Unclaimed Assets Awareness among Muslims in Kelantan: Demographic Evidences

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ABSTRACK: *The distribution of a deceased person's assets is part of the Faraid system according to the Islamic Law of Inheritance. Nonetheless, due to family conflicts, poor estate management process, low level of inheritance law understanding, and bureaucracy, the scenario of supposedly to provide financial freedoms to the beneficiaries are hindered and these led to the increase amount of unclaimed assets in the country. Therefore to unravel this issue, the aim of the study is to test the influence of demographic factors on unclaimed asset awareness in accordance to the Islamic Law of Inheritance amongst the Muslim communities living in the state of Kelantan, Malaysia. Based on the multiple regression analysis, five hypotheses have been tested on demographic factors namely Age, Gender, Education, Income and Status. Results gathered from 90 respondents showed that only Income and Status have significant relationship with the dependent variable.*

KEYWORD*: Unclaimed Assets, Islamic Law of Inheritance*

I. INTRODUCTION

The distribution of a deceased person's assets is part of the Faraid system according to the Islamic Law of Inheritance. Faraid is governed in accordance to Allah's decree in the Holy Quraan and the hadith or tradition of the Messenger of Allah; Prophet Muhammad (pbuh). The Faraid system is made to protect the rights of eligible heirs with predetermined fixed entitlements to the descendent beneficiaries. It is important to note that, the ownership of property in Islam, wealth acquisition and wealth gain must be well-managed and need to comply with the requirement of Sharia' law (Buang, 2008). Surah An-Nisa, verse 11 highlighted that: *"Allah commands you for your children's (inheritance): to the male, a portion equal to that of two females"*

Unfortunately, the process of handling the Faraid cases can be time consuming, complicated and costly. This may lead to a scenario whereby the supposedly inherited properties by an individual or family are unable to be claimed within a stipulated time. As stated in Utusan Malaysia (2016), there are about RM60 billion outstanding values of estate owned by the majority of Muslim in this country, which failed to be distributed to its legal beneficiary.

One of the reasons that could have caused this is that most Malaysian may not have sufficient knowledge when dealing with unclaimed assets. And without proper guidance it can take about 10 years or more to settle the said cases. Not only the awareness of the community is low but also there are few barriers, which prevent the citizens to prosecute the wealth. These can be related to complicated system by the land office or high procedures in court.

In line with this, the main focus of this study is to examine demographic factors, which influence the unclaimed assets awareness of Muslim communities based on the case in the state of Kelantan. The subject is considered very

timely due to the rapid development of Islamic real estate management in the country (Shafie, Yusoff, Zahari, Abdullah & al-Edrus, 2014). Thus, the concise research questions are concentrated to test the relationships between five demographic factors as the independent variables (age, gender, education, income and status) and awareness on unclaimed assets in accordance to Islamic Law of Inheritance as the dependent variable.

II. REVIEW OF LITERATURE

Islamic Law of Inheritance: The Law of Inheritance concept is being practiced all around the world, and it exists in all religion across different beliefs but can be different in nature and practices (Bulbul, 2013). As a Muslim, the relatives of a deceased Muslim are obligate to fulfill four sharia' duties which include execution of a valid will and distribution of estates among inheritors (Noordin, Shuib, Zainol, & Adil, 2013). This is in-line with the Sharia' Law of Inheritance whereby Muslims are obligated to manage the inheritance according to the guideline from the sources of Islamic Law including the Al-Quran and Sunnah of the Prophet Muhammad (pbuh).

This is an assurance to avoid family feuds, grudge and dissatisfaction among family members due to improper administration of the Islamic Estate Management process. This is supported by Bulbul (2013) who wrote: *"People can be cooperative and kind hearted when building up a family because it can create and maintain a peaceful environment. But the real situation is different. At present time, people are having a bad experience of conflict within family members, which creates unrest among family members and that influences people not to buildup family, and really it is alarming for us".*

The objective stated the in legal maxim (maqasid syariah) are the purification of religion, purification of soul, purification of mind, purification of lineage and dignity, and purification of property (Bahari, 2014). One of the maxims that are the purification of property is directly related with the focus of the study. In Islam, followers are strongly advised to not take for granted any issues on estate management as it can assist to purify the obtained wealth. However, in actual circumstances, most Muslim is reluctant and is not serious regarding this matter thus lead to huge amount of unclaimed property.

