

Wakaf CSR: An Emperical Study of Polycentric Collaborative Waqf Governance

(*Wakaf CSR: Satu Kajian Emperikal Berkaitan Urustadbir Kolaboratif Wakaf*)

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ABSTRACT

The key challenge to operate waqf in Malaysia lies within the ability to manage the issue of collaborative governance. In Malaysia, waqf is under the purview of State Islamic Religious Councils (SIRCS) whose permissions are needed to operate waqf legally. However, there are multiple claims that establishing the relationships with SIRCS is complex. Therefore, the main aim of this study is to overcome the paradigm of the complex collaborative relationships between the interested parties of waqf and the SIRCS. For that, the case of Wakaf CSR is chosen as a perfect example of how collaborative waqf relationship is established under polycentric governance. Qualitative approach from case study perspective is utilized for this study apart from secondary data of library search and seminal inputs. The case offers a good insight into how waqf could be operationalized harmoniously into the legal framework using collaborative governance mechanism. The success of the model demonstrated by Wakaf CSR had inspired many versions of collaborative waqf projects with SIRCS. It can be concluded that collaborative governance from polycentric perspective is an ideal formulation for executing the waqf sector in the Malaysian context.

Keywords: Waqf; strategic collaboration; collaborative waqf; polycentric collaborative governance

ABSTRAK

Cabaran utama untuk mengoperasikan wakaf di Malaysia terletak kepada kemampuan kolaboratif melibatkan urustadbir. Di Malaysia, kuasa wakaf adalah di bawah Majlis Agama Islam Negeri (MAIN). Bagaimanapun, terdapat beberapa dakwaan tentang kesukaran mendapatkan kebenaran daripada MAIN. Tujuan kajian ini dilakukan bagi mengungkit paradigma perhubungan kolaboratif yang dikatakan sebagai kompleks di antara pihak yang berminat membangunkan institusi wakaf dan MAIN. Satu kes kajian wakaf berkenaan Wakaf CSR dibincangkan untuk mengetahui bagaimana kejayaan kolaborasi wakaf di bawah perspektif polisentrik dapat dilakukan. Metodologi kajian ini menggunakan pendekatan kualitatif melalui temuduga separa berstruktur selain daripada maklumat sekunder melalui carian perpustakaan dan input daripada seminar. Kes kajian ini memperlihatkan potensi bagaimana wakaf dapat dioperasikan dengan harmoni ke dalam kerangka perundangan menggunakan mekanisme urustadbir kolaboratif. Impak yang didemonstrasikan daripada kejayaan kes kajian ini telah menginspirasi pihak lain mewujudkan projek wakaf secara berkolaborasi dengan MAIN. Konklusi daripada kajian ini menunjukkan bahawa urustadbir di bawah perspektif polisentrik merupakan formulasi ideal dalam mengoperasikan wakaf dalam konteks Malaysia.

Kata kunci: Wakaf; kolaborasi strategik; kolaboratif wakaf; urustadbir kolaboratif polisentrik

INTRODUCTION

Malaysia is a country where the administration of Islam is regulated that, to establish a *waqf* legally is very much different than other Muslim countries (Siti Mashitoh 2011; Siti Mashitoh & Asmak 2015). *Waqf* in Malaysia is under the purview and administered by the respective states; and the authorities that rule and administer this matter are the fourteen states' respective State Islamic Religious Councils (SIRC) (Asmak et al. 2014; Siti Mashitoh 2007, 2011; Siti Mashitoh & Asmak 2015). According to Article 3 of the Malaysian Federal Constitution, the administration pertaining to the Islamic affairs are vested in the Malay Rulers and their respective state governments (Mek Wok & Sayed Sikandar 2010;

Siti Mashitoh 2011). Thus, Islamic matters that fall under the jurisdiction of the state, which includes *waqf*, are stated in List II-State List (1) of the Ninth Schedule in the Constitutions (Siti Mashitoh 2011). Hence, it is very unique when there are fourteen states in the country to consider when aligning matters regarding *waqf* (Siti Alawiyah 2012).

The law accords substantial power to the State Islamic Religious Council (SIRC) as *mutawalli* (full power in-house manager) to manage all *mawquf* (the waqfted property and/or asset) created in the states and *mawquf alaih* (the beneficiaries) (Siti Mashitoh 2007). State Islamic Religious Councils (SIRCS) have different approaches in managing the *waqf* (Siti Alawiyah 2012). Most of SIRCS have established a dedicated *waqf* unit

or department within the same councils. Meanwhile, SIRC like Sarawak administers its *waqf* under Baitulmal, and SIRCs of Selangor and Negeri Sembilan go beyond by establishing a special body to specifically manage the administration of *waqf*. The *mutawalli* is under the obligation to carry out the instructions of the *waqif* by safeguarding, managing, collecting revenues from the *waqf* property and distributing the benefit of *waqf* to the beneficiaries (*mawquf alaih*) (Siti Mashitoh 2011). The *mutawalli* has no right to sell, exchange, or mortgage the *waqf* property or borrow money to spend on *waqf* without the permission by the *mufti* and/or the civil court (Siti Mashitoh 2011).

BACKGROUND OF THE STUDY

Bank M is one of Malaysia's Islamic financial institution and the first to have an interest on *waqf* for social causes in the country (Asharaf & Abdullah 2014; Mazlan 2015). Bank M aims at providing its banking platform to ease the Muslims in Malaysia to perform *waqf* (Syed Alwi 2017). They focus in developing *waqf* in the category of *waqf khayri* (philanthropic *waqf*) (Asharaf & Abdullah 2014; Mazlan 2015; Syed Alwi 2017). The seriousness of Bank M with Islamic philanthropic works have motivated them to establish a specific department in the bank known as *Jabatan Dakwah, Wakaf dan Zakat* (Mazlan 2015). It is claimed that Bank M is the only Islamic financial institution that establishes such specific department (Mazlan 2015).

The state X is chosen as the hub in implementing the *waqf* project. Bank M found that it needs to collaborate with the Majlis Agama Islam X (MAIX) who are the sole trustee of *waqf* and its agent Wakaf X Corporation (WXC) (Mazlan 2015; Syed Alwi 2017). WXC holds the managerial power in administering and operating *waqf* in state X (Hani 2017; Ibn Hubayn 2018; Siti Mashitoh 2011). The power was cascaded by MAIX as the sole trustee entity of *waqf*. The reasons for the collaboration engagement are to comply with the *waqf* legal framework in Malaysia and acknowledged the positions of MAIX and WXC (Mazlan 2015; Syed Alwi 2017).

