
“ROLE OF ZAKAT IN POVERTY ALLEVIATION AND ECONOMIC DEVELOPMENT – SPECIAL FIELD STUDY OF MARUTHAMUNAI”

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Abstract:

This paper presents the role of Zakat in poverty alleviation and economic development in the community as well as in the nation. The researcher has given a special attention and field work in Maruthamunai, a village in Kalmunai Municipal Council of Amparai District. A variety of reforms and new ideas in the management and institutions are responsible for collecting and distributing of zakat. Zakat is a specific property with certain conditions prescribed for certain people and given to people or certain people (recipients) as well. The main aim of zakat has two dimensions i.e., spirituality (individually) and social economy to empowerment and enhance the status of the ummah (community). (Mutiara Dwi Sari....2013) Sri Lanka as a country with minority Muslim population has a challengeable in collecting and distributing of zakat according to the state rule. If zakat is managed properly, it will certainly have positive effect on the well-being of Sri Lankan poor Muslims. Maruthamunai which researcher has focused specially is a village with 100% of Muslim population. The Zakat management has been practiced as an institutional level for last twenty years at this village with the coordination of Mosques Federation and some Dawah movements. However, Lack of coordination between all institutions of zakat management has resulted in the achievement of zakat collection and distribution does not optimum. The research will bring the reason of this backward of Zakat management into the light

Keywords: Zakat Management, poverty, Maruthamunai, Sri Lanka, Muslims

Introduction

The term *Zakat* is derived from the Arabic verbal root meaning “to increase” “to purify!” and to bless. Allah Almighty says:

“Take *sadaqah* (Charity) from their property in order to purify and sanctify them” Q.9:103)

Hence this kind of *sadaqah* is called *zakat*, for its payment not only attracts blessings and mercy of Allah but also purifies and sanctifies the wealth and property. *Zakat* is one of the magnificent pillars of Islam as well as the soul of its possessor. In eighty two Quranic verses it is associated with *Salat*. (Prayers). The term “*Zakat*” is linguistically unique because, it

is difficult to find a word in another language that fully conveys its meaning as conceived in the Quran. One of the major objectives of instituting *Zakat* according to the Quran is to ensure that “wealth does not circulate only among the wealthy” (Quran 57:7).

Zakat is payment required by Islam to its followers who have property in various forms, if sufficient conditions (*haul*) or period and *nisab* or a minimum amount sufficient to meet basic needs for a period of imposed. According to Islamic law, *zakat* is a certain property is issued with certain conditions to people

or certain people (recipients). It has been divided the meaning of *zakat* into three terms i.e. linguistically and literal, theologically and legally. By linguistically, *zakat* means cleansing or purification of something from dirt or filth. *Zakat* also is “growth” and “increase”. Growth can be seen from various perspectives. This includes both psychological growth and material. Not only that, on the recipients’ side there will be growth or increase in their wealth too. In other words, whoever rightly performs *zakat* obligation would be given an increase in his or her wealth. Simply put, any asset or amount paid as *zakat* is promised to grow significantly, in many different aspects including spiritual, psychological and financial – benefiting payers as well as the entire economy [Muhammad, A. A. & Nur, B. A. B. (2009)]. Increase can also be interpreted in many ways including increasing the payer’s good deeds resulting in an increase in their religious merits and blessings [Abu Bakar, N. B. (2008)]. By theologically, it means spiritual purification resulting from giving of *zakat* As well as Allah says in As-Syams verse 9 “*He has succeeded who purifies it*”. By legally, *zakat* means transfer of ownership of specific property to specific individuals under specific conditions. Muslims have the obligation to give a specific amount of their wealth (with certain conditions and requirements) to the specified beneficiaries. *Zakat* is one of the Islam pillars which the second is *Shalat* and *Zakah* is belonging to the third pillar. *Zakat* is regulated by the Allah or Divine Laws termed in Al-Qur’an as Tawhid and Prophetic Guidance or Sunnah Rasul. “*Keep up prayer and pay Zakah*”, is the constant theme of the

