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**Categorization and Prioritization of Waqf Land
Based on Location, Sectors and Economic Indicators:
The Case of Selangor**

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ABSTRACT

The aim of this paper is to study the current status and development of *waqf* lands in Malaysia, specifically in the state of Selangor. Previous studies on *waqf* lands and allocation of financial resources on these lands have been general and scanty. They lack the focus of categorizing *waqf* lands according to sectors, economic attributes and strategic locations so that it is easy to match these lands to the kind of resources and investment models required for their development. This research hopes to categorize *waqf* lands and prioritize them according to four major sectors, namely agriculture, commercial, residential and religious. By doing so, these *waqf* lands can be prioritized based on their importance and thus Islamic investment models can be appropriately allocated for their development. The study uses a mixed method (qualitative and quantitative). The qualitative method is in the form of a survey that will be conducted with respective officers from the Selangor Islamic Religious Council and *waqf* experts. The study will also use the quantitative multicriteria decision-making instrument, the Analytic Hierarchy Process (AHP) to prioritize the *waqf* lands. The study concludes with recommendations and suggestions for future research.

Key words: Waqf land, Categorization, Prioritization, Islamic investment models, AHP

1. Introduction

Waqf is an act of holding certain property and preserving it for the confined benefit of certain philanthropy, and prohibiting any use or disposition of it outside that specific objective (Kahf, 2002). *Waqf* is one of the most important instruments in Islamic economics, whereby it can play a very significant role in uplifting the socio-economic status of the Muslim society. The importance of *waqf* institution and its contributions to socio-economic welfare have been documented by several studies.

In Malaysia, although all Islamic matters including *waqf* are entrusted under the authority of the individual states, i.e. the State Islamic Religious Councils (SIRCs), a department under the Prime Minister's Office, Jabatan Wakaf, Zakat dan Haji (JAWHAR) has been established in 2004 to play a supervising role, observing all *waqf* matters at the national level. Furthermore, due to the increasing awareness of the huge potential of the *waqf* institution, Yayasan Wakaf Malaysia (YWM) was set up in 2008 as a special purpose vehicle between JAWHAR and the SIRCs to coordinate the development of *waqf* properties in Malaysia. In Selangor, the state which is the focus of this study, notable achievements have been made in diversifying the use of Waqf properties. For example *waqf* lands are now being commonly used for schools, mosques, hospitals, clinics and cash *waqf* (Hasan & Abdullah, 2008).

In spite of this progress, most of the *waqf* lands in Selangor, similar to other states in Malaysia, are still being used for building mosques and *suraus*. This is partly due to the fact that the majority public perception sees any benevolent act associated with worship as the most desirable. Data gathered from three districts in Selangor, i.e., Gombak, Kuala Selangor and Hulu Langat portray this scenario, where most of the *waqf* lands are used for religious purposes¹.

This current state of affairs raises several pertinent questions. Is there a possibility of developing a model that can categorize and prioritize these *waqf* lands according to certain specific criteria? Can such categorization and prioritization be used as bases to allocate resources appropriately, hence allowing effective development of these *waqf* lands? Can such a model, if developed, be used by the policy makers, officials and managers of *waqf* institution in Malaysia as a decision-making tool for informed decision-making regarding *waqf* lands? Unfortunately, the literature has remained silent on these fundamental issues. Using the districts of Gombak, Kuala Selangor and Hulu Langat as samples, this study hopes to develop a model that categorizes and prioritizes the *waqf* land development in Selangor according to strategic locations, several socio-economic and religious factors such as employment opportunity, proximity to commercial center, future development of surrounding area and access to public facilities in relation to four identified major sectors – agriculture, commercial, residential and religious. This prioritization is then used as a basis to properly determine and allocate resources for the development of the *waqf* lands. This prioritization will also assist the SIRC and relevant authorities in properly allocating the necessary financial resources towards the development of *waqf* lands. Therefore, the specific objectives of this study are to:

- 1) survey the present state of *waqf* lands in Selangor and identify the flaws that exist in the current process of categorizing these lands
- 2) develop a model that categorizes the *waqf* lands in Selangor based on sectoral, socio-economic and religious factors
- 3) prioritize the categorized *waqf* lands based on the factors stated in 2) above.

