

PRIORITY OF ZAKAT FUND DISTRIBUTION: CASE OF PENANG

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Diterima: 22 August 2019, Diproses: 5 September 2019, Diterbitkan: 18 September 2019

Abstract: *Efficient and effective collection and distribution of Zakat fund are one of the key successful mission of Zakat operator. Many past studies have been focused on the role of Zakat on society especially poverty alleviation. The aims of the present study are to examine the priority of Asnaf (recipients of Zakat) to receive Zakat from the year 2007 to 2015. We employed secondary data of collection and distribution of Zakat fund according to Asnaf from 2007 to 2015 which are collected from Jabatan Wakaf, Zakat dan Haji (JAWHAR) and Majlis Agama Islam Pulau Pinang (MAINPP). To identify the rank of the Asnaf, we employed the Analytical Hierarchy Process (AHP) technique which compared the Asnaf using pair-wise technique analysis. The findings show that, in the year 2007 to 2015, there is a consistent rank of recipients of Zakat which are; (1) Poor; (2) Wayfarer; (3) Zakat Operator and (4) Hardcore Poor. Meanwhile, others Asnaf such as Inclined to Islam, Debtor, Slaves and Stranded in a Path is inconsistent according to to the year 2007 to 2015. However, the trend seems to be inconsistent starting year 2012 to 2015 where Asnaf Inclined to Islam fall under ranked number five (5), Asnaf Debtor ranked number six (6) and, Asnaf Stranded in a Path and Slave shared the same ranked at number seven (7). The unique and originality of this study are to evaluate the direction of MAINPP to address the categories of Asnaf in the context of Penang. The output shows that the demography background of Penang state is focusing on the poverty alleviation which we find the highest recipient of Zakat fund falls under Asnaf Poor.*

Keywords: Zakat Fund, Asnaf and Penang.

INTRODUCTION

Effective management of the institution of zakat has a massive potential to alleviate poverty and enhance the welfare of society. The past civilization has proven that the institution of zakat able to collect and distribute zakat funds to overcome inequality issue especially economic well-being in the society. Thus, the role of zakat has sought a lot of attention from the public, policy makers and academic researchers. Most of the time, the role of zakat is a link to the poverty issue and the effectiveness of the zakat fund to mitigate the poverty rate in a country. The present study focusses in the context of Malaysia¹ which one of the majorities of Muslim countries in the world.

¹ Malaysia is one of the Muslim majority countries which is located in Asia with 30 million population. 60% of the population is Malay Muslim and the rest are comprised of Chinese, Indian, and etc.

