

Prioritization of *Zakat* Distribution in Selangor and the Federal Territory of Malaysia: Are They Following the Right Distribution Principles According to *Shariah*?

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Abstract: This study reviews and analyzes the current practice of *zakat* distribution in Selangor and the Federal Territory of Malaysia. It is observed that within recent years, *zakat* distribution in Selangor and the Federal Territory to *fi sabilillah* recipients constitutes the highest percentage as compared to other groups of recipients. Hence, there is a need to study the relevance of prioritizing *fi sabilillah* over the other groups of recipients because the more the allocation channeled to a particular group, the more the chances that the rest will eventually have less portion from the *zakat*. Therefore, the group which is prioritized should have a more significant impact in realizing the goal of *zakat*. In order to do so, a few aspects must be analysed, including the principle of prioritization or preference in *zakat* distribution from the *Shariah* perspective, the definition or interpretation of *zakat* recipients adopted by these two states and also the *zakat* allocation method practiced by them. Several recommendations are proposed to improve the *zakat* distribution in both States.

Keywords: *Zakat*, prioritization, distribution, Islamic finance

Abstrak: Kajian ini bertujuan untuk mengulas dan menganalisa kaedah pengagihan zakat semasa yang diamalkan di Selangor dan Wilayah Persekutuan. Semenjak beberapa tahun yang lepas, didapati bahawa pengagihan zakat di Selangor dan Wilayah Persekutuan lebih banyak tertumpu dan disalurkan

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kepada golongan *asnaf fi sabilillah* berbanding golongan *asnaf* yang lain. Oleh yang demikian, wujudnya keperluan untuk mengkaji rasional di sebalik memberi keutamaan kepada golongan *asnaf fi sabilillah* berbanding golongan *asnaf* yang lain. Ini adalah kerana, apabila golongan *asnaf fi sabilillah* menerima jumlah zakat yang lebih besar, secara tidak langsung ia akan mengurangkan jumlah zakat yang akan diterima oleh golongan *asnaf* yang lain. Maka, golongan yang diberi keutamaan ini mestilah mempunyai impak yang lebih ketara dalam mencapai matlamat pemberian zakat. Untuk tujuan itu, beberapa aspek kajian perlu dianalisa, termasuk prinsip keutamaan dalam pengagihan zakat dari perspektif *Syariah*, definisi dan tafsiran golongan *asnaf* yang digunakan oleh negeri-negeri tersebut dan juga kaedah peruntukan zakat yang diamalkan. Beberapa cadangan telah diusulkan untuk penambahbaikan pengagihan zakat di negeri-negeri tersebut.

Kata kunci: Zakat, keutamaan, pengagihan, kewangan Islam

Introduction

Zakat management in Malaysia falls under the jurisdiction and authority of the state government as mentioned in the Federal Constitution. Each state has a State Islamic Religious Council (SIRC) or *Majlis Agama Islam Negeri* that manages all matters related to the religion of Islam including *zakat*. Given the situation, it gives full authority and flexibility to every SIRC to administer the management of *zakat* whenever it is deemed appropriate. As such, some states¹ have fully privatized the *zakat* management particularly on the collection and distribution to the other institutions; the Federal Territory, Negeri Sembilan, Melaka and Pahang have opted for privatization of their *zakat* collection only while the SIRCs still remain responsible for the *zakat* distribution. The remaining states (Terengganu, Perak, Johor, Kelantan, Kedah, Sabah and Perlis) have maintained both the *zakat* collection and distribution under full management of the respective SIRCs² without any privatization involved.

It is observed that the *zakat* collection in Malaysia has been increasing steadily from year to year. This may have been due to the introduction of various payment channels which facilitated the *zakat* payers to perform their responsibilities such as the online payment scheme and also the salary deduction scheme³. The record shows that the Federal Territory and Selangor are the biggest contributors to the

collection, and thus the significant criteria for choosing the two states for this study.

However, despite focusing on the collection of *zakat*, this study examines the *zakat* distribution, of which the current scenario of *zakat* has shown that it is not performing as well as *zakat* collection⁴. This aspect should be focused on because *Zakat* is only beneficial if it reaches the end user or *zakat* recipients.

This study qualitatively examines *zakat* distribution in the Federal Territory and Selangor using the annual data from 2008 to 2013. This study focuses only on the *zakat* distribution in Selangor and the Federal Territories. These two States were selected because they are the top two states with the highest *zakat* collection in Malaysia⁵.

This research basically adopts a qualitative research design that focuses on exploration and understanding of a particular problem in the form of interpretive inquiry⁶. Hence, this research mainly involves library related materials such as books, journals, articles, annual reports and newspapers that are obtained either through hardcopy or websites. Annual reports that are used in this research are the annual reports from *Majlis Agama Islam Wilayah Persekutuan* (MAIWP), *Pusat Pungutan Zakat* (PPZ) and also *Lembaga Zakat Selangor* (LZS), are retrieved from their respective websites for data collection purposes.