This paper is divided into five sections. The subsequent section that immediately follows reviews the related works on the revival of *Waqf* institutions in Malaysia, particularly in the state of Selangor, and argues for the need to categorize

¹ MAIS report shows that as of July 2009, about 72% of the total registered *waqf* lands is used to build mosques/*suraus*, and for the *manfaah* of mosques/*suraus*

the *waqf* lands. Section three discusses the research methodology used for developing the Categorization and Prioritization of *Waqf* Land (CPWL) model for Selangor. Section four presents and discusses the results of the findings. The final section 5 concludes the paper and provides recommendations for future research.

2. Development of *Waqf* Lands in Selangor

Selangor is one of the 13 states of Malaysia. It is the richest state in terms of (GDP) per capita and also the most developed. The state also has the largest population in Malaysia, with an area of 8,104 km² (3,129 sq miles). The state has nine districts. This study, however, will focus on three of them, namely Gombak, Kuala Selangor and Hulu Langat.

According to Imam and Arif (2010), Selangor, like other states in Malaysia, was historically endowed with natural landscape. This shifted to an agricultural dominated landscape from the 1960s to 1980s due to the intensification of palm oil and rubber plantations. From the 1980s to 2000s, the state of Selangor experienced another dramatic change to its natural landscape due to urbanization and industrialization. Table 1 below presents the development of landscape in the three districts in the sample.

Table 1: Development of Landscape in the Districts Sample

District	Development Evolution	
	Historically	Presently
Gombak	Predominantly agricultural	Developed but with large untapped agricultural land banks
Kuala Selangor	Predominantly agricultural	Remains predominantly agriculture
Hulu Langat	Predominantly agricultural	Developed with commercial and residential areas, with untapped agricultural land banks remotely located

As shown in Table 1 above, lands that were previously inaccessible or predominantly agricultural are now at the heart of thriving townships. Hulu Langat and Gombak share a common denominator in the sense that they are the sites for two

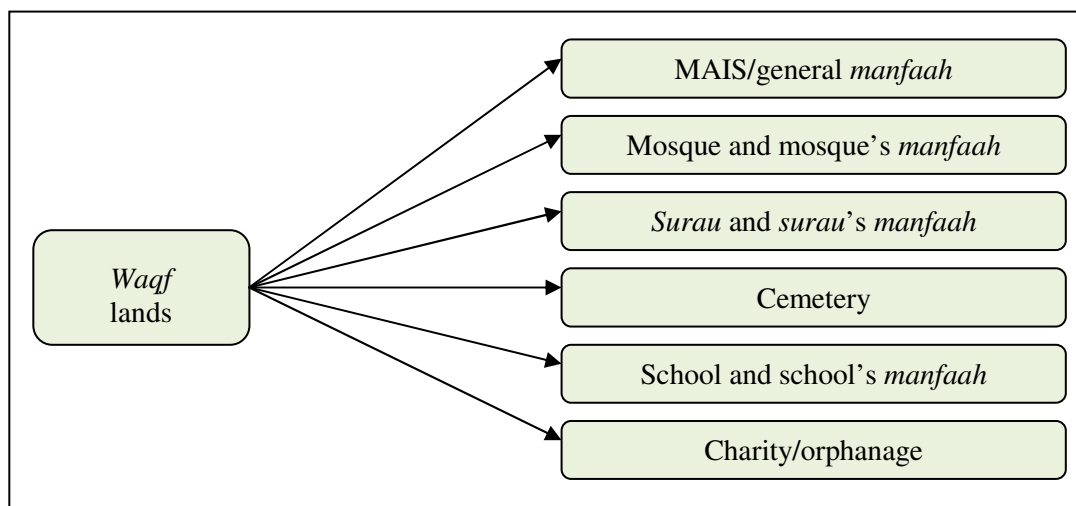
well-known, large public universities, i.e. International Islamic University Malaysia in Gombak and Universiti Kebangsaan Malaysia in Bangi which is situated in the district of Hulu Langat. However, there is a stark difference between the two districts despite this common denominator. Hulu Langat has been characterized by high growth rates in the commercial and residential developments, namely the development of Bandar Kajang and Bandar Baru Bangi, an outlook that is not seen in Gombak¹. On the other hand, the district of Gombak has a bigger composition of untapped agricultural land banks. Yet, on the farthest end, there is the district of Kuala Selangor that has been historically known as a totally agrarian-based district and has remained so until now. As such, it is very interesting from research perspectives to see how *waqf* land development takes place in these seemingly diverse demographic profiles. Therefore, these dramatic ecological changes have bearings in future development plan and categorization of areas surrounding *waqf* lands.