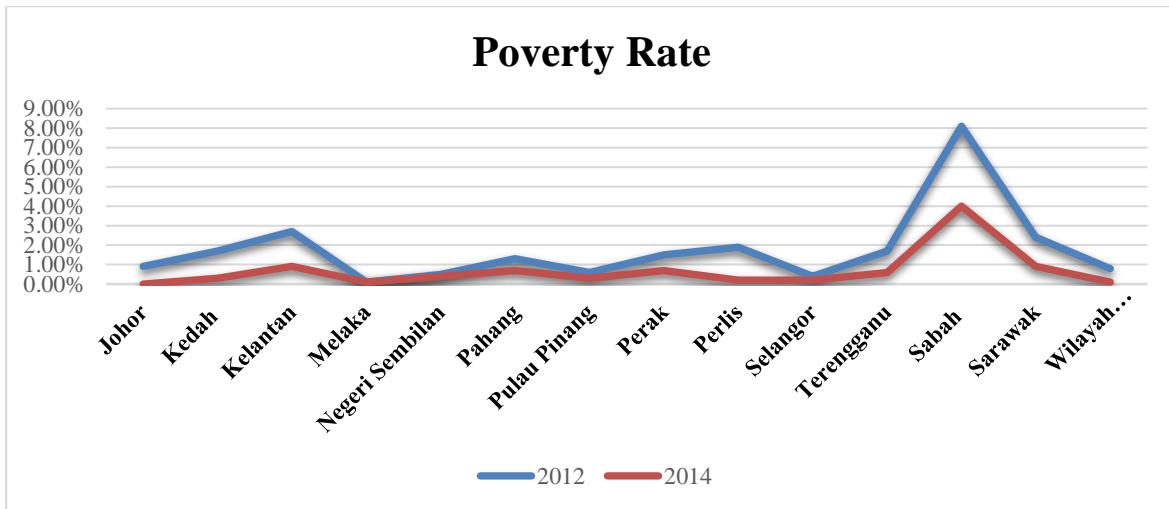


Figure 1: Poverty Rate for Each State in Malaysia for 2012 And 2014²

Figure 1 above shows the rate of poverty for the year 2012 and 2014 for each state in Malaysia. Based on the statistic, Sabah (8.1%) shows the highest rate of poverty in year 2012 and followed by Kelantan (2.7%), Sarawak (2.4%), Perlis (1.9%), Kedah (1.7%), Terengganu (1.7%), Perak (1.5%), Pahang (1.4%), Johor (0.9%), Wilayah Persekutuan (0.8%), Penang (0.6%), Negeri Sembilan (0.5%), Selangor (0.4%) and Melaka (0.1%). Meanwhile, in 2014, the highest poverty rate in Sabah (4%), followed by Kelantan (0.9%) Sarawak (0.9%) with the same rate of poverty. Pahang (0.7%) and Perak (0.7%) also have the same percentage of the poverty rate. Next, Terengganu (0.6%), Negeri Sembilan (0.4%), Penang (0.3%) and Kedah (0.3%) with the same rate of poverty. Then followed by Selangor (0.2%) and Perlis (0.2%) which had the same rate of poverty. Then, followed by Wilayah Persekutuan (0.1%) and Melaka (0.1%) also had the same rate of poverty. The lowest rate of poverty was Johor (0%). Based on Figure 1, we can promise that the poverty rate for each state in Malaysia is in the decreasing trend.

However, the perception of the society is not satisfied with the positive statistic trend and, the government still initiate a various program which aims at mitigating the poor problem in society. For example, initiatives have been taken by government to ease the burdens of the poor and the needy by introducing “1Malaysia People’s Aid” (Bantuan Rakyat 1Malaysia) and School Aid (Bantuan Sekolah) and others, but there are still many problems associated with poverty as reported by electronic media and newspapers (Mohd Rodzi et al., 2013). Similarly, the Muslim community also wonders that the collection and distribution of zakat increase every year but why Malaysia still facing the problem of poverty. Generally, the society believes the priority of zakat’s fund is to be given to the poor and the needy (Malaysian Digest, 2016) and, the question that raises in this study is the concerns on the effectiveness of the zakat institution to address issue of poverty especially the in-term allocation of zakat fund to the expected recipients’. As we all knew that the recipients of zakat are comprised of eight (8), i.e. hardcore poor, poor, zakat operator, wayfarer, debtor, slave, inclined to Islam and slaves. Thus, how does zakat institution allocate the zakat fund is yet to be examined.

² Source: Jabatan Perangkaan Malaysia (DOSM) dan Unit Perancang Ekonomi (EPU), Jabatan Perdana Menteri

Therefore, re-evaluating the allocation of zakat fund distribution is important to be examined and the trend of allocation of zakat recipients should have significant contribution specially to uplift poverty group in Malaysia. An interview has been conducted with one of Penang's Zakat Management Centre (Zakat Pulau Pinang) to get more information on distributions of zakat funds to the zakat's recipients in Malaysia. The officer says that currently, there is no specific method or formula used by zakat institution to allocate zakat's fund to the respective groups of recipients. The allocation of zakat funds depends on the number of applications of each asnaf in the Zakat recipients' group. This means, the higher the number of applications received by the zakat institution, the higher the fund allocated for the respective asnaf. Thus, the perceptions of the society about zakat funds are to be given priority to the extreme-poor and the poor is incorrect because the application of the asnaf can be varied every year. Therefore, there is a need to examine zakat distribution based on the past allocations and whether extreme poor and poor groups of recipients are among the priority group. Based on this premise, the current study aims to investigate the distribution of Zakat according to the rank of Asnaf in Malaysia specifically in the context of Pulau Pinang (Penang) state.

Penang

Penang is known as the second smallest state in Malaysia with 1.76 million populations.³ The capital of Penang, George Town, is also home to a UNESCO world heritage site and this state is also considered as a high-income state which the major economic activities are comprised of manufacturing, tourism and service. People of Penang contributed zakat to Penang's Zakat Management Centre (PUZ). The centre is under the Majlis Agama Islam Pulau Pinang (MAINPP) in order to manage zakat funds in Penang efficiently. The following Figure 2 shows the statistic of zakat collection from the year 2007 to 2015.

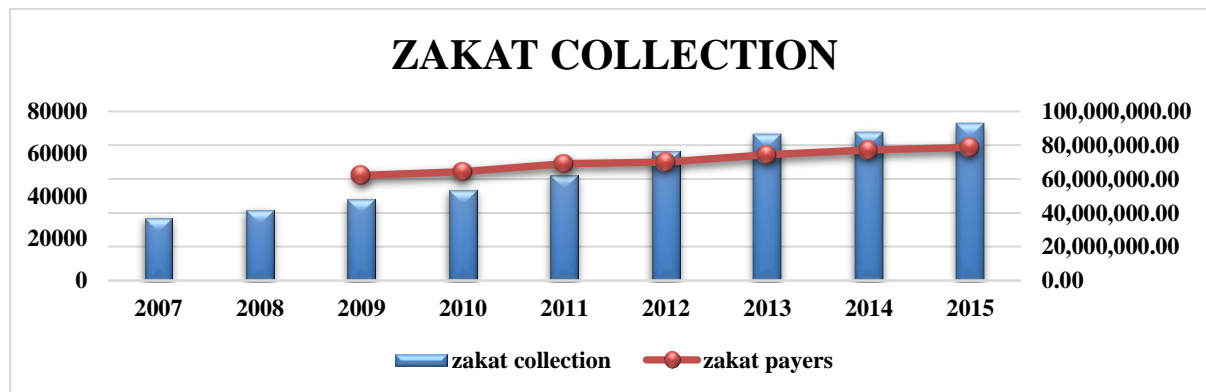


Figure 2: Zakat Collections in Penang

Figure 2 shows zakat's collections from the year 2007 until 2015. The graph indicates that both the collection of zakat and zakat payers in Penang is increasing every year. It shows that the increasing of zakat payers had a significant effect on zakat collections in Penang.

