PROPOSING INFORMATION SYSTEM USE TOWARDS RESOLVING TRUST ISSUE IN ZAKAT DISTRIBUTION

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Diterima: 10 April 2020, Diproses: 15 Mei 2020, Diterbitkan: 30 September 2020

Abstract: Zakat is a very important institution in Islam. Zakat plays a critically decisive roles not just to the development of the ummah but also in the survival of the ummah. Thus, making sure that zakat functions as efficient as possible; especially in the two major aspects of zakat management, collection and distribution is also becoming as critical as its role. The effectiveness of collection and distribution is very much dependent on the existence of the element of trust in the implementation of the two aspects. Level of trust in Zakat authority in turn determine the increment in collection amount of zakat. Level of trust is very much a result of an effective zakat distribution mechanism. This study proposes the usage of technology especially ICT (Information Communication Technology) to improve the implementation of zakat distribution in Kedah which in turn increase the level of trust towards zakat management in Kedah. The delivery of our study is an information system tool specifically to simplify the process of asnaf identification and reporting in zakat distribution process based on the model used in the current zakat management structure in Kedah.

Keywords: Amil Zakat, Asnaf, Trust, Zakat Collection, Zakat Distribution

INTRODUCTION

Zakat plays a critically decisive roles not just to the development of the ummah but also in the survival of the ummah. Zakat is usually viewed as an important tool for ummah development economically. On other hand zakat also critically provides the needed protection for the ummah to survive as independent ummah, to stand head high as a free community socially and politically also. The muslim ummah, assigned the most fundamental role of dakwah will never be able to carry on its role without financial freedom. Zakat is one of the answer to the modern form of colonialism, economic colonialism which often time resulted in social and political dependent on the manipulative capitalist of the world. Amin Ahsan Islahi have pointed to the fact in his explanation to the verse 110 of surah alBaqarah (Islahi, 2016, p. 311).

"This is the remedy suggested to the Muslim to overcome all the ordeals facing them, establish regular prayer and give regular charity (Zakah). This will provide them with moral and spiritual strength, train them and help protect them against the whispering
campaign and mould them into a strong and a truly close knit community able to withstand hostile challenges.”

Verse 2:110 according to Islahi, provides an effective answer and strong shield for the Muslim community in facing the ordeals and plan of the Jews community to obviate and provide hindrance to the increasing success of the Prophet endeavor in Madinah. Al-Quran ensures the Muslim community that establishing solah and zakat as the effective answer towards encountering their many encroachments. Building an effective institution of solah and zakat alone is enough for the Muslim to face the Jews and leave the rest to Allah to deal with them until further commands to be revealed (verse 109). This is so because zakat enable the Muslim ummah to stand on its feet to face potential economic backlash from the powerful Jewish community who were controlling the economy in Madinah at the time, and it will always be in the future.

Being an ample shield for the Muslim community to face challenges from outside pressuring forces, zakah is the most effective tool to eradicate poverty from the neck of the Muslim ummah once regulated properly (Embong, Taha, & Mohd Nor, 2013). In fact zakah can also help to solve a serious modern economic problem which is to reduce gap between the rich and the poor in the society (Clarke, Craig, & Hamid, 1996). Thanks to the stable economy in Malaysia, the amount of zakah collections in Malaysia touching 1.2 billion ringgits in 2009 (Embong, Taha, & Mohd Nor, 2013) while showing continuous increasing trend (2.25 billion ringgit in 2013), (Zaman, Kamarudin, & Asman, 2017). With a proper, systematic and transparent zakat management and regulation, it is sure to be a potent solution to eradicate poverty in the Muslim community in Malaysia.

While collection of zakat is showing positively increasing trend, the debit part is also showing ever increasing trend. On the other hand, zakat distribution is the more important side calling for a closer look. After all, the important objective of zakat is to ensure that the needies sectors in the society will be helped with the zakat collection. Weakness in the distribution aspect will decrease the level of trust of zakat payer and hinder them from paying zakat especially to the state as zakat authority. It is pertinent to maintain the level of trust of the taxpayer to maintain the collection. Zakat distribution however has not been very effectively executed albeit some positive development very recently. In 2013 alone, almost 31% of zakat collection in the country was not distributed (Zaman, Kamarudin, & Asman, 2017). Zakat distribution aspects has been clearly the important area calling for improvement.