2.1 The Existing Model of Categorizing *Waqf* Lands in Selangor

The dramatic ecological changes, however, have not much affected the existing categorization of *waqf* lands in Selangor. Furthermore, in spite of being the first state in Malaysia that has instituted a *waqf* enactment to better manage and administer all the *waqf* properties in the state (Anuarul Perai, 2005), currently, the *waqf* lands in Selangor are not readily categorized according to the use of the lands, i.e. “agriculture”, “building” or “industry” as specified in Section 52 of the National Land Code (Act 56 of 1965) nor are they categorized according to the economic attributes of the lands. On the contrary, according to the reports by Majlis Agama Islam Selangor (MAIS, 2008), the *waqf* lands in Selangor are categorized into six: i) MAIS/general *manfaah*, ii) mosque/mosque’s *manfaah*, iii) *surau/surau*’s *manfaah*, iv) cemetery, v) school/school’s *manfaah*, and vi) charity/orphanage, as shown in the following diagram.

¹ This opinion is commonly shared by two of the respondents

Diagram 1: Existing Classifications of *Waqf* Lands in Selangor



Based on the reports published by MAIS, as of July 2009, about 72% of the total registered *waqf* lands in the districts of Gombak, Kuala Selangor and Hulu Langat comprise of *waqfs* for the building of mosques or *suraus* and for the manfaah of these religious places. Table 2, which depicts the use of the *waqf* lands in these three districts, shows that much the land is being used for mosques and the *manfaah* of religious places.

Table 2: Use of *Waqf* lands in the districts of Gombak, Kuala Selangor and Hulu Langat

	Gombak	Kuala Selangor	Hulu Langat
Building and for the manfaah of mosques/ <i>suraus</i>	55.3%	79.7%	76.3%
Building and for the manfaah of religious schools	2.6%	15.3%	5.3%
For manfaah of orphanage	21.1%	0%	2.6%
For manfaah of MAIS	13.2%	3.4%	5.3%

Source: MAIS, 2009

Therefore, it would be more beneficial if the lands could be categorized in a way that captures the socio-economic attributes of the lands. By doing so, administrators would be able to understand the socio-economic factors that affect the

development of the lands, limited resources could be channeled accordingly and the development of the lands could be prioritized based on their potential contribution to the *waqf* fund. Hence, the following section discusses how the Categorization and Prioritization of *Waqf* Lands (CPWL) Model is developed.

3. Developing the CPWL Model

As discussed in the previous section, proper categorization and prioritization of *waqf* lands is crucial in order to resolve the issues surrounding the development of *waqf* lands. By resolving all the development issues, all *waqf* properties, including land, would have the opportunity to be developed into income-generating assets, creating wealth. This would have a potential of reducing the gap between the poor and the rich, and ultimately, providing a socio-economic balance for a sustainable society. From the authors' review of previous studies, it is found that there has been no systematic approach to the categorization of *waqf* lands, particularly in the three sample districts of Selangor. Instead, it has been a common practice to categorize *waqf* lands according to the intended use by the *waqifs*. This section will discuss on the methodology used in categorizing and prioritizing *waqf* lands in the sample districts. The methodology used involves the following steps:

1. Compilation of data on the status of *waqf* lands in the three districts – Gombak, Kuala Selangor and Hulu Langat
2. Identification of the four major sectors: agriculture, commercial, residential and religious and their economic indicators
3. Designing AHP questionnaires based on the information compiled from steps 1 – 2 above
4. Selection of potential respondents based on the scope of the study
5. Administration of survey with the identified respondents by:
6. Data collection and analysis

The following sub-sections will elaborate on all the six steps above mentioned individually.

3.1 Compilation of Data on the Status of Waqf Lands in the Three Districts

As outlined in section 3 above, the first step to developing the CPWL model is to compile the data on the status of the *waqf* lands (registered and unregistered) in the three sample districts. The authors had access to 49 plots of *waqf* lands in Gombak

(39 registered and 10 unregistered), 114 plots of waqf lands in Kuala Selangor (60 registered and 54 unregistered), and 62 plots of waqf lands in Hulu Langat ¹(38 registered and 24 unregistered). According to MAIS, as of August 2009, there were about 2.27 acres of land in Gombak², 53.24 acres of land in Kuala Selangor and 22.78 acres of land in Hulu Langat that have been identified as *waqf* lands and were still in the process of registering with MAIS.