The collaborative *waqf* known as Wakaf CSR by Bank M and WXC was officially launched on September 27, 2012 (Utusan Online 2012). Bank M through its branch network all over Malaysia is the collecting agent of the programme (Mazlan 2015; Syed Alwi 2017; Utusan Online 2012). Through this, promotions for funding are handled by Bank M's marketing arm (Mazlan 2015). Cash is the instrument to transport the *waqf* objective (*sighah waqf*) where the crowdfunding concept is utilised (Asharaf & Abdullah 2014; Mazlan 2015; Syed Alwi 2017). The crowdfunding of *waqf* is materialised through the methods of cash deposits, inter-bank transfers, debit card system and salary deductions (Mazlan 2015; Syed Alwi 2017). Minimum contribution for an individual is RM10 whilst for institution it is RM100; and no maximum

limit is fixed (Mazlan 2015). The target of the fund is RM50 million after the first three years of launching (Utusan Online 2012). During the launch, RM1 million was contributed by Bank M whilst RM74,040 were raised internally by its staffs (Utusan Online 2012). To create further public interest towards donating to the funds, Wakaf CSR provides the eligibility of a seven per cent tax deduction from an individual aggregate income and 10 per cent for corporations (Asharaf & Abdullah 2014; Syed Alwi 2017). As a result, many of the Wakaf CSR's *waqf* contributions had been used in providing essential assistance to the community in tandem with the services and facilities provided by the government.

PROBLEM STATEMENT OF THE STUDY

There have been somewhat conflicting misconceptions in the relationship paradigm by the interacting parties with regard to issues of managerial, trusteeship and governance of *waqf* due to the status quo of SIRCs (Siti Mashitoh 2007). Besides the issue of commission charges, among other issues are related to the control and power. Many entities that are interested to legally hosting and establishing *waqf* had claimed that it is difficult to seek and obtain permissions from the SIRCs as the definitions of being the *waqf*'s sole trustee are differently interpreted according to the language of control in power. Even if the entities succeeded in obtaining the approval, the adjusting period to synergise collaborative stage is yet another challenge to deal with. This is somewhat true based on the previous collaboration studies that working together has never been easier as at a certain stage the governance elements need to be compromised and traded off (Austin 2000c; Huxham & Vangen 2005).

OBJECTIVES OF THE STUDY

The main objective of this research is to explore the best practice of collaborative *waqf* in Malaysia. Research into collaborative relationship of Bank M – WXC is extensive and typically relates to two lines of inquiry. The first seeks to understand the chronological process of Wakaf CSR and explores how it delivers its planned objectives (Asharaf & Abdullah 2014; Siti Mashitoh 2007). To relate to both inquiries in respect to this case – first; there is a need to understand how the chronological process of collaborative *waqf* has been created in line with the legal governance parameter (Siti Mashitoh 2011). Second; it concerns on how the collaborative *waqf* efforts could be exercised as a contribution to socio-economic responsibility programs. For that, Wakaf CSR is selected as the basis of discussion. Justification of why this case is being selected is due to the case has shown on how a collaborative approach from a polycentric governance¹ perspective could be developed to overcome the difficulty in establishing relationship with the State Islamic Religious Council (SIRC).

WAYS THROUGH OUT THE CONCEPTS

In this paper different elements relating to collaborative *waqf* from polycentric governance perspective are presented. The discussion of this paper will be organized as follows: The first section discusses the study's background, problem statements and objectives. The second section discusses the literature reviews on the concept of *waqf*, collaborative *waqf* and polycentric governance of collaborative *waqf*. The third section explains the research methodology employed by this study. Research findings, discussions and analysis are reviewed and discussed in section four. The final section highlights limitations, recommendations and conclusive remarks.

LITERATURE REVIEW

CONCEPT OF WAQF

In Islam, the concept of *waqf* is the manifestation of the level of faith (*eeman*) to Allah SWT through doing good deeds to mankind (Asharaf & Abdullah 2014; Razali 2013). Although *waqf* is not specifically being mentioned in the *Quran*, there are definitive *Sunnah* evidences that many great personalities of Islam had endowed their properties for philanthropic purposes (Baharuddin, Asmak & S Salahudin 2006) A hadith narrated by *Abu Hurairah r.a.* on the reward of performing good deeds in the form of *waqf* is as follows (Razali 2013):

“Abu Hurairah (may Allah be pleased with him) reported Allah’s Messenger (s.a.w.) as saying: When a man dies, all his acts come to an end, but three: recurring charity (sadaqah jariyah) or knowledge (by which people benefit) or a pious offspring, who prays for him.” (Sahih Muslim)

Fundamentally, there is a huge difference between *waqf* and endowments although some claimed that *waqf* is similar to endowment (Razali 2013). The difference of *waqf* compared to endowment lies within its philosophical foundation in performing charity beyond altruism (Razali 2005, 2013). The basis of performing *waqf* is to achieve maqasid shariah through the manifestation of the concept of *habblu minnallah wa habblu minannas* (Razali 2014). *Habblu minnallah* relates to the relationship between Allah SWT and you yourself; and *wa habblu minannas* is the relationship between human beings through kindness (*ehsan*). The concept postulates that believers who believe in Allah SWT as the Sole Creator, the Most Merciful should manifest their relationships with the Creator by maintaining and fixing the relationship with other human beings as it gives path to achieve life contentment according to *maqasid shariah* (Razali 2015).

WAQF BY DEFINITION AND ITS SHARIAH ORIENTATION

Waqf by definition refers to confinement or detention (Çizakça 2011; Razali 2015). It means “withholding or immobilizing an asset by retaining its principle but

releasing its proceeds” (Çizakça 2011; Razali 2013, 2014). Withholding in this context is that the asset cannot be exchanged, sold, disposed, demolished in any way (Çizakça 2011; Razali 2014). However, at the same time, “releasing the proceed” means that the benefit (usufruct) that can be obtained from the asset without consuming the principal element of the asset (Çizakça 2011). From the *shariah*'s point of view, the perpetuity of *waqf* implies that the consumption of *waqf* should be viewed in such a way that the asset should be there forever (Razali 2013). The context of definition also covers the need to use the assets in accordance to the maqasid of *waqf* as permitted by *Shariah* (Islamic law). When a *waqif* (a person who gives away his assets as *waqf*) surrenders his assets, he should bear in mind that he is no longer the owner of the assets as the ownership belongs to Allah SWT (Razali 2014, 2015). He could be the administrator to the *waqf* assets and ensures that the element of perpetuity and the benefits be disseminated to the beneficiaries (Siti Mashitoh 2007).

