



## MULTIDIMENSIONAL POVERTY MEASUREMENT FROM *ISLĀMIC* PERSPECTIVES: A SURVEY OF THE LITERATURE

Muhammad Nooraiman Zailani<sup>a,b\*</sup>, NurulHuda Mohd Satar<sup>a,c</sup> and  
Roza Hazli Zakaria<sup>a,d</sup>

<sup>a</sup>*Department of Economics, Faculty of Economics and Administration, Universiti Malaya, 50603, Kuala Lumpur, Kuala Lumpur Malaysia (Email: <sup>b</sup>nooraimanzailani@gmail.com, <sup>c</sup>nurulhuda@um.edu.my, <sup>d</sup>roza@um.edu.my)*

### ABSTRACT

It is widely accepted that poverty is complex and multidimensional in nature. The narrow approach in measuring poverty based on a monetary approach fails to incorporate other important factors such as access to education, access to healthcare, and type of dwelling; some other relevant factors that could impact quality of life is being ignored. *Islām* is profoundly concerned about poverty and as a comprehensive source of references, *Islām* has specific guidelines in this matter that cover all aspects of life. At present, *Islāmic* institutions such as *zakāt* are applying the monetary approach in identifying the poor and destitute. Hence, a robust poverty measurement that covers the other non-monetary aspects should be an area of concern among the policy makers and financial institutions such as *zakāt* to capture the targeted group more accurately. Poverty measurement should also embrace the principle of *Maqāṣid al-Sharī'ah*, which is the central principle of *Sharī'ah* law. This paper outlines the trends in developing the poverty socio-economic development index based on the inclusion of *Maqāṣid al-Sharī'ah*. Numerous empirical works pertaining to poverty measurement from a multidimensional lens and integration of the *Maqāṣid al-Sharī'ah* have been observed. Thus, the paper highlights some important gaps observed from past studies. This study emphasizes the need for more objective variables and microlevel data that is more frequently monitored since dependence on secondary data may limit the choices of dimensions and indicators needed to be incorporated in the *Islāmic* poverty index.

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Keywords: *Islāmic* poverty, *Zakāt*, Multidimensional poverty, *Maqāsid al-sharī'ah*

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## 1. INTRODUCTION

Globally, significant progress has been made toward alleviating extreme poverty (World Bank, 2018). Based on the World Bank statistics, the number of people living below the International Poverty Line (IPL) decreased from 1.9 billion in 1990 to 741 million in 2015. Nevertheless, development in poverty alleviation weakened in 2015, with the number of households living in extreme poverty remaining of concern as reported by the Poverty and Shared Prosperity Report (World Bank, 2018). The emergence of the Coronavirus (Covid-19) outbreak, which has impacted economic development worldwide, has presented another challenge in reaching poverty reduction goals. It is worth highlighting that the definitions and measurements of poverty are essential to determine whether a certain level of income and living standard of an individual is acceptable for both the society and national levels. The way we define and measure poverty can impact on the design of an anti-poverty policy and program implemented by the government and non-governmental organizations. As a result of the influence of various disciplinary approaches and ideologies, including from sociology, psychology, philosophy, economics and anthropology, ambiguity appeared in how the concept of poverty should be defined and used (Handley et al., 2009). In the past, poverty as concept was primarily assessed in monetary terms, based on income and consumption levels. Wagle (2005) stressed that the monetary approach to poverty measurement is unidimensional. A poverty line income has been used as a benchmark for comparison across states or countries, in which a person who lives below a stated income level of the poverty line is classified as poor (Ravallion, 2010). There are limitations in relying on unidimensional poverty, however, because many other factors than income and consumption should be reflected in measuring poverty to better capture deprivation aspect of an individual (Alkire and Foster, 2007). A person's well-being cannot be assessed solely by monetary metrics. This is because non-monetary factors such as access to material necessities and literacy also contribute to well-being (Bourguignon and Chakravarty, 2009). The failure to capture the different areas of deprivation a person faced may result in a less comprehensive picture of poverty. For instance, Bossert

Chakravarty, and D'Ambrosio (2013) found that income indicator may not reflect the actual individual living standard. Using multidimensional poverty indicators ensures the validity of poverty measurement outcome (Bradshaw and Finch, 2003). Thus, the income-based approach in measuring poverty needs to be complemented with non-income indicators to better capture multiple deprivation aspects of poverty.