Table 3 below summarizes the land type of all the registered *waqf* lands in the districts of Gombak, Kuala Selangor and Hulu Langat.

Table 3: Registered *Waqf* lands in Gombak, Kuala Selangor and Hulu Langat

Land Category	Gombak	Kuala Selangor	Hulu Langat
Agriculture	15 lots (12.75 acres)	56 lots (85.52 acres)	12 lots (31.16 acres)
Building	14 lots (1.06 acres)	1 lot (0.06 acres)	12 lots (1.34 acres)
Industry	0 lot	1 lot (1.49 acres)	0 lot
Others (as per MAIS report – “village”, “Malay reserve”, “no information”)	10 lots (7.21 acres)	2 lots (1.91 acres)	14 lots (39.47 acres)
TOTAL (registered <i>Waqf</i> lands)	39 lots (21.02 acres)	60 lots (88.98 acres)	38 lots (71.97 acres)

Source: MAIS, 2009

Two observations can be made from the data in Table 3. Firstly, as mentioned earlier, most of the lands that are endowed by the *waqifs* are agriculture land. This is especially true for the districts of Gombak and Kuala Selangor. Secondly, the “others” category requires serious attention from MAIS. In the district of Hulu Langat for example, 39.47 acres of land are categorized as either “Malay reserve” or

¹ The lands consist of both the registered and unregistered waqf lands extracted from MAIS reports as of August 2009.

² Excluding two lots that have been identified as *waqf* lands but could not be registered because the lots include reserves for river and road (source: MAIS report, August 2009)

not having information. This is a significantly large area of land. Categorization of such land is important for its proper development.

3.2 Identification of the Four Major Sectors and Their Economic Indicators

From the literature review, documents accessed and onsite visits, the authors have identified four major sectors as the bases to categorize the *Waqf* Lands in the three districts. These sectors are agriculture, commercial, residential and religious. In other words, these *Waqf* Lands can be categorized for the purpose of agriculture, commerce, residence and religion. Furthermore, there is a need to determine factors or indicators that can be used to measure land value creation and its optimum utilization in each sector. Accordingly, four economic indicators have been identified relative to each sector. These indicators are employment opportunity, future development of surrounding areas, proximity to commercial center and access to public facilities.

According to Gaddy and Hart (1993), real estate value is created, changed and destroyed, in part by the interaction of physical, political, economic and social external factors. Therefore in the context of this study, the value and optimum utilization of *Waqf* Lands categorized for agriculture, commerce, residence and religion would depend on employment opportunity, future development of their surrounding areas, their proximity to commercial centers and their access to public facilities.