HISTORY OF WAQF AND ITS FUNCTIONS

Waqf has a rich heritage of philanthropic history and significantly impact the Muslim societies economically and socially (Shamsiah 2010). Throughout history, *waqf* has been the platform to extend the value of the spirit of the Muslim brotherhood in the form of various aids and assistances (Razali 2013). *Waqf* functions as an institution that helps to promote social justice, community development, poverty alleviation and educational upliftment. Starting from the function of establishing mosques during the early arrival of Islam, the roles of *waqf* has extended to reduce the social gap by providing welfare to the society via general goods and to assist, directly or indirectly, the disadvantaged groups in a community (Razali 2013). The role of *waqf* also could be linked to how it can be used as a wealth stimulation mechanism for the social and economic development of the Muslims (Kahf 1999). Hence, the *waqf* instruments accumulatively could become the source of wealth and free rides for the Muslims in practicing Islam and at the same time enhance the quality living. However, careful management in preserving the principal of the assets is important (Nurul Asykin & Muhammad Hakimi 2013).

THE CHALLENGES OF WAQF TODAY

Waqf had experienced many phases of under development, under optimization and deterioration of functions and mismanagement in many Muslim countries (Çizakça 2000). *Waqf* has long been criticized as an outdated institution with dying functions and its inability to stay relevant in the modern economy (Çizakça 2000; Kahf 1999; 2003; Kuran 2004). *Waqf* is trapped between the blocks of economic development and the concept of corporatisation (Kuran 2004). It has long been constrained to matters related to graves, mosques and religious traditional schools (Razali 2013). All these situations occurred due to the falls of Islamic caliphates, imperialism,

colonialism and weaknesses of attitude and paradigm of mind of the Muslims themselves (Razali 2005). Scepticism from within the Muslim societies themselves and its inability to progress beyond its traditional way have also led to *waqf*'s stagnancy (Razali 2005). To make it worse, the challenge to revive *waqf* during this modern days has also always been overshadowed by the success stories of endowments (Razali 2013). However today, we witnessed good signs in the revival of *waqf*. There have been growing concerns among the society to bring back the glory of *waqf* institutions in contributing to socio-economic well-being (Fadillah 2017; Fuadah & Hisham 2013; Fuadah & Mohammad 2013; Ridhwan et al. 2014; Rosnia & Zurina 2013)

COLLABORATION AS THE BRIDGING APPROACH

The idea of working together for better and significant impact are usually demonstrated through collaboration. Collaboration between organizations across different sectors has been described as a new approach to cope with complex social problems (Al-Tabbaa, Leach & March 2014; Selsky & Parker 2005). Lots of evidence from existing worldwide philanthropic causes had shown that collaboration is the strategic way of doing effective and efficient charities during this modern era (Selsky & Parker 2005). Collaboration has been optimized as a platform to achieve social goals in a community where all people in the society are committed to give and learn alongside one another in deep and meaningful ways while driving for extraordinary results (Austin & Seitanidi 2015). There is a high possibility that almost everything can be achieved through collaboration (Al-Tabbaa et al. 2014; Austin 2000a). This stands for the fact that working together offers more abilities and chances to expand resources and accessibility for opportunities and expertise. Mission is accomplished through notable ways by creating working environment that creates something under the shared vision (Austin 2000a; Selsky & Parker 2005). Performing charity using collaboration as the medium is partly inspired by the idea to reduce competition gaps and to value add the existing products and services in the commercial market. Collaboration has been proven to could unlock potentials, gives better impact and solutions that cannot be achieved when alone (Austin 2000a). Achievement of wider socio-economic outcomes resulted from collaboration would depend on how successfully the collaboration is structured and linked with one another (Wood & Gray 1991).

The awareness of *waqf* today has necessitated the move towards redesigning the contemporary *waqf* application (Çizakça 2011). That is when working collectively and sharing expertise have been chosen as platforms to revive and develop *waqf*. In line with the increase in awareness of *waqf*, collaboration offers a new dimension towards the revival of *waqf*. *Waqf* is needful to follow the path of other philanthropic movements from micro level to macro level that had chosen collaboration as part of sustainable strategy (C.Morris & Miller-Stevens 2016). A

significant example involving collaborative *waqf* program is the World *Waqf* Foundation which was established in 2001 by the Islamic Development Bank (IDB). Another examples are the various international humanitarian projects optimising worldwide crowdfunding where the purposes of the *waqf* are building of facilities for the unfortunates such as hospitals, houses, water tanks and camps. Further examples in the context of Malaysia are (1) the collaboration between Tabung Haji Properties (TH Properties) with Majlis Agama Islam Wilayah Persekutuan (MAWIP) and (2) the collaboration between UDA Holdings with Majlis Agama Islam Pulau Pinang (MAINPP) in developing abandoned *waqf* lands into commercial and residential areas (Asharaf & Abdullah 2014)

DEFINITION OF COLLABORATION FROM CONVENTIONAL AND ISLAMIC PERSPECTIVES

Collaboration from the perspective of Western scholars is defined as working together, sharing resources, expertise and knowledge towards certain goals by multiple parties (Austin 2000a; Heinze & Kuhlmann 2008; Huxham & Vangen 2005; Jones & Morris 2008) from the same institutions as well as from different institutions across sectors and disciplines. Whilst, collaboration from the perspective of Islam is conceptually in line with the principle of *ta'awun* that means helping each other for good purposes. Accordingly, the concept of *ta'awun* could be further linked and matched to the concept of brotherhood in Islam. Brotherhood here does not refer to blood relationship but brotherhood of under the same faith of Islam, regardless of skin colour, races and social classes.

However, there has been a lack of discussion on collaboration from the Islamic perspective. The discussion of collaboration seemed to be mentioned at the philosophical stages based on the concept of *ta'awun* and not found to be expanded to further models and theories according to Islamic perspectives (Irajpour, Ghaljaei & Alavi 2014). The insufficient exploration is perhaps due to gloomy period that the Islamic world is currently experiencing in which it causes lack in expansion of knowledge in this topic compared to what being achieved by the Western and contemporary scholars today. Scholars from Western and contemporary had made in-depth exploration and expansion involving relationships of inner and inter organisations. The field of study on collaboration for profit and non-profit organizations seemed to have been championed by the Western scholars many years (Austin 2000a; Yves & Gary 1998). Despite of the gaps of knowledge discussed above, it should be noted that Islamic and Western scholars do cross paths on collaboration at a juncture that it should produced outcomes that contribute to collaborative value creation. The success of practice in western endowments' cases were utilized for inspiration (Razali 2005, 2013). Whilst searching for the truth which relates to Islamic foundations', Islamic scholars need to be careful in digesting the element of knowledge from the

TABLE 1. Positive potential subscribing to collaboration

Potentials	Source
Greater reach to the society in a significant scale	Austin (2000); Jones & Morris (2008)
Access to resources, human capital talents and work force, financial support, and management capacity	Austin, (2000); Beaver (2001); Birnholtz (2007); Heinze & Kuhlmann (2008); Jones & Morris (2008)
Exchange idea and knowledge across fields and disciplines	Austin (2000) ; Austin & Seitanidi (2012); Melin, (2000)
Keeping activity focus	Heinze & Kuhlmann (2008)
Enhanced to new knowledge and skills	Austin (2000); Heinze & Kuhlmann (2008)
Political factor	Sonnenwald (2008)
Collective voice	Austin, (2000); Jones & Morris (2008)
Ease in developing benchmark for standard measurement	Jones & Morris (2008)

Western as to ensure no contradictions of the knowledge against the Islamic foundations (Ahmad Azrin 2015). To sum up, the table presented below synthesizes literatures on positive potential of subscribing to the practice of collaboration.