The economic concept of poverty has shifted in recent years; it was accompanied by other approaches to poverty, including capabilities approach, human development approach and multidimensional poverty approach. Poverty now is seen as more than just lack of income and consumption to achieve the minimum level of quality life. Poverty is characterized as a lack of access to education, health facilities, social freedoms, and security. The advent of approaches such as the capability approach that focuses on people's capabilities and functioning to live in a more satisfying manner has mirrored the evolution of the poverty paradigm. Generally, four approaches to poverty exist in mainstream economics; the monetary approach, capability approach, social exclusion approach and participatory approach (Laderchi, Saith, and Stewart, 2003). In contrast to the conventional approach, *Islām* views the needs to complement the socio-economic development objectives with the *Sharī'ah* law, which is the *Maqāṣid al-Sharī'ah* to attain higher objective of life in the world and hereafter. The five key dimensions emphasized by *Sharī'ah* law are the protection of faith, life, wealth, intellect and progeny. Hence, poverty assessment should integrate elements of the *Maqāṣid al-Sharī'ah* concept and ensure that minimum protection for each dimension has been preserved.

This paper aims at presenting the trends in development of poverty measurement and socio-economic development based on the *Maqāṣid al-Sharī'ah* concept. The empirical research related to the multidimensional poverty measurement from both conventional and *Islāmic* perspectives will be explored briefly. The paper highlights the gap that existed from the past studies that require further attention to improve and develop a more realistic and comprehensive multidimensional poverty index from the *Islāmic* perspective.

## 2. ISLĀMIC VIEW ON POVERTY

Although the definition of poverty is not clearly specified in the basic *Islāmic* sources and numerous-definitions have been established, Al-Qardawi (1973) asserted that the definitions can be categorized into

several aspects, including lack of materials and basic resources, ownership of house, low-income level, and lack of non-monetary asset. The concept of poverty has been established in the *Qur'ān* through the domination interpretation of the *maudhu'i* model as the model thematically analyzes the idea of a concept that is scattered in certain Surah in the *Qur'ān*. From *Islāmic* perspectives, experts regard a person's self-sufficiency as the provision of necessities including food and drinks, shelter, and others relevant as identified by society (Al-Qardawi, 1980). As eloquently stated by Al-Sabai, the minimum standard of living a person should achieve includes having a family, transportation, and housing (Kahf, 1980). The discussion of poverty is greatly influenced by the concept of *fuqara* (destitute) and *masakin* (poor). *Fiqh* scholars outlined several different definitions of *fuqara* and *masakin* based on *Madh'hab* where *Syafi'iyah* and Hambali stated that an individual is classified as destitute if the person has no financial resources or job that can fulfill half of his needs while the poor are those who own assets and have a job but still do not meet the sufficiency level (*al-kifayah*). On the other hand, *Hanafiyyah madh'hab* describes destitute as a person that own resources less than one *nisab* while poor is defined as a person who has nothing. *Malikiyyah madh'hab* categorized destitute as those who own resources but live below sufficiency level while the poor own nothing (Al-Qardawi, 1973). From these definitions, it can be concluded that the *fiqh* scholars hold different view in determining the economic position of the poor and destitute. Nonetheless, both required attention by different stakeholders and, thus, do not differ from the practical perspective (Hussain and Shirazi, 1995).

*Islām* does not just consider poverty in terms of material deprivation, but also views poverty in terms of spirituality, which is associated with faith. Abu Hurairah may Allāh 'azza wa jalla be pleased with him, reported: The Prophet (*ṣal-Allāhu 'alayhi wa sallam*) said, "Wealth is not in having many possessions. Rather, true wealth is the richness of the soul" (Al-Bukhari: 6002). Additionally, Imam al-Ghazali in Salleh (2013) in defining the concept of *fuqara* and *masakin*, argued that poor and destitute is only attributable to human beings while wealth only belongs to Allāh 'azza wa jalla as below:

And to Allah belongs all that is in the heavens and all that is in the earth, in order to repay those who do evil for what they have done, and give an excellent reward to those who do good (*Qur'ān*, 53:31)

