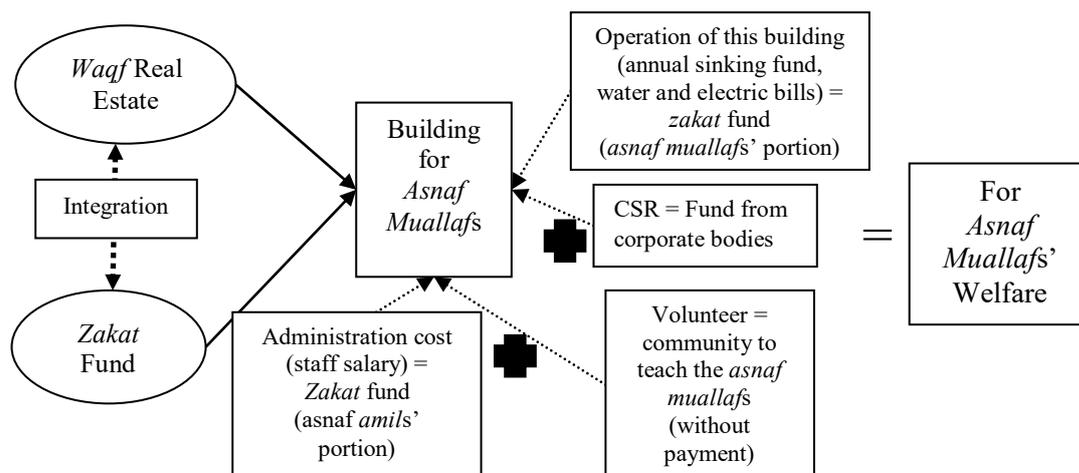


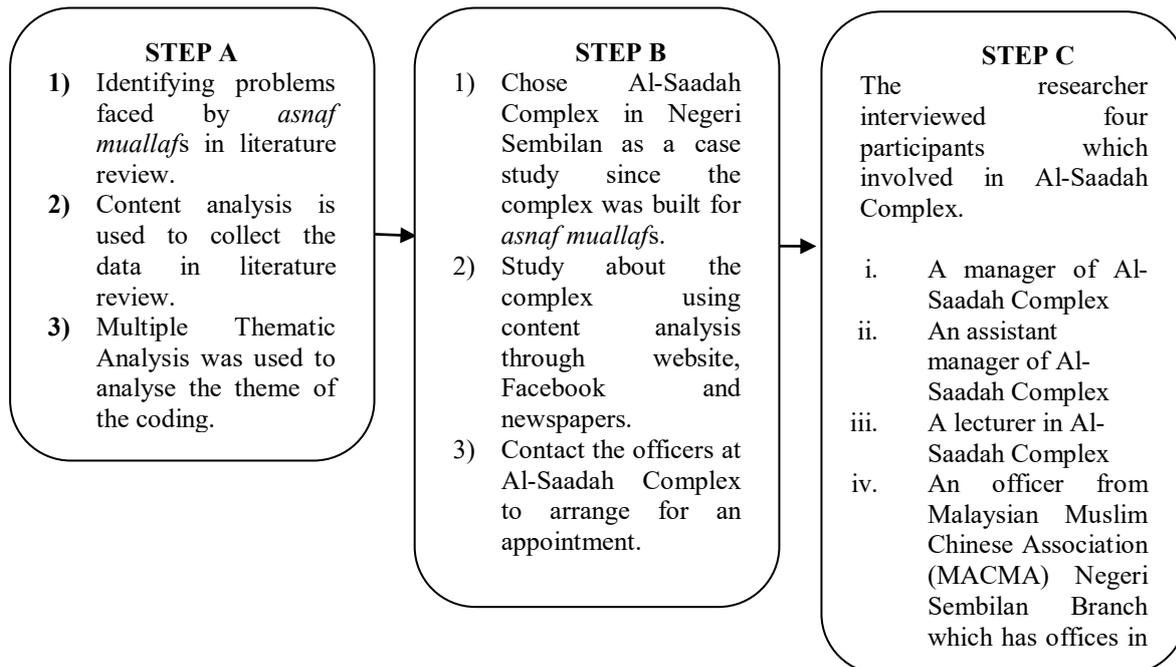
Figure 1. Conceptual Framework

## 3. Research Methods

The consideration behind this research is to explore the integration of *waqf* real estate and *zakat* to serve *asnaf muallaf* welfare. A single case study is the best choice to be explored in this research, ones because when a single case study is used, the researcher can get deeper understanding of the subject[3]. Thus, the study enhanced the qualitative methods by conducting semi structured interviews with 4 officers in Al-Saadah Complex. The uniqueness of qualitative research is focused on a specific group of people[4]. For the purpose of this research, the officers at Al-Saadah Complex, Negeri Sembilan were chosen to be the participants. In qualitative research, the determination of sample size is dependent on research needs under which the researcher wants to study[5] [6]. Qualitative

methodologies, details and description of particular issues, will produce a wealth of comprehensive data on a small number of participants [7].