Prioritization of Distribution from the Shariah Perspective

There are no differences of views of the scholars on the eight categories of recipients (*asnaf*) of *zakat* as prescribed by the Quran (surah al-Taubah: 60): *al-fuqara'* (the poor), *al-masakin* (the needy), *al-amilin* (those who collect *zakat*), *al-muallafah qulubuhum* (those whose hearts are being reconciled), *al-riqab* (emancipation of slaves), *al-gharimin* (people in debt), *fi sabillah* (for the cause of Allah) and finally *ibn al-sabil* (travelers). However, how do we determine their order or sequence in receiving *zakat*? Who amongst the eight should be given priority in *zakat* distribution? The Shariah scholars have different opinions on this issue.

Imām al-Shafii, Ikrimah, Umar
Abd al-Aziz, al-Zuhri and
Dawūd⁷

Zakat should be distributed equally
(ta'mim) to all the recipients if they are
available.

- Shafii and Ḥanbali⁸ *Zakat* should be given to the *amil* first before being distributed to the other recipients. This is because the *amil* receives *zakat* from his work.
- Maliki and Ḥanafī⁹ There is no specific order or sequence as to whom should receive *zakat* first. The order or sequence should be based on the needs of the recipients. Any group of recipients who is in greater need of *zakat* will be given priority in receiving *zakat*.
- Ni‘mat ‘Abd al-Laṭīf Mashhur¹⁰ The sequence of recipients of *zakat* revealed in the Qur’ān indicates that those mentioned earlier have greater importance than those mentioned later. Hence, we can say that in this opinion, the *fuqara’* (poor) and *masakin* (needy) are the most important group of recipients and should be given priority in *zakat* distribution.

The opinion of Maliki and Hanafi scholars and other contemporary scholars, as mentioned above, which put the needs of *zakat* recipients as the basis of *zakat* distribution is much more preferable and practiced by *zakat* institution nowadays. By adopting this opinion, it gives the flexibility for the *zakat* institution to distribute *zakat* according to the society’s need. This is because there are several factors such as the needs of the recipients, the number of recipients and the volume of *zakāh* available that are observed and analyzed before determining the *zakat* distribution to the recipients. All of these factors are not fixed instead they are prone to changes from time to time. Hence, we should adopt a *zakat* distribution method that is able to cater the changes mentioned above in the attempt to achieve maximum benefit from the *zakat* distribution. Therefore, on the basis of *maṣlaḥah* it is allowed to prioritize a group of recipients over another.

On another note, *zakat* distribution should not be constrained to the giving of equal portions to all groups of recipients nor should it be fixed in a certain order or for a sequence of recipients. Since the concept of *fiqh* in Islam is *murunah* (flexible) in interpreting laws and rulings that are related to the time and situation, the same concept should be applied in *zakat* distribution such that *zakat* should be distributed according to the needs of the society.

The diversity of opinions by scholars has given the flexibility to Muslims around the world to practice the distribution of *zakāh* according to the *Sharī'ah* principles, according to the local needs of the society as well. Regardless of the different opinions and rulings amongst scholars, ultimately, the main objective is to ensure that *zakāh* is distributed to the rightful recipients and the purpose of *zakāh* is fulfilled.

Zakat Distribution in Selangor

Zakat distribution in Selangor illustrates a steady increase since the year 2008 until 2013 which reflects the growth of *zakat* collection year by year. This may be attributed to the increasing number of *zakat* payers in Selangor and also the various channels that facilitate the process of *zakat* payment. The figure below illustrates the statistics of *zakat* collection and distribution for the year 2008 until 2013 in Selangor.

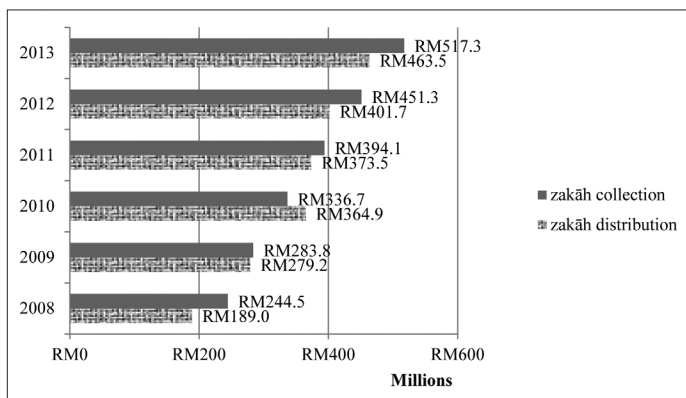


Figure 1. Statistics of *zakat* collection and distribution from 2008 – 2013 in Selangor

Source: Penyata Kutipan dan Agihan Zakat LZS 2013

From Figure 1, it is observed that within six years (2008 – 2013), the amount of *zakat* distributed in Selangor has more than doubled from its original volume in 2008 with an increase of an average of 20% each year. The increase in *zakat* funds implies that more *zakat* distribution programs can be conducted hence recipients can gain more benefit from it. It is also observed that there is a gap between *zakat* collection and *zakat* distribution for each year which signals that not all *zakat* collected were distributed during the same year. This may be due to several factors such as the payment of *zakat* at the end of the year and the investment of *zakat* funds.