In addition, it is important to ensure that any increase in wealth is accompanied by an increase in worship toward Allāh *‘azza wa jalla*. The Holy *Qur’ān* emphasizes the ownership of wealth and importance of the spiritual aspect in wealth accumulation as below:

And seek the abode of the Hereafter with the wealth that Allah has given you, and do not forget your duty in this world, and do favors in the way of Allah has favored you, and do not seek to cause turmoil in the earth; indeed, Allah does not like the mischievous (*Qur’ān*, 28:77)

From the *Islāmic* view, poverty is thus measured not only in the form of tangibles (basic necessities) but also the intangibles (faith) (Aydin, 2013). The real form of poverty, ‘spiritual poverty’ is characterized by a lack of fulfillment with what is provided by Allāh *‘azza wa jalla* (Tahir, 2019). It is worth highlighting that poverty is regarded as a social and ideological problem in *Islām* since it could adversely affect society’s development and hampers the *Muslim*’s progress toward fulfilling the socio-religious responsibility to *Islām* and the community.

### 3. POVERTY MEASUREMENT BY ZAKAT INSTITUTIONS

Prior to establishment of the *Islāmic* model in determining poverty, the poverty line income (PLI) method was used by the *zakāt* institutions globally to identify poor households (Irfan Syauqi Beik, 2015). PLI refers to the minimum income level required by a household to meet the food and non-food requirements and it was the common method applied worldwide. The use of PLI in determining *zakāt* recipients, however, has been criticized due to the low value that is unacceptable (Irfan Syauqi Beik, 2015). In Indonesia, a study was conducted by Abdillah Ahsan, et al. (2013) to analyze the qualitative criteria in determining the poverty threshold level according to the concept of *Maqāṣid al-Sharī‘ah*. Nevertheless, the study does not quantify a minimum threshold level the individual needs to acquire. Subsequently, an alternative *zakāt* poverty line method that quantified the minimum threshold level was developed, namely Had Kifayah method (HAK). Currently, *zakāt* institutions in Malaysia are adopting the HAK method in *zakāt* fund distribution to the qualified individuals as an alternative measurement of poverty to the conventional PLI method. This method has been used to assess the efficacy of spending

by comparing the household income against the minimum spending level of the family or a person. By applying this concept, more detailed and accurate judgement can be obtained in examining the *zakāt* applicants' status, whether they are wealthy, poor, or indigent. According to the management fatwa of Lembaga Zakat Selangor (LZS), HAK can be defined as the allocation of *zakāt* funds to *asnaf* (needy) and the poor who own resources below the basic needs level. *Zakāt* institutions use this method to identify the poor more precisely, taking into account the basic needs of human life, including food, shelter, clothing, education, transportation, and health aligned with the *Maqāṣid al-Sharī'ah* concept. If the family monthly income is insufficient to satisfy these minimum standards of basic needs, the household members are deemed as poor or indigent (*fakir*). HAK functions to ascertain the income level needed to meet the basic daily needs and is calculated using few variables including age, number of members per household and other relevant factors. To determine the HAK by a household, a family is categorized into five groups which are household head, working adult (above 18 years), unemployed adult (above 18 years), children attend university/college, children attend school (age 6-17 years old) and children below 5 years old. The amount to determine the HAK differs between states in Malaysia given differences in the cost of goods and services from one location to another (Farid, 2010).

TABLE 1  
*Had Kifayah* Rate by Lembaga Zakat Selangor (LZS)

No	Category	Paid House (RM)	Free House (RM)
1	Head of household	1,078.00	695.00
2	Working adult (above 18 years)	404.00	404.00
3	Non-working adult (above 18 years)	181.00	181.00
4	Children attend university/college	592.00	592.00
5	Children (age 7-17 years old)	334.00	334.00
6	Children (below 5 years old)	145.00	145.00
7	Additional item (if application) :		
	Disabled children	224.00	224.00
	Household with chronic disease	222.00	222.00
	Childcare	290.00	290.00

Source : Lembaga Zakat Selangor (2022)

However, both PLI and HAK are still recognized as a monetary-based approach of measuring poverty and thus, call for a

non-monetary poverty measurement method to complement the current poverty measurement method applied.