³ Department of Statistic Malaysia

LITERATURE REVIEW

Administration and Management in Zakat

Zakat institutions are trusted institutions that are given the responsibility to manage the collections and distributions of zakat funds. Even so, there a lot of issues regarding the management and trust issues in the zakat institutions. Fuadah et al. (2015) analyze the articles by the scholar discussing the management of zakat institutions. They agree that the issues on the management of zakat institutions are beyond the religious perspectives. As the zakat institutions function are to help the Muslims to perform the pillar of Islam and help alleviate poverty, the institutions itself should manage zakat in the most efficient way. Due to the trust of the community toward the zakat institutions, a lot of action should be taken to gain the trust of the benefactors and beneficiaries of zakat. Thus, zakat institutions should play an important role in monitoring the activities of the involved recipients besides providing them with necessary skills, so that they can optimize the zakat funds channelled to them and avoid unnecessary misspending. Yet, the zakat institutions should get the credit on its development and its success until now. A study by Mohd Rais (2016) on the development of zakat institutions in Malaysia shows that the practice of zakat in Malaysia had begun before the colonial period, where the zakat pays to the religion teachers at that time to be distributed to the zakat recipients. Through ages, the practice of zakat had been evolved where the zakat institutions were introduced in the year of 1990 as a corporate institution to increase the quality of its management. The study shows that the progress made by zakat institutions are very flourishing where the zakat funds are increasing from years to years.

Norazlina and Abdul Rahim (2012) analyzed the productivity and efficiency of zakat institutions in Malaysia. This study employed the Malmquist Productivity Index and using Data Envelopment Analysis (Computer) Program (DEAP) technique to find out total factor productivity growth of zakat institutions in Malaysia. The study found that total factor productivity (TFP) has increased slightly for the whole industry, which is mainly due to the technical change rather than the efficiency change. This study found that Perlis records the highest growth in TFP with 9.8 percent, followed by Perak, Kelantan, Negeri Sembilan and Penang. To increase the efficiency on every zakat institutions in Malaysia, the study suggested that the efficiency of zakat to be operating at non-CRS (constant returns to scale) just like in Perlis which is operating at non-CRS.

Collection and Distribution of Zakat

The objectives of zakat collections should be as clear as crystal where it is an indicator performance of the zakat institutions, especially in Malaysia. Muhsin (2016) investigated the objectives of zakat's collection institutions in Malaysia. To complete the study, the author used secondary data and focused his study on Wilayah Persekutuan, Negeri Sembilan and Melaka. The study shows that the objectives of zakat's collections are to collect zakat funds, preaching on the importance of zakat to the people and help the benefactors of zakat fulfilling their responsibility as a Muslim. The study also found that the objectives are important, so the execution can be conducted successfully. The author suggested, all the institutions should have clear objectives so, the preparation and the execution can be made successfully. Secondly, the author suggested the collection should focus more on the wealthy because it is prior for the rich to pay zakat. The author also suggested, the amount of zakat to be collected should not be

targeted as primary objectives as it is an inconvenience. And lastly, the author suggested that zakat's collection institutions should emphasize transparency and accountability to guarantee the effectiveness of zakat management.

Paizin (2013) study the execution of zakat in Wilayah Persekutuan. The study shows that the execution of zakat both collection and distribution are well operational. The collections of zakat funds also increasing every year as the benefactors of zakat also increase for both individual and organizations. Besides, the distributions of zakat also well-organized which the distributions and the beneficiaries of zakat increase. However, these efforts should be increased into maximum to encounter the poverty problem as mentioned by the media. On the other hand, the distributions of zakat are synonym with the zakat recipients. Therefore, the execution of zakat institutions on the zakat distribution should be given more attention as it also one of the important elements to indicate the effectiveness of zakat management by zakat institutions. There are a lot of studies on zakat distribution and the recipients.

Wan Mohd Khairul Firdaus et al., (2016) study the requirement stated by some zakat institutions towards the student in higher education which looks upon family financial as an indicator to qualify them as the beneficiaries of zakat. The authors criticize the requirement as stated by the zakat institutions which differ from scholar's views. The authors suggested the students should be categorized in a poor group of asnaf without relating the family financial situation as they reach the age of baligh⁴ and have their own authority in Islam. The study finds the student's group also differ from each zakat institutions based on the wide definition of each asnaf group itself.