Holy Qur’an. Based on the above definition it can be concluded that, the meaning of *zakat* is the number of properties given to certain people as a duty of the *Sariah* (Islamic Laws) who have certain properties in accordance with provisions applicable to certain conditions. On the other hand, *zakat* is also a sign of Muslim thanks to Allah for sustenance and wealth which Allah has given to him. For the believer he/she is optimistic that his/her properties are owned by other people as well. There are at least 27 passages in the Qur’an where the order to pay *zakat* and then order to establish prayer occur jointly. From this statement we can see the significant of *zakat* in Islam. Payment obligation of *zakat* as the third pillar of Islam began at the time of the Prophet (sal) sent Ibn Jabal to Yemen. As reported by Imam Bukhari (No.478), Ask them to say that “there is no God but Allah, and that I am the messenger of Allah, if they obey you shall tell them that God requires for them to prayer five times a day and night, if they obey him should you tell them that God requires them to perform *zakat* on their property.” Property was taken from the rich and given to the poor among them. Indeed Islam recognizes private ownership; however it is not absolute and unconditional. Any property is not totally owned by the person and the real owner is Allah and that wealth given by Allah is in trust [Al-Ghazali, M. (1997)] as a Trust (*Amanah*) [Abdalati, H. (1980).]. Allah says in Al-Ma’rij verse 24, *And those within whose wealth is a known right*. Allah also says in Al-Ma’rij verse 25: *For the petitioner and the deprived*. Indeed Islam recognizes private ownership; however it is not absolute and unconditional. Islam would not deny self-interest but would put self-interest

in perspective with social ethical responsibility [Toseef, A. (2010)].

Zakat has constituted one of the most important products of Islamic civilization; there are other fundamental objectives that we do not believe are possible to realize except by institutionalized efforts that cover all sectors of the society [Mohyi, A. A. A. (2011)].

Research Question (RQ)

From the background study and analyzing the history and practice of *zakat* management in Maruthamunai, the researcher identified the following Research Problem. “*Zakat* management in Maruthamunai has not achieved its goals?”

Therefore, to find out the answer to the above question, the researcher sets the following three aspects:

1. To know objectives of *zakat* specially its objective in poverty alleviation and economic development based on Islamic Principles
2. To study *zakat* management in Maruthamunai historically and practically
3. To analyze the realization of *zakat* management in Maruthamunai and feedback of its role in community.

Literary Review

Mushfiqur Rahman (2003) well studied the objectives of the *Zakat*, primary based on *figh uz- zakat* by Yusuf al- Qaradawi. This helpful guide is intended to clarify important points about *zakat* and enable readers to work out

their *zakat*, which is to be paid as an important obligation. Mr. Rahman has ably covered all the relevant issues, bringing home the important of *zakat*, its conditions and the main principles to be followed in assessing *zakat*. Farah Aida Ahmad, Rashidah Abd Rahman and Normah Omar (2012) has tried to provide a conceptual study on the roles of *zakat* in alleviating poverty especially in Malaysia by examining both theory and practical aspects. It is also suggested that the effectiveness of *Zakat* Institutions may improve by collaborating with other institutions such as Microfinance Institutions. Taylor Theodossiou’s (2015) paper focuses on how *zakat*, if used effectively, can help alleviate poverty all over the world. Mutiara Dwi Sari, Zakaria Bahari, Zahri Hamatives (2013) presents a conceptual model a management of *zakat* in Indonesia and they states ‘a variety of reforms and new ideas in the management and institutions are responsible for collecting and distributing of *zakat*.’

Material and Methods

This study is based on an interpretive approach. The data were collected from both primary and secondary sources. In addition to primary sources, qualitative interviews were conducted with selected specialists and related persons on this particular research area. Secondary sources such as published and unpublished records, reports and minutes were also consulted. Finally, this study provides appropriate recommendations to implement *zakat* management in Maruthamunai according to the Islamic principles.

Objectives of *zakat*

Zakat benefits not only one who receives it but

also the *zakat* payer himself. Al- Qaradawi and other scholars described the beneficial effects that *zakat* bring to the individual and his wealth. In brief, these effects are:-

- ***Zakat as a reminder that wealth belongs to Allah***

In several verses where Allah commands the believers to pay *zakat*, He uses the phrase “And give of what we have given them”. “This implies”, says Sayyed Qutb, “the believers inner belief that what they own and possess is a gift and favour from God. It is not of their own making.” (in the Shade of the Al-Quran Vol. I, p.24). That belief is reflected when a Muslim voluntarily and with gratitude pays a small portion of his wealth as *Zakat* as he is reminded that his entire wealth is a gift from Allah. [Mushfiqur Rahman – 2003]

- ***Zakat purifies the soul from miserliness***

When one pays *zakat* from his wealth, he gives up part of his wealth to help the poor and the needy. Such an act is contrary to greed and love of material wealth. Thus *Zakat* purifies the soul and removes miserliness.