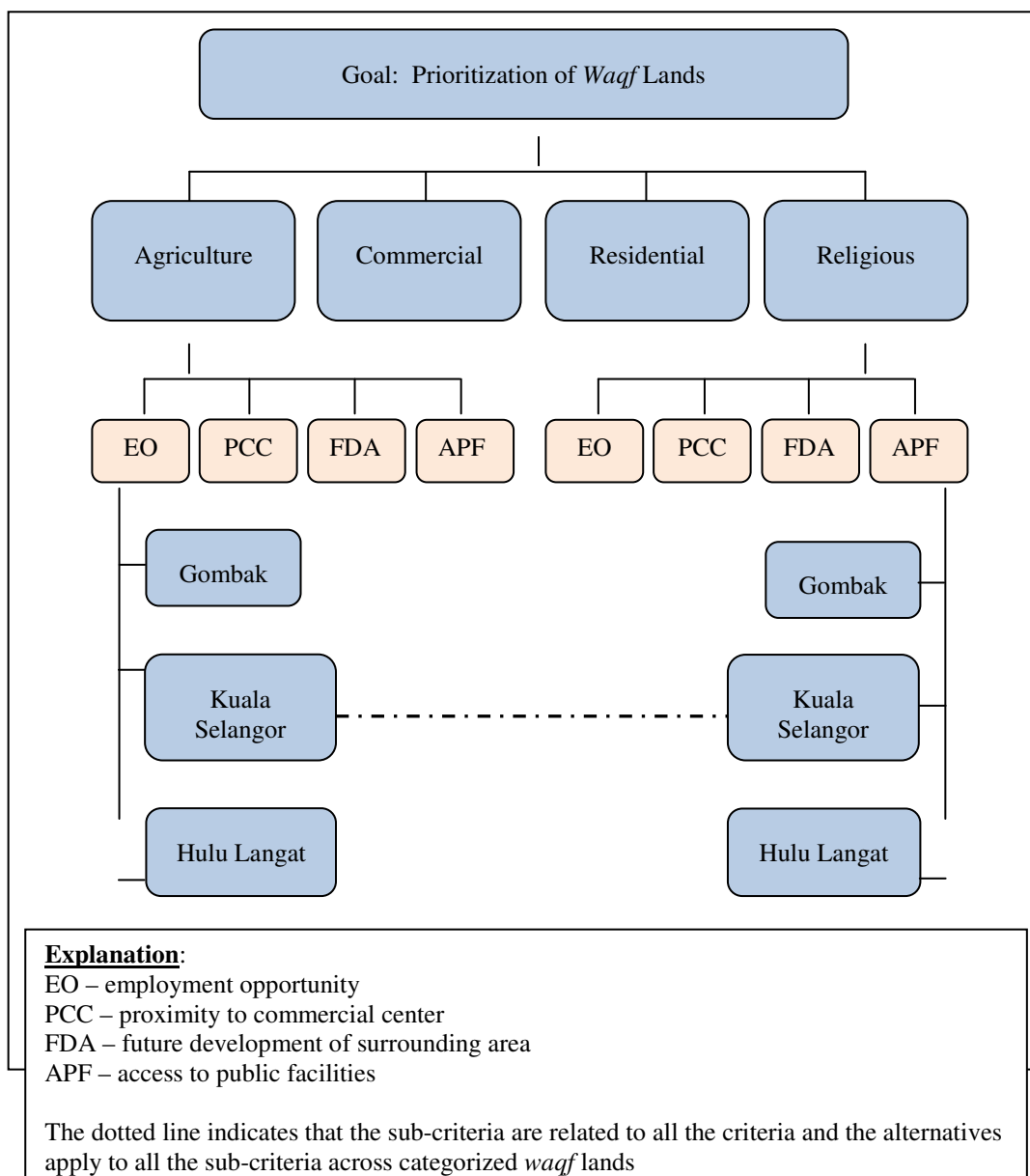
3.3 Designing the Research Instrument (AHP)

In order to prioritize the *Waqf* lands categorized into the four major sectors above, the authors have used Thomas L. Saaty's decision-making tool, popularly known as the Analytic Hierarchy Process (AHP) model. AHP is a scenario approach to multi-criteria decision making where the relative values of possible decisions or outcomes were given a function value based on a mathematical representation of pair-wise comparisons (Collins, Steiner and Rushman, 2001). AHP structures a multicriteria decision making problem into a hierarchy structure that shows the relationships of the goal, criteria, sub-criteria and the alternatives. Below are the five steps that were involved in developing the AHP instrument.

Step 1: Identification of the goal, criteria, sub-criteria and alternatives. In this case, the goal is the prioritization of *waqf* lands in the three districts of Selangor,

namely Gombak, Kuala Selangor and Hulu Langat. The criteria, which are directly aligned to the goal, are the four major sectors upon which the *waqf* lands were categorized. These are agriculture, commercial, residential and religious. The sub-criteria are the four economic indicators related to each criterion. These sub-criteria are employment opportunity (EO), proximity to commercial center (PCC), future development of surrounding area (FDA), access to public facilities (APF). Meanwhile the alternatives are the three districts: Gombak, Kuala Selangor and Hulu Langat, which are related to the respective individual sub-criterion. Diagram 2 below shows the decision hierarchy structure that has been used to prioritize the *Waqf* Lands

Diagram 2: Decision Hierarchy Structure in Prioritizing *Waqf* Lands



Step 2: Construction of the pair-wise comparison matrices (PCM) for all the four criteria, four sub-criteria and three alternatives. The PCM is blank AHP questionnaires that were used for face to face interview with 10 respondents to collect data. This sample is considered convenient for the purpose of this study. The selection of respondents is discussed in subsection 3.4 below.

Step 3: Administration of survey with ten *waqf* experts to determine the weights for all the criteria, sub-criteria and alternatives from all the PCMs. The detail is discussed in sub-section 3.5 below.