The positive achievement in zakat collection will be severely tarnished by the hickup in the distribution side. lower rate in zakat distribution compared to the rate of increment in zakat collection can be attributed to several reasons –It is thus very critical to identify reasons and provide solutions. An important reason cited is the complexity in the process of applying for zakat. The process is perceived to be lengthy and hindered with redtapes thus shunning the asnaf away from applying (Abd. Rahman & Anwar, 2013). Other reported problems in the distribution of zakat which is due to either complexity of the process again or loophole in the process involving middle layer resulting in asnaf being manipulated and cheated. Another important situation cited also is the lack of transparency on behalf of the asnaf. It is difficult for the asnaf applying for help to trace the status of their application. These scenario is basically pointing to the need for an effective mechanism to provide for a smooth and transparent
distribution system which offers an easy means to obtain information directly from zakat authority when needed else the image of zakat authority is compromised.

In this paper we argue for the case of how technology can be used to improve the zakah distribution status and further provide solutions to some of the cited distribution problems. The use of technology can also boost up the image of the zakat authority – in this case, the LZNK and shows seriousness on their side to improve the situation and that they care. Our focus is to provide for a more democratize setup for zakat application on behalf of the asnaf. Specifically, there is a need to bring as many potential asnaf as possible into the radar and provide for a more transparent way to track for their application status. The result of this paper had paved the way towards the development of a conducive tool in asnaf management—i.e. tool which minimize red tapes between asnaf and the zakah authority and bring them closer together. The tool should also provides for a simpler asnaf reporting mechanism enabling more people to report potential asnafs with minimum effort. In a sense, the tool will facilitate a more proactive measure -‘asnaf hunting’ rather than passively waiting for them to step in. In this paper also we argued that utilizing technology specifically information technology will pave the way to combating misinformation which hurt the image building thus compromise the trust level between the zakah payers and the zakah management authorities.

This paper starts with introduction part stating our intention with this study. The next part explains our problem statement as to what needs to be solved. We then presented different studies from different literatures pertaining to the status of zakat handling in Malaysia and in Kedah especially related to issues in zakat collection and distribution with a focus on the distribution part. In the findings section, we presented our argument as how technology can help resolve the basic trust issue which stands behind all the root of solutions to both zakat collection and distribution issue before concluding the paper with provision of direction of future steps.

**PROBLEM STATEMENT**

Zakat distribution is one of the main mechanism in developing the ummah (Ismail & Hussein, 2017). Previous studies have found that the public were not satisfied with the zakat distribution in Malaysia, especially in terms of ineffective zakat distribution and the lacking of information related to zakat distribution to the asnaf (Wahid & Ahmad, 2009). Trust to the zakat authority is very crucial in ensuring zakat contribution of the payers. One of the main factors which can enhance trust in zakat authority is when zakat payers believe that the zakat authority will distribute the zakat fund optimally. It is very important for the zakat authority to be seen as proactive in identifying quickly the potential asnaf.

There are many factors that can lead towards distrust to the zakat authority. One of the main factor is the negative perceptive towards the zakat authority. This perceptive can be the result of wrong information fed to them through social media. In this Internet era, the information spreads out widely in a very short amount of time. One of the very deadly negative perception is that the zakat authority is very inefficient in distributing the collected zakat amount. This impression can result in a very low trust level towards the zakat authority on behalf of the zakat payers (Zainal, Saad, & Abu Bakar, 2016).
Another factor which is attributed to the weaknesses in zakat distribution is the distribution structure. The structure which uses centralize system where all distribution chains are centralized at the zakat headquarters is generally ineffective. Instead, localization is the way to go in handling zakat distribution. Without proper and effective structure, the decision making chain might not be effective which will result in unnecessary delays in zakat applications resolution.

