

The Optimization of Zakat in Achieving Maqashid Sharia: Case Study of Indonesia and Malaysia

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ABSTRACT

Zakat is one of the instruments for well-being distribution. Zakat is also one of the most significant institution of Islam, in early Islamic zakat proved to be an extremely effective tool for poverty alleviation and inclusive finance. Total potential of zakat in the OIC member countries ranges from 1.8 percent to 4.34 percent of their GDP. Zakat has the potential to be developed economically. In contrary, development and performance of zakat institutions was relatively poor and this is illustrated by the collection of zakat in Muslim countries on average very low, less than 1% of GDP.

Maqashid Syariah is considered intellectual methodologies for Islamic studies and Non-Law studies. This has been used by the Muslim scholars to propose Islamic reform and revival in many aspects of live and to address problems of the Ummah in a way that is in line with Islamic tradition and aspirations. The institutions could make the Maqashid Sharia as an essential benchmark to design zakat distribution programs in both countries.

Zakat Institution objective should be the leading institution in economic empowerment of society by enacted Maqashid Sharia as the basis of designing the sustainable empowerment indicators. This paper aims to analyze and evaluate institutional program of collecting zakat in reaching Maqashid sharia and to identify the issues and the strategies of Zakat institutions. This study presents a comparison of zakat distribution programs between two countries, Indonesia and Malaysia, represented by Bazis DKI Jakarta and LZS in achieving five Maqashid Sharia aspects. This paper contributes to sustain the social life development in terms of the proper Zakat distribution by considering Maqashid Sharia. The originality of this paper is to provide provide insight for strategy on how Zakat institution could optimize their potency in achieving Maqashid Sharia.

Keyword : Zakat, Maqashid Sharia, Indonesia, Malaysia

JEL Classification: G2, I3, O1

INTRODUCTION

According to Kahf, total potential of zakat in the OIC member countries ranges from 1.8 percent to 4.34 percent of their GDP (Firdaus, Muhammad; Beik, Irfan Syauqi; Irawan, Tony; Juanda, 2012) Thus, Zakat believed to be an institution for

eradicating poverty and distributing income more equally (A. Kasri, 2016).

Zakat in Indonesia has the potential to be developed economically. This has been proven by the past decade, Zakat has experienced rapid development (Puskas Baznas, 2018a). Not only that but also zakat contributes in education sector and welfare of Muslim communities. The national zakat

collection in 2017 increased by approximately 455 billion rupiahs although its proportion expressed declining by 7.13%. In other words, this fact conveyed the expanding trust for the zakat institutions to collect and manage not only limited to zakat funds, but also other benevolence funds. It is also interesting to note that, the Province of DKI Jakarta is the highest contributor of ZIS (Zakat, Infaq, Shodaqoh) collection in Indonesia (Puskaz Baznas, 2017).

The current status of Zakat management in Malaysia is under the authority of state government. Whereby the roles are not only to collect the zakat dues but also to distribute the zakat funds to the zakat recipients, which called *Asnaf*. *Lembaga Zakat Selangor (LSZ)* has the highest number of Zakat in Malaysia in 2014 until 2016 and 2018.

Regardless of the potential of zakat in these two countries, however, there are several different views on Islamic social financing and also in zakat. Kahf argued, the development and performance of zakat institutions was relatively poor and this is illustrated by the collection of zakat in Muslim countries on average very low, less than 1% of GDP. Furthermore, it can be argued that the poor performance of zakat institutions is partly due to the lack of appropriate assessment methods to measure the comprehensive performance of institutions, especially from non-financial aspects (A. Kasri, 2016).

Practically, the management of zakat has some issues that need much attention, based on previous studies indicated high percentage of zakat recipients also zakat payers are not satisfied with the management process. Interestingly, zakat recipients increase almost each year gradually while the high percentage around 15 % of zakat becomes undistributed every year. This phenomenon depicts to Malaysian society that zakat distribution performance does not have good performance contradict with zakat

collection that grow averagely each year (Muharman et al., 2011).

According to Alim (2015) In Indonesia, most of institutions of amil Zakat utilize zakat for productive purposes in the form of qard al hasan (loans). Also, an inefficiency issue in distribution aspect in Malaysia. Whereby, there are complaints made by the public that zakat did not reach the targeted group due to lack of publicity by the authority or lack of knowledge on the other part of the community (Azman Ab Rahman, Mohammad Haji Alias, & Syed Mohd Najib Syed Omar, 2012).

Maqashid Syariah is considered Intellectual methodologies for Islamic studies and Non-Law studies. This has been used by the Muslim scholars to propose Islamic reform and revival in many aspects of live and to address problems of the Ummah in a way that is in line with Islamic tradition and aspirations. Eventhough, technically Zakat institution lack of good performance yet by employing the Maqashid approach or at least inspired by the perspective on Maqashid al-Shariah, some scholars attempted to provide 'alternative' studies to evaluate performance of Islamic institutions, most notably zakat Institution. (A. Kasri, 2016).

The Ghazalian/Shatibian approach is relatively promising when one investigating the well-being of poor individual or household that become Zakat recipients (mustahik) due to its focus on safeguarding and promotion of the essentials, which is narrowed down to five dimensions: religion (din), human life (nafs), progeny (nasl), material wealth (mal) and human reason (aql). Protection of these essentials is highly relevant for the poor and needy (mustahik) because fulfillment of these needs is paramount to the poor and his/her family's survival yet could hardly be (satisfactorily) fulfilled (A. Kasri, 2016).

This research would highlight the two comparative institution Zakat programs

in Selangor and DKI Jakarta in reaching maqashid sharia and assist Zakat Institution to evaluate its program. This study aims to analyze institutional program of collecting zakat in reaching Maqashid sharia and also to identify the issues over the program conducted by the Selangor and DKI Zakat institutions.

This paper is organized as follows. Section 1 offers introduction with the problem statement, research objectives, etc. Then Give some literatures review of previous research regarding with the Zakat Institution in Malaysia and Indonesia. Section 3 put the brief explanation of the research method that used by the writers. After that, discusses the finding of the research and followed by section 5 that wraps conclusion as well as recommendation.

LITERATURE REVIEW

Zakat as a Tool to Alleviate Poverty

Islamic Religious Council of Singapore (2019) define Zakat as determined portion of wealth prescribed by the Almighty Himself to be dispersed to the 8 categories (*Asnaf*) entitled to get it. The Zakat Foundation of America (2007) simplify the definition, stated that every Muslim with a designated amount of wealth (*nisab*) and possess that portion for a full cycle of Lunar year, it is a most for them to perform Zakat as a charity act and a symbol of worship.