Unclaimed assets: Unclaimed assets are assets, which are not claimed by the heir due to family conflict, poor estate management process, low level of inheritance law understanding, and the problem of bureaucracy. There has been an increasing trend in volumes of unclaimed inheritance properties over the years. The increasing trend of unclaimed assets has become unresolved issues faced by the Muslim community in Malaysia (Shafie et al. 2014). These assets are valuable in nature but if it is not properly managed it will become counterproductive. This can deplete the nation if the scenario is allowed to continue as the value of these properties amounting to billions of Ringgit Malaysia, cannot be utilized as sources of economy and will not be able to solve community poverty issues. Unclaimed inheritance properties have become a serious issue that needs to be addressed immediately. Therefore, the study of Islamic inheritance from the real estate management perspectives, is to be given serious attention in order to find comprehensive alternatives and solutions (Shafie et al., 2014).

There are several demographic factors that may lead towards the frozen estate problem. The factors namely age (Convertino, Farooq, Rosson & Carroll, 2005; Wilford & Wakunuma, 2014), gender (Musokotwane, Siwale & Nkhata, 2001; Omoogun, 2013), education (Alma'amun, 2013; Rashid & Madya, 2015), income (Mc Granahan, 2006; Rowlingson & Mc Kay, 2005) and status (Sharma & Jyoti, 2009) are assumed to have relationship towards the awareness level of Islamic Law of Inheritance.

III. DATA AND METHODOLOGY

Data: 100 respondents as the sample size are selected among the population community in Kelantan. The sample size will be selected randomly among Muslims living in Kelantan. The main reason Kelantan is chosen is due to the fact that the state has one of the highest numbers of Muslim communities within its population compared to the other states in Malaysia. The statistics of its Muslim population comprises of approximately 95% in total (Department of Statistics Malaysia, 2016).

Methodology: The primary data are gathered using 5-points Likert Scale questionnaire. The Statistical Package for the Social Sciences (SPSS) is used to run the following related statistical tests for the research; Normality Test, Reliability Test and Multiple Linear Regression. The following model is tested in this study:

$$Y \text{ (Awareness)} = ß_o + ß1 \text{ (Age)} + ß2 \text{ (Gender)} + ß3 \text{ (Education)} + ß4 \text{ (Income)} + ß5 \text{ (Status)} + e$$

where:

Y	= Dependant Variable
$ß_o$	= Constant
$ß_t$	= Regression Coefficients
Age, Gender, Education, Income, Status	
	= Independent Variable
e	= Random error term

Thus, five hypotheses from the study are highlighted;

H1: There is a relationship between age and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.

H2: There is a relationship between gender and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.

H3: There is a relationship between education and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.

H4: There is a relationship between income and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.

H5: There is a relationship between status and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.

IV. RESULTS

Profile of Respondents: From the data collection, a total of 90 respondents out of the 100 samples have answered the distributed questionnaire. The profile of the responents is given in Table 1 whereby those between 18 to 24 years old or approximately 62% presented the majority group of respondents. In addition, females gave slightly higher percentage as respondents compared to the male. For the income group, those getting monthly income between RM1,001 and RM3,000 portrayed the highest group compared to the others. 73.3% from the total of 90 respondents have either first degree or professional qualification while 72.2% are still single. More than 80% works currently with the government, private sector or self-employed.

Table 1: Profile of Respondents

Profile	Description	No. of Participants	Percentage
Age	18 - 24 years old	56	62.2
	25 – 31 years old	15	16.7
	32 - 39 years old	9	10.0
	40 - 47 years old	5	5.6
	58 - 55 years old	3	3.3
	> 56 years old	2	2.2
Gender	Male	44	48.9
	Female	46	51.1
Education	SPM	9	10.0
	Diploma	12	13.3
	1st Degree/Professional Qualification	66	73.3
	Postgraduate	3	3.4
Income (Monthly)	<RM1,000	26	27.7
	RM1,001 – RM3,000	25	28.8
	RM3,001 – RM5,000	19	21.2
	RM5,001 – RM7,000	13	14.5
	RM7,001 – RM9,000	4	4.5
	>RM9,001	3	3.3
Marital Status	Single	65	72.2
	Married	24	26.7
	Widow	1	1.1

Occupation	Government Sector	14	15.6
	Private Sector	16	17.8
	Self-employed	49	54.4
	Student	11	12.2