#### 4. THE NOTION OF *MAQĀṢID AL-SHARĪ'AH* IN SOCIO-ECONOMIC DEVELOPMENT AND POVERTY

*Islāmic* economics refers to an economic system or mechanism based on *Islāmic* principles which aim at achieving a person's monetary well-being, moral, intellectual, social, and spiritual factors in this world and the hereafter. In line with the long-term economic objectives of achieving sustainable economies and healthy societies, healthy societies are not simply reflected by the higher income status and the country's high industrialization. The Holy *Qur'ān* expressly states that creating this universe is envisaged for human beings as an act of worship (*ibadah*) and devotion to Allāh 'azza wa jalla:

I did not create the jinn and humankind except that they may worship Me (*Qur'ān*, 51:56).

Any improvement of human well-being should be geared toward improving humans' spiritual capacity by virtue of worship toward Allāh 'azza wa jalla. The objectives of *Islāmic* law, *Maqāṣid al-Sharī'ah*, represents the holistic vision of *Islām*, as *Islām* is a complete and unified code of life that encompasses the individual and community in this world and hereafter (Dusuki and Abozaid, 2007). Hence, the objectives of the *Sharī'ah* law and the goal of socioeconomic development should strive to achieve higher worship and economic development goals.

Evaluation of an inclusive model of economic development needs to be conducted along the five essential dimensions of the *Islāmic* law that has been classified by Imam al-Ghazali including the protection of faith (*din*), human self (*nafs*), intellect (*aql*), posterity (*nasl*), and wealth (*mal*) while addition of more dimensions or aspects can be vital. For each dimension under the Shariah law, three levels of protection are defined, ranging from the basic level of protection to a higher level of need fulfillment. The level of protections from *Islāmic* point of view can be classified into three groups, namely *daruriyyat* (necessities), *hajiyyat* (complementary) and *tahsiniyyat* (embellishments) (Kamali, 2008). *Islāmic* teachings emphasized that an individual should first strive to fulfill the most basic requirements, *daruriyyat* to accomplish the duty as a *khalifah* to preserve the five important dimensions established according to the objective of

*Sharī'ah* while *hajiyyat* refers to the comforts in living that can be regarded as a need that goes beyond the necessities. The absence of any complementariness is not a life or death situation, primarily on an individual level (Barom, 2018). Lastly, *tahsiniyyat* is associated with the embellishments as admirable elements above those of needs (*daruriyyat*) and comfort (*hajiyyat*). However, it is worth highlighting that *tahsiniyyat* should not be regarded as luxuries that reflect lavishness.

### 5. MAQĀSID AL-SHARĪ'AH BASED INDEX OF SOCIO-ECONOMIC DEVELOPMENT AND POVERTY

Muhammad Umer Chapra was one of the earliest scholars to investigate the connection between *Maqāsid al-Sharī'ah* and economic development and well-being through his book titled 'The Islamic and Economic Development' in 1993 before releasing another book on 'Islamic Vision of Development in the Light of *Maqāsid al-Sharī'ah*' in 2009. In accordance with the principle of *Maqāsid al-Sharī'ah*, a theoretical framework of development derived from the *Maqāsid al-Sharī'ah* concept has been developed that covers all five dimensions under the *Sharī'ah* law. Nevertheless, the model established may face challenges in terms of the measurement of the parameters of the variables proposed since the variables are too general. Hence, a modification to include a more specific and precise measurement within each dimension is required to ensure that the model is operationally practical.

The Human Development Index (HDI) established by the United Nations Development Program (UDNP) is deemed insufficient for analyzing human development because the principle and definition used for constructing HDI are not centered on the *Maqāsid al-Sharī'ah* concept (Anto, 2011). Anto (2011) contends in his study that the effort to achieve *maslahah* (welfare) is recognized to be the main goal of development from the *Sharī'ah* standpoint. Anto (2011) introduced the Islamic Human Development Index (I-HDI), which is based on the principles of *Maqāsid al-Sharī'ah*. He recommended a rather more acute measurement than those developed by Chapra, which includes seven dimensions of development with an index that has been constructed to assess each dimension of development. For instance, Chapra, Khan, and Al Shaikh-Ali (2008) recommended the spiritual and moral uplift indicator in relation to the aspect of human spiritual capacity, which is deemed to be too general in nature while Anto



(2011) has tried to quantify the measurement by looking at the number of mosque visitors.