Nor Aini et al., (2016) investigate the indebtedness problem among households and the role of zakat in helping the al-gharimin asnaf. The data is obtained from surveys of some groups of people. The bankruptcy problem is a serious problem in Malaysia. The study finds the household involved in bankruptcy is increasing from year to year which is very concerning. The study also finds most of the debts apply by the household is to fulfil life needs. The authors criticized some zakat institutions for not giving the priority to the al-gharimin group of asnaf which can be helped through zakat funds. Thus, the author suggested more study should be conducted to identify the al-gharimin group and the distribution towards al-gharimin can be taken seriously to help the needy.

Economic and Development of Zakat Implication

Amirul, et al., (2013) investigated zakat institutions in Selangor named Lembaga Zakat Selangor (LZS), on how the institutions using zakat fund to help entrepreneurs on their business and how to succeed in this programme. They also try to investigate the efficacy of the programme set by LZS to these entrepreneurs. To complete this study, the authors employed a survey to obtain feedback from the recipients of zakat from small businesses under the scheme of entrepreneurial asnaf zakat. This study found that LZS does not only providing the entrepreneurs with capital, but they also give the entrepreneurs training and knowledge in order to get them to succeed in their business. But LZS still lack in giving them enough skills and knowledge to get them to succeed. Thus, this study suggested the LZS should focus on giving them more training on skills and knowledge.

⁴ An age that entitle a Muslim to carry the weight as a command.

Mohd Adib and Shuhairimi (2016) study the role of social entrepreneurs in increasing zakat funds and the impacts on community economic development. The study used secondary data in achieving the objectives. The study found that social entrepreneurs give big impacts toward the funds of zakat, however, there are a lot of actions to be taken so that the impacts can be huge. The authors suggested the zakat institutions take part in the build-up the entrepreneurs from asnaf groups especially. By using zakat funds, they can produce more entrepreneurs and increases more zakat funds and social problems can be reduced indirectly.

AK Md Hasnol Alwee, (2015) identifying on how zakat institutions in Brunei can facilitate financial inclusion into their practices and assist to fulfil the saving motives of zakat recipients, notably upon creating financial products or financial solutions for the poor and destitute. The study used a mixed-methods approach, through structured and semi-structured interviews with Muslim heads of households in the Brunei-Muar district. The structured interview involves 431 respondents (215 welfare recipients and 216 non-welfare recipients). The study found that zakat institution will distribute zakat funds to the poor through bank accounts. But the poor are having trouble participating in financial inclusion due to unable to spend their money for that purposes. Thus, this study suggested zakat institutions in Brunei to open a bank account for the poor and destitute to ease them in receiving zakat distributions. The study also suggested that zakat institutions to provide credit facilities to poor which would ease them to receive bigger financial support from the bank for business purposes or pawning collateral for their needs. It would rather increase the number of entrepreneurs from the poor indirectly. The author suggested zakat institutions to design a financial solution or financial products compatible with the poor and destitute regarding their state which unable to open bank accounts for zakat purpose due to insufficient funds to do so. Lastly, the author suggested the existence of a hierarchical structure, where needs at the bottom must be considered first before higher-order needs can be fully considered.

Nurul Ilyana (2016) broaden her study about microcredit which focusing on zakat funds and the potential to applicate it in Malaysia. The author found that Malaysia is a country capable of practicing the distribution of capital from microcredit to the asnaf. The author also suggested that by practicing microcredit from zakat to the asnaf, it can ease the asnaf in developing their business and change themselves from beneficiaries to the giver of zakat. The author suggested the zakat institutions in Malaysia can use Aceh as an example to practice microcredit from zakat funds as Aceh is the most successful country in applying this method to the asnaf besides ready to receive any kind of obstacles that come.

Eradication of poverty

Farah Aida et al., (2012) in their research focusing on the role of zakat institutions in Malaysia to alleviate poverty. They find zakat institution could not efficiently distribute zakat fund effectively due to various constraints face zakat institution. Thus, the study proposed several ideas for zakat institutions improvement. They suggested that zakat institution to collaborate with government agencies, NGO, microfinance institutions, business corporations, and tertiary institutions to improve their efficiency especially in the distribution of zakat fund.

Isahaque and Zulkarnain's (2014) study on the role of zakat as a poverty reduction mechanism which focuses on poverty in Bangladesh, Malaysia and Indonesia. The study found that Bangladesh did not have systematic management to collect and distribute zakat, which is

different from Malaysia which is among the best in zakat management. For Indonesia, even they had systematic management, because of the trust issues such as corruption among administrators, zakat payers chose to pay zakat straight to the asnaf. The study argued that management of zakat plays an important role in poverty reduction which can be seen in Malaysia, the poverty rate reduces through the years. The study suggested that zakat should be incorporated into poverty reduction programs. Muslim social workers should participate in these programs to give awareness to the society the importance of zakat in alleviating poverty and advocating poor fate.