BASIC THEORETICAL FRAMEWORK

The motivations to revive *waqf* in Wakaf CSR are found to be consistent with the idea of Collaborative Advantage Theory (Vangen & Huxham 2010). The gist of this theory stated that collaboration would only be entered when it provides advantages to all collaborators. However in the context of Malaysia, we found that the theory of polycentric governance is suitable to be used in providing further support when there are good advantages to collaborate (Wang 2014). The theory of polycentric governance was popularized by Elinor Ostrom (Lexington Books 2009; Wang 2014) in late 1960s. But, findings from the history of polycentric governance shown that polycentric governance had been found to be practised by many civilisations, but of their own versions (Anas 2017). This theory was part of the governance revolution between 1970s and 1980s due to its potential to contribute to other dimensions in the governance of public goods. It is a theoretical form featured with multiple power centres or parties where multi-scale interaction, thresholds and social capital are eminent concerns of integrative resilience.

Polycentricism governs the concerned parties and at the same time positions them to jointly form a systematic collaborative environment by deliberating to different functions and roles (Wang 2014). The basic idea is that any group facing collective problems should be able to address the problems in whatever way they see best from the set up in the market failure. Autonomy and decentralization shared the same features and when these are blended together, it contributes to a new form of public management governance (Wang 2014).

The concept of polycentrism starts with the basic presumption of market failure and when there is a need for government intervention as part of the governance element for stabilization (Wang 2014). The theory

discusses not only dimensions from the theoretical perspective of public goods and game in public economics but also on how to avoid failures within the procedures (Anas 2017; Wang 2014). Additionally, it also extends on how to bring in the participation of social force through certain arrangement. Theoretically, the best insight into polycentric collaboration is that it could be used to mitigate opportunism elements by serving the stakeholders the maximum extent when decision-making process is done through collective voice and action. Here, inter-organisational collaborations could provide a means to develop strategic direction and coordination within this ‘networked’ or polycentric terrain (Rees, Mullins & Bovaird 2012). The polycentric distribution of power in networks gives significant impact and influence on many societies to come out with collective actions (Anas 2017). However, this will only be realized subject to the harmonious integration of governance flows between the different parties that allow the cause of the collaboration to achieve its desired objectives and missions.

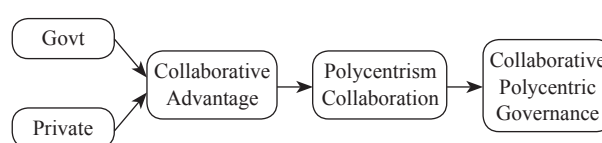


FIGURE 1. The theoretical framework of Wakaf CSR
Source: Author

CONCEPTUAL FRAMEWORK

The conceptual framework below is built to portray the concept of collaborative *waqf* in Malaysia. The framework dismantles the complicated structure to legalised *waqf* execution through the concept of collaboration between public - private sectors. Since the power of governance lies within the full hands of SIRCs, the concept of collaboration needs to be blended with practical orientation and acceptance. The theory of polycentric governance is believed to be suitable in supporting the operationalization of Malaysia’s *waqf* as it provides solutions by carrying

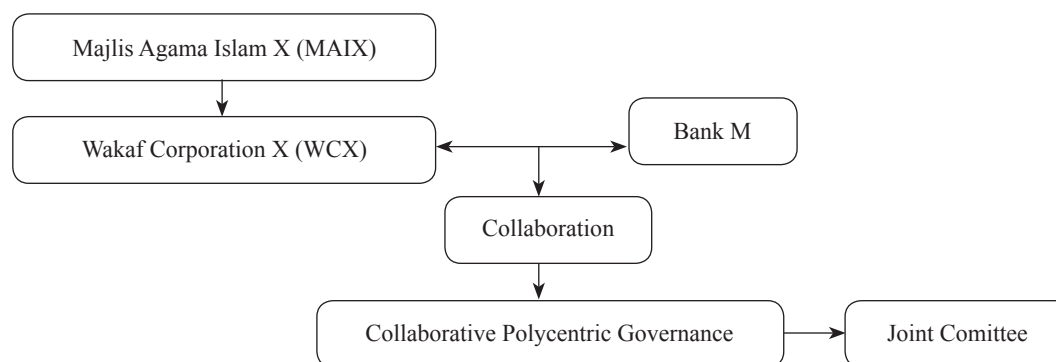


FIGURE 2. The conceptual framework of Wakaf CSR

Source: Author

certain *musyawarah* features (collective agreement) and *adab* (obedience) towards the *ulul amri* (ruler) besides promoting brotherhood in Islam by helping each other (*taawun*) (Al-Quran Al-Karim). The seemingly coordinated processes of agreement result in a persistent system offered by polycentric collaborative concept could support and sustain capacities for the group autonomy governance. The governance processes take place within a broader social political-legal-cultural structure that sets rules by which different kinds of organizations are constituted, defined and legitimate.

METHODOLOGY

RESEARCH DESIGN

This study falls under exploratory context. Therefore, to gain a comprehensive insight into the topic and its related areas of discussion, we first reviewed the works of previous scholars on collaborations and waqf. In the second stage of exploration, we utilized qualitative approach using case study perspective. Case study perspective is a preferred research strategy when questions with regard to “how” and “why” are posed (Creswell 2013; Yin 2014). The case study perspective applies when the focus is on a contemporary phenomenon within some real-life context (Yin 2014). In terms focus of study, Yin (2014) further elaborated that, case study perspective helps to provide a better insight. As opposed to the comparative analysis of several organisations, this study uses a single organisation approach which focuses on historical records and interviews to achieve the objectives of the study. The primary aim of this study is to understand how to overcome the difficult paradigm of complex collaborative *waqf* relationship between the interested parties and the SIRCS. Therefore, a more open-ended approach is necessary to gain data that provide in-depth insight into the research inquiry (Liew & Dileep 2015). We are aware on claims that the weakness of choosing a single case study as a research design is that the findings might be limited to a specific field or dimension only (Yin 2014). However, in view that the purpose of this study concerns on how and

why, issue on selecting only a single case study is justified as appropriate (Easterby-Smith, Thorpe & Lowe 1991).

