ZAKAT
AND
POVERTY ALLEVIATION

EDITED BY

MOHD MAHYUDI MOHD YUSOP
NAZIRUDDIN ABDULLAH

IIUM Press
CONTENTS

Preface  

SECTION ONE: INTRODUCTION

Chapter 1:  
ISSUES ON ZAKAT AND ITS POVERTY ALLEVIATION GOAL  
Naziruddin Abdullah & Mohd Mahyudi Mohd Yusop

Chapter 2:  
FACTORS THAT MOTIVATE PAYMENTS OF ZAKAT ON INCOME AND INCOME TAX AMONG IIUM STAFF  
Muhammad Ibrahim Abdullahi, Mohd Mahyudi Mohd Yusop & Syezlin Hasan

SECTION TWO: MANAGEMENT OF ZAKAT INSTITUTIONS

Chapter 3:  
ASSESSMENT ON THE EFFICIENCY OF ZAKAT DISBURSEMENT IN MALAYSIAN ZAKAT INSTITUTIONS  
Siti Normala Sheikh Obid, Sherliza Puat Nelson & Nazifah Mustapha

Chapter 4:  
FINANCIAL CONTROL PRACTICES OF ZAKAT INSTITUTIONS IN MALAYSIA  
Muhammad Akhyar Adnan & Bashir Abdisamad Hareed

Chapter 5:  
PAKISTAN’S POVERTY-ZAKAT NEXUS: A MEASUREMENT USING ZAKAT EFFECTIVENESS INDEX  
Naziruddin Abdullah, Mohd Mahyudi Mohd Yusop & Che Omar Hj. Awang

SECTION THREE- FULFILLMENT OF ZAKAT POLICIES TO ALLEVIATE POVERTY
Chapter 6: 
ZAKAT DISTRIBUTION IN THE ECONOMIC DEVELOPMENT PROGRAMME: A CASE STUDY OF SELANGOR 
Husna Jamaludin, Nabila Ahmad, Sharifah Nabilah Syed Salleh & Naziruddin Abdullah

Chapter 7: 
ZAKAT RECIPIENTS’ SATISFACTION ON HOUSING PROGRAMME 
Mohammad Abdul Mohit & Nurul Nazyuddah

Chapter 8: 
ZAKAT AS A FINANCIAL CATALYST FOR MICRO AND SMALL BUSINESSES IN MALAYSIA 
Zuhairah Ariff Abd Ghadas & Mohd Fahtme Hannor

Chapter 9: 
ZAKAT AS A SOURCE FOR MICROFINANCING 
Norma Md Saad & Jarita Duasa

Chapter 10: 
ANALYSIS OF ZAKAT DISTRIBUTION IMPACT TOWARDS REDUCTION OF POVERTY AND INCOME INEQUALITY 
Irфан Syauqi Beik & Tiara Tsani

List of Contributors

Index
CHAPTER ONE

ISSUES ON ZAKAT AND ITS POVERTY ALLEVIATION GOAL

Naziruddin Abdullah
Mohd Mahyudi Mohd Yusop

“Muslims are doing well in medicine, but they are not doing so well in anything that has to do with social sciences, with education, with women, with economy, with philosophy and politics”
(Tariq Ramadan)

“This is quite important, but it has to do with a shift in the center of gravity of authority in Islam....... to advocate in that we cannot rely on scholars of the text. We need to bring on board scholars of the context if we want to be serious about contemporary challenges. Why? Because what we (the Muslims) are used to is the Islamic answer only coming from scholars of the text”
(Tariq Ramadan)

INTRODUCTION
When the moon set in the morning of January 1, 2000 to signify the beginning of the 21st century, Muslim countries all over the globe had been facing two contrasting phenomena. While only few of the countries’ economies have achieved remarkable economic growth and improved their economic well-being, many others have to exert themselves, but in futile, to even register a positive economic growth; let alone a better economic well-being. As a result, the latter countries were not in the position to combat effectively the problem of poverty suffered by its poor and marginalized population.

Meanwhile, on another spectrum, all countries, including the poor Muslim countries, have in 2000 committed to eradicate poverty and hunger by half by 2015 when they approved the United Nations’ Millennium Development Goals (MDGs). Given the explicitly specified goal set by the UN, the Muslim countries had no choice but to device a tool which can be used to combat poverty. Fortunately, the Islamic system, within which economic system is a subset, provides a built-in solution to this problem. In this case, the role of zakat as one of the instruments embedded within the traditional Islamic economic institution framework in tackling poverty related problem was seen to be very relevant and important. Since then, zakat has undergone a substantive scrutiny from all standpoints where the issues being perused ranges from shari'ah to management of zakat funds.