- ***Zakat trains one to give***

By paying *zakat* every year, one develops a regular habit of giving and helping the poor. It is likely that this will become a permanent quality and he will continue to help those in need with *zakat* and charity.

Zakat trains one to acquire divine characteristics

One of Allah’s divine characteristics is absolute

mercy. By giving *zakat* and helping the destitute, one develops mercy and compassion towards others, and his soul is elevated above the lowly animal nature of covetousness.

- ***Zakat as an expression of thankfulness to Allah***

By paying *zakat* out of submission to Allah, one expresses his thanks and gratitude to Allah for the material bounty that he has given him. For it is, Allah makes one poor or rich. Imam al-Ghazali says that one offers thanks to Allah for the bounties of creation (such as health) by praying, and he shows thanks to Allah for the bounties of material wealth by paying *zakat* on it. (15. *Zakat* calculation p.15)

- ***Zakat is a cure for the love of worldly things***

Accumulation of wealth enables one to spend it for worldly enjoyments and material objects. The nature of material attraction, says Muhammad Asad, ‘is such that once an object is acquired, the goal is then set to get another object that would bring new satisfaction to the mind. (16.Same book ,page .16) This is an endless cycle that can make one forget the life of the hereafter. *Zakat* helps one break that cycle, for when paying *zakat* one spends money that brings no material benefit to him.

- ***Zakat stimulates personality growth***

People love those who do well to them. *Zakat* makes the poor appreciate the rich for their giving and pray for them while it makes the rich show a concern for the poor. Thus *zakat* bonds the two parties together and increases their mutual appreciation.

- ***Zakat purifies wealth***

Zakat is the right of the poor and it belongs to them. If it is not paid and is left mixed with the wealth of the owner, then it can make his wealth rotten.

“Pay *zakat* out of your property, for truly it is a purifier which purifies you, and be kind to your relatives, and acknowledges the rights of the poor, neighbors and beggars.

Zakat is also a debt to the poor until it is paid, and debt usually brings anxiety. In addition, a good servant of Allah will not feel comfortable with his wealth while there are many who are less fortunate and live in miserable conditions. By allowing part of the wealth to be distributed among the poor, *Zakat* purifies the wealth as it also purifies the mind of the payer.

Zakat may seem to reduce wealth, but in fact it brings blessings and prosperity to wealth. Almighty Allah is the giver of wealth and he can increase it for whomever he wants:

“(Allah) enlarges and restricts the sustenance to such of his servants as he pleases, and nothing of you spend in the least (in his cause) but he replaces it, for he is the best of providers.” (Al-Quran 34:39).

These are some of the many benefits that *zakat* brings both to the individual and his wealth. Indeed, the very root word from which the term ‘*zakat*’ is derived means “to increase”, “to purify”, and “to bless”, all of which are realized when one pays *zakat*. [Mushfiqur Rahman – 2003]

Poverty and *Zakat*

Poverty has become an economic, social, and

political issue all over the world particularly in the developing and third-world nations including many of the Muslim countries. Parties from various organizations, such as the United Nations and World Bank are working hard to eradicate poverty with all kinds of activities, programs, services, and policy developments. In general, it is believed that governments and markets alone are unlikely to solve the poverty problem. Therefore, it is crucial for other parties consisting of general societies, non-profits and non-government organizations to actively participate in encouraging economic growth and welfare, thus alleviating poverty. Generally, poverty is measured in monetary terms, based on the income levels or consumption per capita or per household. In 2008, the World Bank has redefined the international poverty line at \$1.25 a day instead of \$1 a day, based on the purchasing power parities (World Bank, 2008). Based on this new figure, it was suggested that those who earned less than \$1.25 a day are categorized under absolute poverty. Furthermore, according to a UN declaration, poverty is defined as:

On the other hand, Islam defines poverty based on an individual failure to fulfil any of the five basic human requirements of life that is based on *Maqasid Syariah*1 : i) religion, ii) physical self, iii) knowledge, iv) dignity, and v) wealth (Hassan, 2010). Islam, being a religion of balance, views poverty as social and ideological problems. It is considered as social problem because the effects are felt in the society as a whole. Moreover, it is also an ideological problem as it affects the performance of one’s socio-religious obligation towards the community and Islam, and may even lead to

kufri². Furthermore, a hadith³ reported that Prophet Muhammad (pbuh) has sought Allah's refuge from poverty. "O Allah! I seek refuge with You from laziness and geriatric old age, from all kinds of sins and from being in debt; from the affliction of the Fire and from the punishment of the Fire and from the evil of the affliction of wealth; and I seek refuge with You from the affliction of poverty, and I seek refuge with You from the affliction of Al-Mesiah Ad-Dajjal. O Allah! Wash away my sins with the water of snow and hail, and cleanse my heart from all the sins as a white garment is cleansed from the filth, and let there be a long distance between me and my sins, as You made East and West far from each other." (Hadith – SahihBukhari) Therefore, it was suggested that poverty cannot be alleviated through income redistribution only, but it needs to include a holistic approach. *Zakat* can contribute to the poverty to be alleviated if it is performed according to the Islamic *sharia* law.

The *zakat*, or involuntary almsgiving, is a means by which Islam attempt to address poverty. The concept of *zakat* may be strange to anyone who is not familiar with the Islamic religion. However, it is an important concept to study when attempting to address global poverty issues. The Islamic world, especially countries with majority Muslim populations, has attempted to use *zakat* to address many of their poverty related issues. It is for this reason that a study proposing a state mandated program for collecting *zakat* focuses on thirty-eight OIC member countries and analyzes resource shortfalls and potential *zakat* collection for poverty elimination.[Shirazi, Amin, and Anwar –(2010)] The study

concludes that *Zakat* can make an impact on poverty only if it is complemented by robust macroeconomic policies that increase growth and redistribute income and the *zakat* collected is used for productive purposes. [Shirazi, Amin, and Anwar –(2010)] Although the institutionalizing of *zakat* by the state is not the solution to all poverty related problems found in these countries, it would provide much needed relief for significant numbers of those living in poverty in these countries. *Zakat* at its root is a means to help the community and as the state is responsible for its community of citizens it is very surprising that no more than a few Muslim countries have made *zakat* an obligatory state program. The idea of *zakat* as a more community based method of alleviating poverty works so well because it more closely resembles the way in which *zakat* was collected and distributed in the Qur'an. [Bonner, 1996]

Zakat Management in Islam

The basic management of *zakat* is based on the decree of Allah in Surah At-Tawbah verse 60: "*Zakat expenditures are only for the poor, the needy and for those employed to collect zakat. Other important reasons for zakat are for bringing hearts together [for Islam], for freeing captives [or slaves], for those in debt, for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah, and Allah is Knowing and Wise.*"

In some countries with huge Muslim population, the effort to manage *zakat* has showed a remarkable and promising. It has rather broadened to institutional payers like companies or corporations. As simple the meaning of *zakat* is the issue of property in a

certain amount for in contrast to three other pillars of Islam, the Shahada, prayer and fasting. These three pillars lead to personal needs or in other words it is “Pillars of Privacy”, which depends on personal matter. Meanwhile, *zakat* and pilgrim are more on community management which is referred to as “Pillars of Society”. Therefore, the management of *zakat* (and pilgrims) is more complex. This means the *muzakki* must believe in the body in charge of *zakat* management. Meanwhile, *zakat* collection and distribution managements should exhibit professionalism and trust in maintaining the interest of *zakat* recipients [*mustahiq*] [Mutiara Dwi Sari....2013] . This represents the circle of trust which will be able to bring maximum benefit. It signifies a circle of trust for maximum benefit. This section will discuss the management of *zakat* and *zakat* institutions that exist in Maruthamunai.

Zakat management is the most critical aspect in determining the direction of the *zakat*. Management and distribution system of organized collection, and adequate manpower would ensure optimization of the *zakat*. There are various methods of *zakat* management in countries with a majority of the population is Muslim. Ideally, the management of this *zakat* was done by the government. Government responsible for carrying out the collection and distribution and to make some regulations to ensure the *zakat* is done by good management. This issue has been exemplified by the Prophet during his reign, whereupon the Prophet had appointed staff *zakat* for every area that has been converted to Islam. Their job is to assess, collect, determine the size requirements *mustahiq*, distribute and became cashier of

zakat fund. This situation held until the time of al-Guided Caliphs. [Mutiara Dwi Sari....2013]

If a state is unable or unwilling to administer *zakat* – such as a state that does not implement *Sariah* (Islamic law) and maintains a secular stance, or one where Muslims are a minority – the voluntary sector must undertake the role of gathering and distributing *zakat* for the benefit of the community. This is because managing *zakat* is a religious obligation imposed on the state or those who are responsible for Islamic affairs. If the state does not fulfill this function, Islamic tenets require that it be carried out on behalf of the entire Islamic society by any Muslim in the region. If the collection and distribution of *zakat* is not performed, the Islamic society in the region will face responsibility for this disobedience on Judgment Day. (The importance of the state or the voluntary sector in *zakat* collection and distribution does not negate the individual's payment directly to *zakat* recipients. As long as *zakat* payers fulfill the requirements of *zakat ability*, and channel their funds to appropriate recipients, their payments are considered valid.)

