



Social Entrepreneurship Via Corporate Waqf: A Case of Islamic Chamber of Commerce (ICC) in Malaysia

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Abstract

This case study explore how social entrepreneurship model via Corporate Waqf can be implemented on the context of eradicating urban poverty in Malaysia. This study begins with the introduction of brief background of Islamic Chamber of Commerce (ICC). A background of ICC's organization structure, vision, mission and its functions are described comprehensively. The study documents the operational characteristics and environment of the social entrepreneurship of ICC. We measure three key characters of social entrepreneurship – innovation, proactiveness, and risk taking on the current practice of organization. We found that ICC is being proactively in achieving their mission. Specifically, ICC can be considered as innovation, proactiveness and risk taking in being efficient financially. The organization focuses on elevating their members' socio-economic living standard through corporate waqf initiatives. This study implies that social entrepreneurship model via Corporate Waqf has a great potential and can be effectively practice to eradicate urban poverty in the country.

Keywords: Social entrepreneurship, urban poverty, corporate waqf, case study.

1. Introduction

“I think most of us today are in agreement that the Waqf with efective administration and implementation, has a great spiritual and economic potential ”

– INCEIF President and CEO, Daud Vicary Abdullah (2014)

The Islamic Chamber of Commerce (ICC) was founded by Tengku Ahmad in 1993. The chamber was established on the spirit to make a difference in the current conventional entrepreneurship world because Islam itself is a religion that is pro to business. Tengku Ahmad was the person who started the idea to start entrepreneurship with the Islamic concept. Therefore, ICC focuses on how to find ideas and solution in the context of generating economy and business through solution provided in Islam.

The chamber consist of president, vice president, general secretary, 3 vice presidents, general treasures and the highest council members from each states. There are 3 administration staffs in the headquarter. The chamber main vision is to turn Bussiness Jihad into a success by putting their responsibility as a Caliph to give contribution back to the society. ICC has a mission to become a channel to for business encored by Quran and Sunnah. Their specific goal is to fight for uniting the Muslim businessmen and leaders for the benefit of Islam economy as a whole. In addition to that ICC strive to successfully turn the trades and industries in enhancing the economic success in Muslim society through the comprehensive involvement of Muslim community globally.

ICC focuses on how to find Islamic ideas and solution in the context of generating economy and business. This particular features has differentiates ICC from other social organization. They believe that that by making Muslim as target members and participants, they can assist more people rather than focusing on specific race. Such feature also made the chamber's services available all over the countries that have Muslim who are in need of assistance in developing their business.

For this chamber their main focus is the member's success. It acts as a facilitator to create channel for the betterment of the members' business. ICC has conducted everything from expos to carnivals and training but their main focus is on the concept of Corporate Waqf and RJB or Rakan Jihad Bussiness (Bussiness Jihad Partner).

2. The Background of Corporate Waqf in Malaysia

The initiative to develop corporate waqf turns into a national agenda for empowering the socio-economic condition of Muslims in Malaysia. During the Budget 2013, the Prime Minister in his speech, had outlined the focus on establishing corporate waqf at the national level under the supervision of The Department Wakaf, Zakat and Hajj (JAWHAR) (MOF, 2012). JAWHAR has been given an authority to set up a blueprint for corporate waqf development. Furthermore, during the launching of Bumiputera Economic Empowerment Program recently, Prime Minister was again highlighted the main role of corporate waqf entity towards enhancing the value of lands belonging to Bumiputera Muslims. Under Third Empowerment Focus: Strengthening Bumiputra Non-Financial Assets, Malaysian Wakaf Foundation will be granted wakaf corporate status for the main objective of developing a large number of underutilized waqf properties nationwide (Berita

Harian, 2013). This will bring a new dimension into current waqf practice such as corporate culture of accountability, prudence and transparency applied in corporate waqf concept (Asharaf & Abdullaah, 2013).