Table 1 displays the breakdown of *zakat* distributed according to the eight groups of recipients in Selangor. Throughout the duration, the *fi sabilillah* group continuously receives the highest portion of the *zakat* funds, registering an average amount of 30% each year. LZS reinforces its *zakat* distribution by introducing development programmes that focuses on five aspects which are social development, education development, economic development, human development and also development of religious institutions¹¹. The social development programme aims to improve the quality of life of the *zakat* recipients. This programme focuses on three core aspects of life which are basic needs such as shelter, food, financial assistance and also medical assistance. Realizing that shelter is one of the most essential needs of humans, aids are provided for the repairs of exhausted homes, construction of new homes and also rentals. Food and monthly financial assistance are given to those who are in desperate need but on a temporary basis until they can afford to support their family and also themselves. As for medical assistance, it comprises bill payments for medical expenses, cost for surgery, medical equipment and dialysis.

Table 1. *Zakat distribution according to zakat recipients in Selangor from 2008 until 2013*

<i>Zakat</i> recipient	<i>Zakat</i> distribution (RM in millions)					
	2008	2009	2010	2011	2012	2013
<i>Faqir</i>	11.4	34.9	50.8	35.5	44.3	53.4
<i>Miskin</i>	51.2	70.7	89.8	76.1	94.9	121.7
<i>Amil</i>	30.4	35.4	42.1	49.3	56.4	64.7
<i>Mu'allaf</i>	11.7	16	20.2	15.5	23.1	38.8
<i>Riqab</i>	1.1	1.6	4	7.8	6.9	13.2
<i>Gharim</i>	19	30.1	29.8	32	33.7	46.1
<i>Fi sabilillah</i>	63.6	89.3	127	156	140	123.7
<i>Ibn al-sabil</i>	0.7	1.1	1.3	1.2	1.9	1.9

Source: Annual reports 2008-2013, LZS

The education development programme is seen as an important tool in transforming the lives of the *zakat* recipients. Realizing this, LZS has given much focus on the educational development starting from pre-school level up to tertiary education in the universities. The education development programme provides assistance which covers school fees,

school uniforms and other educational needs for primary and secondary school students. Scholarships are granted for undergraduates in local universities and abroad. In addition, *zakat* is also provided for the *tahfiz* (those who memorize the *Qur'an*) students as a token of encouragement. The economic development programme helps the *zakat* recipients to overcome poverty. The strategy of this programme is to enable the *zakat* recipients to be independent and to be able to increase their income and earn enough to comfortably support their own families without continuously depending on the *zakat* funds and eventually in the long term become *zakat* payers themselves.

As for the human development program, it includes courses and training classes conducted for three group targets which are families, students and also entrepreneurs. The aim is to instill spiritual and motivational support to the recipients. This is imperative as the development of the *zakat* recipients should not be restricted to improvement in financial and material matters only. Instead it should be comprehensive and cover the spiritual aspect and mentality of the *zakat* recipients as well. Lastly it is a religious institution development programme. Most of the fund allocated for this programme is utilized for the construction and repairs of *surau*, mosques and religious schools. Some portion of it is spent on allowance for the committee members of the mosques. This fulfills the social responsibility of *zakat* for the society at large.

Table 2. *Zakat distribution according to development program in Selangor from 2008 until 2013*

Programmes	<i>Zakat</i> distribution (RM in millions)					
	2008	2009	2010	2011	2012	2013
Social development	86.5	144.4	158.1	131	162.5	214.2
Education development	42.7	65	123.3	110.1	140	124.2
Economy development	4.8	5	6.3	6.2	13	17.3
Human development	5.5	6.8	23.4	18.1	16.5	21.8
Religious institution development	18.7	22.2	11.6	58	13.3	21.3

Source: Annual reports 2008-2013, LZS

Out of the five elements, distribution to *fi sabilillah*¹² covers two elements: education development and religious institution development. For the education development, LZS provides assistance which covers school fees, school uniforms and other educational needs for school

students. Scholarships are granted for undergraduates and a portion of the *zakat* is given to the *tahfīz* (those who memorize the *Qur'ān*) students. As for religious institution development, funds are used for the construction and repairs of *suraus*, mosques and religious schools.

The second highest group of *zakat* recipient in Selangor is the *miskin*¹³ group of recipient. This indicates that this group is one of the priority of the LZS in *zakat* distribution. Various aids are provided for those who are *miskin* under the LZS developmental programmes mentioned above. The majority of the economic development programmes are concentrated on this group of *zakat* recipients. Educational development is also emphasized in assisting this groups of recipient because education is seen as an important aspect that could improve the quality of life for the *zakat* recipients. Monthly aid of school fees and educational needs are provided for families with children covering all levels of education starting from kindergarten up to secondary school while undergraduate and postgraduate levels are provided scholarships. On top of that, those who excel in their studies are given reward as encouragement to motivate them and others to perform better in their studies.

The *amil*¹⁴ group of *zakat* recipients ranked third after *fi sabilillah* and *miskin* throughout 2008 until 2013 with the exception of 2010. This group obtained 13% on average each year from the total *zakat* distribution fund. Allocation for this group of *zakat* recipient is spent on the *amil* of *zakat al-fitrāh* and the administration expenses of the *zakat* institution or LZS in this case.

Besides *fi sabilillah*, *miskin* and *amil*, the rankings of other group of recipients in the *zakat* distribution were not consistent and varied from year to year. As for the *faqir*¹⁵ group of *zakat* recipients, the highest percentage received was 14% in 2010. The aids and assistances provided to the *faqir* are similar to the *miskin* as both groups of recipients consist of those who do not have or earn enough to satisfy their needs.