This case study clearly demonstrates research on integration of *waqf* real estate and *zakat* is accurate to use qualitative methodologies. Qualitative method allows the researcher to ask questions while watching the body language of the participants. Here are the procedures implemented by the researcher to dissect this case study based on some famous writers especially Robert K. Yin:

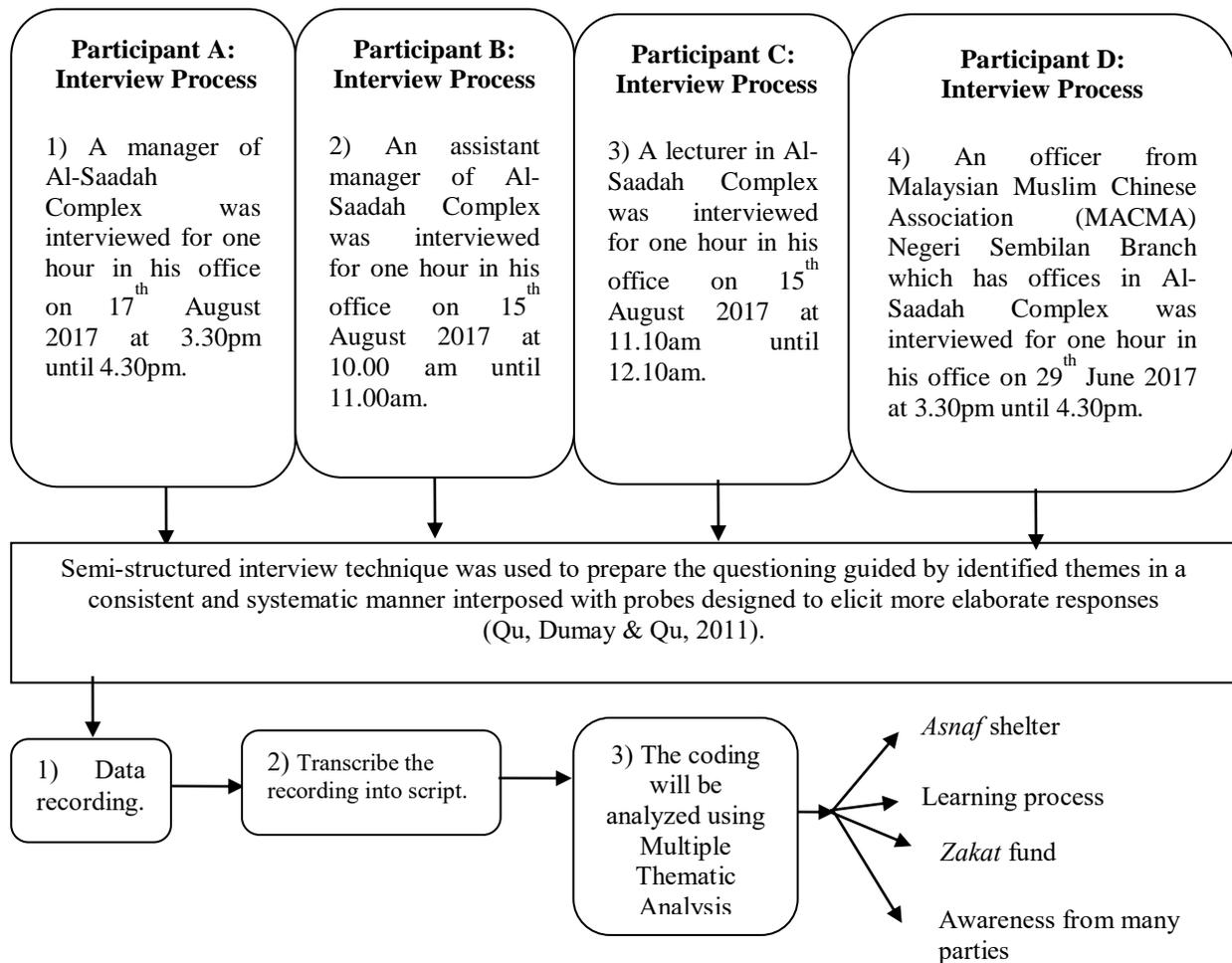


**Figure 2.** Process to select participants

Qualitative research is very unique because the procedure differs significantly from subject to subject [8]. Figure 2 shows the process to operate and select participants in this research. Conducting this type of research is a strategy to enhance answer quality by selective process. A major setback in this type of qualitative research is it requires a great deal of patience on the part of the interviewer to set up and complete the face-to-face interview. Usually the researcher will approach the participants by calling them and setting up appointments. This may take up to three sessions to ensure the appointment was successfully set up. The requests to interview were also sent via email and followed up through WhatsApp Messenger to get quick response. WhatsApp has created a way to feel sense of belonging, distance and closeness with participants of the interview [9]. Selection of participants in this research is based on their designation in the management of the Al-Saadah Complex.