Naziruddin et al., (2015) examined the role of zakat in alleviating poverty and inequality in Pakistan. Pakistan is chosen as the subject of the research because of the economic growth and incoming of refugee to Pakistan. To complete the study, the authors used secondary data and Basic Needs Deficiency Index (BNDI) as tools to measure poverty. The study found that poverty in Pakistan had improved, and the amount of zakat collected also increased. The authors suggested the BNDI can be used by other countries to measure their poverty rate and it proved successful. The authors also suggested the method of distribution should be upgraded so that the distribution can be more accurate and fairer to the asnaf⁵ the group in both rural and urban.

Bilqis et al., (2017) study the role of zakat in alleviating poverty based on the needy and poor group of beneficiaries in Nigeria. The studies show that there is a lot of improvement must be taken by the institution of zakat that manages Nigeria zakat. The study was completed by using a questionnaire distributed to 150 respondents. N18000 was used to determine the poor and non-poor while MPCHE was used to determine, the poor, the extremely poor. The study shows that the level of poverty in Nigeria is still in a worry's situation. The studies come up with several ideas to the zakat institutions to improve the policy assigned by the administrator of zakat institutions in Nigeria. The studies want zakat institutions to take part in creating programs that benefit the recipients and not only gave them money. Besides, the study wants zakat to be used as a medium for health facilities and educational platform. And lastly, zakat institutions had to be managed systematically to determine those who are poor and destitute which is important so that zakat can be delivered to those who are truly in need.

Based on the past studies discussion, a lot of action by zakat institutions has its own impact either positive or negative to the zakat institutions itself and to the community. The dissatisfaction of the community on the management of zakat institutions had led to a lot of studies in this area. Furthermore, the issue of poverty is often associated with the zakat which receives a lot of attention from the researchers and the public around the world. Fuadah et al., (2015) suggested that the method of distribution should be analyzed from time to time, so it will serve the purpose to help the poor to have a better life. Hence, there is a need to investigate the effectiveness of the decision-making process made by the zakat institution especially related to the distribution of zakat fund to the respective recipients. Therefore, acknowledging this gap in the research of zakat, thus, the present study extends on the effectiveness of zakat institution to address the poverty rate in Malaysia.

⁵ Beneficiaries of Zakat

RESEARCH METHODOLOGY

DATA

To achieve the objectives of the study, the present study requires secondary data related to the distribution of zakat fund according to the recipients of zakat from the year 2007 to 2015 in Penang. The source of secondary data was obtained from the website of Jabatan Wakaf, Zakat dan Haji (JAWHAR) and Zakat Pulau Pinang (ZPP).

ANALYSIS

The data obtained were analysed using Analytical Hierarchy Process (AHP) to find the ranks and the priorities of the decision made by the Zakat Pulau Pinang. AHP is one of the powerful technique which aims to assist a situation which has multiple criteria and this analysis is used to support the decision in answering a multi-criteria decision-making situation (Forman & Peniwati, 1998). The technique also well-known as a simple mean to rank the importance of alternatives based on some defined criteria.

The present study involves multiple criteria which are referred to as eight (8) zakat recipients and the respondents of this study represented by the years of zakat allocation. Since this study reviews zakat allocation from 2007 until 2015, therefor, nine (9) respondents will be considered. Thus, by using the AHP method the data of zakat fund allocated for each zakat recipients' will be analysed and able to determine the trend of priority of recipients of zakat fund from the year 2007 to 2015.

Abd Jalil et al., (2017) in their study employs AHP method which is effective in evaluating multiple criteria decision-making problems. The study stated six (6) steps in AHP by Bushan & Kanwaal(2004) when involving many respondents:

1. The problem is composed of a hierarchy of goal, criteria, sub-criteria and alternatives.
2. Data are collected from experts or decision-makers corresponding to the hierarchic structure, in the pairwise comparison of alternatives.
3. The pairwise comparisons of various criteria generated at step 2 are organized into a square matrix.
4. The principal eigenvalue and the corresponding normalized right eigenvector of the comparison matrix give the relative importance of the various criteria being compared.
5. The consistency of the matrix of order n is evaluated (less than 0.1)
6. The rating of each alternative is multiplied by the weights of the sub-criteria and aggregated to obtain local ratings concerning each criterion.

Since the data is obtained from the zakat allocation is a secondary data, the action on steps two was diverge into a more suitable technique for this study. The data is converted into the percentage to identify its own priority for zakat allocation for every year. Saaty (2008) suggested a scale of numbers that indicates how many times more important or dominant one element is over another element with respect to which they are compared. Thus, this study constructed a scale of number to indicate the importance of the elements.