Bello (1971) and Qardawi (2000) are among scholars and writers opining that this third pillars with which without it the structure of this religion cannot stand is without doubt a perfect tool in alleviating major economic problem in the society, poverty.

To understand how Zakat helps reduce this unwelcome situation, one must first understand the nature of Zakat and the structure of it. On whom it is obligate and to whom will it be distribute. There are various of verses in the Holy Quran that

describe Zakat as one of the obligations to Muslim. In Surah Al- A'raf chapter 7 verse 156, Zakat is described as a mean to obtain Allah's mercy. While in Surah At- Taubah verses 11 and 91 narrated Zakat as a symbol of brotherhood and a peculiar characteristic of a faithful community. From this, it is safe to say that Zakat is not your ordinary form of voluntary charity given to the needing, rather it is much more than that. It is a divine obligation from the Creator Himself which we will be questioned in front of Him on the day of judgement. Not only is it the act of love to strengthen the bond between community members but also building your connection with the Almighty.

Hossain (2012) using numeric data from Akkas (2006) and Sogas (2008), in a case study in Bangladesh discover that the Zakat collected from the urban area covered 64% of urban poverty in 1997. The number further rise to 82% in 2005 proving that Zakat is without doubt the perfect instrument to alleviate poverty.

The 8 designated receivers of Zakat can be categorized into 2 groups according to Wan Mohd Khairul Firdaus & Mahadi (2013). The first classification is those with needs which are the poor, the needy, captives seeking freedom, debtors and wayfarers. As we can see from the 8 fixed expense categories, 5 of them are meant for poverty reduction. That reaffirm M Kabir Hassan & Ashraf (2010) argument regarding Zakat being a tool for poverty alleviation which they explain how Zakat is included in the Poverty Alleviation Scheme in Islam that was first introduced by Saddeq (1995).

The second division is those who receive Zakat based on their vitality as Zakat recipient not their needs. Amil who facilitate the management of Zakat both collection and distribution, the converts (*Muallaf*) who were given Zakat to attract more people towards Islam, *fi-sabilillah* who are responsible to uphold and spread this religion worldwide. Can this division change as time pass by? The needs of

societies have changed; thus, the Muslim jurist and scholars are depending on *ijtihad* which is “Independent Reasoning” in their decision making as stated by Anas (2019). He also emphasises the need of *ijtihad* to minimize the gap between Islamic theory and the contemporary reality.

Maqashid Sharia Approach in Determining the Performance of Zakat Institution

Maqashid Sharia is a comprehensive and dynamic framework for developing an alternative theory of economic development (Lamido, 2017). As-Syatibi argued that the purpose of Islamic rules implementation to achieve benefit or welfare. As-Syatibi and Al Ghazali further offered theory in maqashid al sharia by limiting the provision of Sharia to the five essential elements or universal values (*al-daruriyyah al-khams*), i.e. religion, soul, intellect, lineage and wealth (Hapsari, et al., 2017) (Oladapo & Rahman, 2016).

1) *Preservation of Faith (Al-Din)*

The preservation of faith at the individual level is achieved through the observance of the different kinds of Ibadah, such as five prayers, fasting, and performing Hajj (Afridi, 2016). Zakat program of the institution would be in this category if it could facilitate Muslim to perform their ibadah.

2) *Preservation of Life (An-Nafs)*

Life is essential and valuable to everyone. Preserving everyone’s life is equally important and obligatory to every individual and society. This study analyzed to what extent zakat program could carry every Muslim to preserve their life.

3) *Preservation of Lineage (An-Nasl)*

Islam very concerned about lineage in order to maintain the continuity of Islam and Muslim as well. It also means ensuring that relationships between men and women are

respectful and responsible. Zakat programs also should facilitate Muslim to preserve individual rights to have lineage.

4) *Preservation of Intellect (Al-Aql)*

Al- ‘Aql or the intellect is a great gift from Allah to mankind and one of the human capacities that differentiates man from animals. Allah has ordered that Muslim should protect this precious gift by utilizing the mental for the benefit of all not for any kind of evil or anything might lead to destruction. Allah and Rasul also ordered every Muslim to use their intellect to get knowledge so that will reach success (fallah) in the world and hereafter (Afridi, 2016). Zakat programs should cover the education needs of asnaf. It can be religious education or general education as well.

5) *Preservation of Wealth (Al-Mal)*

Acquiring property is a basic human need. Everyone has his/her property and would like to have all necessary protection and security for his/her property. Islam has ordered that no one should transgress and acquire the property of others without legitimate reasons and without proper contract (Afridi, 2016). Zakat programs have to facilitate eight group (asnaf) to acquire halal income because one of Zakat goal is to distribute wealth and property.

The old scholars such as Al- Ghazali in Chapra (2000) define Maqasid Sharia’ as objective behind Sharia’ and that is to promote the safeguarding if five pillars which are safeguarding of faith, human self, intellect, posterity and wealth. Al- Shatibi’s opinion regarding this issue is in line with Al- Ghazali but he further listed the five pillars under the essential objectives not in exigencies nor embellishments. Other modern scholar in the extension period extend the definition and interpretation of

Maqasid Sharia' into a slightly wider expression which is found in Auda (2008).

For measuring the performance of the institution, he suggested using the Ghazilian and Shatibian interpretation of Maqasid Sharia' due to its simplicity and comprehensiveness especially when applied to a small scope of people. At the end of his paper, he hoped that his suggestion of using a new KPI to Zakat institution will be used in the future.

Regrettably, no effort has been done to implement this approach as a new KPI to any institution in Malaysia or Indonesia. Thus, we are trying to take the first step in applying this approach to two Zakat institutions located in Malaysia and Indonesia. The more comprehensive the distribution program is to fulfill the five objectives of Maqasid Sharia', the better the performance of that specific Zakat institution is.

METHODOLOGY

Qualitative data analysis is the classification and interpretation of linguistic (or visual) material to make statements about implicit and explicit dimension and structures of meaning-making in the material and what is presents in it (Flick, 2013). This study employs qualitative data analysis involving two Zakat institutions Lembaga Zakat Selangor located in Malaysia and Badan Amil Zakat Infaq And Sadaqah in Jakarta, Indonesia. In collecting data, we used a library research method, a step by step process in acquiring and analyzing the existing data from both institutions.

Data acquired from annual report and the official website was then analyzed in order to form a comparison between the two foundations. To achieve the objective of the paper which is to measure the performance of Zakat organizations using Maqasid Sharia' approach, we compared the data from the two institutes and came to

a conclusion about their distribution program. The result was later shown in the findings section.