In order to implement *zakat* properly, involvement by the state or voluntary sector is indispensable. *Zakat* differs from the voluntary act of giving alms, such as *sadaqah* and *infaq* in Islam, or tithing in Christian churches. It is a religious obligation that employs a form of taxation with very specific rules. *Zakat* payers who calculate and make their payments in every *Ramadan* month, for example, neglect the requirement that *zakat* must be held, recalculated, and paid after one lunar year; likewise, distributing *zakat* evenly to all who

seem needy is invalid. If *zakat* implementation does not meet the religious requirements, it becomes a mere voluntary act of giving alms. In addition, *zakat* should be well managed and strategically distributed on the grounds of fairness, lest some deserving recipients receive too much while others receive too little.

Zakat Management in Sri Lanka

As Sri Lanka is a country where Muslims are living with 9.7% population as a second minority community, there is no any provision or imposed act in *Zakat* management. However, in several villages, towns where the Muslims are living with majority population, the work of gathering and distributing of *zakat* is taking place by Muslim’s voluntary sectors such as “*Zakat Funds*”, Mosque federations and Dawah movements. There is never held a proper study in this subject in Sri Lanka. The Researcher has

estimated about more than hundred Muslim voluntary sectors of *zakat* management in several parts of Sri Lanka are working in gathering and distributing of *zakat*.

Zakat management in Maruthamunai

Maruthamunai is a village in Amparai district where the Muslims are living as simple

majority.

Ampara District is situated to the South of the Eastern Province of Sri Lanka. Maruthamunai is a village situated 2.3 km away from the North of Kalamunai at 390 mile post in A4 Road. Maruthamunai village is bounded in Periyaneelavanai on the North, Pandiruppu on the South, Bengal Sea on the East and Paddy field on the West. The total extent of Maruthamunai is 04 square km. There were 4968 families with 16435 persons lived in Maruthamunai. This population consist 50.8% males and 49.2% females. [Planning Division of Kalmunai DS Office]

The main occupations of these people are weaving, fishing, Agriculture, Trade and employment in government and private sectors as well as employment in abroad. The weaving had been flourishing earlier and there was setback in this enterprise due to lack of marketing facilities and high cost of manufacturing in comparing with Indian productions.

The above statistics information indicates that 50% of total population of Maruthamunai

Population of Ampara District by ethnics- 2012

Year	Muslim		Hindu		Christian ^[a]		Others		Total No.		
	No.	%	No.	%	No.	%	No.	%			
2012Census	282,746	43.63%	250,213	38.61%	102,454	15.81%	12,609	1.95%	35	0.01%	648,057

[Source: Department of Census and Statistics, Sri Lanka -2015]

**“Role of Zakat in Poverty Alleviation and Economic Development
– Special Field Study of Maruthamunai”**

Occupations of People by GN Divisions of Maruthamunai - 2013

GN Division	Occupation Sectors																																
	Teacher	Government	Semi-Government	Cooperative	Private	Farmers (Paddy)	Farmers (Highland)	Fishing	Business	Goldsmith	Weaving	Mat Weaving	Rubble Quarry	Red Bricks	Pan Makers	Metal Smith	Carpenter	Barbers	Mason	Dhobi	Leather Maker	Food Processors	Small Industry	Other Labours	Pensioners	Priest	Welding	Electronics	Phone Repairing	Plumbing	Vehicle Repairs	Bicycle Repairs	
Maruthamunai – 01	25	80	3					7	35		21						4					1	22	10									
Maruthamunai – 02	60	51		2					28	24						2						15	9		12	2	1				2		
Maruthamunai – 03	175	150	7	3	25			45	130	1	130				1	12	1	10	1	2	10	20		64	10	4	4	6	2	3			
Maruthamunai – 04	65	70	8		25			7	24	2	35				1	2		4			8	15		18			2	1	3	2			
Maruthamunai – 05	15	70			5			6	40		105					3		2			10		30				5	3	4	2			
Maruthamunai – 06	108	162	28	6	44	5		88	81		298	1				46		31			27	40	15	23	3	2	8	5	11	8			
Periyaneelavanai(MD) 1	76	80	6		20			20	103		80				1	4		6			3	10		10			3	1	2	2			
Periyaneelavanai(MD) 2	2	14						36	38		65					2		4			1	2		3	1	2		1					
Total	526	677	52	11	119	05	0	209	479	03	758	01	0	0	03	0	75	01	57	01	03	76	116	55	130	15	08	24	16	25	17	0	