As for the *mu'allaf*¹⁶ group of recipients, it started off with 6.2% of the total *zakat* distribution fund in 2008 and experienced a decline from 2009 until 2012 then rose up to 8.4% recently in 2013. Although the percentage of the muallafs receiver may seem insignificant compared to others, it is interesting to note that they receive most of the aids and assistance that are similar to the *faqir* and *miskin*. The *mu'allaf* group was included in the economic development program to help

them build their income independently through entrepreneurship. As for educational development, they are given allowance for attending religious classes and scholarships are granted for pursuing their studies. Apart from that, monthly financial and food assistance, allocation for their accommodation (repairs, construction and rental) and welfare (healthcare expenses) are provided as part of the social development program. The *mu'allaf* group of recipients was given much aid and assistance with the belief that they may face difficulties such as being isolated by friends and families.

The *gharim*¹⁷ and *ibn al-sabil*¹⁸ remained almost the same each year receiving 10% and 0.4% respectively. Expenditures under the *gharim* group include financial aid for debts relating to medical costs, basic needs expenses, institutional debts for the benefit of the Muslim society and funeral arrangement costs for *jenazah* (the dead) without heirs. The portion of *ibn al-sabil* is spent on travelers and transportation costs for students studying abroad.

Lastly, the *riqab*¹⁹ group of recipient experienced the biggest growth during the duration compared to all the recipients. They started off with merely 0.6% in 2008 and increased to 2.9% in 2013. Support for the *riqab* is focused on the human development program which includes the rehabilitation program for *akhlak* (character), *akidah* (faith), human immunodeficiency virus (HIV) patients, and *dakwah* activities.

At the same time, LZS also acknowledged on the importance of the *fuqara* and *miskin* as both are the earliest mentioned in verse 60 of *sūrah al-tawbah* that narrates about the *zakat* recipients set by *Allah*. Hence, *miskin* ranked second highest in the *zakat* distribution as stated in Table 1.

Analyzing from another angle, it is observed that throughout the period, the social development program constitutes the largest share of the *zakat* distribution as depicted in Table 2. This indicates that LZS emphasizes the social welfare of the *zakat* recipients because it covers the basic needs such as shelter, food, financial assistance and also medical assistance. The social development program delivers aids and assistance mostly to the *faqir* and *miskin* group of *zakat* recipients.

Overall, it is observed that from the breakdown of *zakat* distribution according to the recipients, *fi sabilillah* has the highest ranking. However,

from the breakdown of *zakat* distribution according to the development program, it is clear that social development owns the biggest portion where it can be understood that the *faqir* and *miskin* group of *zakat* recipients own the biggest portion. Therefore looking at the breakdown of *zakat* distribution from both angles, it is safe to conclude that LZS place emphasises on the *fi sabilillah* group of recipients because it gives a wider impact to the society that allows more people to benefit from it, and at the same time its benefits are long-term. At the same time, the importance of the *faqir* and *miskin* group of *zakat* recipients is acknowledged as the main purpose behind the obligation of *zakat* which is to curb poverty.

Zakat Distribution in the Federal Territory

Statistics of the *zakat* management in the Federal Territory records an increasing trend of *zakat* collection which is followed closely by the *zakat* distribution since 2008 until 2013. Several factors can be associated with the growth of *zakat* collection and distribution in the Federal Territory and among them is the increase of awareness among the Muslim society to fulfil their *zakat* obligation. Also, the confidence level of the Muslim society towards MAIWP that has increased through the various *zakat* distribution programs that are comprehensive is also a contributing factor to the growth in *zakat* collection and distribution in the Federal Territory²⁰. The figure below illustrates the statistics of *zakat* collection and distribution for the year 2008 until 2013 in the Federal Territory.

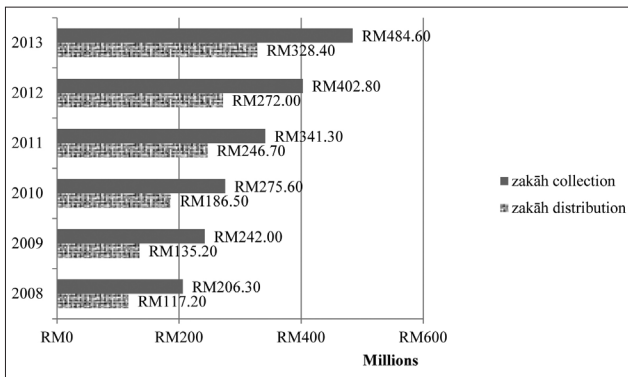


Figure 2. Statistics of zakat collection and distribution from 2008 – 2013 in the Federal Territory

Source: Annual reports 2008-2013, MAIWP; Annual reports 2008-2013, PPZ

Looking at the figure above, it is observed that *zakat* collection and distribution has been increasing steadily throughout the years with an average growth of 18% and 23% respectively each year. Similar to Selangor, there is a gap between the *zakat* collection and *zakat* distribution in the Federal Territory that indicates not all the *zakat* proceeds are distributed within the same year. The increase in *zakat* distribution in the Federal Territory is linked to several factors such as the ability of MAIWP to identify more *zakat* recipients as well as the rising cost of living.

