

## **Issues of Zakat Distribution among Asnaf: A case study at Padang Pak Mahat Residence, Kuantan, Pahang, Malaysia**

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### **Abstract**

This study aims to explore issues related to the distribution of zakat among zakat recipients in the Asnaf settlement in Kuantan Pahang. The study uses qualitative methods to collect research data. A total of 6 zakat recipients among the Asnaf were involved in this study. The findings found that four main issues are the focus: satisfaction, dishonest behaviour, monitoring, and contribution adequacy. Discussion and recommendations are included at the end of the study.

**Keywords:** Asnaf, Zakat, Distribution, Case study

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### **1.0 Introduction**

The Islamic economic system is based on zakat, the third pillar of Islam. For example, zakat is a powerful tool for social justice since it increases material wealth in this life and spiritual merit (thawab) in the next because it cleanses people of their sins (Abdul, 1987). According to fiqh, zakat is a distribution of wealth to certain classes as outlined in the Holy Quran (Abdul, 1992). Furthermore, according to Al-Qardawi (1999), zakat is worshipped by Allah because the givers sacrifice some of their riches for the sake of others (Taha et al.2017).

Countries can address economic issues through the zakat system, which has been shown to effectively minimize wealth disparity when managed properly, according to Sharia. According to Din, Yasin, Salleh, & Ghazalba (1985), the rich can continue to enjoy their money if a portion of it is transferred to the needy. The impoverished should not be considered beggars seeking the privileged's charity. Payment of zakat is mandatory for all Muslims, whether as individual zakat (zakat fitrah) or zakat on wealth.

Zakat collection has been increasing year after year. How effectively is this collection dispersed to qualifying Asnaf? According to the Holy Quran, zakat should be donated to eight qualified recipients: *al-fuqara*, *al-masakin*, *amil*, *a convert to tame him*, *al-Riqab*, *al-Gharimin*, *fee-sabadilla*, and *ibn Sabeel*. Al-Qardawi (2005) analyzed the idea of distributing zakat to eight Asnaf if funds are abundant and their requirements are similar (Taha et al. 2017).

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### *Zakat distribution*

In Surah al-Tawbah, verse 60, zakat distribution is mentioned for eight eligible beneficiaries (Hairunnizam, Sanep, & Abdul, 2009): "Indeed, charity, alms are only for the poor, the needy, charity managers, the mu'allaf who persuaded him, for (freed slaves), those who owe, for the cause of Allah and of those who by the way, an ordinance that required Allah" (Al-Taubah 9:61).

According to the interpretation, eight classes are eligible for zakat. Abdul (2003) explains that this verse provides more clarity on zakat distribution than finding the donation source based on the instructions. Hairunnizam et al. (2009) identified eight groups: *Al-Fuqara'* (poor), *Almasakin* (poor), *Amil* (convert), *al-Riqab* (slave), *al-Gharimin* (debtor), *fisabilillah* (fighter for God), and *ibn sabeel* (traveler). The distribution of zakat falls into three types. The initial distribution prioritizes necessities, including the needy, destitute, slaves, debtors, and Ibnu Sabil. Second, the distribution prioritizes promoting religious life and morality. Beneficiaries in this category include converts (*Muallaf*) and *fisabilillah*. The third category involves distributing incentives to motivate managers, with *Amil* as the recipient (Tarimin, 2005).

There have been some successes, but zakat distribution in Malaysia still faces challenges. One issue is that zakat money is not allocated or managed uniformly across states. Some governments' mechanisms are behind, while others' distribution systems are well-developed due to administrative inefficiencies and resource shortages. Another issue is whether Muslims comprehend and do zakat. Many people have tried to urge Muslims to pay zakat, yet many don't know how much or what assets qualify. Zakat eligibility and identity verification are also problematic. This report only addresses concerns about Pahang zakat distribution. The researcher examines zakat concerns in one Asnaf hamlet in Kuantan, Pahang, Malaysia.