is working under the employers and getting monthly wages as they can manage their family life with some short comings. Rest of the population is living with very critical income situation as they face several problems to manage their family life. The following table clearly confirms the income situation of Maruthamunai peoples.

Based on above information, 1574 families of Maruthamunai are getting only less than 5000 Sri Lankan rupees as monthly income

and 1368 families are with 5000-10000 rupees income. Both categories of these families are eligible to receive *zakat* payments according to the Islamic *Sariah*.

Almighty Allah says in the Quran regarding distribution of *Zakat*.

“*Zakat* is for the poor and the needy and those who are in charge thereof, those whose hearts are to be reconciled; and to free those

Income Level in GN Division of Maruthamunai – 2013

S.No	GN Divisions	Income Level in Rs.				
		Less than 5000	5,000-10,000	10,000-15,000	15,000-25,000	Above 25,000
01	Maruthamunai 01	5	20	60	100	85
02	Maruthamunai 02	139	52	25	126	02
03	Maruthamunai 03	650	450	100	520	50
04	Maruthamunai 04	11	26	103	230	08
05	Maruthamunai 05	130	30	37	95	10
06	Maruthamunai 06	235	590	80	135	14
07	Periyaneelawanai 01	364	50	20	152	04
08	Periyaneelawanai 02	40	150	50	10	10
	Total	1574	1368	475	1368	183

[Source: Planning Division of Kalmunai DS Office]

in bondage, and to help those burdened with dept., and for expending in the way of Allah, and for the wayfarer. This is an obligation from Allah. Allah is all-Knowing, All-wise. (Al-Quran 09:60).

According to this verse, *zakat* can be spent in the following eight categories;

1&2 The 'Poor' and the Needy ('*Fuqara*' and '*masakeen*')

3. Workers in *Zakat* Administration ('*amiluna alayha*')

4. Those whose hearts are being reconciled. ('*muallafatul qulub*')

5. Emancipating slaves ('*fi'r-riqab*')

6. Those in debt for personal reasons ('*al-gharimin*')

7. For the cause of Allah ('*fi sabilillah*')

8. Travelers ('*ibnu- sabil*') [Mushfiqur Rahman (2003)]

The 'Poor' and the 'needy' ('*fuqara*' and '*masakeen*')

According to some scholars, these are two different categories where 'poor' ('*fuqara*') refers to a person who cannot make both ends meet but yet does not ask for help due to modesty and self-respect, while 'needy' ('*masakeen*') refers to those who are totally destitute. According to most scholars, the people who are considered 'poor' and 'needy' and thus qualify to receive *zakat* are those who have no property or income or those whose property or income falls short of satisfying the essential needs. According to Mawdudi, this category

includes those who are needy due to physical disability, old age, or accidental circumstances and also those who may become self-supporting again after receiving help [Mushfiqur Rahman (2003)]

Those who are poor but do not reveal their desperate needs or ask for help due to their modesty, qualify more to receive *zakat* than those who beg. Full time students who are in need of assistance to continue their education, regardless of whether the education is religious or secular, qualify to receive *zakat* according to al- Qaradawi. [Mushfiqur Rahman (2003)]

History of *Zakat* management in Maruthamunai

The pioneer attempt to collect and distribute *zakat* in Ampara district was taken in Sammanthurai in 1973 in the name of "*Zakat* Fund" organization. After 23 years of this attempt, an organization named "*Zakat* Fund of Maruthamunai" was started in Maruthamunai in 1996. 21 members were selected for this organization. According to the report submitted by *zakat* fund committee on April 1996, it was collected 210,150 Sri Lankan rupees from 117 *zakat* payers. However, the committee has not keeping prepared a rules and regulation or criteria to distribute the *zakat* collection. The committee called application from eligible persons to receive *zakat* collection.