TABLE 2  
List of Variables in Chapra's Framework

Variables	Related <i>Maqāṣid</i>
Good Governance	Enrichment of Faith ( <i>Din</i> )
Values	
Proper Motivation	
Education	
Enabling Environment for Righteousness	
Family and Social Solidarity	
Role of the State	
Worldview	
Human Brotherhood	
Removal of Poverty & Need Fulfillment	
Employment and Self-employment	
Opportunities, Mutual Care and Trust	
Justice and Freedom	
Security of Life, Property and Honor	
Fulfillment of Socio-economic Needs	
Political Obligations	Invigorating of Human Self ( <i>Nafs</i> )
Dignity, Self-respect, Social Equality, and Brotherhood	
Justice	
Spiritual and Moral Uplift	
Security of Life, Property and Honor	
Freedom	
Education	
Good governance	
Removal of Poverty and Need Fulfillment	
Employment and Self-employment Opportunities	
Equitable Distribution of Wealth and Income	
Marriage and Stable Family Life	
Family and Social Solidarity	
Minimization of Crime and Anomie	
Mental Peace and Happiness	

TABLE 2 (continued)

Variables	Related <i>Maqāṣid</i>
High Quality of Affordable Religious Science Education Emphasis on the <i>Maqāṣid</i> in the Interpretation of Texts Library and Research Facilitation Freedom of Thought and Expression Reward for Creative Work Finance Research and Development in Educational Technologies Socio-economic and Political Development	Enrichment of Intellect ( <i>Aql</i> )
Proper Upbringing, Moral and Intellectual Development Marriage and Family Integrity Need Fulfillment Clean and Healthy Environment Freedom from Fear, Conflict, and Insecurity	Preservation of Posterity ( <i>Nasl</i> )
Education, R & D and Good Management Security of Life, Property and Honor Good governance & Freedom of Enterprise Employment and Self-employment Opportunities Removal of Poverty, Need Fulfillment Equitable Distribution of Wealth Social Solidarity and Mutual Trust Savings and Investment Optimum Rate of Development	Enrichment of Wealth ( <i>Mal</i> )

Source: Chapra, Khan, and A. Al Shaikh-Ali (2008)

An index proposed by Anto (2011), however, is not without criticism and has been discussed by mainstream economists (Stiglitz, Sen, and Fitoussi, 2009; Jackson, 2009). The index proposed by Anto, which includes the Gross Domestic Product (GDP) component under the Property Index to measure human development, has been challenged as the metric is recognized as being against the principle of *Maqāṣid al-Sharī'ah*. This is because the calculation of GDP accounts for the output of production prohibited by *Islām* such as production of wine and tobacco, pornography, nuclear weapons, interest-based financing, and environmentally harmful production. Therefore, the metric needs to be purified prior to application in measuring human development progress. The following illustrates the indices and metrics within each index established in Anto (2011).

TABLE 3  
Dimensions of Development by Anto

Development Objective	Dimensions	Indices
<i>Maslahah</i>	Faith	Faith Index
	Life	Life Index
	Science	Science Index
	Family-Social	Family-Social Index
	Freedom	Freedom Index
	Justice	Justice Index
	Property	Property Index

Source: Anto (2011)

TABLE 4  
Indices and Metrics Established by Anto

Indices	Metrics
Faith Index	Mosque visitors on a daily basis / 1000 Muslim population
	Fasting
	Actual against expected <i>zakāt</i>
	Actual Charitable Fund / GDP
	Crime rate
	Corruption rate
	Violence rate
Life Index	Life expectancy at Birth
	Drug prevalence
	Smoking prevalence
Science Index	Education level
	Education Institutions / population
	Literacy rate
	Number of patents
Family-Social Index	Number of publications
	Actual Number of Family / Expected Number of Family
	Rate of fertility
	Rate of mortality
	Rate of divorce
	Violence in Family

TABLE 4 (continued)

Indices	Metrics
Property Index	GDP per capita Economic growth GDP / capita growth Gini ratio Rate of poverty
Additional index	Political freedom CO2 emission rate
Justice index	
Freedom index	
Environment index	

Source: Anto (2011)

Batchelor (2013) proposed an Islamic Rating Index that encompassed two aspects of well-being which are the personal religiosity and social engagements. The study conducted by Batchelor has applied a small range of variables since it relied on readily accessible information in most countries. He had used a similar technique to that used by the Organization for Economic Cooperation and Development (OECD) in establishing well-being indicators, in which two criteria were used, including the relevance of the conceptual part of the study and the availability of high-quality data from reliable sources such as the World Bank, the United Nations, and Transparency International. In addition, the Islamic Rating Index excluded financial variables which makes it less comprehensive (Nizam and Larbani, 2014).