### *Study Aims:*

This study aims to explore issues related to the distribution of zakat among asnaf in the asnaf village of Kuantan, Pahang.

## **2.0. Literature Review**

Islamic economic development resources include zakat, a kind of formalized charity. Any person or group in need can get assistance from the Zakat fund. Paying zakat is a duty and an act of worship for all Muslims. The goal of the Zakat fund is to reduce the wealth disparity between different groups. To accomplish this goal, zakat collection in zakat institutions must be at a high level. There are 14 zakat institutions in Malaysia, one for each of the 12 states. Their job is to oversee the distribution of zakat funds. Section 97 (3) of the Constitution of Malaysia indicates that the obligation and authority for administering zakat falls on the individual states (Federal Constitution, 2006). Taxes paid in zakat are administered by Majlis Agama Islam Negeri (Zainal et al. 2016).

Issues included inefficient zakat distribution and extra money that did not reach qualified Asnaf (Hairunnizam et al., 2012; Raudha, 2011). Zakat payers' confidence and views have been harmed by uneven zakat fund distribution (Hairunnizam et al., 2009; Nur and Hafiz, 2010). Zakat leakage increases when stakeholder trust declines because people donate to the local Asnaf instead of others (Hairunnizam et al., 2010). These issues must be addressed quickly to maximize zakat collection. Increasing zakat revenue can assist the government's anti-poverty measures like the Government Transformation Programme and national key outcome areas ("The National Transformation Programme," 2011). Isahaque and Hatta (2014) study how zakat improves poverty in Bangladesh, Malaysia, and Indonesia. Malaysia ranks well in zakat collection and distribution, whereas Bangladesh does not. Due to trust difficulties like administrator corruption, beneficiaries paid zakat directly to the asnaf, even though Indonesia lacks systematic management. The lowering poverty rate in Malaysia shows that zakat management reduces poverty (Azhar et al., 2023).

According to several studies, various zakat organizations affect the community positively or negatively. Much research has examined zakat institution administration due to community unhappiness. Poverty is often related to zakat, which has garnered global attention (Azhar et al., 2023). Masruki et al. (2021) suggest reviewing the distribution technique regularly to improve the lives of people experiencing poverty. Thus, the effectiveness of zakat organizations' decision-making processes, which focus on delivering cash to targeted recipients, must be examined.

## **3.0. Methodology**

The study employs a qualitative research design utilizing the case method, wherein a semi-structured interview is conducted with six participants. The saturated technique is used to ascertain the required sample size. The studies require participants to indicate the challenges and problems that have arisen since they got zakat from zakat pahang. The data collecting reached its saturation point till a new answer became available for reporting. This implies that no new incentives are discovered through the inclusion of additional individuals. Data is acquired through the process of conducting unstructured interviews with individuals. Researchers employ a tape recorder and notepad to capture and document the interviewee's responses. However, the participants have the freedom to comment and offer additional points. The purpose is to enable researchers to acquire more comprehensive information than what is attainable through alternative methods of data collection. When appropriate, the researchers pose a few impromptu inquiries based on the provided answers to elicit further relevant information and determine if it reaches the point of saturation.

### *3.1. Interview protocol*

An extensive evaluation of the study's methods and justification was crucial for establishing ethical guidelines for the project. Respondents were briefed on the study's details before the interview so that they would have some background knowledge to draw from while answering questions. Apart from that, they are informed about ethical standards, such as the promise that any information they

provide will be kept confidential, their right to privacy, and the ability to choose to answer questions that make them feel uncomfortable. To ensure objectivity and have an accurate record of what was said and what was omitted, all interviews were recorded on tape and transcribed word for word afterward. While doing the interview, notes were also taken. Respondents' consent was obtained before the commencement of the interview.