In this era of Internet technology and smart phone, the usage of these kinds of tools should be employed correctly and effectively. With a correct way of leveraging these media, several inherited problems can be addressed. Among the problems that can be addressed are misinformation, whether in terms of asnaf identification, reporting, the availability of various zakat assistance and many others. It can also resolve the issue of information not reachable to public and to the asnafs. To certain extent, it can “democratize” the zakat distribution process chains increase public involvement in helping making the process more effective. At the same time, it can boost the image of zakat authority in the eyes of zakat payers.

LITERATURE REVIEW
In the literature review discussion, four aspects will be touched – The importance of zakat to the muslim community, the status regarding zakat collection and distribution, the status of trust issue in zakat management and the different applications of technology in zakat management.

The Importance of Zakat to The Muslim Community
In general, zakat is vital in eradicating poverty or minimizing poverty in the Muslim community besides creating a more just distribution of wealth among the member of the Muslim community. The importance of zakat to the Muslim community can be stated as a three prongs objectives - Haron et. Al (2010) specified three main objectives that zakat can help to achieve – fulfilment of all the basic needs (dharuriyat) of all Muslims, reducing gaps in the income of the needy and the well to do in the society and to purify the soul and the capitals of zakat payer. The importance of zakat however cannot be realized effectively if the application of all the principles as specified in the alQuran cannot be applied correctly to the current setup. Some basic terms used classically in the fiqh of zakat might need a fresher look and updated according to current development. In Malaysia for example, there are wide discussions on the issue of how to distribute the zakat collection to the eight asnaf as specified by al-Quran.

An issue related to zakat distribution to asnaf is priority in distribution, should certain asnaf be given priority over the others? Different state zakat authorities might adopt different looks into the issue according to different school of thought. The Selangor zakat authority for example has selected the fi sabiliillah group to receive the highest amount during the 2008 to 2013 period (Hassan & Mohammad Nasir, 2016). This practice however is not without objection. A study in the distribution pattern of zakat in Selangor questions the strategic value of providing highest allocation for the ibn Sabil asnaf in achieving the objective of eradicating poverty (Rosli, Salamon, Nur Muhamad, Zulkifli , & Sayed Ahmad, 2017). Embong, Taha, & Mohd Nor,(2013) further argued that the first four asnaf as specified by the quranic verse in atTaubah 9:60 (Needy, poor, ‘amil and Muallaf) should be given priority over the next four (ar Riqab, Gharimin FiSabilillah and Ibn Sabil). Md Ramli, Sanep, Wahid, & Harun (2011) argue
that rather than giving main emphasis of zakat distribution to the direct asnaf recipient in the form of periodical transfer to help fulfilling the asnaf livelihood needs; more should be allocate for developing enterpreuners which will also help the states economy.

Other important issue related to asnaf zakat distribution which leave impacts to zakat management performance is definition of the asnaf itself. The classical terms used by alquran to refer to the asnaf might have different meanings in the current context. Different Zakat authorities of different states in Malaysia for example adopt different definition for the arRiqab asnaf (Nordin & Wan Khairudin, 2018). The definition is an important for it can potentially include certain groups while excluding other groups in dire needs. Terengganu Zakat authority for example adopt a rather simple definitions of ar-Riqab as muslims under various forms of slavery whether it is mentally or physically due to being controlled by someone while. In Selangor the scope is very widely expanded including those under the influence of drug; Muslims involving in different ma’siat such as prostitution, alcoholic, gambling, adultery, LGBT and those who are involving in aqidah deviation. Some states for example does not distribute zakat to the ar-Riqab (Nordin & Wan Khairudin, 2018).

**Zakat Collection and Distribution Issue**

It seems that Zakat Distribution Issue dominate discussion more than zakat collection issue with the sheer greater number of papers discussing about distribution. This is so because the issue of distribution is seems as contributing more towards building trust between the zakat payer and zakat management authority. (AbdulLatif (2012) ; Al Haq & Abdul Wahab (2019); Embong, Taha, & Mohd Nor (2013); Ismail & Hussein (2017). The trend cited in several statistics related to zakat management has shown imbalance between collection and distribution. Although the trend have shown steady increment in zakat collection amount, the rate of undistributed zakat has also increase during the same time. Figure 1 shows the widening gap between the collected zakat and distributed zakat between 2000 to 2013 (Embong, Taha, & Mohd Nor, 2013 ; Zaman, Kamarudin, & Asman, 2017).