FINDINGS AND DISCUSSION

Zakat is one of the instruments for well-being distribution. Zakat is also one of the most significant institution of Islam, in early Islamic zakat proved to be an extremely effective tool for poverty alleviation and inclusive finance (Al-Mubarak, 2017). Zakat institutions usually divide the programs into consumptive and productive programs.

BAZIS DKI Jakarta in Indonesia

The government of Indonesia has issued Zakat Management Act No 23/2011 that replaces Zakat Management Act No 38/1999 as legal foundation for the operation of zakat institutions. According to the newest Act, zakat institution is divided into two types, i.e. The National Board of Zakat (Badan Amil Zakat Nasional abbreviated as BAZNAS) and private zakat institutions (Lembaga Amil Zakat abbreviated as LAZ), which must be approved and accredited by government (Ministry of Religious Affairs) in order to operate (Beik & Arsyianti, 2018).

Zakat collection in every province of Indonesia has various amounts. In 2016, DKI Jakarta is the largest Zakat, Infaq, and Shodaqoh (ZIS) contributor in Indonesia which collected 130.98 billion Rupiah, followed by West Java, West Sumatera, Riau, and East Java (*Outlook Zakat Indonesia 2017*, 2016). Zakat in DKI Jakarta was managed by BAZIS DKI Jakarta as a non-structural zakat institution owned by the government of DKI Jakarta Province. This institution has distributed zakat to 13,936 fakir and miskin family, and also to 20,647 mustahik from other categories (mualaf, gharimin, ibnusabil, fii sabilillah) during 2017. In last three years, Zakat collection of BAZIS DKI Jakarta has

increased significantly. BAZIS DKI Jakarta collected 80.6 billion Rupiah in 2015, 85.8 billion Rupiah in 2016, and 144.4 billion Rupiah in 2017 (Figure 1). This fact shows

that DKI Jakarta has positive trend in collecting and distributing zakat for recent years.

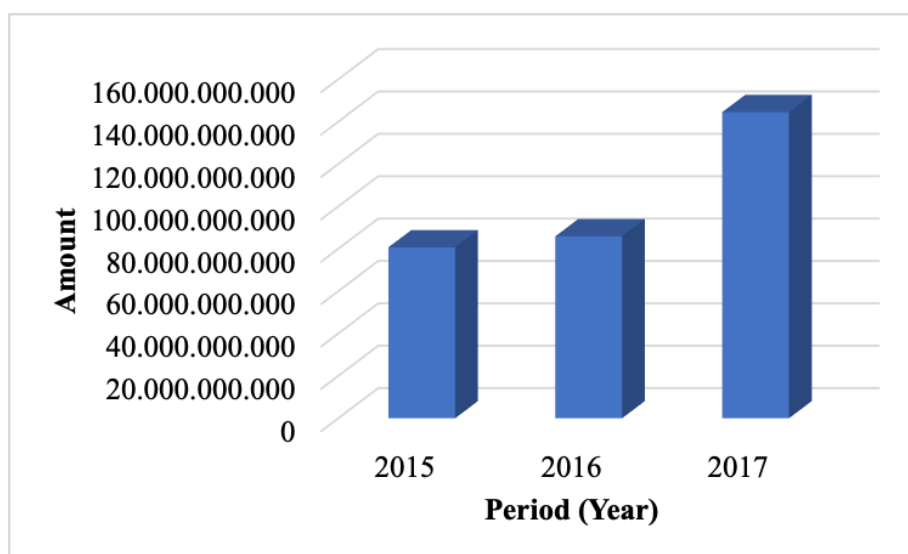


Figure 1. Zakat Collection of BAZIS DKI Jakarta in Rupiah

Source : (BAZIS Provinsi DKI Jakarta, 2016, 2017, 2018)

Distribution of BAZIS DKI Jakarta is regulated by Governor Regulation No 30/2017. This zakat institution distributes ZIS collection based on “Jakarta Sejahtera” program or The Prosperous Jakarta, which consists of five main programs, i.e. Religious Jakarta (Jakarta Bertaqwa), Smart Jakarta (Jakarta Cerdas), Independent Jakarta (Jakarta Mandiri), Attentive Jakarta (Jakarta Peduli), and Zakat Aware Jakarta (Jakarta Sadar Zakat).

BAZIS DKI Jakarta has 27 zakat distribution programs. In preservation of faith, there are six programs related to Islamic affairs which the institution provides for the asnaf, specifically the Sabilillah and Muallaf. BAZIS DKI Jakarta distributes their 23.17 % of zakat collection (in 2017) to the operational aid of syiar Islam activities, the operational aid for Muallaf activities, Ulama regeneration scholarship, spiritual coaching and religious activities, Qari and Qari'ah coaching program, and monumental aid.

All of these programs are included in “Jakarta Bertaqwa” as the main program of religious sector empowerment.

In preservation of life, BAZIS DKI Jakarta distributes their zakat collection through 13 programs from 2015 until 2017. These programs aim to improve the quality of life of the asnaf, especially for the Sabilillah, Fakir, Miskin, Gharimin, and Ibnu-sabil. The personal aid for Quran teachers, Mosque cleaners, Muazin, Imam, Madrasah's honorary teachers, and TPA/TKA/TPQ teachers are under “Jakarta Bertaqwa” as the main program. Meanwhile, the distribution of personal aid for orphans, dhuafa (including medical expenses, victims of natural disasters and humanity affairs, deceased pilgrims, Gharimin, Ibnu-sabil, medical expenses, and easing the burden of lives) are included in “Jakarta Peduli” as the main program of social sector empowerment.

Table 2. Programs dividing based on Maqashid Sharia – DKI Jakarta

No	Maqashid Sharia	Program
1	<i>Preservation of Faith</i>	Operational aid of syiar Islam activities
		Operational aid for Muallaf activities
		Ulama regeneration scholarship
		Spiritual coaching and religious activities
		Monumental aid
		Qari and Qari'ah coaching program
2	<i>Preservation of Life</i>	Personal aid for Quran teachers
		Personal aid for mosque cleaners, Muazin, and Imam
		Personal aid for Madrasah's honorary teachers
		Personal aid for TPA/TKA/TPQ teachers
		Personal aid for orphans
		Personal aid for dhuafa
		Renovation of Dhuafa's houses
		Personal aid for victims of natural disasters and humanity affairs
		Personal aid for deceased pilgrims
		Personal aid for medical expenses
		Personal aid for easing the burden of lives
		Personal aid for gharimin
		Personal aid for Ibnuabil
		3
Undergraduate students scholarship		
Postgraduate students scholarship		
Personal aid for "Santri Cerdas" program		
Personal aid for "Guru PAUD Cerdas" program		
Pondok Dhuafa's Program		
School fees arrears		
Educational aid for special research		