Zakat distribution by MAIWP is divided into two: the first type of distribution is direct distribution (*agihan secara langsung*) whereby *zakat* is distributed to the recipients via numerous assistance schemes launched by MAIWP. These schemes can be classified into four categories, i.e., social development activity, economic development activity, education development activity, and lastly, welfare and *dakwah* activity. This type of distribution constitutes the majority of the *zakat* distribution. Second is the indirect distribution (*agihan secara tidak langsung*) which involves administration costs such as staff wages, maintenance of premise, utility bills, construction of infrastructure, etc. Indirect distribution of *zakat* that is related to construction of infrastructure has a stronger impact on society because of its long term benefit.

Under the social development activity, MAIWP lends a hand in helping the *zakat* recipients to fulfill their basic needs. This is done through several assistance programs which are monthly financial aid, accommodation aid, aid for *al-gharimin* and medical aid. Monthly financial aids are given to the *faqir*, *miskin* and *mu'allaf* group for a year. After a year has lapsed, these recipients are reevaluated to determine their eligibility to receive *zakat*. The accommodation aid includes assistance for house rent deposit, monthly rentals, house construction and renovation. Medical aid is given for those who cannot afford to get treatment from the government hospitals. Among the expenses covered by this aid are surgery, medicine, medical equipment and also hemodialysis. Interestingly, MAIWP also expanded its *zakat* distribution under the medical aid to the welfare fund of several hospitals in order to help ease the burdens of patients who cannot afford to pay the hospital bills after receiving treatment. Hospital Kuala Lumpur (HKL), Hospital Putrajaya, Pusat Perubatan Universiti Malaya (PPUM) and

Pusat Perubatan Universiti Kebangsaan Malaysia (PPUKM) are the five hospitals that received contribution from MAIWP for their welfare funds. Aid for *al-gharimin* is given to those who are indebted in order to fulfill basic needs such as food, health, shelter, clothing and education. However, according to the records of MAIWP, those who applied for this aid are mostly indebted because of utility bills and also house rentals. Overall, the social development activity focuses on helping the *zakat* recipients that are *faqir*, *miskin*, *muallaf* and also *gharim*.

For the economic development activity, it aims to help and encourage the *zakat* recipients to generate their own income through business and entrepreneurship. By doing so, they may be able to overcome poverty and live a comfortable life. Among the assistance offered under this development activity is business aid, hire purchase deposit for taxi aid, and also agriculture aid. The business aid is given either in the form of monetary aid such as of capital expansion or in the form of physical tools such as business equipment. The hire purchase deposit for taxi aid is as obvious as its name. Its main aim is to help taxi drivers to own their own taxi by offering deposit payment for the purchase of the taxi vehicle. This is a huge relief for taxi drivers as they no longer have to pay for the rental of taxi vehicles which are costly and burdensome.

MAIWP is aware of the importance of education and acknowledges that it could improve the condition of the *zakat* recipients in the future. Hence, MAIWP has prepared several assistance programs under the education development activity which covers studies at the primary and secondary school levels, undergraduate, as well as post graduate levels. For the primary and secondary school levels, school fees and school equipment are provided while scholarships are given to the higher education level.

Lastly, the welfare and *dakwah* activity consist of several assistance programs such as aid for encouragement of *Qur'ān* memorization, aid for catastrophes, aid for non-governmental organization (NGO), religious and educational institutions, aid for marriage, aid for *syarie* lawyer services, aid for *ibn al-sabil* and also aid for *takaful* coverage. The aid provided for catastrophe is granted to those who have been hit by disaster for instance flood, fatal accidents, landslide, fire, burglary and storm. MAIWP also expresses its support to the NGOs, religious and educational institutions for their effort in spreading *dakwah* to the society by allocating some portion of its *zakat* fund to be given to them.

Aid for marriage is one of the interesting aids offered by MAIWP as one of the prevention measures to overcome social problems such as *zina* (adultery). The aid for *takaful* coverage is the latest aid added into the list which was introduced in 2012. It offers protection for the *zakat* recipients in the critical event of fatal accidents and total permanent damage.

Table 3. *Zakat distribution according to zakat recipients in the Federal Territory from 2008 until 2013*

Zakat recipient	Zakat distribution (RM in millions)					
	2008	2009	2010	2011	2012	2013
<i>Faqir</i>	20.5	36.1	37	56.8	64.3	69.8
<i>Miskin</i>	22.6	26	30.9	58.5	65.1	76.3
<i>Amil</i>	31.6	40.4	32.4	27.8	25.9	31
<i>Mu'allaf</i>	5.6	6.6	3.5	6.6	6.3	7.4
<i>Riqab</i>	0	0	0	0	0	0
<i>Gharim</i>	1.7	2.2	2.5	3.7	2.6	4.6
<i>Fi sabilillah</i>	85	63.3	93.7	91	107.3	138.8
<i>Ibn al-sabil</i>	0.4	0.5	0.6	2.1	0.4	0.4