Amin et al. (2015) tried to establish an inclusive Islamic Development Index (I-DEX) in which the doctrine of *Maqāsid al-Sharī'ah* was applied by deploying Sekaran's method of operationalization. In the study, they segregate the concepts into observable characteristic behaviors, namely dimensions which then were further broken down into measurable behaviors named elements. The content analysis of the applicable field work approach has been utilized to operationalize the I-DEX into observable components. The proposed I-DEX is expected to represent a more holistic approach to measure human development from the *Islamic* point of view as the creation of the I-DEX is formulated based on the conceptual descriptions of the components of *Maqāsid al-Sharī'ah* (Amin et al. 2015). Nonetheless, the scarcity of data represents a substantial

restriction in integrating more important indicators. The study also did not specify the methodology of aggregation of the indicators within the elements, elements within dimensions and dimensions within the notion of *Maqāṣid al-Sharī'ah* (Nizam and Larbani, 2014).

Ahmad Rasool and Salleh (2014) proposed a multidimensional poverty index to measure the poverty rate among the *zakāt* recipients that involved dual cut-off methods. The value of the study lies in the authors' recommendation of a weighting scheme to all five dimensions of *Maqāṣid al-Sharī'ah* in which the weights were decided upon expert consultations with those involved heavily in *zakāt* management. Notwithstanding the contribution of the research, the variables used under the faith dimensions such as performing of religious obligation, are less objective and would lead to a biased answer from the respondents. Besides, the indicator of attendance at mosque programs may be less relevant, especially during the lockdown-imposed period following the Covid-19 pandemic threat. Nizam and Larbani (2014) proposed the *Maqāṣid al-Sharī'ah* Composite Index (MSCI) which aimed at developing a comprehensive index using real data produced by different organizations including the Department of Statistics Malaysia (DOSM), Gapminder Organization, World Bank, United Nations (UN), World Health Organization (WHO) and State Government Agencies. The indices proposed by the study will provide a detailed image of achievement of *Maqāṣid al-Sharī'ah* in a variety of aspects. The present databases for most countries are gathered based on a framework that is far from *Maqāṣid al-Sharī'ah*. However, various data pertaining to the faith dimension such as the number of people attending five times prayer in a day and the frequency of performing prayer is still insufficient in most of the *Islāmic* nations. The data collection also may lead to biasness since the questions are too subjective and involve self-evaluation of the respondent's faith level. In a micro level analysis, Beik and Arsyianti (2015) proposed the CIBEST Quadrant model that illustrated the four possible scenarios in attaining individual needs that include both material and spiritual needs. The author categorized the typologies of households based on their desire to meet the fundamentals of material and spiritual needs. The study formulated the four quadrants which consists of welfare index, material poverty index, absolute poverty index and the spiritual poverty index.

## 6. REVIEW OF EMPIRICAL LITERATURE ON THE MULTIDIMENSIONAL POVERTY MEASUREMENT FROM CONVENTIONAL PERSPECTIVE

Potentially infinite choices exist for indices of poverty or well-being under the multidimensional poverty measurement (Alkire, 2002) thus leading to the on-going discussion among researchers. The pioneer of the capability approach, Amartya Sen himself asserted that there is no 'fixed list' of capabilities to be specified under the general capability approach due to the difficulty of making a list that can be applied for all occasions. Therefore, Cassell and Symon (2004) mentioned that the list of capabilities needs to take into consideration the referent population and the purpose of the study. Literature generally implies that a variety of indicators are widely used for multidimensional poverty studies in empirical and different types of studies including psychology, philosophy, quality of life, sociology, and anthropology.