Source : (BAZIS Provinsi DKI Jakarta, 2017)

BAZIS DKI Jakarta also distributes their zakat collection for educational concerns of their needy citizens. To achieve the protection of intellect, this zakat board has 6 programs in 2015. Then, it increased to be 8 programs in 2016. In 2017, some of the programs in educational concerns were merged, thus decreasing it into 4 programs. The programs are including scholarships, institution establishment, school fees arrears aid, and educational aid for special research. BAZIS DKI Jakarta provided scholarship program for senior high school needy students in 2016, but since 2017 they do not provide it anymore. This is due to the concern of any misused grants since DKI Jakarta government issues Kartu Jakarta Pintar (KJP) which is also an educational

aid for the high school students. However, this zakat institution still operates this program for undergraduate students from miskin families in 2017 (*BAZIS DKI Jakarta 2016 Report*, 2017). These programs are included in "Jakarta Cerdas" which aims to help the asnaf getting better quality of education.

In 2015 – 2017, the highest zakat distribution of BAZIS DKI Jakarta is in preservation of life. It is amounting to 41.4 billion Rupiah in 2015, 47 billion Rupiah in 2016, and 53.8 billion Rupiah in 2017. In those 3 years, preservation of life spends more than 50% of their zakat collection. This fact shows that the main focus of BAZIS DKI Jakarta is still on complying the basic needs of the asnaf. Besides the

protection of life, BAZIS DKI Jakarta also has strong intention in supporting other parts of maqashid sharia, such as preservation of faith and intellect. In 2015 and 2016, preservation of faith spends around 16% of their zakat collection. Unlike the previous years, preservation of faith spends more in 2017 which is amounting to 23.17% of their zakat collection, thus making it as the second biggest portion in zakat distribution budget in that year.

Two points of maqashid sharia which are not covered by BAZIS DKI Jakarta zakat distribution programs are maqashid al-Mal (wealth) and maqashid an-Nasl (lineage). Actually, BAZIS DKI Jakarta has a main program to preserve wealth called "Jakarta Mandiri" which consists of skills training programs and hibah for the mustahik. This program aiming at the unemployed dhuafa which expected to be independent and becoming muzakki. Skills training comprises culinary art training, automotive mechanic training, cell phone service training, and mustahik monitoring programs. Meanwhile, hibah is given to the mustahik as capital aid for their business (*BAZIS DKI Jakarta 2015 Report*, 2016). Nevertheless, those programs are not included in this research because the institution does not use any zakat but infaq collection in operating the programs.

Preservation of lineage also one of essential points in maqashid sharia. But unfortunately, BAZIS DKI Jakarta does not have any program regarding this point until 2017. In another side, according to Health Profile of DKI Jakarta (2017), the amount of infant mortality in Jakarta during 2017 is 938 cases. It shows that there is an increase from the previous year which has 677 cases. In addition, more than 400 deceased

children in a day in Indonesia are from poor families and most marginalized (UNICEF Indonesia, 2013). Therefore, more attention and bigger efforts are needed in handling childbirth issues in DKI Jakarta. Later, zakat as the Islamic social fund necessarily can help these issues by improving the quality of health care facilities and giving childbirth aid, especially for the needy families. Thus, the preservation of lineage as part of maqashid sharia can be achieved.

Lembaga Zakat Selangor in Malaysia

After 1990s zakat designed collection has introduced as professional system through privatization. Zakat collection divided into some institutions regarding to the states for example Pusat Pungutan Zakat Wilayah Persekutuan (1991), Lembaga Zakat Selangor (1994), Pusat Urus Zakat Pulau Pinang (1994), Pusat Kutipan Zakat Pahang (1995), Pusat Zakat Negeri Sembilan (1998) and Pusat Zakat Melaka (2001) (Rahman, A. A., Alias, M. H., & Syed Omar, 2012). In last three years, the highest zakat collection is dominated by Selangor amounting to more than five hundred million ringgit (JAWHAR, 2018). Despite there are some problems and issues in developing Zakat institution in Malaysia, Lembaga Zakat Selangor has stepped into more professional through comprehensive data disclosure. Donation and distribution extended in various form whether in the form of productive and unproductive aid.

In 2017, Lembaga Zakat Selangor distributed Zakat to 45,471 fakir and miskin families and to 349 people in other categories. In last three years, zakat collection of LZS has increased significantly every year and in 2015, 2016 and 2017, LZS collected MYR 627.2 million, 673.7 million, and 757.1 million respectively (figure 4.2).

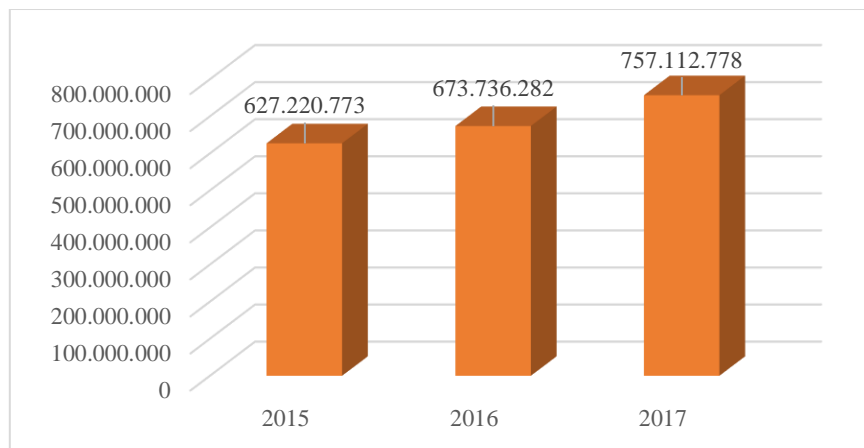


Figure 2. Zakat Collection of Lembaga Zakat Selangor 2015-2017 in Malaysian Ringgit

Source: (Lembaga Zakat Selangor, 2016, 2017)

In 2017, Lembaga Zakat Selangor has 67 zakat distribution programs. In preservation of faith, Lembaga Zakat Selangor has 27 programs and it would meet asnaf needs at the most. Like other institutions in effort to preserve faith Lembaga Zakat Selangor distributes zakat to religious institution, masjid or mosque and religious education class to the asnaf. This preservation can be facilitating the practice of religion facilitating, calling to it, teaching it, providing freedom of religion and other incentives for proper spiritual development on one hand, and on the other, blocking all the means to the weakening of religion (Lamido, 2017).