SOURCES OF DATA

Both primary and secondary data were used to achieve the objectives of the study. The primary data are based on information obtained from semi-structured interviews conducted with respondents who are the senior managers of institutions from Bank M, Wakaf X Corporation (WXC) and Majlis Agama Islam X (MAIX). The respondents were able to understand the reasons and importance of the model set up in Wakaf CSR and have the knowledge on how to engage themselves in the implementation of *waqf* in Wakaf CSR. They were aware on the existence of the different perspectives regarding the issue of executing *waqf* and its reality in the Malaysian context. The process of interviews has different contexts. For interviews involving Bank M and WXC, each respondent was being asked the same context of questions on how they viewed and responded to the perceived keys of success in establishing Wakaf CSR. Whereas for the interview involving MAIX, the focus of the questions were on the legal points, audit processes and supervisories. Other than that, primary sources were also obtained from seminal inputs through note-taking. Meanwhile, for the secondary data, they are from journals and books, Wakaf CSR’s website, the quarterly reports of Wakaf CSR’s, brochures on the Wakaf CSR’s products and related slides presentations during the seminal workshops as well as slides on Wakaf CSR published on their websites. The table below showed the list of questions to the respondents during the interviews:

DATA ANALYSIS

Interpretation against finding was used to help in providing qualitative data. We undertook the process of memo taking, recording and transcribing to ensure the accuracy and validity of the data (Peräkylä 2011; Siti Uzairiah 2017). Data gathered from both sources were analysed through thematic coding following three concurrent activities of data reduction, data display and drawing of conclusion

TABLE 2. List of questions to respondents

For the scope involving Bank M and WXC	For the scope involving MAIX	
	Legal	Audit process and Supervisory
1. What are the perceived realities and obstacles in executing waqf in Malaysia?	1. What is the source of power that enable WXC to administer waqf in the state?	1. What is the function of MAIX audit team?
2. What is the approach used in the establishment and development of Wakaf CSR ?	2. In your opinion, do you think that executing waqf in a collaborative way according to legal perspective is difficult?	2. How is the audit and supervisory process is done?
3. How does this strategy fit into the legal requirement of waqf?		3. In your opinion, what is the overall performance achieved by Wakaf CSR in the Auditor's Report?
4. How does this strategy fit into the execution and management process of the charity funding?		
5. How does the process of audit and supervisory being executed in Wakaf CSR?		
6. What are the challenges in Wakaf CSR collaboration and how to overcome them?		
7. In your opinion, how far had the success in Wakaf CSR influenced others to follow path?		

(Miles & Huberman 1994). The findings from the analysis were then used to dismantle the dimensions in identifying where polycentric collaborative governance has been transcribed. Nevertheless, an apparent weakness of this research design is the issue of limited findings (Liew & Dileep 2015) to a specific product waqf fund raising programme. However, given the objective of study towards the how and why, the scale of findings is deemed as acceptable (Easter Smith et. al 1993)

FINDINGS, ANALYSIS AND DISCUSSIONS

The subtopic are comprised of (1) a summarised script of findings from interviews conducted (Hani 2017; Ibn Hubayn 2018; Mazlan 2015; Syed Alwi 2017; Zaihan 2018) and three main parts of further discussions which relates to (2) structure, (3) process, (4) collaborative relationship and impact of Wakaf CSR.

(1) SUMMARISED SCRIPT OF FINDINGS

Our findings are summarized into the following points:

1. Bank M understands that waqf in Malaysia is under the jurisdiction of the State. However, the waqf affairs in Malaysia today cannot be isolated from inviting the involvement of multiple entities in the market such as corporations, non-governmental organisations, influential individuals from the public to jointly design a revived waqf environment.
2. The collaborative art in managing superior power entity is a skill to acquire. The inclusion of the sole trustee in Wakaf CSR had expressed their worries and anxieties over the issues of control and power. The status quo factor held by the sole trustee plays an important angle.

3. The joint committee is the platform to make mutual decision making besides indirectly acts as a medium to communicate and manage the ego of both parties. Collaboration inertia is being controlled and mitigated with the establishment of the joint committee. Strategic approach to collaborative alignment that is done by frequent meet-ups allow for many sessions of negotiations. As the relationship has taken place over many years, they have somehow slowly managed to find between themselves coalitions and able to form understanding and tolerance to ensure Wakaf CSR is working accordingly.
4. The issue of complex relationships could be resolved by having collaborative minds in putting waqf agenda above others.
5. Collaboration is packaged with sufficient planning, serious efforts, financial capacities and appropriate platforms from Bank M.
6. Good and transparent communication will lead to trust development.
7. Extraction of corporate governance culture into the collaborative effort offers a better projection of image towards executing waqf.
8. Applications to utilise waqf funding, reporting and disclosure of Wakaf CSR to the joint committee are done on a timely basis that is every quarter of the year.

(2) THE STRUCTURE

According to the respondent from Bank M, the cost of operating and promoting of Wakaf CSR is 100% borne by the bank. The bank allocates special resources to manage the operation. On the investment side, the fund is managed by its subsidiary, M Invest Sdn Bhd (Asharaf & Abdullah 2014). The appointment is based on the "*wakalah bi al-*

istithmar” (agency for investment) contract (Asharaf & Abdullah 2014). The investment funds are divided at a ratio of 25:75; where 25% of the proceeds are allocated to WCX for its own costs of activities, whilst 75% is given back to the joint committee for Wakaf CSR’s activities (Asharaf & Abdullah 2014; Syed Alwi 2017). Quoted here is our finding from one of the interview conducted with Bank M representative:

“We absorbed the cost of operating Wakaf CSR 100%. We put special task force staffs for working on the scheme. Investment is managed by our subsidiary, M Invest Sdn Bhd. Return from the investment is allocated based on 75:25 where 25% is given to WCX for commission fee.” (Bank M respondent)

Wakaf CSR is managed by a joint committee consisting of representatives from both collaborating parties (Ibn Hubayn 2018; Mazlan 2015; Syed Alwi 2017). The joint committee is established by the collaborating parties comprising members at pre-agreed ratio of representatives (Syed Alwi 2017). The joint committee functions as a manager (*Nazir*) who has the responsibility of establishing any decision about the implementation and operation of the fund. MAIX as the SIRC of State S is involved as the advisor to the joint committee team. The diagram below shows the structure used by WCX.