Table 1. Scale of Importance

1 : 1 = 1	2 : 1 = 2	3 : 1 = 3	4 : 1 = 4	5 : 1 = 5	6 : 1 = 6	7 : 1 = 7	8 : 1 = 9
1 : 2 = 1/2	2 : 2 = 1	3 : 2 = 2	4 : 2 = 3	5 : 2 = 4	6 : 2 = 5	7 : 2 = 6	8 : 2 = 7
1 : 3 = 1/3	2 : 3 = 1/2	3 : 3 = 1	4 : 3 = 2	5 : 3 = 3	6 : 3 = 4	7 : 3 = 5	8 : 3 = 6
1 : 4 = 1/4	2 : 4 = 1/3	3 : 4 = 1/2	4 : 4 = 1	5 : 4 = 2	6 : 4 = 3	7 : 4 = 4	8 : 4 = 5
1 : 5 = 1/5	2 : 5 = 1/4	3 : 5 = 1/3	4 : 5 = 1/2	5 : 5 = 1	6 : 5 = 2	7 : 5 = 3	8 : 5 = 4
1 : 6 = 1/6	2 : 6 = 1/5	3 : 6 = 1/4	4 : 6 = 1/3	5 : 6 = 1/2	6 : 6 = 1	7 : 6 = 2	8 : 6 = 3
1 : 7 = 1/7	2 : 7 = 1/6	3 : 7 = 1/5	4 : 7 = 1/4	5 : 7 = 1/3	6 : 7 = 1/2	7 : 7 = 1	8 : 7 = 2
1 : 8 = 1/9	2 : 8 = 1/7	3 : 8 = 1/6	4 : 8 = 1/5	5 : 8 = 1/4	6 : 8 = 1/3	7 : 8 = 1/2	8 : 8 = 1

The normalized principal Eigenvector in step four (4) can be obtained by averaging across the rows of summation with the division of each element of the matrix with the sum of its column of the reciprocated matrix (Teknomo, 2006). Principal Eigenvalue (λ_{max}), an important element in measuring consistency is derived from the summation of products between each element of the Eigenvector and the sum of columns of the reciprocated matrix (Abd Jalil et al., 2017). Consistency at the 5th step above concerns the extent to which the perceived relationship in the pairwise comparison is reliable. Dealing with rising number of pair-wise comparisons also increasing the possibility of consistency error. Therefore, Saaty (1980) suggested another measure the CR (consistency ratio) (Franek & Kresta, 2014). There are three steps in measuring consistency ratio as stated by (Abd Jalil et al., 2017) :-

1) calculate consistency index (CI)

The formula of CI is;

$$CI = \frac{\lambda_{max} - n}{n - 1}$$

Where λ_{max} is Principal Eigenvalue, and n is the size of the comparison matrix.

2) compare with a random consistency index (RI),

After obtaining the value of consistency index, compared with a random consistency index (RI) could be done by referring to the Random Consistency Index Table 1 below which has been proposed by Saaty & Kearns (1985).

Table 2: Random Consistency Index

Size of Matrix	1	2	3	4	5	6	7	8	9	10
Random Consistency	0	0	0.58	0.9	1.12	1.24	1.32	1.41	1.45	1.49

Source: (Saaty & Kearns, 1985)

3) calculate consistency ratio (CR).

$$CR = \frac{CI}{RI}$$

To complete the study, step three (3), four (4) and five (5) are executed by using an internet software⁶. The data from step two (2) were export to the software then automatically calculates

⁶ <https://bpmmsg.com/ahp/ahp-calc.php>

the principal Eigenvalue, normalized Eigenvector, and the Eigenvector (priority weight) at step four (4) and consistency ratio at step five (5). Since this study discuss the result based on the priority percentage derived from the software, step six (6) is skipped.

FINDINGS AND DISCUSSION

Figure 3 until Figure 10 below shows the results of ranked of recipients of Zakat analyzed using analytical hierarchy process (AHP). The result is analyzed individually according to each year and we find the results did meet the minimum criteria consistency ratio (CR) which should be below than 10%. This mean, the data analyzed, and the output of results presented in this study are valid and significant to be discussed.

Priorities

These are the resulting weights for the criteria based on your pairwise comparisons

Category	Priority	Rank	(+)	(-)
1 HARDCORE POOR	10.6%	4	2.7%	2.7%
2 POOR	33.4%	1	9.8%	9.8%
3 ZAKAT OPERATOR	15.7%	3	3.9%	3.9%
4 INCLINED TO ISLAM	4.8%	6	1.3%	1.3%
5 SLAVE	2.3%	8	0.8%	0.8%
6 DEBTOR	7.1%	5	1.9%	1.9%
7 WAYFARER	23.0%	2	6.0%	6.0%
8 STRANDED IN PATH	3.3%	7	0.9%	0.9%

Number of comparisons = 28
Consistency Ratio CR = 2.8%

FIGURE 3: RANK 2007

Priorities

These are the resulting weights for the criteria based on your pairwise comparisons