In preservation of life, Lembaga Zakat Selangor has 22 programs such as monthly aid, home rental assistance and emergency help. In this category, zakat distributes to fulfil asnaf basic need like food and home. In order to ensure the preservation and enhancement of human life, Islam prescribes through permits

eating and drinking all that is halal and healthy.

Moreover, Lembaga Zakat Selangor has 11 programs to achieve preservation of intellect. The programs are including scholarship, institution establishment, and fulfilment educational needs. The enhancement of intellect is to be actualized through providing education and other incentives that develop the functioning, effectiveness and creativity of the mind and also prevent to spoil it and hinder its proper functioning such as intoxicants and superstitious believes. (Lamido, 2017). At the fourth maqashid Sharia, Lembaga Zakat Selangor has the minimal program that is wedding assistance for asnaf. To preserve property or wealth, there are nine programs, all these programs aim to encourage asnaf business like training and capital aid. It is important to improve standard living of asnaf (table 4.2). In 2017, LZS quantity programs had decreased compared two years before, while in 2016 and 2015 are 80 and 83 respectively.

Table 2. Table Lembaga Zakat Selangor Programs in 2017

No	Maqashid Sharia	Program
1	<i>Preservation of Faith</i>	Eid Assistance
		Burial Management
		Greetings from the Great Day of Islam
		Donation for Muallaf Association

No	Maqashid Sharia	Program
		Gifts for Muallaf
		Khitan Assistance
		Hufaz Quran Assistance
		Religious Class Program
		Assistance for Religious Class Teachers
		Assistance for Religious Class Teachers Fardhu Ain
		Religious Lecture Program
		The Riqab Da'wah Program
		Moral Rehabilitation Program
		Aqidah Recovery Program
		Narcotic Drugs Recovery Center
		Construction of Religious Institutions
		Assistance for the Islamic Association
		Surau Renovation Program
		Islamic Values Application Program
		Assistance for Surau Equipment
		Mosque Renovation Program
		Mosque Carpet Aid
		Corporate Debt / Islamic Association Debt
		Cost of Unit Dakwah Sudara Kita Management
		Outreach Program
		Dakwah Riqab Program
2	<i>Preservation of Life</i>	Monthly financial aid
		Home rental assistance
		Medical help
		Emergency help
		monthly food aid
		Construction of individual houses
		Nursing home management
		House Renovation
		Group Placement House Complex Development
		Community House / Transit Program
		Shelter Home Management
		Flood Disaster Aid
		Fire Disaster Assistance
		Musafir Aid
		Musafir Home Assistance in Hospital
		Life Needs Debts
		Debt of Treatment
		Dialysis Treatment Payable
		MAIS staff emolument
		Storm Aid
		Amil Allowance
		Monthly Wages of Mosque cleaners
3	<i>Preservation of Intellect</i>	Assistance for educational needs and fees
		Baitul Hasanah Complex
		Muallaf Foundation
		Activity and Study Visit
		General Help Lesson
		Students Scholarship for Study abroad
		School Needs Assistance

No	Maqashid Sharia	Program
		Students Scholarship in Malaysia
		Postgraduate Students Scholarship
		Scholarship
		Publishing and Printing
4	<i>Preservation of Lineage</i>	Wedding Assistance
5	Preservation of Wealth	Training courses
		Sewing Workshop Management
		Asnaf Training Center
		Muallaf Training Center
		Business capital assistance
		Fishery capital aid
		Agricultural capital aid
		Group Entrepreneurs Aid
		Farm Capital Assistance

Source: (Lembaga Zakat Selangor, 2017)

On the other hand, in 2017 the highest zakat distribution of Lembaga Zakat Selangor is in preservation of life at MYR 345.8 million. It showed that the focus of Lembaga Zakat Selangor is still to fulfill the basic need of the asnaf. The second highest in budget allocation is in preservation of faith amounted to 272.8 million. Preservation of intellect is high enough around 123.3 million. Islam is concerned about the generations, it persevered basically by prescribing and facilitating marriage on one hand, and the prohibition of fornication and rape on the other (Lamido, 2017). But this preservation is not main focus of LZS to distribute Zakat, in 2017 LZS allocated MYR 109 mill to asnaf, it becomes the lowest budget. This preservation also should cover anything that can lead to either voluntary illicit relations or involuntary sexual relation such as rape has to be prevented, including indecent dressing and lustful look at the opposite sex. (Lamido, 2017). Currently, there some many issues about sexual deviaton, LZS should add program to prevent and healing process to people as long as they are asnaf category.

Moreover, in preservation of wealth get the second lowest allocation at MYR 16.1 mill. The forms of assistance provided by LZS to asnaf are giving hardware or equipment or capital to start business. This

is to be preserved and enriched through opening alternative sustainable ways for its generation, utilization, distribution and growth (Lamido, 2017).

Although direct payment of zakat is still acceptable especially for non-productive asnaf such as the disabled and elderly, it is recommended that zakat should be distributed in the form of capital finance to the poor and needy in order to encourage business activities among asnaf. It is expected that the productive asnaf will be more independent, and able to support themselves and their families, thus escaping from the poverty. (Farah Aida, Rashidah, & Normah, 2012).

Comparing LZS and BAZIS DKI

LZS already met the Maqashid Sharia generally but still focuses on preservation Faith / Al Din and life programs in last three years. Unlike LZS, Bazis DKI Jakarta programs do not even reach the five aspects of the maqashid Sharia in last three years. It is important to Zakat institution to reach all maqashid Sharia aspects. The fact that the maqashid are concerned with the preservation and improvement of human life, faith, intellect, posterity, integrity, and wealth indicates that the maqashid can be seen as essentially a comprehensive Sharia-based development framework.

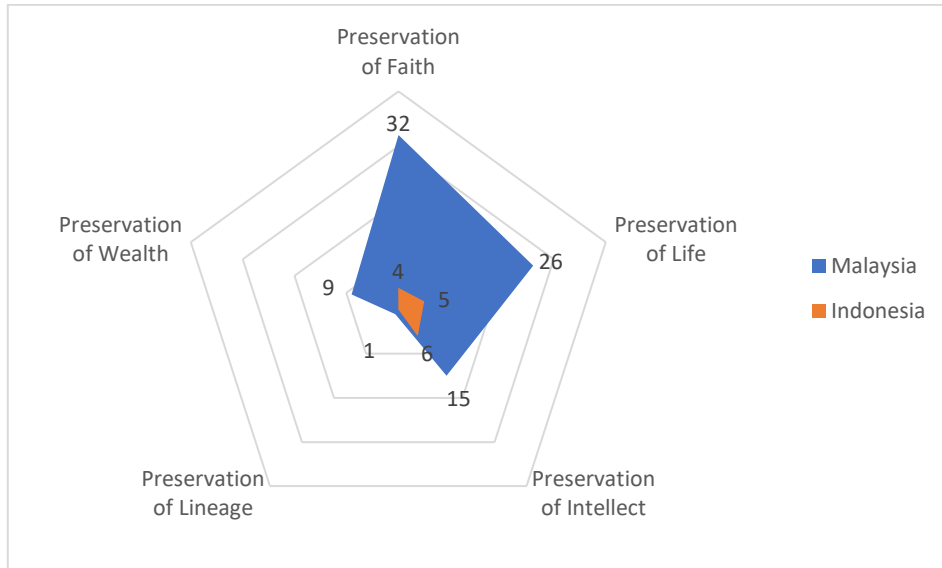


Figure 3. Zakat Distribution Programs of LZS and BAZIS DKI in 2015

Source: Processed Data (Authors, 2019)