Normality Test: Figure 1 below shows that the bell shape verifies the random variable; has a normal distribution and thus, t-test, F-test and other statistical analyses can be tested for this study. Similarly, the shape of the histogram also recognizes the normality of error distribution from the tested data sample.
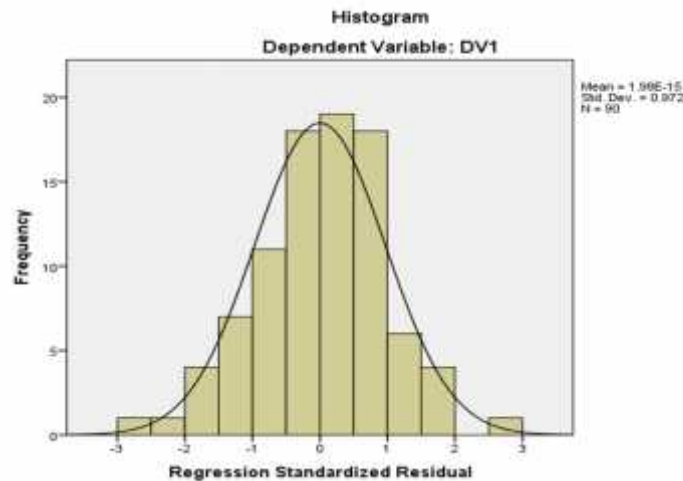

Figure 1: Normality Test

Reliability Test: The measurement of reliability is based on the value of Cronbach's Alpha. Referring to Table 2, the values for both the dependent variable (Awareness) and independent variables (Age, Gender, Education, Income and Status) are more than 0.6. Thus, it can be concluded that the reliability for all the variables are either very good (values 0.8 to <0.9) or excellent (>0.9) (Sekaran & Bougie, 2013).

Table 2: Reliability Statistics of Dependent Variable (Awareness) and Independent Variable (Age, Gender, Education, Income, Status)

Type of variable	Cronbach's Alpha Based on Standardized Items
Awareness	0.889
Age	0.884
Gender	0.911
Education	0.906
Income	0.883
Status	0.883

Multiple Linear Regression: Table 3 highlights the results of the regression analysis by taking into consideration all the independent variables. For the model, it is shown that 85.7% of the dependent variable can be explained by the independent variables. The F-value also reflects a significant value. Additionally, two of the independent variables namely Income and Status have significant and positive relationship towards Awareness while the remaining three variables (Age, Gender and Education) are found insignificant towards the dependent variables.

Table 3: Multiple Regression Analysis – Enter Method

Model	Beta (b)	t-value	Adjusted R-square	F- square
(CONSTANT)			0.857	141.016*
Age	0.041	0.315		
Gender	0.012	0.143		
Education	0.004	0.044		
Income	0.561	5.086*		
Status	0.366	3.406*		

Notes: Dependent Variable: AWARENESS
* Significant at the 0.05 level

Proven from similar analysis, the awareness on unclaimed assets in accordance to Islamic Law of Inheritance can be influenced by the model in that that the F-value is recorded significant. Due to this face, the Stepwise Regression Analysis is then further conducted to produce a more justified model that is able to explain the dependent variable (Table 4).

Table 4: Multiple Regression Analysis – Stepwise Method

Model	Beta	t-value	Adjusted R-square	F- value
(CONSTANT)			0.650	166.395*
Income	0.520	6.274*		
Status	0.392	4.733*		

Notes: Dependent Variable: AWARENESS
* Significant at the 0.05 level

With reference to the objective of this study, it is found that only Income and Status have positive relationship towards awareness on unclaimed assets in accordance to Islamic Law of Inheritance. Figure from Table 4 also confirmed that 65% of the model could be explained by the variables. The t-values for both independent variables are significant at 5% level. Proven from similar step-wise regression analysis, collectively, the dependent variable can be influenced by the model in that the F-value is recorded significant. Another observation is that the beta value for Income at 0.520 has higher influence role compared to Status (0.392) towards determining the unclaimed assets awareness in the state of Kelantan, Malaysia.

Summary of Hypotheses Testing: As seen in the following Table 5, only two of the research hypotheses are supported. Given the stated results, it is proven that different set of variables was found insignificant in the study and some possible explanations are explained in the subsequent section.