![Figure 1: Collected and Distributed Zakat Amount Between 2000 to 2013](image-url)

From graph 1, it can be seen that the gap between collection and distribution keeps on increasing throughout the years. This shows that distribution of zakat has not been so efficient.
The highest gap recorded in 2013 amounted to RM 679,580,651.12 which indicate that close to 31% of zakat collection was not distributed all over Malaysia. It should be highlighted that zakat collection in Malaysia has long exceeded the psychological level of RM 1 billion in 2008 (Embong, Taha, & Mohd Nor, 2013). In 2013 the value double to about RM 2.25 billion. What contributed more to the decrement of trust on tax payers side is the unaccountability of the undistributed zakat. According to Embong et. al., (2013), no clear explanation has been provided for the total of about RM 1.704 billion undistributed zakat between 1995 to 2007 by the zakat collection centers involved. Embong et. al., (2013) also cited from the data from the Economic Planning Unit that the During the period of 2007 and 2009, while the rate of poverty is said to be declining in Malaysia, the poverty rate of Muslim is increasing. This trend is very unfavorable and damaging to the management of trust issue in relationship between zakat payers and management. Weakness in trust can shun away zakat payers from paying to the proper authority. At the same time this also affect the image of the zakat management authority. It is pertinent to try to shed enough light to identify the reason behind the situation to be able to provide solution. Trust in the distribution handling reflects trust in the personnel involves which also reflects trust in the zakat Management as a whole (Al Haq & Abdul Wahab, 2019).

Salleh (2006, pp 216-217) for example mentioned different cases in different states in the past which have frightened away the asnaf from applying for zakat – among them the existence of those who sold zakat forms illegally to asnaf applying for zakat in Kedah; failure of the Majlis Agama Islam in Bachok, Kelantan to identify the asnaf properly has created negative perception among asnaf that zakat is not able to help them in facing their problem, thus some prefers to pay zakat directly. Problem also existed in identifying properly asnaf due to their residential location which is deep in the remote area (Lubis et. al., 2011).

The statistics describing the lacking in zakat collection and distribution is perhaps magnified by the lag of transparencies in or weakness in departing information regarding the collection/distribution. Another important reason cited for payers shying away from paying through zakat authority is the failure of the authority in imparting news and information about the distribution activities being carried by them. Payers also are not able to verify status of asnaf application which left them in blind about what the authority does to the amount collected (Rosli et. al. 2017). It is important for zakat authorities to provide a widely accesible means for payers to know about the status of the amount collected and distributed. The means provided should be easily accesible and data provided should also be meaningful and enough.

**Issue and Generating Trust in Zakat Management**

It seems that the issue of trust played a pivotal role in ensuring efficiency in zakat management. Takril et. al. (2018) cited a study by Ali & Hatta (2010) showing that corruption and improper managerial body of zakat collection in Malaysia, Indonesia and Bangladesh are the strong reason zakat payers were unwilling to disburse income as zakat. Behind the trust issue is the needs to handle information efficiently, especially in ensuring that proper feedback can reach both sides – the asnaf and the zakat management authority in a timely fashioned. Information manipulation is best achieved with the help of technology. Several initiatives in this direction can be cited. Abral et. al. (2016) propose an information system to map between zakat collection and distribution. Citing the same issue of gap in zakat distribution and amount
collected in Indonesia as the same case in Malaysia, the system provides database build using
Java Struts technology and MVC architecture based on the J2EE.

Lubis et. al (2011) proposed the use of Geographic Information System (GIS) to locate
asnaf especially in remote area. The main concern behind utilizing the GIS is to support
the implementation of the principle of localization in zakat management. The main rationale
behind this strategy is the argument that localization can bring many benefits and betterment
to the zakah management especially in handling of the distribution problem. In terms of
effectiveness in distribution, it is pointed out that the smaller the locality of the zakat collection
and distribution the more effective it will be. Steps towards localization is taken for instance
by Lembaga Zakat Selangor (LZS) by appointing Institution of higher learning as local zakat
authority (Takril et. al. (2018).