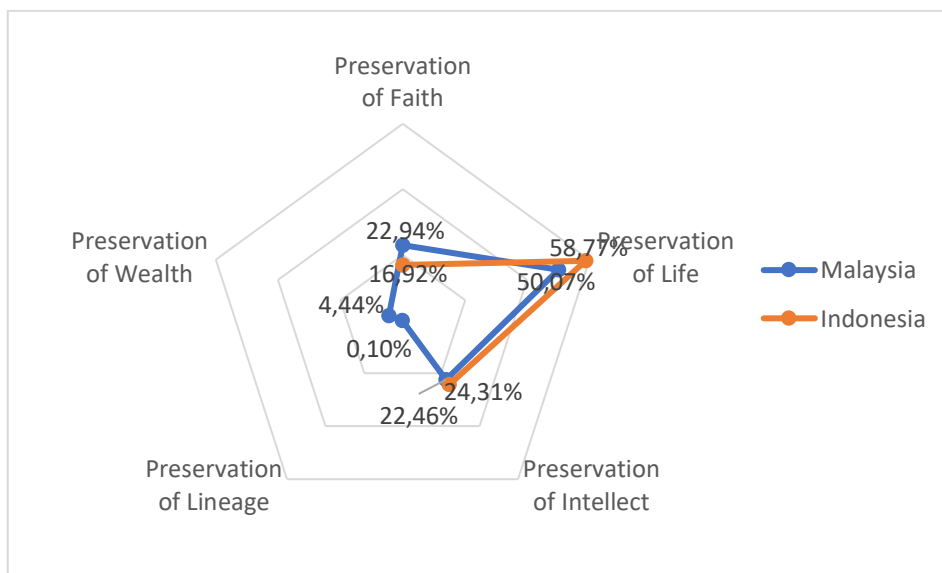


Figure 4. Zakat Distribution Budget of LZS and BAZIS DKI in 2015

Source: Processed Data (Authors, 2019)

In 2015 LZS had 83 programs covering five maqashid sharia aspects and focused on preservation of faith while BAZIS DKI had 15 programs covering only three maqashid sharia aspects (figure 4.3). Moreover, in budget distribution, LZS

allocated 50.07% to preservation of life and the lowest allocation is preservation of lineage amounted to 0.10%. Furthermore, BAZIS DKI distributed 58.77%, 24.31% and 16.92% to preservation of life, intellect and faith respectively (figure 4.4).

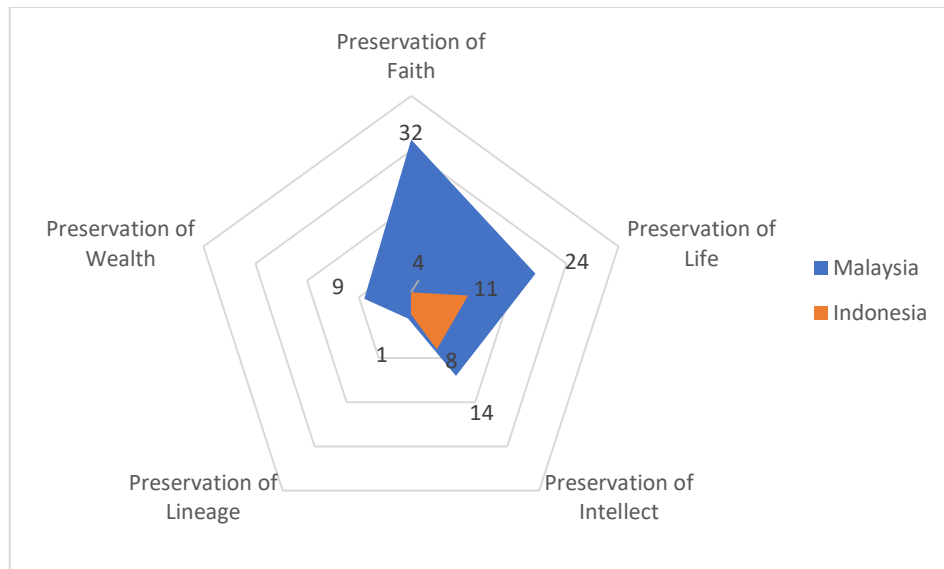


Figure 5. Zakat Distribution Programs of LZS and BAZIS DKI in 2016

Source: Processed Data (Authors, 2019)

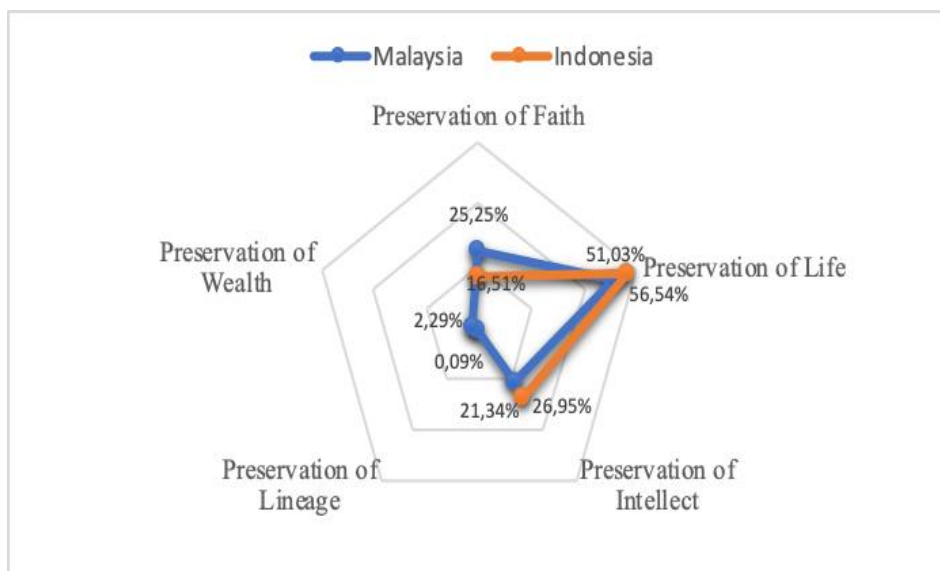


Figure 6. Zakat Distribution Budget of LZS and BAZIS DKI in 2016

Source: Processed Data (Authors, 2019)

