

THE ALLEVIATION OF RURAL POVERTY IN MALAYSIA: THE ROLE OF ZAKAT A CASE STUDY

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ABSTRACT

This study focuses on the factors contributing to the lack of emphasis by the Kedah Department of *Zakat* (KDoZ), Malaysia on the alleviation of poverty among the rural poor through *zakat* capital assistance programmes and employment opportunities. In this study, seven research questions were outlined. A mixed-methods study was developed to answer research questions 1, 2, 3 and 4. Research questions 5, 6 and 7 were answered using qualitative data. Quantitative data was collected from questionnaire. The sample size was 406 participants from among the capable poor who can work which received annual monetary assistance. Qualitative data was generated from the interviews with KDoZ officers (n=11) and participants for the qualitative method were selected purposefully. The responses to research questions 1, 2,3 and 4 show that the majority of the respondents were not aware of the existence of SHS. Respondents' awareness towards SHS programme is significantly related with the socio-economic and *zakat* assistance characteristics which are rate of districts' collection, number of years respondents receive *zakat* and distance of respondents' house from the KDoZ office. 80% of respondents interested to apply for the SHS programme. The factors contributing to apply SHS were current *zakat* assistance, current income, economic activity, lack of motivation and constraints. Furthermore, the lack of interest in SHS was significantly related to the age of the respondents. In answering research question 5, there were 3 factors leading to this approach by the KDoZ: 1) the KDoZ faces the constraints of low *zakat* collection caused by two subscales; 2) a high rate of failure among the recipients or the poor in economic activities; and 3) incompetence of members of the KDoZ committee. The answers to research question 6 were difficulties in dealing with the poor, responsibility of the state government, and the committee's lack of interest. The answers to research question 7 were factors related to politics, the committee and priority in providing financial assistance. There are 5 main findings which hindered the effective use of *zakat*, which are capitalist thinking, local collection rates, avoiding the query of Sultan, a large number of committee members and limited *zakat* funds allocated for administration. Finally, recommendations were provided to overcome these problems. Several additional recommendations for future research have emerged from this study and these have been briefly outlined.

Keywords: *Zakat Distribution, Zakat Management, Rural Poverty, Eurocentric and Capital Assistance)*

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