On the other hand, the establishment of Corporate *Waqf* in 2006 by Johor Corporation (JCorp) has transformed *waqf* practice in Malaysia where *waqf* assets in the form of shares of company was issued and managed by corporate body for the first time. According to Tan Sri Muhammad Ali Hashim; the founder, the idea of creating corporate *waqf* derives from the notion of jihad business pioneered by himself with the main agenda is to improve socio-economy wellbeing of Malay society in the country (Muhammad Ali Hashim, 2012). Mustafa *et.al* (2009) and Abdul Shakur (2011) explains in detail the structure of corporate *waqf* which started with the pledged of share's amount RM 200 million as *waqf* to WANCORP; a subsidiary of JCorp as a nazir (trustee). WANCORP manages and distributes *waqf* proceeds to the beneficiaries as stated in *waqf* deed (Asharaf & Abdullaah, 2013).

In addition, Tan Sri Ali Hashim (2012) outlines six models of corporate waqf that could be structured including: (i) business entity or corporations, (ii) banking and financial institutions, (iii) universities, (iv) foundations, (v) cooperatives, and (vi) hospitals or clinics. In Malaysia, corporate waqf structured on Business Corporation and banking and financial institution have been applied by Johor Corporation and Bank Muamalat Malaysia Berhad (Asharaf & Abdullaah, 2012, 2013; Mustafa *et. al*, 2011). The conceptual corporate model based on university on the hand, is expected to be adopted by public universities for the purpose of income generating purposes (Abdullaah & Asharaf, 2008).

3. The Management of the Social Entrepreneurship Organization

ICC has its own 8 core value that they create to help to run the organization in accordance to their vision mission and objectives.

Table 1
The 8 core values of DPIM

Core	Values
Core 1	To cultivate Islamic thinking and habit in business, turning ICC as the main channel choice for Muslims' businessman.
Core 2	Enhancing ICC of the states
Core 3	Building the country youth
Core 4	Becoming the centre for human resource recruitment chain
Core 5	Becoming strength for ulama', corporate, technocrat and user
Core 6	Cultivating Islamic thinking in business
Core 7	Becoming the main choice
Core 8	Creating 100 intergritized international level entrepreneurs in the upcoming 2020

Corporate Waqf relates to turning members' profit into a charitable business that assist the community. The fund is collected from the members to turn it into the capital for a corporation or a company. The capital is automatically donated to the company and it is called Corporate Waqf. The company will be managed by selected members and the profit will not be taken out from the company.

On the other hand, RJB or Rakan Jihad Bussiness (Bussiness Jihad Partner) focus on sharing business opportunity among members through weekly meeting among members. It applies the concept of Yadun Ulya (hands on top) which means giving is more honourable than receiving. All members require assisting other partner members by providing them with business opportunity and resources apart from gaining opportunity from the meeting. The meeting usually consist of 9 agendas and each of them is incorporated with Islamic value so that it achieves the targeted mission. These are the two main activities pioneered by ICC. They have become signature activities of the organization. From the activities, the chamber really reflects what they their endeavours is all about.

The chamber obtained their funding mostly from their members. ICC has set RM 250 of membership fee annually. Since the chamber does not want to be related with the government they do not seek for government funding. There are not much incurred expenses for ICC since all of their activities is self funded and voluntary. Their carnivals and training expenses is sponsored by members who wants to contribute back to the chamber. Therefore, there is no written financial statement can be referred to describe their expenses.

3.1 Identification Of Relevant Indicators/Descriptors Of The Social Entrepreneurship Organization Effectiveness

This organization can be characterized based on the descriptors below:

- **Innovation:** ICC has managed to become a pioneer in creating business and entrepreneurship activities that infuse Islamic values. Corporate Waqf and RJB has open up various Muslim entrepreneurs view about how they should run their enterprise.
- **Proactiveness:** Their commitment to spread the value of Islam in business and entrepreneurship is creditable. ICC is very committed to ensure that their member can fully utilize the chamber as a channel to succeed without having to utilize other than Islam's value. By continuously providing business resources and opportunity to their member without asking for publicity, the chamber does run their activities proactively.
- **Risk taking:** As a chamber that is joined by Muslim businessmen and entrepreneurs who want to seek opportunity as well as helping other people, the chamber sure faced less risk. Their members are briefed earlier about what the chamber is all about and what the chamber want from the members. Therefore the chamber faces less risk of having destructive or unresponsive member who cannot fulfil its goal.