Source: Annual reports 2008-2013, MAIWP; Annual reports 2008-2013, PPZ

According to Table 3, from 2008 until 2013, the highest receiver of *zakat* in the Federal Territory is the *fi sabilillah*²¹ group of recipients. On average, the *fi sabilillah* group of recipients registered more than 45% of the total *zakat* distribution fund for each year. As for the second place, it is not owned by one group of recipients throughout the period, but instead it alternates between three groups of recipients which are the *amil*²², *faqir*²³ and *miskin*²⁴. In 2008 and 2009, the *amil* group of recipients received 19% and 23% respectively which made it the second largest receiver of *zakat* distribution. The following year, the *faqir* group of recipients turned out to be the second highest earning for almost 20% of the *zakat* distribution fund. Meanwhile from 2011 until 2013, the second highest group which received overall 24% for each year was the *miskin* group of recipients. As for the *mu'allaf*²⁵ group of recipients, its highest portion of *zakat* was RM7.4 million in 2013. Throughout the period, this group received an average of 2.8% yearly from the *zakat* distribution fund.

The *gharim*²⁶ group of recipients received 1% of the total *zakat* distribution fund in 2008 which equals RM1.7 million. The portion received then increased tremendously in 2011 amounting RM3.7 million which was equivalent to 1.5% of the *zakat* distribution fund. In 2012, the portion received went down to 1% which was equal to the portion in 2008. Later in 2013, the *gharim* group of recipient received its largest amount of *zakat* throughout the period with the volume of RM4.6 million. The same pattern was observed for the *ibn al-sabil*²⁷ whereby in 2008, this group received 0.2% of the total *zakat* distribution fund, and the portion increased yearly until it reached the highest in 2011 which was 0.9%. The following year, which is 2012, the portion received was equal to the portion in 2008 which was 0.2%. In 2013, this group only received 0.1% from the *zakat* distribution fund; its lowest percentage since 2008.

Surprisingly, MAIWP did not distribute any *zakat* to the *riqab*²⁸ group throughout the period. It is reported that in 2001, MAIWP had distributed RM4000 to the *riqab* group. This amount is very little and barely reached 0.1% of the total *zakat* distribution fund during that year which was about RM47 million²⁹. Since 2002 until 2013, there was no allocation made for this group of recipient from the *zakat* distribution fund.

Through observation, it is noticed that the *zakat* distribution practice in the Federal Territory is consistent with the practice by LZS which applies the preferred opinion of the scholars in *zakat* distribution principles that allows *zakat* to be distributed to any group of recipient that is deemed to have the highest need of the *zakat* funds based on research and investigation³⁰. In the case of the Federal Territory, it is safe to conclude that the *fi sabilillah* *zakat* recipient has the highest need as it is given the biggest portion from the *zakat* distribution fund. This can be explained through the various assistance programs offered by MAIWP which falls under the category of *fi sabilillah*. Almost half of the 28 assistance programmes introduced by MAIWP are considered under *fi sabilillah* such as medical aid, hire purchase deposit for taxi, scholarship aid, aid for encouragement of *Qur'an* memorization, aid for catastrophes, aid for non-governmental organization (NGO), religious and educational institutions, aid for marriage, aid for *syarie* lawyer services, hire purchase deposit for motorcycle for disabled people, etc..

Hence, this justifies the huge allocation of *zakat* funds to the *fi sabilillah* recipients.

Since MAIWP interprets *fi sabilillah* as any individual or party that is involved in the activities that uphold, preserve and spread wide the religion of Islam, therefore the aids and assistance programs under this group of *zakat* recipients are able to cover a huge scope of society. This is a great opportunity for MAIWP to explore potential *zakat* recipients under *fi sabilillah* as its interpretation is more flexible compared to the other groups of *zakat* recipients. This enables *zakat* distribution to reach its best outcome in achieving the goals of *Shariah*.

Findings and recommendation

Upon observation, the breakdown of *zakat* distribution indicates that LZS and MAIWP implement the preferred opinion of the scholars in *zakat* distribution principle which allows *zakat* to be distributed to any group of recipient that is deemed to have the highest needs of the *zakat* funds based on research and investigation³¹, in this case is the *fi sabilillah* *zakat* recipient. The expenditures of *zakat* for the *fi sabilillah* recipient are seen to have a wider impact on the society which allows more people to benefit from it. For example, expenses for religious institution development under the *fi sabilillah* portion of the *zakat* fund enable many to benefit from it. Plus, it is also a long term benefit as the development of religious institutions mostly involve the construction and renovation of building. Another example would be education development whereby scholarships are granted for students to pursue their studies. Spending on education would benefit Muslim societies in the long run as these students could practice the knowledge that they have obtained to serve society, especially in the critical fields that require Muslim professionals. *Zakat* distribution must be made based on *fiqh al-awlawiyyat* (fiqh of priority) such that it would yield the optimum outcome in achieving the goals of *Shariah*³².

It is noticed that the *zakat* distribution management in Selangor and the Federal Territory share some similarities such as categorization of aids and assistance into several categories of development programs which include social development, education development, economic development, human development and also development of religious institutions. This is not surprising as these areas of development are considered as core aspects of society that needs continuous devotion

and attention. These aids and assistance schemes should be maintained and may be added from time to time in order to suit the needs of *zakat* recipients.