In 2016, LZS had the most programs amounted to 32 on preservation of faith and the fewest program is only one on preservation of lineage. Different with LZS, BAZIS DKI had the most programs on preservation of life in the amount of 11 programs while the preservation of faith is only four programs (figure 4.5). In addition,

on budgeting, LZS classified the highest amount 51.03% to preservation of life and the lowest is preservation of lineage. BAZIS DKI distributed the highest budget to preservation of life at 56.54% and the lowest allocation is preservation of faith amounted to 16.51% (figure 4.6).

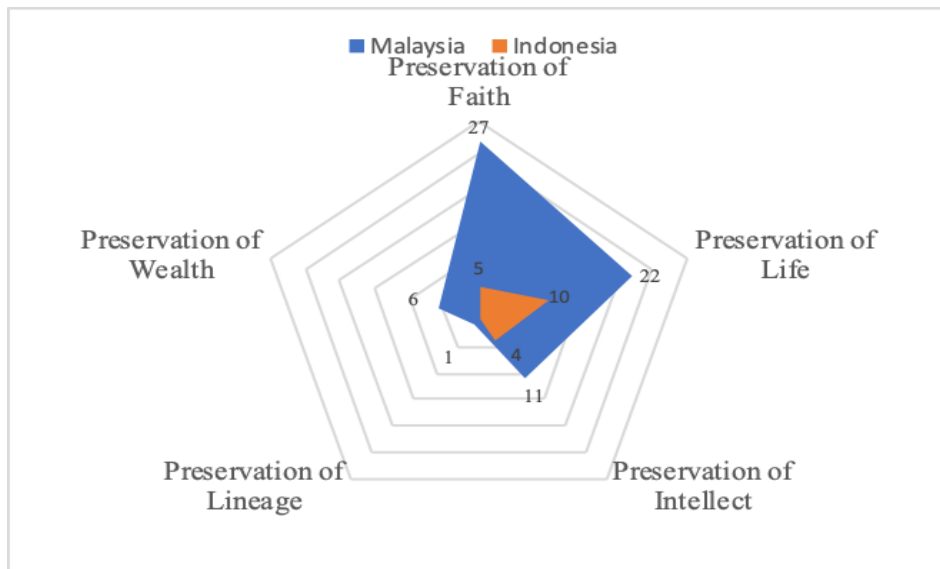


Figure 7. Zakat Distribution Programs of LZS and BAZIS DKI in 2017

Source: Processed Data (Authors, 2019)

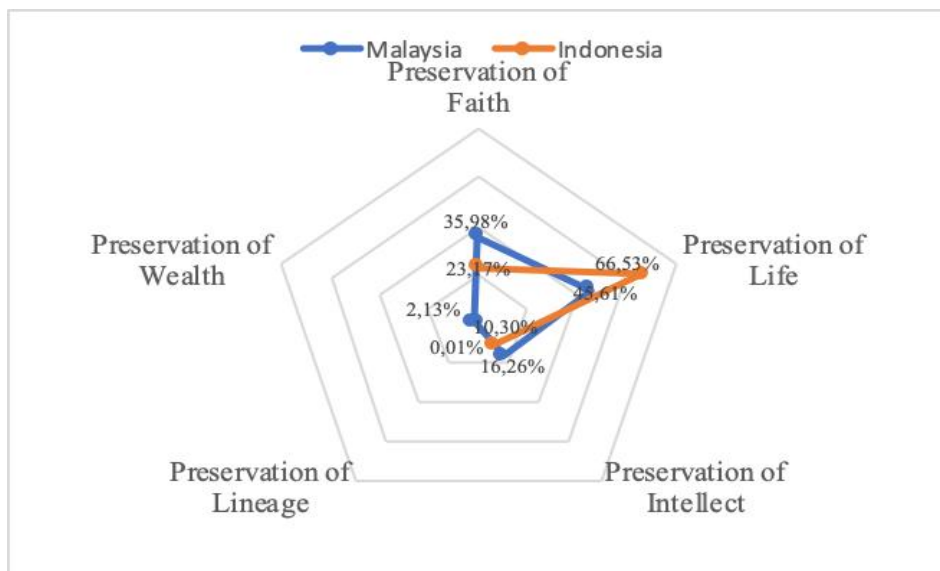


Figure 8. Zakat Distribution Budget of LZS and BAZIS DKI in 2017

Source: Processed Data (Authors, 2019)

In 2017, the last year analyzed by this study, the most programs of LZS were 27 to preserve faith and like two years before, the lowest program was one to preservation of lineage. At the same year, BAZIS DKI had the highest programs on preservation of life amounted to ten and the lowest on preservation of intellect amount to four (figure 4.7). Furthermore, on

budgeting, LZS distributed 45.61% of their total budget to preservation of life and 0.01% to preservation of faith. Like LZS, BAZIS DKI allocated the highest budget 66.53% to preservation of life and the fewest 16.26% to preservation of intellect (figure 4.8).

Generally, in last three years, both institution LZS and BAZIS DKI focused on

zakat distribution for preservation life and faith. In last three years, preservation of lineage becomes the lowest budget in zakat distribution by LZS while BAZIS DKI didn't have any program to facilitate it whereas this preservation is also important because it is related to the future generations. LZS also have several programs in preservation of wealth while BAZIS DKI does not have at all. It is because poverty rate of Indonesia is higher than Malaysia.

Zakat Institution: The Way Forward

Zakat takes important role to poverty alleviation, so the efficiency of Zakat institution in distribution should be priority. Preservation of lineage and wealth should be concerned for both zakat institutions. Preservation of lineage may have other innovative programs such as childbirth assistance. Preservation of wealth such as capital aid is a key to encourage the poor to increase their standard of living. Hence, zakat institutions should use maqashid perspective to assess their performance.

Zakat distribution method is still focused on the periodical form of transfer payment which is unable to solve the poverty issue in the Islamic society. The current concept of distribution has to be refreshed with new approaches that are capable of producing more entrepreneurs among asnaf to be independent and able to support themselves and their families to live better lives. The long-term goal of this project is to produce and raise competitive Muslim entrepreneurs. Capital aid of Zakat that is distributed to the asnaf who meet certain criteria would be used to start or to continue their business (Rosbi & Sanep, 2010).