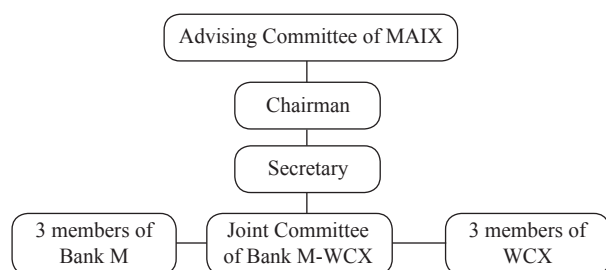


FIGURE 3. The governance structure of Wakaf CSR through the joint committee

Source: Ashraf and Jalil (2015)

Polycentric governance model is realized through the establishment of joint committee where all decision makings are done through collective actions (Asharaf & Abdullah 2014). It has been identified as the consistent underlying theme and practice throughout Wakaf CSR’s execution structure. All of the players in Wakaf CSR are able to integrate the notions by injecting the elements of polycentrism through balanced of power and tolerance in interests (Asharaf & Abdullah 2014; Syed Alwi 2017; Wang & Xiang 2007). Apart from that, the creation of joint committee is also found to be consistent with the idea contained in collaborative advantage theory. According to the theory, collaboration should only be entered when it has high potential to advantage all of the collaborating parties (Huxham & Vangen 2005; Vangen & Huxham 2010). The joint committee has also been found to be an effective moderating platform in executing the operation of Wakaf CSR. It has successfully demonstrated harmonization and compliance according to the context of *waqf* landscape in Malaysia (Asharaf & Abdullah 2014; Nur Aqidah et al.

2016). The set-up gives an understanding that the process of *waqf* rejuvenation in Malaysia needs to be done properly through the right channel for it to be respected legally and publicly (Hani 2017; Siti Mashitoh 2007, 2011; Siti Mashitoh & Asmak 2015; Syed Alwi 2017).

“We always support whatever efforts to revive waqf. But as a sole trustee of waqf in the State we want to be acknowledged according to rules of law” (WCX respondent).

Our analysis further found that one of the critical success factors for Bank M in rejuvenating *waqf* using its banking platform is through the inclusion and recognition of WCX as the only sole trustee (*mutawalli*) of *waqf* granted by Majlis Agama Islam X (MAIX) (Mazlan 2015; Syed Alwi 2017). Should the inclusion of SIRC not being done, the bank will not be able to spread the *waqf* even it is for the good cause (AIBIM 2017; Mazlan 2015; Syed Alwi 2017).

“Like it or not, we must include the SIRCs in the waqf program and its execution” (Bank M respondent)

Coming from different backgrounds of organisations however, all respondents were aware on potential risks in relation to a bit of conceptual morass that leads to disagreements.

“We try to balance the potential conflicts by having good governance which should be transparent. We wanted the plan to be worked accordingly despite of having different ways of thinking and work culture” (Bank M respondent)

Therefore, all the respondents agreed that, working through a joint committee behind the collaboration as the best solution (Ibn Hubayn 2018; Mazlan 2015; Syed Alwi 2017). The setting up of a committee is to enable the collaborating parties to encompass all the governance structure processes (Asharaf & Abdullah 2014; Hani 2017; Ibn Hubayn 2018; Mazlan 2015; Syed Alwi 2017).

“We support the efforts by Bank M. They are the first corporate entity that put interest on waqf. We work together to make decision making” (WCX respondent)

The establishment of the joint committee seems to satisfy the appetite of the collaborating parties from the perspective of ego and power sharing. The joint committee functions as a central party in referring and discussing administrative and operational matters. Since the main concern is towards the existence of centralised decision-making authority (or decision units), the respondents said that the satisfaction in the relationship has since improved through frequent meet-ups and togetherness in decision making.

“We are satisfied with the operating model of the joint committee. It is very good. Frequent meetings and communications allow for better understanding in our collaboration” (WCX respondent)

(3) THE PROCESS

Process level requires actions as manifestation of collaborative submission of all parties towards a

uniformed inter organisational culture and practice. At this stage, interaction between collaborators mostly happened when the collaborators interact with each other through mutual adjustment. The below figure shows the execution process of Wakaf CSR.

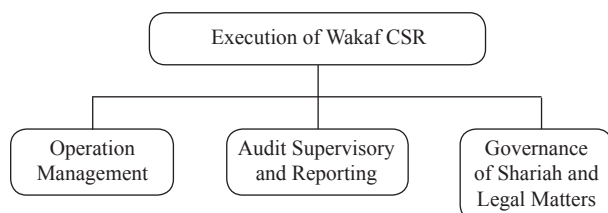


FIGURE 4. The execution process of Wakaf CSR
Source: Ashraf and Jalil (2015)

Operation Management The operation management of Wakaf CSR started at Bank M’s level with the management of cash deposited for waqf. The management continues with the investment monies being taken care by M Invest Sdn. Bhd. The allocation proceeds from the invested funds are divided according to the ratio of 25:75. 25% of proceeds are allocated to WXC for management commission, whilst the 75% is reserved for joint committee to cater for activities involving waqf. The proceeds of the 75% portion are distributed based on profiling for beneficiaries (mawquf alaih) education (financing fees, scholarships and building schools) and healthcare (financing medical equipment, transportation and treatments). The respondent from Bank M clarified the following:

“We used the cash waqf to sponsor few places. Hospitals, schools, Old folks’ home. Yeah, maybe it is small and not as significant as what the government’s spending. But, you see it is an eye opener. Not only that we are persistent but growing. Wakaf CSR focused on poor schools located at rural areas or remote areas with small classrooms. There is one school in Teras J that we funded. It is Orang Asli’s school. Wakaf CSR funded a computer lab and repaired the classrooms. Other than that, we focused on dialysis machines as part of the waqf project. You know, treatment is expensive for poor and average society.”

Audit Supervisory & Reporting The transparency in governing Wakaf CSR is well supported by the bank’s audit team who checked and performed audit tests on Wakaf CSR (Zaihan 2018). The report is disclosed to the board of Wakaf CSR, audit committee of Wakaf CSR and the public on a quarterly basis and is published on Wakaf CSR’s website. (Wakaf CSR 2017; Zaihan 2018). A respondent from MAIX interviewed clarified to us in a statement,

“So far, MAIX will be receiving the generated audit report and we will further discuss in the meeting. Our side did not perform second audit check.”

Governance of Shariah & Legal Matters Wakaf CSR is supported by legal and shariah experts from both Bank M and WXC. The flow of potential major issues with regards to the status as a collecting agent, permissibility

of collecting and managing of cash waqf had been clarified earlier during the stage of collaboration initiation. Statements provided from a MAIX respondent stated that the process of legal restructuring include both parties as the team where all potential threats to the legal and shariah point of views had been mitigated. The table below is developed to portray on how shariah and legal orientations of waqf in State X are managed collaboratively under the Wakaf CSR.