Following establishment of the Multidimensional Poverty Index (MPI) developed by the Oxford Poverty Human Initiative (OPHI), increasing attention was shown in using the MPI that incorporated three dimensions which are health, education and living standards with 10 indicators to address the multidimensional poverty characteristics of individuals. The MPI assesses the household level and households would be classified as multidimensionally poor if deprived in more than 30% of the dimensions. MPI overcomes the limitation of unidimensional measurement since it includes non-monetary factors such as education, health and living conditions and explains the incidence and intensity of the deprivation across different dimensions. The Alkire-Foster (AF) method of MPI has been applied extensively in studying poverty. Mohanty (2011) looked at multidimensional poverty in India and found that inequality aspect was a significant factor in poverty incidence, while Alkire and Seth (2015) examined a massive reduction in poverty at the national level in India. Still, the result was inconsistent across regions, castes, or religions. In China, Alkire and Shen (2017) used the China Family Panel studies (CFPS) and utilized the AF methodology and concluded that the global MPI value of China is low and in a declining trend over time; household heads with higher education level, households of smaller size or have migrated are often related to the lower multidimensional poverty while the minority community and households where the heads are divorced are most likely to be multidimensionally poor. Bronfman (2014) noted that multidimensional poverty has a higher incidence in some regions than

income poverty with 20% of Chile's population being examined as income poor and/or multidimensionally poor in 2011 using the AF method. Chen, Leu, and Wang (2019) found varying deprivation status and multidimensional poverty characteristics among districts in Taiwan with central and southern district recording higher number of residents living in multidimensional poverty status. Saleem, Shabbir, and Khan (2021) observed an increasing trend of multidimensional poverty between year 2010/2011 and 2012/2013 in Pakistan, using data obtained from the 'Pakistan Social and Living Standard Management' statistical survey.

In Malaysia, Mohd Harun and Abdullah (2007) and Mohd Harun and Haji Idris (2009) found that economic and social exclusion dimensions include adequacy of health care provider, education resources and infrastructure contributed to the higher incidence of poverty. Solaymani and Kari (2014) evaluated poverty rate among the Malaysian fishery community using the MPI and concluded the level of poverty in fishing communities is high, with almost all the fishermen being considered as multidimensionally poor and young fishermen more often multidimensionally poor than older fishermen. Solaymani and Kari (2014) adopted eight dimensions, including income, education level, health, insurance, sanitation, access to piped water, access to good roads and access to electricity. Solaymani, Vaghefi, and Kari (2019) measured poverty among the Malaysian Employee Provident Fund (EPF) retirees using the MPI and incorporated four dimensions in assessment namely health, education, living standards and economic activity. The study concluded that around 84% of EPF retirees are multidimensionally poor, and women are found to be more deprived than men in education, home ownership, transportation, and income level. Ibrahim, Mohamed Husain, and Abdul Rahman (2018) incorporated health, education and living standards under the MPI in a study analyzing poverty among 83 students in Universiti Teknologi Mara (UiTM) and found that most of them were recognized to be multidimensionally poor. Ismail et al. (2018) examined the poverty rate of participants of Agropolitan Projects in Kampung Tanjung Gahai, Lipis by adopting the MPI and found a significant difference in poverty rate among the respondents as measured by the Poverty Line Income (PLI) and the MPI. The study shows disparity in poverty measurement between monetary and non-monetary methods of poverty measurement. Abdullah et al. (2019) employed the MPI in Terengganu using four dimensions, namely education, living standard, wealth and health. The study concluded that most of the indigenous people in Terengganu were deprived in

livestock, followed by waste management, years of schooling and income.

## 7. REVIEW OF EMPIRICAL LITERATURE ON THE MULTIDIMENSIONAL POVERTY MEASUREMENT FROM *ISLĀMIC* PERSPECTIVE

The adoption of non-monetary indicators for poverty measurement and assessment has also been explored from the *Islāmic* perspective that integrates the dimensions under the *Maqāṣid al-Sharī'ah* with a few empirical research studies adopting the *Islāmic* principles in poverty evaluation. Ali and Hassan (2014) compared the multidimensional poverty measure for Pakistan using the Maqasid al-Shariah-Based Index with the MPI measure calculated by the OPHI and UNDP. The study revealed that Pakistan fared better in MS-Based Index mainly due to differences in the use of dimensions, cut-off threshold of the dimensions and the data. Comparison between results of MS-Based Index and the monetary poverty measurement (\$1.25 a day in this study) demonstrates that there are more people in poverty in Pakistan measured by the MS-Based Index ( $H = 39\%$ ) than the people who live below \$1.25 per day.