Capital is only given to asnaf who are already trained and undergo a process from entrepreneurship aspect to enhance asnaf mastery from theory and practical aspects of the business world. A group of asnaf who are applied capital assistance should possess the accounting skills,

business planning, stock management and so on. This is for ensuring them to have perfection of thinking and high enthusiasm to stabilize family. Helping the poor people by directly giving them a sum of money to buy their necessities, is indeed only a short term solution (Rahman, A. A., Alias, M. H., & Syed Omar, 2012).

The issues that arises is whether the centre of Zakat institution was distribute Zakat in term of capital assistance to the asnaf who is committed, qualified and having the criteria to be an entrepreneur (Ramli, Ahmad, Wahid, & Harun, 2011). Monitoring should be done efficiently by the institution of Zakat after distributing the capital assistance to the asnaf. Monitoring form such as periodic visits for at least once every six months, account auditing, advice, capital injection, monthly report should be made to ensure that the business undertaken by asnaf really help them in terms of income and make them to be Zakat payer. (Ramli et al., 2011).

There is a need to enhance/strengthen the zakat management system to address the inefficiency issue especially in distribution aspect. Human resource also plays important role for Zakat institution to distribution zakat. The low quality of human resources could enact zakat not in accordance with its function (Fitriani & Priantina, 2018). Human resources of zakat institution should understand the purpose of zakat to reach maqashid sharia. So that zakat is expected to be a sustainable tool to fulfill all aspects of maqashid sharia.

Moreover, although the administration of zakat has undergone many improvements in terms of infrastructure, delivery system and government transparency. There are still some issues need to be tackled to ensure that the administration of zakat is moving on the right track, henceforth to eradicate poverty and to upgrade people's standard of living nationally and internationally

(Rahman, A. A., Alias, M. H., & Syed Omar, 2012).

CONCLUSION AND RECOMMENDATIONS

Zakat can play a very essential role in supporting and sustaining the economic development and in facilitating a better financial inclusion. Theoretically, the development of zakat system can be considered as complementary to the government programs of poverty alleviation. It is also an alternative right of the poor upon the rich to the Islam. Therefore, it is proved that the system of zakat plays a very effective and efficient role in developing social life in Muslim society if it is moving in the right track based on the sources of Islam.

The study demonstrates the significance of zakat in achieving the Maqashid Sharia (the objectives of Sharia principle) that is preservation of din (religion), nafs (soul), aql (intellectual), nasl (lineage) and also mal (wealth). It is also to measure contributions of zakat institution of Malaysia and Indonesia by using this approach. Besides, the study hopes that the discussions from this paper could enrich better understanding to address problems with Islamic approach in improving human well-being and reducing the impact of poverty that effects the society nowadays. It is further suggested that it is highly possible to developed methods to measure contributions of zakat institution towards human welfare by employing the Maqashid Shariah theory.

This paper presents a comparison of zakat distribution programs between two countries, Indonesia and Malaysia, represented by Bazis DKI Jakarta and LZS (Lembaga Zakat Selangor) in achieving five Maqashid Sharia aspects. However, this research finds Bazis DKI Jakarta only reached three aspects of Maqashid Sharia, precisely in preservation of lineage and

wealth programs, while LZS already achieved Maqashid Sharia holistically. It is proved that the system should need some improvements and innovation programs to achieve the purpose of Sharia.

Although there many improvements have been made by the zakat institutions, there are still many issues that need much attention and recommendations that can be made to ensure that this institution is moving on the right track especially in cater the needs of the society. Based on the study, the following recommendations are given in order to improve and empower the role of zakat especially in achieving the objective of Sharia in safeguarding faith (deen), soul (nafs) intellect ('aql) lineage (nasl) and wealth (mal). There have been many alternatives to achieve and approach for preservation of deen, soul, intellect and wealth. However, there are still few deficiencies in terms of lineage.

First and foremost, protection of lineage is very concern especially to maintain the continuity of Islam but maybe due to the high standard of living and quality of life for a family, it might seems difficult. In the long run, this situation could also lead to destruction of the society. Lack of provision or access to lineage needs to be highlighted. Marriage is the foundation of a society and it's a prove that Islam pays high attention on social life. Therefore, we suggested, in order to cater these problems, the zakat institutions should fund wedding expenses for incapable person to get married. We also propose for birth fund to encourage birth and help the needy by distributed the zakat funds that can be utilized.

Furthermore, we also suggest the establishment of zakat commission with systematic manner and proper regulatory framework and principle with more effective activities of zakat council that can enhance and strengthen all of the maqasid sharia objectives comprehensively. They should start developing an officially recognized body empowered by law

especially to collect, manage and distribute zakat more efficiently and more organized (Ibrahim, 2013). The educated and skilled persons should be prioritized especially to maintaining the interest of zakat recipients since there are many complaints made that fund of zakat did not reach the targeted asnaf due to the bureaucracy problem that made it difficult to receive zakat. So, the sharia objective is not fully fulfilled. They need to fill in documents before they are eligible to receive it which make it complicated (Azman Ab Rahman et al., 2012). Thus, they would improve their operations and procedure to make it easier to access and distribute.

Another major problem related to zakat is the lack of awareness. Therefore, at the school specifically special focus should be made on this aspect. It should be a compulsory topic to every muslim students to spread the awareness about the significance of zakat and its social, spiritual and economic impact and also the wisdom of zakat to the society. Besides, zakat organizations should make an efficient activity to share experiences and organize conferences or seminars especially in remote areas for exhibition of knowledge and its benefit for the needy. This initiative can raise awareness among payers to fulfil their religious obligations and at the same time enhancing the standard of giving instead of standard of living.

Next, government also needs to play an essential role in improving our distribution of zakat institutions by launching constructive programs for it. An establishment of vocational centers and technical educational institutions can be very effective to spread awareness and importance of distribution in zakat (Azman Ab Rahman et al., 2012). Instead of giving zakat as a fund, they can consume the zakat in form of training centres or run a business that can bring in income hence improve their standard of living through it. It is an effective way to get out from poverty and maximize the potentials of zakat. It should

be provided to cater the basic needs (dharuriyyat) first and aim for comfort (hajjiyyat) after that.

The main responsibility is obviously on amil (the collectors and the distributors of zakat). They should manage zakat funds properly. However, to avoid any unsure activity, the board of zakat institution needs to monitor the implementation made by the amil to make sure the distribution is channeled to the right asnaf. They must be chosen through their trustiness and manners.

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