The major difference between *zakat* distribution in Selangor and the Federal Territory is the distribution of the *riqab* group of recipients. In Selangor, LZS defines *riqab* as those whose faith has gone astray from the right understanding of Islam; those who are in depravity or involved in immoral activities such as prostitution. Hence, LZS allocates on average 1.5% every year from its *zakat* distribution fund to the *riqab* group of recipients. The allocation is spent on rehabilitation programs for *akhlak* (character), *akidah* (faith), HIV patients, and *da'wah* activities for the *riqab* group of recipients. On the other hand, *riqab* in the Federal Territory refers to Muslim slave who is under conquest of a certain party either physically or mentally as stated by MAIWP. Since 2002 until 2013, no allocation of *zakat* was given to this group of recipients by MAIWP. Although it is reported in 2001 MAIWP distributed RM4000 to the *riqab* group of recipient, this amount is very little and barely reached 0.1% of the total *zakat* distribution fund during that year. The definition adopted by LZS is more precise in meaning and practical in terms of execution. Hence, it is suggested that MAIWP should redefine the meaning of *riqab* in the Federal Territory to allow allocation of *zakat* to this group of recipient in the future.

Looking at the list of aids and assistance programs introduced by both *zakat* institutions, MAIWP seems to be more outstanding as it includes aids, especially for the disabled people or hire purchase deposit for motorcycle for disabled people to be precise. Although it is acknowledged that LZS includes disabled people as *zakat* recipients under the *faqir* category generally, but aids that specifically cater for the disabled is not available in Selangor. Another example would be the aid for NGO provided by MAIWP. This aid allows MAIWP to participate with the activities organized by the NGOs indirectly, thus bringing the potential of *zakat* distribution to a higher level. Therefore, these types of aids could be considered to be included in the future as recommendation for the LZS *zakat* distribution management.

Both Selangor and the Federal Territory are well-known as the top two states registering the highest amount of *zakat* collection along with *zakat* distribution in Malaysia. According to the annual reports of LZS and MAIWP, not all *zakat* collected are distributed during the same

year. This gap between the *zakat* collection and *zakat* distribution might be a sign that there is a surplus in *zakat* distribution for both States. Therefore, it is suggested that *zakat* surplus from these two States be channeled to other States in Malaysia which has a low rate of *zakat* collection and distribution such as Sabah or Perlis³³ or to the states that are in need of *zakat* fund. Presently, transportation of *zakat* directly from one State to another is not a common practice in Malaysia, but it is worth a try if it is for the benefit of *zakat* recipients in Malaysia. Transportation of *zakat* cross-state may require observation from a centralized body such as JAWHAR for supervision purposes.

Another recommendation would be the introduction of interest-free loans from *zakat* institutions to those who need to obtain loans urgently, but are not qualified as *zakat* recipients. It is undeniable that many things need to be taken into consideration so as to avoid debtors from defaulting or taking advantage of the interest-free loans from *zakat* institutions. However, this may be an eye-opener as well as a motivation for more Muslims to pay their *zakat* because they are able to see the vast benefits of *zakat* to the Muslim society.

Endnotes

1 Those states include Selangor, Penang and Sarawak.

2 Hairunnizam Wahid, Radiah Abdul Kader, "Localization of Malaysian Zakat Distribution: Perceptions of Amil and Zakat Recipients", (2010), Universiti Kebangsaan Malaysia, p.465 <<http://www.ukm.my/hadhari/sites/default/files/prosiding/p23.pdf>>

3 "More *zakat* collection with online payment," The Malaysian Insider, 12 November, 2012, <<http://www.themalaysianinsider.com/malaysia/article/more-zakat-collection-with-online-payment/>>

4 Hajah May Sapura, Nur Izzati Saa'don, Rosmaiza Ibrahim, Memiyanti Abdul Rahim, Abdul Rauf Ambali, "Good Governance in Zakah Distribution: Perceptions of Zakah Recipients at Kota Tinggi, Johor", 2012 IEEE Symposium on Business, Engineering and Industrial Applications, p.619

5 Abd Halim Mohd Noor, Mohd Saladin Abdul Rasool, Pengurusan Agihan Zakat in Fiqh Zakat Malaysia edited by Hasan Bahrom, Abd Halim Mohd Noor, Rawi Nordin (Kuala Lumpur: Pusat Penerbitan Universiti (UPENA) & Institut Kajian Zakat Malaysia (IKaZ), UiTM,2011), p. 335

6 Creswell, John. W., *Research Design: Qualitative, Quantitative and Mixed Methods Approaches* (Thousand Oaks: Sage Publications, 2009), p.4, 176.

7 Al-Shirāzī, vol.1, p.240; al-Zuḥaylī, vol.2, p.777; Al-Mawsūcah al-Fiqhīyyah (Kuwait, Wizārah al-Awqāf wa al-Shu'ūn al-Islāmiyyah al-Kuwait,2002), vol.23, p.330; al-Qurṭubī, ‘Abī cAbd Allāh Muḥammad ibn Aḥmad, al-Jāmic li al-Aḥkām al-Qur’ān, vol.4, p.500.