Step 4: Synthesis of the weights obtained using the Expert Choice software program. This step and the subsequent step are discussed in sub-section 3.6 below.

Step 5: Ranking of the alternatives based on their individual importance and overall standing

3.4 Selection of Respondents

Ten officers from the Selangor Islamic Religious Council headquarters, Islamic Religious Council district offices and professionals were surveyed. They were selected for their involvement in *waqf* projects and sufficient knowledge on *waqf* development in the 3 districts.

Table 4: Respondents' Profile

	<u>Frequen</u> <u>cy</u>	<u>Perce</u> <u>nt</u>		<u>Frequen</u> <u>cy</u>	<u>Percent</u>
Gender			Management Position Held		
Male	10	100%	Asst. Officer	8	80%
Female	0	0%	Director	2	20%
Age			Present Occupation		
25 – 34	7	70%	Islamic Rel.	8	80%
35 – 44	1	10%	Admin. Officer.	1	10%
45 – 54	2	20%	Businessman	1	10%
55 and above	0	0%			
			Name of Organization		
Academic Qualification			MAIS	8	80%
PhD	0	0%	IIUM IEF	1	10%
Master	1	10%	Ufuk Muafakat	1	10%
Bachelor	2	20%			
Diploma	6	60%			

SPM	1	10%			
Areas of Specialization					
Economics	2	20%			
Finance	0	0%			
Shari'ah	5	50%			
Fiqh & Usul al-	1	10%			
Others	2	20%			

3.5 Administering the Survey

A questionnaire was developed based on the multicriteria decision making hierarchy structure as shown in Diagram 2 above. The questionnaire contains nine pair-wise comparison matrices. Each respondent took approximately 40 minutes to complete the survey and it was carried out at the respondents' offices. While assigning weights, the respondents were consistently reminded that their answers must be based on what is best for *waqf* land development that would, ultimately, assist in the betterment of the *ummah*, socially and economically. Ratings were given to the priorities chosen by the respondents according to the scale 1-9, from equal importance to extreme importance (Saaty & Vargas, 2001).

3.6 Data Collection and Analysis

The data collected from the administered survey was, then, synthesized using the "geometric mean rule"¹. By doing so, the average for each data set was obtained. For geometric means that were less than 1, the inverse of the means were computed². These synthesized data, were then entered into the Expert Choice software program. This software program also computed the inconsistency ratio (IR) for all the pair-wise comparison matrices (PCMs). This is very useful in determining the reliability of the data collected, which can affect the final conclusion of this study. The inconsistency ratio (IR) indicates the coherence among the judgments (Saaty & Vargas, 2001). Inconsistency ratios that equal 0.1 or less show that the judgments by the respondents are consistent. If the inconsistency ratios are greater than 0.1, one must retrace the steps involved in preparing the survey instrument and the judgments

¹ Using the "geometric mean rule", the weights given by the respondents for each data set of pair-wise comparison (under the criteria, sub-criteria and alternative levels) were multiplied and then, root to the number of weights for each data set

² The inverse was calculated by computing $1/M$ (M = geometric mean)

must also be revisited. In this study, the inconsistency ratios for all the nine PCMs range from 0.00 to 0.09. This shows that the respondents have been consistent in their judgments and more importantly; this finding confirms that the CPWL model has been developed correctly.

Nevertheless, in carrying out this study, the author has identified a few limitations, which are:

- a. The sample size – although care has been given in selecting the three districts, bigger sample size has the potential of providing better data collection for analysis.
- b. Consistency – It is observed that different level of enthusiasm was displayed by the respondents depending on the time of the survey. Surveys conducted in the mornings demonstrated higher level of enthusiasm from the respondents as compared to surveys that were conducted in the afternoons.
- c. The very limited availability of research literature on strategic development and investments of *waqf* lands has made it difficult for the authors to undertake critical literature survey.

As explained in the previous sections, the goal of the AHP instrument is to prioritize Waqf lands base on the four major sectors, the four economic indicators and the three districts. Overall we are interested in rating and ranking the three districts in relation to the four economic indicators and the four major sectors.