This social entrepreneurship organization can be considered effective. Some of the criteria that determine the organization's effectiveness are:

- **Innovation in achieving mission:** Being an organization with a mission to infuse Islamic value in the chamber, ICC has become a pioneer in establishing Corporate Waqf and RJB. This business activities are only one of their

kind. They are fully incorporated with Islamic value that emphasize on the hereafter reward for those who did well to others in their life.

- Proactiveness in achieving mission: ICC has shown its proactiveness by showing their commitment through continuity of their activities. The members of the chamber are provided with constant business opportunities so that they can succeed.
- Risk taking in achieving mission: The chamber has less risk in handling their members because most of them are aware of ICC's endeavours. The members know what they are going to be involve with and also about what they chambers mission is. This is all due to early explanation by the chambers high council to make the members understand the core values of the chamber.
- Innovation in being efficient financially: Generally, there is no new technique used by ICC to manage their finance efficiently. The organization utilizes the fund from members for their activities. They also use the RM250 annual fees to keep the chamber running.
- Proactiveness in being efficient financially: As all of the members are well aware of the concept of giving away, ICC is proactively encouraging their members to fund the chamber. The fund obtained has managed to cover the expenses of the chamber without it having to beg other organization for extra fund.
- Risk taking in being efficient financially: ICC do not face any risk to being financially efficient. This is because their expense and source is unlimited. They could ask fund from willing members and utilize it for the chamber expense. They do not have to worry about low fund because all of their members who are infused with the value of Yadun Uya will surely help the chamber to run smoothly risk free.

3.2 Identification Of Social Entrepreneurship Model In Overcoming Urban Poverty That Currently Being Practiced In Malaysia

For this organization, their main focus is to assist Muslim entrepreneurs and businessmen to become successful in their venture. The chamber is doing so by providing awareness that Islamic way of doing business is the best example. Their Islamic value infused activities such as RJB has been proven to be effective as in Putrajaya, Malaysia session alone it has made a transaction of more than RM130 million in 2 years.

RJB is a channel to provide business opportunities and channel to ICC members. It a 9 agendas weekly meet up for the members. The agenda is infuse with some Islamic value so that the members is always aware of the core value of the chamber. With its achievement, RJB can become a good model to eradicate poverty in Malaysia. It can do so by providing ample opportunity to businessmen and entrepreneurs to succeed in their business.

The same goes to Corporate Waqf. It can be an exemplary model. The donated capital to formed an waqaf corporation can create lots of job opportunities. In a way, it will assist those in need to have a better job. By doing so, the model will slowly eradicate poverty in Malaysia indirectly.

Islamic Chamber of Commerce (ICC), as the name suggests the organization do operates up to its name. It has become one of the leading pioneer in Islamic entrepreneurship. The ability of the activities to become an exemplary model for others has made ICC a chamber that do operate effectively. It has been in such condition for 21 years and it can continue to be so if it continues to operate the same way it does today in addition to further enhance their financial management skills.

The effectiveness of this organization lies on the commitment of the ICC members to adhere to the Islamic values of the chamber. They believe in Yadun Ulya and business amal. The way the organization proactively lead their member to be confident with the Islamic values has made the organization more productive and effective.

Therefore, by having such exemplary social organization, Malaysia can look forward to the output from the organization. There will be members from the chamber who are very grateful to what they have and willing to share it with others. Having people with such value will surely eradicate the poverty line, thus creating the economic boost to the nation at the same time.

4. Conclusion

The study attempts to explore how social entrepreneurship model via corporate waqf can be implemented on the context of eradicating urban poverty in Malaysia. Islamic Chamber of Commerce (ICC) is purposefully chosen as an organization in this study. The outcomes of this study will be useful to social entrepreneur organization to help those who live below the line of poverty to enhance their income and upgrade their entrepreneurship strategies in particular for those who involved in corporate waqf initiatives.

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