The collected *zakat* moneys were distributed as follows. [Report of *zakat* fund committee, Maruthamunai]

Distributed item	Numbers	Amount
01. Sewing machine –	05	Rs. 30,000

**“Role of Zakat in Poverty Alleviation and Economic Development
– Special Field Study of Maruthamunai”**

02. Weaving employment-	03	Rs. 18,000	2013/2014 - Rs. 3,508,785 .00
03. Small business	07	Rs. 28,000	2014/2015 - Rs.4, 783,047.50 .
04. Firewood business	06	Rs. 24,000	[Report of <i>zakat</i> fund committee, Maruthamunai]
05. Rice Business	04	Rs. 8,000	
06. Mat works	02	Rs. 3,000	According to database prepared by <i>zakat</i> fund committee of Maruthamunai, approximately 4.7 million Sri Lankan Rupees have collected as <i>zakat</i> fund in last year. However, this amount was distributed for some temporary needs, like repairing work of houses and toilets, development of small business, medical expenses, and livelihood expenses. Some of collection was given for education sector. Still, <i>zakat</i> fund committee has not considered a permeant solution to poverty alleviation of Community by <i>zakat</i> fund collection.
07. Hoppers making	02	Rs. 2,000	
08. Small industrial	09	Rs. 24,000	
09. Livelihoods	22	Rs. 9,500	
[Report of <i>zakat</i> fund committee, Maruthamunai]			
<i>Zakat</i> collection has been increased periodically and distribution of <i>zakat</i> fund was held every year as they started in beginning. <i>Zakat</i> collections were as follows in following years.			
1996 /1997 -		Rs.249, 499.00	
1997 / 1998 -		Rs.226, 137.00	
1998/1999 -		Rs.248, 250.00	
1999/2000 -		Rs.241, 250.00	
2000/2001 -		Rs.280, 850.00	
2001/2002 -		Rs.496, 250.00	
2002/2003 -		Rs.596, 040.00	
2004/ 2005 -		No information	
2005/2006 -		Rs.892, 700.00	
2006/2007 -		Rs.1, 312,240.00	
2007/2008 -		Rs. 1, 944,655.00	
2008/2009 -		Rs.2, 291,700 .00	
2009/2010 -		No information	
2010/2011 -		Rs.3, 279,850. 00	
2011/2012 -		Rs. 3,165,560 .00	
2012/2013 -		Rs. 3,784,445 .00	

Zakat and *wakaf* are playing a greater role in the socioeconomic uplifting of people. *Zakat* as a tool for the community, it can be stated ‘Women’s Sewing Project is an example of “a broader class of small-scale microenterprises funded by the mandatory *Zakat* Fund including auxiliary charity.” As these funds are guaranteed, since *zakat* is mandatory, it has been possible for the Women’s Sewing Project to provide training to both Muslim and non-Muslim impoverished village women. It seems as though it is in small microenterprises such as the Women’s Sewing Project that the sense of community that is supposed to be derived from *zakat* is being promoted at its best. Instead of being a regular charity in which people donate as they see fit the *zakat* is “organized as a social security fund for ameliorating needy individuals and households according to a social development planning framework.” Unfortunately, Muslim villages of Sri Lanka

have failed to productively use the mandatory and sustainable flow of *zakat* funds in small-scale development and sustainable flow of *zakat* funds in small-scale development. This situation can be seen in Maruthamunai also. According to the database of *zakat* collection in Maruthamunai village, the amount of collected *zakat* fund also is not satisfied based on economic stability of Maruthamunai. This may be occurred by the collection method which was followed by *zakat* fund committee.

Collectable and Uncollected *Zakat*

One of the major factors responsible for the successes recorded in early Islamic history regarding the management of *Zakat* is the effectiveness of the collection. There was commitment on the part of the payer and the collector. Evading *Zakat* was almost impossible because the legal framework in place had a zero tolerance level for circumventing *Zakat* regulations. In such contexts, the effectiveness of Mosques and Islamic organizations in the entire gamut of *Zakat* collection and disbursement processes will be germane.

Collection Models

A number of models for *Zakat* collection are currently being utilized all over the world. The critical issue here is that the Quran acknowledges the role of '*Amilina Alayha*' or *Zakat* Officials (Quran 9:60). The plurality in the expression is instructive here. *Zakat* is best managed by a group of officers charged with the responsibility of managing all *Zakat*-related issues. After the promulgation of *Zakat* in the second year of the *Hijrah*, the Prophet

(SAW) appointed officers who collected *Zakat* on livestock, crops and trade inventories (Ibn Hisham). The companions followed the same approach. Today, the following *Zakat* collection approaches are being practiced:

1. A. Interpersonal Approach

This is a situation whereby individual *ulama*' or Imams collect and distribute *Zakat* within their locality. This approach is limited in many respects. First, the collector is limited to a particular locale where he is well known. He will find it difficult in operating outside his immediate environment. Secondly, he is limited in terms of accruable funds from *Zakat* and number and extent of benefit and beneficiary. Thirdly, only qualified payers who can vouch for his integrity will pay.