4. Results and Discussion

As stated, data collected was synthesized and entered into Expert Choice, a software program that enabled ranks and ratings be given to the districts, economic indicators and the major sectors identified. The program produced the following ranks and ratings:

- a) Overall standing or global weight (ranking of the three districts – Gombak, Kuala Selangor and Hulu Langat)
- b) Rating & Ranking of Economic Indicators in relation to the global weight

- c) Sectoral Rating & Ranking in relation to economic indicators and global weight

4.1 Overall Standing or Global weight

The Expert Choice software program generated data that rated and ranked *Waqf* Lands in the three districts in the sample, namely Gombak, Hulu Langat and Kuala Selangor. Table 5 below presents the result.

Table 5: Ratings and Rankings of *Waqf* Lands in Gombak, Kuala Selangor and Hulu Langat

No.	District	Rating	Ranking
1	Gombak	0.423	1
2	Hulu Langat	0.422	2
3	Kuala Selangor	0.155	3

As shown in Table 5, Gombak was ranked first, Hulu Langat second and Kuala Selangor third by the respondents in terms of *waqf* land development priority. This means that the respondents, who are *waqf* experts, believe that should there be resources available to develop *waqf* lands, the resources should, first, be channeled to develop *waqf* lands in Gombak, followed by Hulu Langat and lastly Kuala Selangor. Looking at the land use of the three districts shown in Table 1 earlier, Gombak still has large untapped lands. Gombak is also experiencing very rapid development growth due to its location which is the nearest to Kuala Lumpur, the capital of Malaysia and to numerous urban settlements. Meanwhile, for Hulu Langat, although it is also experiencing similar rapid development growth, untapped lands are not as easily accessible as in Gombak. Because of these scenarios, Gombak is chosen as the first location to be given *waqf* development priority followed by Hulu Langat. The respondents believe that developing a *waqf* land in these two districts would be more productive than developing a *waqf* land in the district of Kuala Selangor, which is located far from mega townships and commercial centers.

4.2 Rating & Ranking of Economic Indicators in relation to the global weight

When the three districts were rated and ranked according to the four economic indicators; employment opportunity, proximity to commercial centre, future

development of surrounding area and access to public facilities, the Expert Choice software program generated findings as shown in Table 6 below.

Table 6: Ratings and Rankings of the Districts According to the Economic Indicators

No.	District	Socio-Economic Factors			
		Employment Opportunity	Proximity to Commercial Centre	Future Development of Surrounding Area	Access to Public Facilities
1	Gombak	0.654 [1]	0.535 [2]	0.455 [3]	0.286 [4]
2	Hulu Langat	0.248 [4]	0.386 [3]	0.452 [2]	0.469 [1]
3	Kuala Selangor	0.098 [2]	0.079 [4]	0.093 [3]	0.244 [1]

* The number in parentheses shows the ranking for each district

From Table 6 above, it can be seen that in developing *waqf* lands in Gombak priority should be given to projects that generate “employment opportunity” (0.654), followed by projects that are near to commercial centers - “proximity to commercial centre” (0.535) and then projects that have prospects for “future development” (0.455). Whereas in the case of Hulu Langat and Kuala Selangor priority should be given first to projects that have “access to public facilities” (0.469).

As mentioned earlier, the development growth in both Gombak and Hulu Langat is very rapid. Employment opportunity is abundant and access to public facilities is vital.

4.3 Sectoral Ratings and Rankings in relation to economic indicators and global weight

The program then rated and ranked the four economic indicators; employment opportunity, proximity to commercial center, future development of surrounding area and access to public facilities based on the sectors. The ratings and rankings of the four indicators in relation to the four sectors are shown in Table 7 below.

Table 7: Rating and Ranking of the Economic Indicators in Relation to the Four Sectors

No	Socio-Economic Factors	Sectors			
		Agriculture	Commercial	Residential	Religious
1	Employment Opportunity	0.154 [1]	0.153 [2]	0.066 [3]	0.063 [4]
2	Proximity to Commercial Center	0.179 [4]	0.185 [3]	0.214 [2]	0.221 [1]
3	Future Development of Surrounding Area	0.374 [1]	0.260 [2]	0.176 [4]	0.258 [3]
4	Access to Public Facilities	0.293 [4]	0.402 [3]	0.543 [1]	0.458 [2]

* The number in parentheses shows the ranking for each socio-economic factor

The data tabulated in Table 7 show that when the objective for projects on Waqf lands are for generating “employment opportunity” (0.154) or/and taking into consideration the goal for “Future development of surrounding areas” (0.374) then priority should be given to the agriculture sector. On the other hand, if the purpose is to initiate projects on Waqf lands near to commercial centers, the priority should be to earmark that project for religious functions (0.221). Meanwhile, for any projects that have “access to public facility” the use of such land for residential project is paramount.