TABLE 3. The orientation of shariah and legal in Wakaf CSR

No	Subjects	Shariah and Legal matters
1	The waqf assets	Cash waqf
2	The Purpose of waqf	Philanthropy (waqf khairy)
3	The Beneficiaries (mawquf alaih)	General and Specific. General purpose is referring to WXC who received the 25% of the benefits and 75% of the benefits for specific purpose
4	The Donator (waqif)	Individual and Institutions
5	The Manager (Nazir / Mutawalli)	Joint Committee
6	Culture and method of Management	Corporate
7	Islamic contract involved	Wakalah bi al -istithmar
8	Period of Waqf	Perpetuity

(4) COLLABORATIVE RELATIONSHIP AND IMPACT

It is quite clear that there are no central rules to support such collaborative works. It is more likely based on the art of working together by understanding the landscape, putting away unnecessary ego and self-interest. Despite of the subjectivity in managing collaboration, Wakaf CSR in this case could be said as successfully able to provide a living proof of the success of performing collaborative waqf in Malaysia.

“If people asked me, how to be succeeded is ...I just could say this are being achieved after several negotiations. It was never being easy, but we have to do Upon developing our understanding towards the reality of waqf in Malaysia, we agree to the fact that the setting up of Wakaf CSR was not an overnight effort and had never been easy.”. (Bank M respondent)

The Bank M respondent’s view is in line with the concept of when working on a collaborative project, the collaborating parties have to change their way of working to ensure success (Huxham & Vangen 2005). We found that to succeed in collaboration, it requires additional efforts in balancing the respective parties’ needs, challenges, opportunities and egos as it involved many phases of negotiations and conciliations by both parties (Nur Aqidah et al. 2016). The degree of value created would depend largely on the collaboration continuum achieved by the collaborators (Austin 2000c). The depth

and breadth of the collaboration would also influence the level of quality in collaborative value creation (Austin 2012). Over the time and space, a regularized pattern of social order created through Wakaf CSR have evolved in the collaborative coordination within the polycentric governance relationship (Wang 2014). This social order reinforces the continued operation of the overarching collaborative *waqf* system despite the relative differences in the subsystems within the collaborative groups.

Our analysis found that the establishment of Wakaf CSR had created a shift in the execution of *waqf* at macro level by partially lessening the social gap in health and education sectors. Many of the society units all over Malaysia are found to have benefited from Wakaf CSR collaborative effort. Wakaf CSR produces positive outcomes by capturing the efficiencies of scale at all levels of aggregation, including sustaining capacities for self-governance and effective forms of cooperation by optimising the capacity of the joint committee.

IMPLICATIONS

Contributions to Academic The concept of collaborative governance from the polycentric perspective offers a relevant insight into theoretical paradigm of strategic management (Lexington Books 2009). Whilst collaborative polycentric governance could have been a trend in the practice of a regulated world of social philanthropy, but many *waqf* studies overlook the direct discussion of this perspective (Wang 2014). Understanding the landscape of *waqf* according to the needs and condition is the key to successfully develop further in-depth studies and relevant to the Malaysia's *waqf* context (Mazlan 2015; Siti Mashitoh 2011; Syed Alwi 2017).

Contributions to Waqf Sector Wakaf CSR is on its track in manifesting strategic coordination and efficiency by integrating the polycentric collaborative governance which at the end, benefits the society at a greater scale. To successfully reviving *waqf* in Malaysia, multiple collaborative efforts and breakthroughs in operationalizing a systematic and workable environment by sharing control and expertise within the legal framework is necessary (Wang & Xiang 2007). The selected case study proves that the best method of operating *waqf* in Malaysia is within the regulatory framework. The collaboration between Bank M from the banking sector and WXC as the State *waqf* trustee also indicated a strong point that *waqf* must be developed and managed according to contemporary changes, demands and needs (Syed Alwi 2017). The collaborative polycentric governance concept introduced in Wakaf CSR's management practice basing on the joint committee serves as a mechanism to control and transfer risks from the scope of the individual party and shared at a broader level. The contributors (*waqif*) may enjoy greater confidence on the credibility of the fund as it is managed by a licensed financial institution that has a joint venture license of *waqf* mutawalliship.

The case also provides an avenue which shifts the complex paradigm of executing *waqf* by allowing collaborating parties to work harmoniously to resolve differences and manage similarities. It is an effort to balance challenges and opportunities when parties from different organizations, backgrounds, missions and objectives cooperate (Austin 2000c; Huxham & Vangen 2005). Even though the relationship could not be rated as satisfactory at all times, the trade-off costs (Suarez 2014) had at least enabled Wakaf CSR to achieve its mission.

"It never been easy, but we manage...". (Bank M respondent).

Taking the example of the issue of 25% management commission fee as per the collaborative agreement draw a question on whether it really does affect the quality of coalitions between the collaborating partners had been justifiably answered in this paper (Syed Alwi 2017). Despite being aware of the strict requirement, Bank M had chosen to look from another positive angle in which they choose to not challenge WXC but instead accepted the rules as part of terms and conditions of the collaboration (Syed Alwi 2017).

"I would say that 25% - the bank decides just to agree. We don't want to argue. We accept the terms and conditions. Just have it for the sake of Islam and the ummah. What we want is that, we could execute the program". (Bank M respondent)

We further justified that for this condition, Bank M as a player in finance industry has the capacity to absorb the cost of management commission of Wakaf CSR. According to Bank M respondents, by compromising to the 25% issue, it allows them to break the typical ice of collaboration inertia (Huxham & Vangen 2005) with State Islamic Religious Centres (SIRCS). It had also entitled them for more future strategic plans in their corporate Islamic philanthropic ventures (Syed Alwi 2017).

Contributions to Banking Industry This study contributes to the new paradigm for Islamic banks on how the banking institutions could position themselves as value-based mechanisms for *waqf* through collaboration with SIRCS (AIBIM 2017; Asharaf & Abdullah 2014; Utusan Online 2012). The concept of collaboration via banking as a platform will unlock more funding opportunities by exploiting the readily available banking platform across the country (AIBIM 2017; Asharaf & Abdullah 2014; Bank Negara Malaysia 2018; Syed Alwi 2017). This initiative had impacted other Islamic corporate organisations to seriously participate in *waqf*. The case study showed that through collaborations, Islamic banks could use their platforms to achieve two aims simultaneously. First, to deliver economic gains (i.e., create financial value) (AIBIM 2017; Dahan et al. 2009). Second, to contribute towards solving society's problems (i.e., create social value) (Asmak 2009).

The features in Wakaf CSR could be used as a template for a wide array of options in producing *waqf* based banking products. In 2013, Pos Mas Berhad, Bank Save Nasional and Orphanage Association (OA) had initiated a

contemporary collection of footage *Waqf* scheme which was traditionally known as “Skim Wakaf Kaki” to finance the operating cost of Orphanage Universiti (OU). The collaboration of “*Skim Wakaf Kaki*” had then attracted other Islamic financial institutions such as Bank Muslim and Bank Society to further spread the philanthropic objective. The path was being followed in 2015 by Bank Muslim. Bank Muslim and Foundation Islam P (FIPs) had collaborated to raise funds for the redevelopment of phase 1 of a religious girls’ school in state P which has been delayed since 2009 due to the limitations in funding (Mohd Izwadi 2016; Syed Alwi 2017).