In view of localization strategy, different state authority also have utilizes web
technology towards localizing zakat management. The Pusat Pungutan Zakat (PPZ) of the three
federal territories in Malaysia - Kuala Lumpur, Putrajaya and Labuan utilizes portal systems to
facilitate more communication with zakat payers. The portal includes module which provides
links to different institutions such as MAMPU, ANGKASA, POST Malaysia and Islamic
banks.

An important aspect of trust is to create transparency and openness through sharing of
zakat collection and distribution information. Development of Zakat based on accounting
Information System was introduced in Acheh, Indonesia. The objective is to ensure that
information on management of zakat from the collection, distribution, and utilization of Zakat
funds operated by the ‘amils of zakat in Lhokseumawe – the capital city of Acheh should be
published regularly to the public (Abral, Anwar, & Harianto, 2016).

FINDINGS AND DISCUSSION
The use of technology in can help in improving image of the zakat management authority which
resulted in better trust between zakat payer and zakat management. Zakat management is
traditionally deemed to be manned and thus dominated by the supposedly more trusted and
pious religious background personnel although misappropriation usually surfaced now and
then (Haji Ahmad & Ma'in, 2014). The increase usage of technology in zakat field will include
more technical personnel in the zakat management hierarchy. In short this is a positive
development and a kind of image building measure for zakat management. Lembaga Zakat
Kedah for example currently house a sizable information technology (IT) department under its
hierarchy.

Technology generally is known to increase efficiency in information handling and
shorten processing time. In case of zakat management, the call for increase in technology
utilization to straighten out the lacking in zakat distribution issues comes at a high time. One
of the important area where technology should be utilized is in the ‘democratization of asnaf’
– efforts to reach more asnaf and including as many as in-need asnaf into the radar. The strategy
to achieve this is of two prongs; firstly, is by simplifying asnaf reporting by as many people as
possible. Secondly, to make information related to zakat application more transparent and
readily available to zakat applicants.
Our proposal for the realization of democratization of asnaf strategy is by the introduction of handy apps for reporting asnaf in needs. The apps should be as simple and as usable to as many users as possible. Hence the selected tag name of ‘Jom Cari Asnaf – JCA’ (literary means ‘Lets find the asnaf’) was selected for the apps. Secondly, to achieve better level of transparency of information handling, the apps should provide tracking functionality which will allow for the reporter to track the status of their report at the different hierarchy level along the management chain of the zakat management structure. Instance feedback for asnaf application for zakat help is also included in the apps. In the case of zakat Kedah, the management chain includes ‘amil helpers (Pembantu ‘amil), regional zakat officer and central (headquarters) zakat officer (refer to figure 1). The decision making process following an asnaf report / application will trickle along the chain according to particular class of applications. With JCA, asnaf or the reporting person will be able to track the status of their plight along the hierarchy level.

Referring to figure 2, we can see that the zakat Kedah decision making chains different functionalities at the different levels. The reporter task is to identify potential asnafs. The application will then be transferred to the ‘amil assistant where the eligibility of the application will be decided. The next level will involve the regional officer determining the suitable type of assistance to be given. The whole process as a whole will be monitored by the central officer. At any instance in the different levels, the reporter or the asnaf him/herself for the purpose can always check the status of their application can be carried out in a more transparently manner and any careless or bottleneck can be quickly identified.

CONCLUSION
The use of technology to increase trust in zakat management improvement is a critical need in the current situation. Investment in technology has becoming a critical Success Factor to ensure that objective of zakat can be achieved. The use of technology also is vital in improving trust factor in zakat handling. It can create positive image on the management side which will increase the rate of the important zakat collection amount. The area of zakat distribution, being
the area critically in need of improvement can benefit from the strategy of increasing the outreach rate of the asnaf. In line of this scenario, more research and development work should be carried out in the area of technology application in zakat management in the future with more allocation for the endeavours.

ACKNOWLEDGMENTS
This work was supported by the Institut Penyelidikan dan Inovasi Zakat (IPIZ), Universiti Utara Malaysia (UUM). The authors wish to thank the Lembaga Zakat Negeri Kedah (LZNK) for providing the opportunities to perform this interesting research.

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