Category	Priority	Rank	(+)	(-)
1 HARDCORE POOR	10.2%	4	2.4%	2.4%
2 POOR	33.4%	1	9.3%	9.3%
3 ZAKAT OPERATOR	15.4%	3	3.7%	3.7%
4 INCLINED TO ISLAM	6.7%	5	1.7%	1.7%
5 SLAVE	2.4%	7	0.7%	0.7%
6 DEBTOR	6.7%	5	1.7%	1.7%
7 WAYFARER	22.8%	2	6.0%	6.0%
8 STRANDED IN PATH	2.4%	7	0.7%	0.7%

Number of comparisons = 28
Consistency Ratio CR = 2.6%

FIGURE 4: RANK 2008

Priorities

These are the resulting weights for the criteria based on your pairwise comparisons

Category	Priority	Rank	(+)	(-)
1 HARDCORE POOR	10.2%	4	2.4%	2.4%
2 POOR	33.4%	1	9.3%	9.3%
3 ZAKAT OPERATOR	15.4%	3	3.7%	3.7%
4 INCLINED TO ISLAM	6.7%	5	1.7%	1.7%
5 SLAVE	2.4%	7	0.7%	0.7%
6 DEBTOR	6.7%	5	1.7%	1.7%
7 WAYFARER	22.8%	2	6.0%	6.0%
8 STRANDED IN PATH	2.4%	7	0.7%	0.7%

Number of comparisons = 28
 Consistency Ratio CR = 2.6%

FIGURE 5: RANK 2009

Priorities

These are the resulting weights for the criteria based on your pairwise comparisons

Category	Priority	Rank	(+)	(-)
1 HARDCORE POOR	10.2%	4	2.4%	2.4%
2 POOR	33.4%	1	9.3%	9.3%
3 ZAKAT OPERATOR	15.4%	3	3.7%	3.7%
4 INCLINED TO ISLAM	6.7%	5	1.7%	1.7%
5 SLAVE	2.4%	7	0.7%	0.7%
6 DEBTOR	6.7%	5	1.7%	1.7%
7 WAYFARER	22.8%	2	6.0%	6.0%
8 STRANDED IN PATH	2.4%	7	0.7%	0.7%

Number of comparisons = 28
 Consistency Ratio CR = 2.6%

FIGURE 6: RANK 2010

The results of ranked for the year 2007 to 2010 show that four (4) recipients of Zakat, i.e. poor, wayfarer, zakat operator and hardcore poor are consistently ranked number 1, 2, 3 and 4 for the year 2007 to 2010. This indicated that most of the application of zakat fall under these categories. Similarly, for the year 2011 to 2015, the results show that the same ranked of recipients of zakat. The major part of the zakat funds is distributed to these categories and, we find others; debtor, inclined to Islam, stranded in path and slave is less. This argument is derived based on the percentage of priority.

Priorities

These are the resulting weights for the criteria based on your pairwise comparisons

Category	Priority	Rank	(+)	(-)
1 HARDCORE POOR	10.6%	4	2.7%	2.7%
2 POOR	33.7%	1	9.7%	9.7%
3 ZAKAT OPERATOR	15.7%	3	4.0%	4.0%
4 INCLINED TO ISLAM	4.9%	6	1.5%	1.5%
5 SLAVE	2.4%	7	0.7%	0.7%
6 DEBTOR	7.2%	5	2.0%	2.0%
7 WAYFARER	23.0%	2	6.2%	6.2%
8 STRANDED IN PATH	2.4%	7	0.7%	0.7%

Number of comparisons = 28
Consistency Ratio CR = 2.8%

FIGURE 7: RANK 2011.

Priorities

These are the resulting weights for the criteria based on your pairwise comparisons

Category	Priority	Rank	(+)	(-)
1 HARDCORE POOR	10.6%	4	2.7%	2.7%
2 POOR	33.7%	1	9.7%	9.7%
3 ZAKAT OPERATOR	15.7%	3	4.0%	4.0%
4 INCLINED TO ISLAM	7.2%	5	2.0%	2.0%
5 SLAVE	2.4%	7	0.7%	0.7%
6 DEBTOR	4.9%	6	1.5%	1.5%
7 WAYFARER	23.0%	2	6.2%	6.2%
8 STRANDED IN PATH	2.4%	7	0.7%	0.7%

Number of comparisons = 28
Consistency Ratio CR = 2.8%

FIGURE 9: RANK 2013

Priorities

These are the resulting weights for the criteria based on your pairwise comparisons

Category	Priority	Rank	(+)	(-)
1 HARDCORE POOR	10.6%	4	2.7%	2.7%
2 POOR	33.7%	1	9.7%	9.7%
3 ZAKAT OPERATOR	15.7%	3	4.0%	4.0%
4 INCLINED TO ISLAM	7.2%	5	2.0%	2.0%
5 SLAVE	2.4%	7	0.7%	0.7%
6 DEBTOR	4.9%	6	1.5%	1.5%
7 WAYFARER	23.0%	2	6.2%	6.2%
8 STRANDED IN PATH	2.4%	7	0.7%	0.7%