8 al-Mawsūcah al-Fiqhīyyah, vol.23, p.330

9 Ibid., p.331

10 Mashhūr, Nicmat cAbd al-Laṭīf, al-Zakāh: al-‘Usus al-Sharciyyah wa al-Dawr al-‘Inmāi wa al-Tawzīciyyah (al-Qāhirah: Matbacah Markaz Ṣalih Kāmil, 2005), p.73

11 LZS, *Laporan Pengurusan Zakat Selangor 2010*, (Lembaga Zakat Selangor (LZS),2010), p.27

12 The definition of *fi sabilillah* by LZS, as stated in the fatwa, refers to any activity or effort that upholds and protects the religion of Islam. See *Fatwa Agihan Zakat Selangor 1994*. Meanwhile, the definition of *fi sabilillah* as discussed by Shariah scholars includes all acts and deeds that are intended for the sake of Allāh. Among those are those performing the hajj and umrah, full time students and public beneficial deeds. Also, ideology *jihād* which may include teaching, writing, doing *dacwah* (preaching people into Islam), and many more activities that contribute in upholding Islam against its enemies. These are some of the different opinions by Shariah scholars, regarding the definition of *fi sabilillah*. See Al-Kasānī, cAlā’ al-Dīn Abī Bakr ibn Mascūd, *Badā’ic al-Ṣanā’ic fī Tartīb al-Sharā’ic* (al-Qāhirah: Dār al-Ḥadīth, 2004) vol.2, p.493; Al-Qarḍāwī, Yūsuf, *Fiqh Az-Zakat A Comparative Study* translated by Monzer Kahf (London: Dar Al Taqwa Ltd, 1999), pp.423-425

13 The definition of *miskin* by LZS, as stated in the fatwa refers to own some wealth or earn some *ḥalāl* income that covers more than 50% of his essential needs, including his dependents, but it is still insufficient to totally fulfill the essential needs. See *Fatwa Agihan Zakat Selangor 1994*.

14 The definition of *amil* by LZS, as stated in the fatwa, refers to a party that is appointed by MAIS on behalf of the Sultan of Selangor in order to execute the collection and distribution of *zakāh*. See *Fatwa Agihan Zakat Selangor 1994*.

15 The definition of *faqir* by LZS, as stated in the fatwa, refers to a person who does not own any wealth or earn any *ḥalāl* (eligible according to Islam) income or may own some wealth or earns some *ḥalāl* income, but it is less than 50% of his expenses on essential needs (food, cloth, accommodation and other

necessities), including the essential needs of his dependents. See Fatwa Agihan Zakat Selangor 1994.

16 The definition of mu'allaf by LZS as stated in the fatwa, refers to a person who has newly embraced Islam. See Fatwa Agihan Zakat Selangor 1994.

17 The definition of gharim by LZS, as stated in the fatwa, refers to a person who is in debt for the purpose of fulfilling essential needs for himself and his dependents. See Fatwa Agihan Zakat Selangor 1994.

18 The definition of ibn al-sabil by LZS, as stated in the fatwa, refers to a person who is travelling and has exhausted his resources during the journey; or it can also refer to a person who wants to travel but does not own sufficient resources. See Fatwa Agihan Zakat Selangor 1994.

19 The definition of riqab by LZS, as stated in the fatwa, refers to those whose faith have gone astray from the right understanding of Islam: those who are in depravity or involved in immoral activities such as prostitution. See Fatwa Agihan Zakat Selangor 1994.

20 MAIWP, Annual Report 2012, (Majlis Agama Islam Wilayah Persekutuan (MAIWP),2012), p.28

21 The definition of fi sabilillah by MAIWP: any individual or party that is involved in the activities that uphold, preserve and spread wide the religion of Islam is considered fi sabilillah. The definition is referred to the 51st Mesyuarat Jawatankuasa Hukum Syarak Wilayah Persekutuan, see MAIWP Annual Report 2012.

22 The definition of amil by MAIWP: amil can be individuals or organizations that are directly involved in the management of zakāh (collection, distribution etc) with the zakāh institutions.

23 The definition of faqir by MAIWP: a person who does not own any wealth or income or a person who has some source of income, but it covers less than 50% of his daily essential needs, including the essential needs of his dependents.

24 The definition of miskin by MAIWP: a person who has some source of income, but it is only sufficient to cover part of the daily essential needs of him and his dependents

25 The definition of mu'allaf by MAIWP: those whose hearts are being reconciled or those whose hearts are inclined towards receiving Islam.

26 The definition of gharim by MAIWP: those who are indebted for the purpose of fulfilling essential needs for themselves and their dependents or those who are in debt in order to resolve the problems of the society which requires immediate solution

- 27 The definition of *ibn al-sabil* by MAIWP: travellers who are in a journey that are allowed by the *Sharīcaḥ*.
- 28 The definition of *riqab* by MAIWP: Muslims who are under slavery and under the control of a certain party either physically or mentally.
- 29 MAIWP, Annual Report 2001, (Majlis Agama Islam Wilayah Persekutuan (MAIWP),2001), p.21
- 30 *Al-Mawsūcaḥ al-Fiqhīyyah*, vol.23, p.331
- 31 *Al-Mawsūcaḥ al-Fiqhīyyah*, vol.23, p.331
- 32 Mohd. Parid Haji Shaikh Ahmad, p.19
- 33 These two states have the lowest rate of *zakāḥ* collection and *zakāḥ* distribution in Malaysia. Refer annual report 2009, Pusat Pungutan Zakat (PPZ), pp.75 – 90

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