Figure 3 illustrates in detail the dates and the time when the interviews were organized. The researcher initiated the interview with participant D in June 29, 2017 but the researcher failed to interview other participants because they were unavailable at that time. However, on August 15, 2017 and August 17, 2017, the researcher succeeded in interviewing participants A, B and C. The semi-structured interview method was chosen because the focus is on the interview design, covering a series of broad themes to be used during the interview to guide and direct the question towards the topics and issues about which the interviewer wants to know. Normally interview guides vary from highly scripted to

relatively loose [10]. After the interviews and data recording are completed, the data will be transcribed into a paper script [8]. It is quite challenging to transcribe 4 participants within a short time. The researcher spent almost three days for each participant to transfer all recording into a script, totaling approximately 12 days to settle all transcribing process. This is inclusive of breaks for every 5 minutes ranges in 15 minutes of transcription.



**Figure 3.** Data collection, data recording, data transcribing process and multiple thematic analysis process

#### 4. Findings

On a holistic level, this study's findings of integration of *waqf* real estate and *zakat* are indispensable in providing protection to *asnaf*. Thus, the findings support the integration of *waqf* real estate and *zakat* to provide the best for *asnaf muallaf* well-being. The data themes show that the integration of *waqf* real estate and *zakat* in this case study is also influenced by the attitude of *asnaf muallaf* that are really in need for this kind of protection.

Table 1 indicates that the integration of *waqf* real estate and *zakat* is successfully implemented in Al-Saadah Complex. For example, the development of Al-Saadah Complex is not

only for the *asnaf muallaf* to gain shelter, but they are also able to improve their Islamic knowledge through attending religious classes. The interesting fact about it is that the complex has also benefited *asnaf* from other states to study here. Through this religious certification program, the *muallaf* are taught using the university system. They are required to complete assignments and there is a final examination that will be examined by Al-Saadah lecturers. For the time being, they have five lecturers and twenty students.

Based on this study too, *zakat* payers need not be hesitant about the rumors that stated the whereabouts of your *zakat* money. The complex expenses reach RM500,000 including building operations, *asnaf* expenses and staffing. The success of *zakat* and *waqf* gives a good picture of the development of Islamic *da'wah*, especially in Malaysia. *Waqf* real estate that has been developed using the turnover from *zakat* funds shows how beautiful Islam is in enhancing the quality of life among all levels of society.

**Table 1.** Summary of Transcription of Four (4) Participants According to Theme

Participants	Theme 1: <i>Asnaf</i> Shelter	Theme 2: Learning process	Theme 3: <i>Zakat</i> fund	Theme 4: Awareness from many parties
A	"This place is a house for them"	"They learn Islam without any payment and we give them certificate to prove they have gone through all the syllabi"	"This complex was built on waqf land and without zakat fund, the operation cannot be done"	"That's why I said, <i>zakat</i> funds and <i>waqf</i> development should become top management agenda, we can build many things not only this complex "
B	"They come here voluntarily; we separate the male and female <i>asnafs</i> . We provide 3 times a day for food."	"All lecturers have degrees in Islamic Education, we have experienced lecturers working here as <i>jihad</i> . We don't pay high salary, but they accept it"	"We receive <i>zakat</i> fund from <i>Baitulmal</i> to operate, but we are managed under <i>Perbadanan Waqf</i> "	"Cooperation from other SIRC's is also very good, they send <i>asnaf muallafs</i> and spend on them to learn Islam in a systematic way "
C	"Someone left the family solely to come here, so we give them protection."	"I give full commitment to teach the <i>muallafs</i> , because I know, the performances of the students depend on my lecturing"	" <i>Zakat</i> fund from each state will sponsor their students to study here, we estimate expenses for each student are about RM10K each"	"I have a degree in Arabic from Jordan. When I came back to Malaysia, I saw this advertisement for lecturers for this complex. Even though the salary is not high but I'm happy to work here. I give attention to students, and they really love to learn Islam "
D	"MACMA has a special office in this complex. We can gather all Chinese Muslims all over Seremban here."	"This place is not only for <i>muallafs</i> or Muslims but we also invite all, who like to learn Islam, because we organize many talks here "	"All activities here use <i>zakat</i> fund, that is why Islam is very beautiful, the rich people should pay <i>zakat</i> , that is not the rule in my previous religion "	"I hope other places also can build like this, we have one in Ipoh, so that many <i>asnafs</i> will get the benefits. We Chinese Muslims need support from government to make sure Islam can grow among us".

## 5. Conclusion

This study makes an important contribution to the integration of *waqf* real estate and *zakat* literature. Significant contributions have been made by exploring the potential development on *waqf* real estate

by having financial engagement from *zakat* fund. The ability to solve the financial problem is also valuable interactions between this two noble concepts. Specifically, the majority of literature is focusing on microfinances aspect to integrate with *waqf* and *zakat*. This paper supports the wider view of development in integrating *waqf* and *zakat* to address the social needs of *asnaf muallaf* in Malaysia to impact *da'wah* expansion. Finally, the people who work in *waqf* and *zakat* line, are not ordinary people who sacrifice their lives for Allah SWT.

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