Number of comparisons = 28
Consistency Ratio CR = 2.8%

FIGURE 8: RANK 2012

Priorities

These are the resulting weights for the criteria based on your pairwise comparisons

Category	Priority	Rank	(+)	(-)
1 Hardcore Poor	10.6%	4	2.7%	2.7%
2 Poor	33.7%	1	9.7%	9.7%
3 Zakat Operator	15.7%	3	4.0%	4.0%
4 Inclined to Islam	7.2%	5	2.0%	2.0%
5 Slave	2.4%	7	0.7%	0.7%
6 Debtor	4.9%	6	1.5%	1.5%
7 Wayfarer	23.0%	2	6.2%	6.2%
8 Stranded In Path	2.4%	7	0.7%	0.7%

Number of comparisons = 28
Consistency Ratio CR = 2.8%

FIGURE 10: RANK 2014

Priorities

These are the resulting weights for the criteria based on your pairwise comparisons

Category	Priority	Rank	(+)	(-)
1 HARDCORE POOR	10.2%	4	2.4%	2.4%
2 POOR	33.4%	1	9.3%	9.3%
3 ZAKAT OPERATOR	15.4%	3	3.7%	3.7%
4 INCLINED TO ISLAM	6.7%	5	1.7%	1.7%
5 SLAVE	2.4%	7	0.7%	0.7%
6 DEBTOR	6.7%	5	1.7%	1.7%
7 WAYFARER	22.8%	2	6.0%	6.0%
8 STRANDED IN PATH	2.4%	7	0.7%	0.7%

Number of comparisons = 28
Consistency Ratio CR = 2.6%

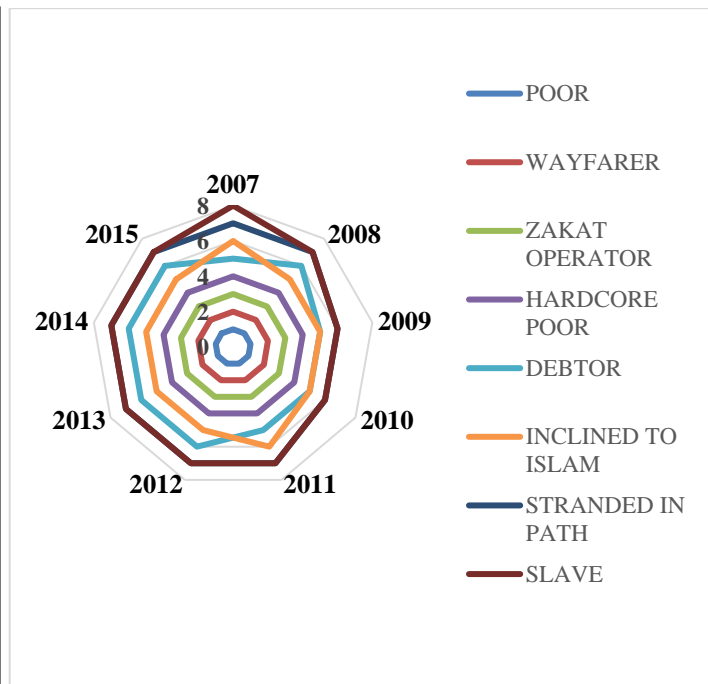


FIGURE 11: RANK 2015

FIGURE 12: RANKING OF ZAKAT ALLOCATION FOR THE YEAR 2007 TO 2015

The following Figure 12 shows the summary of the ranked for the year 2007 to 2015. The spider web graphic depicted that Zakat Pulau Pinang (ZPP) distributed the Zakat fund to poor for this period of time. Besides, the result also explains the consistency of the application which falls into the category of poor, wayfarer, Zakat operator and hardcore poor.

CONCLUSION

The distribution of zakat is challenging and significant to uplift the society problem especially to address the need of the beneficiaries. The eight (8) beneficiaries are fall under the needy condition and, the general perception of the zakat payers expect that Zakat institution is able to solve the poverty problem in the country. Therefore, the findings of the study explained that Zakat Pulau Pinang (ZPP) has distributed the Zakat fund according to the number of applications applied by the recipients. Based on the pairwise technique employed in this study, we endorsed that the ranking of the recipients of zakat fund in Penang is poor, then followed by wayfarer, zakat operator, hardcore poor, debtor, inclined to Islam and slave. Therefore, in the context of Penang, ZPP has contributed to reducing the poverty rate in Penang and this statement is proven and supported by the result depicted in the study. The study on priority of zakat allocation is important and significant to address the policy maker itself on the objective of the zakat distribution. This study also suggested the trend of allocation by Zakat Institutions on every state in Malaysia are being observe and study in order to sustain the transparency of zakat management itself.

ACKNOWLEDGMENTS

Funding: This research is funded by the Ministry of Higher Education (MOHE) under the grant Fundamental Research Grant Scheme (FRGS - 203/ PMGT/6711696).

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