Table 5: Results of Hypotheses

	Hypothesis	Result
H1	There is a relationship between age and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.	Not Support
H2	There is a relationship between gender and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.	Not Support
H3	There is a relationship between education and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.	Not Support
H4	There is a relationship between income and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.	Support
H5	There is a relationship between status and the awareness of unclaimed asset in accordance to the Islamic Law of Inheritance, among Kelantan Muslim community.	Support

V. DISCUSSIONS AND CONCLUSIONS

The purpose of this study is to identify the demographic factors that may influence the awareness of unclaimed assets among the Muslim community in the state of Kelantan, Malaysia. The study evaluates the significant relationships of these variables based on relevant statistical data, which have been collected from 90 respondents using structured questionnaire. Discussions related to each one of the hypotheses and its results are indicated as follows:

Age and Awareness:
Contradicted to, for example, Convertino, et al. (2005) and Wilford and Wakunuma (2014), who claimed that older people would have higher awareness, this study found it is irrelevant. This can be due to the fact that no matter which age group someone is linked to, a Muslim should be concerned with unclaimed assets matters. Apart from that, all these unclaimed assets can become uneconomical if no actions are taken to address them (Shafie et al., 2014).

Gender and Awareness:
Though some previous literature highlighted that the gender factor is likely to influence awareness on certain issues, similar findings cannot be made for the current study, which concentrated on awareness of unclaimed assets among the studied community. Although Musokotwane et al. (2001) stated that the institutions of family, civil society and state have direct impact on the constructing the disparities between male and female upbringing while Omoogun (2013) showed a significant influence toward attitude and awareness, this however is not similar to the output of this study. This strengthened the fact that the awareness on any cases regarding unclaimed assets especially according to Islamic Law of Inheritance must be made compulsory for all men and women. They have the obligation to learn and made necessary preparations for any circumstances due to death of a family member or themselves.

Education and Awareness:
Education and awareness on unclaimed assets in accordance to Islamic law of inheritance are also showing a non-significant relationship. According to Roeser and Peck (2009) education can cultivate conscious awareness in an ethical relational. This however is not supported by the result obtained by the current research due to the low level of understanding of the community toward Islamic law of inheritance and this might lead to the problem on understanding the concepts and applications of Faraid itself (Rashid & Madya, 2015).

Income and Awareness:
From the result, it is shown that income and the awareness on unclaimed assets in accordance to Islamic law of inheritance have the strongest significant relationship compared to other variables. The data (Table 4) showed a significant t-value between income and dependent variable is 6.274. This indicated that the level of income has a positive relationship with the awareness. The result can be supported by McGranahan (2006), which had proven that any one per cent increase in wealth would increase the probability of making a will by seven percent. In general, this proved that any increment in income would influence a person's awareness on the subject matter. Similar conclusion can also be referred to other conventional wealth management studies (Rowlingson & Mc Kay, 2005).

Status and Awareness:
The relationship of status and the awareness on unclaimed asset also showed a significant relationship. As noted by Sharma and Jyoti (2009), in general married couples are better adjusted than single adults in terms of preparing future plan for themselves and their families. This can be attributed to the fact that the differences in status portray diverse levels of responsibilities. Thus, managing assets and preparing financial support to beneficiaries due to death of either one of the spouses triggered the awareness to a much higher level.

Implication, Limitation and Future Research:
In order to increase the awareness on the Islamic Law of Inheritance, the government and responsible institutions or departments such as Jabatan Kemajuan Islam Malaysia (JAKIM) or Amanah Raya Berhad must further expand their role in educating and promoting the Muslim communities. As stated by Amanah Raya Berhad (2005), "Generally the level of Malaysian awareness with the respect of importance of Will is relatively very low. This is evident from the fact that 90% of Malaysians currently not having a Will". In fact, the importance of the subject matter can also be highlighted as part of the curriculum contents at any level of education to provide earlier awareness in particular amongst young generation. Although the statistics may not entirely generalized the actual condition in Kelantan due to only 100 samples size are chosen, the study may provide indication to a common point of view on unclaimed asset awareness. The sample size covered by this study should also be enlarged, as a larger sample size is essential to ensure that the result of this research will be more encouraging. For future research, advance statistical tests with the inclusions of other variables either the independent, mediating or moderating variable can be used to further examine similar research context. Last and not least, it is encouraging to use other data collection method for example interviews with public respondents and professionals to get more reliable data.

Conclusions: It is extremely important to note that each Muslims should have the determination to learn on matters related to Islamic Law of Inheritance. Ignorance will definitely impact any issues regarding assets distribution especially following the death of a family member or close relative. Without doubt, administrative difficulties may also lead to the accumulation of current staggering amount of frozen assets. As highlighted by Hadith Riwayat Muslim & Tarmizi from Amru bin Maimun r.a; *Take advantage of five matters before five other matters; your youth, before you become old; and your health, before you fall sick; and your richness, before you become poor; and your free time before you become busy; and your life, before your death.*

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