### 3.2. Data analysis

According to Gill (2008), data is typically transcribed into word-processing documents before analysis. This can include texts from interviews, observational notes, or memos. We opted for ATLAS.ti version 9.0 because it streamlines data processing, which is particularly useful while writing. Bradbury et al. (2014). We used key themes to classify all of the transcribed material. With the help of mind maps, all the extra data was organized into relevant topics, and each theme showed how different respondents were related to one another.

## 4.0. Findings

The profile data of the study participants is as in the following table:

Table 1: Participant profile

Participants	Gender	age
1	Female	64
2	Female	71
3	Female	68
4	Male	70
5	Female	64
6	female	65

Based on Table 1, the data shows that the majority of Zakat recipients are older adults. The majority who are willing to be interviewed are women, 5 people, while there is only one man.

After the interviews were conducted, the findings were broken down into several main themes. The theme is as follows:

### 4.1. Recipients satisfaction

A verbatim analysis of the results of interviews with study participants shows that they are satisfied with the zakat assistance received. They are grateful for the help given, and in their opinion, this help can ease their burden. Five study participants stated;

*"Aunty, just accept what is given, thank you very much. Instead of not being able to get it right away, it's good to have it. At least I can also help my aunt who was given this job." (P1).*

*"We as a family are ok with this help. It's been a long time since my aunt begged for it; this time, we got it. All of my children are not easy people, they have enough to eat. So, this help makes it a lot easier for me" (P2).*

*"Uncle is very grateful. Pahang zakat center helped uncle's family a lot. They helped uncle thank you" (P3)*

*"instead of not getting it right away, it's good to get it haha. God's grace. just be thankful" (P4).*

*"It's ok for my aunt. My aunt only got it last year. There is a Ustaz at the Zakat center who helped me fill out the form. He is very good." (P5).*

The results of the responses received from this interview show that the recipients of zakat are satisfied with the help received even though the amount is not much compared to their life needs. Since the cost of living is getting higher, the price of goods is getting more expensive, and the amount of zakat received is below 500 ringgit. The participants expressed their gratitude towards the help they received, but they still hope that the help can be increased considering that the majority of them are infirm and some have illnesses. In addition, the help received is only for daily use, aspects of medical expenses, transportation, and others are very burdensome for them.

### 4.2. Dishonest behavior

There are quite critical issues expressed by study participants, such as fraud among aid recipients. Some don't deserve help, but they try to be dishonest to be listed as zakat recipients. The analysis of the response from the recipients is as follows;

*"There are those who are not eligible to receive zakat assistance; even those who use a Toyota Hilux can still receive assistance. There are many more who are poor and cannot receive zakat assistance..." (P3)*

*"There is a family that uses 3 cars, has a job, but gets zakat money. They are not honest. I hope MUIP investigates them, it is not good to cheat on zakat money" (P2).*

*"There are people who work but they don't pay the house rent. When they are overdue, they ask the zakat center to pay" (P1)*

As a result of the analysis of this finding, some individuals are not honest when it comes to accepting zakat funds. Some are capable and work, but still receive zakat money. This matter is seen to be related to the recipient's integrity, which should not be necessary because this matter is related to taking away the rights of others who are more in need.

### 4.3. Monitoring

The success of the implementation of a program depends on the monitoring carried out by certain parties. For example, when giving zakat, monitoring will usually be done by the zakat center. To ensure the success of the distribution, the monitoring process is very necessary to be carried out periodically as carried out by most zakat centers (Ismail & Hussain, 2017) However, several issues arise about monitoring issues;

"Indeed, there are zakat centers that monitor, but there are also those who should not be able to receive zakat assistance but can afford it" (P8).  
 "I think it's strange because we think he is capable, has a job, uses a car, but still receives zakat money. The zakat center needs to review it, monitor it properly, don't just use representatives to monitor" (P4).  
 "The Zakat Center does monitoring, but mostly through monitoring representatives here. We are not sure how the monitoring is done; it would be better if the Zakat Center itself monitors because sometimes these representatives are not transparent." (P3).