Finally, Table 8 below presents the pair-wise comparison of the three districts to their preferred sector and prioritized indicators. From the Table, Gombak must be given priority for any development of waqf lands followed by Hulu Langat and finally Kuala Selangor. Similarly, If the *waqf* land is located in Gombak, the preferred sector is agriculture, while Hulu Langat and Kuala Selangor, priorities are given to the residential sector.

Table 8: Prioritization of *Waqf* Land Development Based on Location, Sector and Economic Indicators

No.	District	Sector	Socio-Economic Factor
1.	Gombak	Agriculture	Employment opportunity
2.	Hulu Langat	Residential	Access to public facilities
3.	Kuala Selangor	Residential	Access to public facilities

5. Conclusions

Waqf, similar to *zakat*, is an integral and important part of the Islamic socio-economic system. Hence, it is crucial that it is managed and administered effectively and efficiently so that its benefits can be used to increase the wealth of the Muslim societies. Improper categorization and prioritization of *waqf* lands have been identified as two of the many reasons for the underutilization of *waqf* lands. As discussed in this paper, formal and official categorization of the *waqf* lands based on location as well as the use of the lands is fundamental. Once proper categorization is made, MAIS will be able to channel appropriate resources and develop the lands accordingly.

As proposed by this study, through the CPWL model, proper distribution of financial resources can objectively be made. For illustration purposes, let us say there is an allocation of RM1 million to develop *waqf* lands. Based on the rating given to the three districts in Table 5 above, RM423,000 will be allocated for the development of *waqf* lands in Gombak, RM422,000 will be allocated for the development of *waqf* lands in Hulu Langat and the remaining RM155,000 will be allocated for the development of *waqf* lands in Kuala Selangor. In other words, the limited funds available for the development of *waqf* lands can be distributed more efficiently. Misallocation of funds can be avoided, thus reducing wastage of financial resources.

It is also important to rectify the perception that *waqf* properties are meant only for religious purposes. This misperception on the purpose of *waqf* has resulted in many mosques being built on agricultural lands¹. These lands could have been used for income-generating agricultural projects that could spawn greater socio-economic benefits to the society.

Furthermore, the CPWL model can be used to verify whether the existing *waqf* lands are optimally utilized. For example, say a *waqf* land in Hulu Langat is endowed for the building of mosque. By using the CPWL model, the piece of land can undergo a “test” to see what kind of development is best suited for the land,

¹ MAIS reports (2009)

taking into consideration the location and the socio-economic factors available. The findings can then be compared with the existing use of the *waqf* land. By so doing, MAIS can affirm whether the piece of land has been used to its maximum capacity and generate the greatest socio-economic benefit or otherwise, in which case MAIS would be more careful in future development of other *waqf* lands to avoid further wastage of land resource.

It is also important to note that the CPWL model only provides the basis for categorizing and prioritizing the development of *waqf* lands. The final decision will still be based on the current circumstances surrounding the *waqf* lands in question. This study has clearly illustrated this point. For example, this study has found that *waqf* lands should be developed for commercial purposes as this would generate highest income for the *waqf* institution. However, based on the geographic locations of the lands and the socio-economic factors that are available, agricultural projects or residential projects may be more suitable and feasible than commercial projects.

The authors also suggest that future research be conducted to further analyze the economic indicators proposed in this paper. The present model has used four economic indicators, namely employment opportunity, proximity to commercial center, future development of surrounding area and access to public facilities to prioritize the development of *waqf* lands in Selangor. It is hoped that future research could refine the four indicators further to include other factors such as employment benefits, work satisfaction, pollution (noise, air, water), quality of life and the easiness in converting land use category as per National Land Code (Act 56 of 1965)¹. Through further refinement of these economic indicators, we can have an in-depth understanding of the land development requirements. We shall also be able to allocate resources more accurately and the issue of mismanagement of *waqf* lands and the insufficient funding resources will be eliminated. Ultimately, Muslims will be able to use their properties not only as a form of *ibadah*, but also as vital tools to increase wealth, thus uplifting the social and economic conditions of the Muslim societies.

¹ The use of the lands is categorized under "agriculture", "building" or "industry" as specified in Section 52 of the National Land Code (Act 56 of 1965)

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