The success of Wakaf CSR had also inspired the Association of Islamic Banking Institutions Malaysia (Syed Alwi 2017) to establish a syndicated collaboration known as *Waqf Fund Strategic Collaboration Agreement* between six Islamic banks (AIBIM 2017). This syndication plans to collaborate with all SIRCS over Malaysia in developing potential *waqf* projects using profiling based crowdfunding (AIBIM 2017; Syed Alwi 2017). Influenced by the current trends of *waqf*, the Central Bank of Malaysia had introduced a strategic movement concept for Islamic banking sector known as value based intermediation; which intended to enhance the roles of industry towards *waqf* (Bank Negara Malaysia 2018). The wisdom behind the concept is that the banking sector will serve as a platform in developing Islamic philanthropic works and supporting the movements (Bank Negara Malaysia 2018).

“Somehow our efforts have been followed by other Islamic banks. Not only to say the efforts by AIBIM. Bank Negara also followed path by introducing a value based mechanism working paper to enlighten the movement” (Bank M respondent)

LIMITATIONS

This study had managed to overview the whole structure of collaborative *waqf* from polycentric governance perspective. However, there is a limitation whereby the collaborative relationship is established under bilateral agreement. It seems that the contentment level in driving the collaborative relationship lies within the single hand of one collaborating party only who acts as the host of the program (Mazlan 2015; Syed Alwi 2017; Utusan Online 2012). Further, the limitation of the study also comes from the fact that we were unable to perform content analysis on the document agreement between Bank M and WXC as it is said to be confidential (Mazlan 2015).

We are also unable to further explore the distribution (*tawzeek*) of the proceeds from the invested monies of the 25% paid for management commission to WXC. The issue of commission is interesting to be explored, as from the orientation of *waqf* in Wakaf CSR it is claimed to be under the category of *waqf Khayri* (Asharaf & Abdullah 2014). Within that parameter of argument, proceeds from the invested monies are understood to be specifically for beneficiaries (*mawquf alaih*) of Wakaf CSR (Asharaf &

Abdullah 2014; Utusan Online 2012). Hence the 25% of cash channelled to WXC as management commission fee needs further explanation despite that the channelling is justified by an endorsed fatwa by *mufti*.

RECOMMENDATIONS

To further understand the issue of collaborative *waqf* using polycentric governance, future research is suggested. Further research efforts could either resolved some of limitations or expand the scope of investigation of collaborative polycentric governance for *waqf* not only for this study but also the *waqf* industry. Whether it involves one-off projects, long-term arrangements, or are with voluntary, public or private sector organisations (or indeed a mix of all the above) there are many collaborative outcomes to be explored, including improved services, increased reach and financial savings. The possible extension of this study is to consider the impact of the depth and breadth of the relationships along with other important collaborative *waqf* determinants in the polycentric governance context. Future study could empirically test the collaborative polycentric governance relationship between the collaborating parties by considering performance in creating collaborative value creations. Moreover, since Malaysia’s *waqf* landscape is being administered by fourteen SIRCS separately, further studies by state analysis on comparison of collaborative polycentric *waqf* governance would provide more information.

CONCLUSION

The inherent defects in the social system today had drawn the attention and participation of the third sector to bridge the gap of socio-economy for the public (Austin 2000c). It is critical that some of the most daunting social challenges be tackled; and this requires new and better mechanisms to efficiently match outstanding social change. As for that, we need many remarkable social transformation projects and players to move and revive *waqf*. This could only be achieved through cooperations and collaborations as many fields are involved and crossing paths. Collaboration arguably, is the saviour of the *waqf* sector. It has been acknowledged that there are challenges and obstacles such as stifling bureaucracy, lack of expertise (Asmak et al. 2014; Nor ‘Azzah 2010; Siti Mashitoh 2007, 2011; Siti Mashitoh & Asmak 2015; Syed Alwi 2017) and the need to revisit the collaborating minds (Austin 2000c; Austin & Seitanidi 2015) of the rulers and practitioners toward the *waqf*.

This study has managed to conduct in-depth analysis on the current application of polycentric collaborative in Malaysia in terms of providing a proper governing mechanism that does not only provide scientific theoretical discussion but also offers relevant, practical, less costly

and suitable solutions. Wakaf CSR has been extensively proved as a living example for *waqf* players on how the longer an alliance stays together, the better would the process be in achieving the goals. Evidence from this study provides a comprehensive understanding on the collaborative relationship involving all the collaborating sectors – public, private and voluntary into a set of structured actions of problems solving. Based on the case study selected, it showed that polycentric collaborative governance represents a resilience approach in executing *waqf* in Malaysia and is fraught with challenges (Asharaf & Abdullah 2014; Syed Alwi 2017). Establishing a relationship and networking in the collaboration stages is subjective and requires a certain degree of the art in management (Austin 2000c). As for the obstacles, they have been wisely tackled by the said interested parties of Wakaf CSR through collaboration (Syed Alwi 2017). Bank M as the initiator of Wakaf CSR has put serious efforts to make the relationship works (Mazlan 2015; Syed Alwi 2017; Utusan Online 2012). Prioritizing on the attainable collaborative goals is the utmost matter (Syed Alwi 2017) compared to the issues made by collaborators who came from different organizations, backgrounds, missions and objectives of establishment (Austin 2000c; Huxham & Vangen 2005; Syed Alwi 2017). Both parties behind Wakaf CSR have successfully aligned themselves with the same mission and focused on growing the *waqf* funding and operating the fund accordingly (Syed Alwi 2017).

Congruencies of work culture, the way of thinking, changing perceptions and focusing on the way forward on *waqf* have been acknowledged as contributing factors to the success by both parties (Austin 2000a; Huxham & Vangen 2005). Observing the demands and trends in *waqf* landscape in Malaysia, it is revealed that there is a crucial need for the *waqf* institutions to enter into a new era of intensified efforts and resilience governance approach by exploiting collaboration as a platform. Rejuvenating *waqf* through collaboration means that the *waqf* stakeholders must be opened minded and changed their mental models when looking at *waqf*. This is because *waqf* should not be defined and managed strictly as a religion instrument; instead it must be treated dynamically according to the changing needs. Collaborating for *waqf* development must be strategic, enough to sustain to make it more central in fitting the fast-changing global environment. Hence in ensuring sustainable collaborative value creation in *waqf*, efforts to execute *waqf* collaboratively must be supported by collaborative minds and actions. For that, Wakaf CSR has shown how collaborative minds could bring out a harmonious stability through the exploitation of the legal framework of *waqf*.

ENDNOTE

Polycentric governance is characterized by an organizational structure where multiple, independent actors mutually order their relationships with one another under a general system of rules.

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