We can see, based on this statement, that the monitoring aspect needs to be improved and done by the Zakat center itself without using monitoring representatives. There may be some cases involving bias and non-transparency that result in a few unsatisfied recipients.

#### 4.4. Distribution adequacy

Giving zakat aid based on the concept of sufficiency according to the method used by the MUIP zakat center. However, the matter needs to be looked at more carefully and deeply because the current expenditure compared to the support received is not commensurate.

"What is four hundred and thirty? After that, electricity and water do not pay anymore. The fire alone is close to a thousand without paying. Apply now with MUIP. It's quiet, you don't know that. He grew more and more." (P5).  
 "We are grateful for this help. Alhamdulillah, but like I received 300 ringgits. How much did you eat, electricity, water, etc., you have to pay? Food is expensive now. There is no work; my son works selling chicken to other people. How much can he get?" (P4)

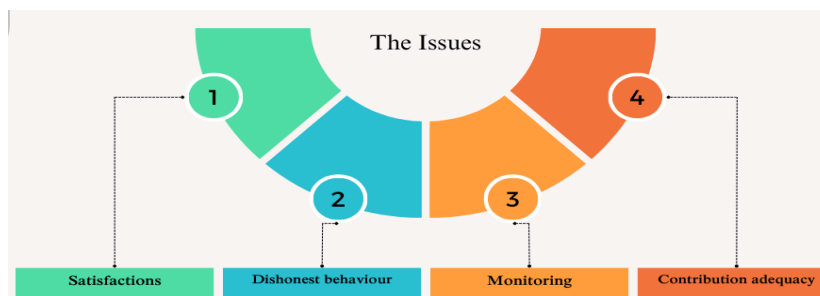


Figure 1: Findings Summary

#### 5.0. Discussion

Based on the data, the researcher summarizes into 4 main issues, namely matters related to satisfaction, dishonest behavior, monitoring, and contribution adequacy. Findings found that the majority of Zakat recipients were satisfied with the help they received. The amount received, even if it is not enough in their view, can ease the burden they bear. In addition, there are issues related to dishonest acts among recipients, and some are not eligible to receive zakat, but they take zakat distribution money. Issues related to monitoring also need to be taken into account by the MUIP because transparency in distribution needs to be looked at carefully so that only those who deserve to receive zakat money. Lastly, the matter related to the adequacy of the value of the aid received is insufficient, considering that those who receive zakat do not have a fixed opinion, are chronically ill, and the prices of goods have increased drastically, making the cost of living more than the value of the aid.

#### 6.0. Conclusion & Recommendations

In summary, several things must be taken into account by the authorities that handle this zakat, especially the Pahang Zakat Center. The first issue is the matter of dishonesty/fraud in acceptance. Some people may not be honest in declaring their hardship because they want to receive zakat assistance when they are not eligible. Therefore, to determine who needs zakat, individuals in charge of doing it out must be careful, use their best judgment, and confer with others. Just as they do when someone requests zakat, they should look into and determine if they are eligible for zakat. In addition, monitoring needs to be done carefully and transparently so that issues involving fraud and so on can be avoided. The end may be able to conclude that with the increase in costs quite significant, the amount of assistance should be increased a little, and most of the recipients are those who are poor, have no permanent job, and are sick. Future research researchers can carry out in other asnaf villages to see more in-depth issues. In addition, the researcher can conduct surveys to determine the level of satisfaction, adequacy, and other factors to get a broader picture.

### Implication

This study has a great impact on stakeholders (MUIP) in coordinating the distribution of zakat. It is hoped that the issues discussed in this study can be taken into action and improved so that the distribution of zakat can be implemented properly.

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### Paper Contribution to Related Field of Study

Contribution to the authorities so that improvements can be implemented better, transparently, and efficiently in the distribution of zakat in the state of Pahang

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