1. B. Institutional/Corporate Approach

The *Amilina Alayha* has been interpreted as "Authority Tasked with its Administration". This could be the *Zakat* Committee of a mosque, Islamic NGO or *Zakat* Foundations. These corporate groups are charged with responsibilities within the following range:

- Train and appoint responsible *Amilin* or *Zakat* officers.
- Educate the public on the importance, calculation and methods of paying *Zakat*.
- Provide diverse opportunities for easy payment of *Zakat*.
- Distributing and utilizing *Zakat* proceeds in the most efficient, fair and transparent manner as prescribed in the Quran and Sunnah.

Establishment of Zakat Management

Agencies: These *Zakat* agencies might operate as independent bodies or sub-entities of mosques and Islamic organizations. The philosophy, mode of operation and infrastructure of these outfits should conform to the spirit and intent of the Quranic concept of *Amilina Alayha*. By and large, the *Zakat* agencies will offer diverse services ranging from collection and disbursement of *Zakat* funds to engaging in *Zakat* awareness programmes and maintaining databanks of both payers and recipients of *Zakat*.

1. Basic and Further Training of Zakat

Officials: Knowledge of *Zakat*-related issues are a foundational requirement for building a durable and effective *Zakat* administration. It is equally important that the integrity of such officials is guaranteed. The *zakat* administrators should be deliberately trained and retrained to develop knowledge, skills and attitudes to be able to cope with the demands of our ever-changing environment.

Massive Zakat Education: Ensuring 100% *Zakat* collection rate is, first of all, a function of the level of public awareness about the obligation of *Zakat*, the conditions of qualification for payment, types of *Zakat*, its calculation and methods of its payment and utilization. Public education through the mass media (electronic and print), education platforms of mosques and Muslim organizations as well as *Zakat* agencies should be used.

1. Optional Payment Platforms: The traditional method of paying physical cash

to a mosque official should be significantly complemented by the use of:

1. Cheques made payable to *Zakat* agency
2. payment into *Zakat* dedicated accounts
3. Electronic transfers such as online payments, [Ismail A Musa – (2014)]

Conclusion

Zakat is declared as the third of five “pillars” of Islam, and it is payable on the assets such as gold, livestock, agricultural products, and funds. Consistent with the brotherhood concept in Islam, the requirement to pay *zakat* is also closely related with the idea of equality and justice that lies under the Islamic principles. The main purpose of *zakat* is to support the less fortunate group in the society such as the poor, the needy, the wayfarer, or the heavily indebted with the hope that this group of people will at least have the basic requirement to lead a normal life, thus eliminating poverty. It is generally believed that *zakat* plays an important role in term of economy, moral and social of a society. History proves that with proper management, *zakat* is capable to eliminate poverty. During the reign of Umar bin Al-Khattab and Umar bin Abdul Aziz, it was reported that there was so much prosperity that often it was hard to find an eligible recipient of *zakat*.

Zakat management is practicing in Maruthamunai for last twenty years. However, this *zakat* management system has not succeeded to its goals due to the various reasons. One of the challenges facing the *zakat* management and administrators of mosques

and Muslim organizations is to design a system that will absolve potential payers of *Zakat* of the responsibility of its payment. The potential of the existence of a large quantum of uncollected *Zakat* is very high in societies where the level of understanding of the tenets of Islam is low. Various reforms and new ideas in the management of *Zakat* should be introduced. Still many gaps were available that become the weakness of *zakat* management and requires immediate action. There are still a lot of issues hindering the potential of *zakat* in combating poverty. Among the issues that need to be addressed by the relevant authority is the effectiveness of the *zakat* distribution to the eligible *asnafs* and transparency of the *Zakat* Institutions.

Therefore this paper suggests that *Zakat* Management is needed to collaborate with other agencies such as microfinance institutions, business corporations, and tertiary institutions to further improve their efficiency. The collaboration may revolve in vast areas including business projects, financial supports, management trainings, monitoring, and research conducts.

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**“Role of Zakat in Poverty Alleviation and Economic Development
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