As for *zakāt*, Kasri and Ahmed (2015) concluded that the poverty and well-being of the *zakāt* recipients in Indonesia have improved following disbursement of *zakāt* funds. Using the MPI developed by Alkire and Foster (2011), the study demonstrated that the recipients have slightly improved their well-being and poverty measures in four out of five dimensions, notably the education dimension obtained the highest improvement, followed by health, social dimension while the smallest changes were evidenced in the economic dimension. Kasri and Ahmed (2015) pointed out that although *zakāt* recipients have improved in their economic resources, the changes have not been reflected in better purchasing power and savings in the study. Beik and Arsyianti (2016) observed some improvement in poverty incidence among the *zakāt* recipients following the deliverables of the productive-based *zakāt* programs implemented by using the CIBEST index. The program is capable of improving the poverty incidence and headcount of the *zakāt* recipients, as reflected by changes in the welfare, material and absolute poverty index.

Based on the empirical studies conducted, applying multidimensional poverty measurement in measuring poverty highlights several areas of deprivations encountered by the respective



target groups more accurately. The literature also implies that the MPI can be a comprehensive poverty measurement tool to uncover deprivation of the poor in different dimensions. The tool is found effective in capturing poverty in many targeted groups to improve poverty alleviation programs since the method is a more actionable, policy-relevant indicator. It is worth highlighting, however, that research on integrating *Maqāṣid al-Sharī'ah* in poverty measurement is still at an exploratory stage.

## 8. CONCLUSION AND RECOMMENDATIONS

This paper is expected to enhance the understanding of poverty measurement from a multidimensional approach. There is increasing attention in developing a robust index to measure poverty more precisely and one that can truly reflect the poverty scenario. The literature recognized the importance of the MPI in measuring poverty to assist policymakers in determining the level and under which dimensions a person may be deprived. This is due to the flexibility of the MPI to be disaggregated by region, social groups and dimensions. Nevertheless, the paper noted that there is still a limited attempt to incorporate *Maqāṣid al-Sharī'ah* elements in measuring the multidimensional nature of poverty. Integrating *Maqāṣid al-Sharī'ah* concept in developing a holistic poverty measurement index is crucial to reflect the real poverty scenario of *Muslim* individuals in accordance with the *Sharī'ah*. In *Islām*, a healthy human development should be comprehensive to include spiritual, moral, and material dimensions that cater to human life in this world and the hereafter. Hence studies to assess poverty by incorporating *Maqāṣid al-Sharī'ah* are crucial. Enhancing the existing variables, dimensions and indicators used to measure poverty among Muslims will enable policymakers and *zakāt* institutions, to identify the poor and destitute more comprehensively.

We suggest that more objective and relevant variables be used in developing a standard multidimensional poverty index that incorporates *Maqāṣid al-Sharī'ah* elements. More frequently updated data is also required to provide valuable information to the policy maker and *zakāt* authority in ensuring more effective *zakāt* distribution. Dependency on secondary data may result in limitation of the variables that can be integrated into developing an inclusive poverty index. Primary data can also help to prevent missing out on any unmeasured aspects of poverty. Data reliability must be checked before a multidimensional poverty index can be implemented. This

study suggests that the indicators used, particularly under the dimension of faith need to be more objective and meaningful. A holistic poverty measurement is vital for improving quality of life among the poor and also to accelerate *Muslims'* worship as emphasized by the *Islāmic* development framework.

## ENDNOTES

1. *Maudhu'i* method refers to the process of discussing the phenomenon by selecting verses in the *Qur'ān* purposively based on their relationship with the respective themes. This application would have resulted in a better and comprehensive understanding of a subject from the *Qur'ān* perspective.
2. *Nisab* is the minimum limit for those who are obligated to pay *zakāt*, it varies according to the type of asset. It is a tool to differentiate the poor and the affluent (Al-Qardawi, 1999).

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